

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF WATERFORD
SCHOOL DISTRICT
WATERFORD, NEW JERSEY**



Waterford Township School District
Excellence in Education

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

WATERFORD TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

WATERFORD TOWNSHIP BOARD OF EDUCATION

1106 OLD WHITE HORSE PIKE
WATERFORD, NEW JERSEY 08089
District Website: www.wtsd.org

NEWLIN S. SCHOENER
Superintendent of Schools
(856) 767-0331

DANIEL J. FOX, CPA
School Business Administrator
Board Secretary
(856) 768-1473

October 21, 2014

Honorable President and
Members of the Waterford Township Board of Education
1106 Old White Horse Pike
Waterford, New Jersey 08089

Dear Mr. DiRocco and Board Members:

The comprehensive annual financial report of the Waterford Township School District for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report 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 U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State of New Jersey Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

EQUAL OPPORTUNITY EMPLOYER

The Waterford Township Public Schools have Equal Educational Opportunity Policy (5145.4). It is the belief of school personnel that equal opportunity is essential for success. Policies 2224, 4111.1, 4211.1 and 6121 further highlight this commitment.

1) REPORTING ENTITY AND ITS SERVICES: The Waterford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Waterford Township Board of Education and all its schools, constitute the District's reporting entity. The district provides a full range of educational services appropriate to grade levels K through 12. These include regular, as well as special education for handicapped children. The District completed the 2013-2014 school year with an average enrollment of 905.76 elementary students. The following details the changes in the elementary student enrollment of the district over the last 10 years.

Average Daily Enrollment—Elementary Students

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-2014	905.76	(.56%)
2012-2013	910.9	4.77
2011-2012	869.4	(5.67)%
2010-2011	921.7	----
2009-2010	920.9	(1.80)
2008-2009	937.8	.33
2007-2008	934.7	1.23
2006-2007	923.3	(1.84)
2005-2006	940.6	(1.75)
2004-2005	957.4	2.68

2) ECONOMIC CONDITION AND OUTLOOK: The Waterford Township area is experiencing a period of stability due in part to present economic conditions and a previous moratorium on sewer connections. That moratorium has been lifted as a result of the Township's MUA becoming part of the Camden County Municipal Utility Authority Sewer Network.

3) MAJOR INITIATIVES: The next wave of curriculum focus will be individualizing programs for regularly progressing students who, while not classified into special services, do need an individualized learning model to

accommodate for skill deficiencies. Through Response to Intervention (RTI) the focus on individual program modification students will be identified and programs developed. The specific programs can call for technology assistance or other modifications that require expenditure of funds that are not easily predictable when budgets are formulated initially (January – March) and ultimately finalized (April – May). We therefore must budget wisely and with an anticipatory focus in areas of technology software, text purchases, library resources, etc.

In time this pedagogical shift could become much more predictable but for now we must at least budget skillfully in anticipation of best estimates of probable need. Students not making success in RTI will be scheduled for Title One Basic Skills Supplemental services.

NJASK score analysis is a logical resource to allow the anticipatory thinking to be less subjective and much more objective.

With practice, careful thought in budget planning, and proper test score analysis, we will succeed in 2014-15 and future years as we plan individualized curriculum response and related budgeting.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but no 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) that valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to the 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. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding

purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

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) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2014 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2010</u>
Local Sources	\$13,116,581	42.5	\$388,504
State Sources	17,054,737	55.2	(3,338,925)
Federal Sources	697,863	2.3	(37,416)
	<u>\$30,869,181</u>	<u>100.0</u>	<u>\$1,010,004.10</u>

The overall increase in State sources is attributed to recording a Capital Projects grant as revenue.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2014:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2013</u>
Current Expense:			
Instructional	\$16,327,044	56.1%	\$1,031,796
Undistributed Expenditures	9,729,391	33.4	1,770,631
Capital Outlay	1,952,866	6.7	1,115,109
Special Schools*	57,729	.2	17,283
Special Revenue Fund	689,389	2.4	(95,625)
Capital Projects Fund	273,959	.9	273,959
Debt Service Fund	84,737	.3	1,929
	<u>\$29,115,115</u>	<u>100.0</u>	<u>3,388,178</u>

*Includes transfer to charter schools

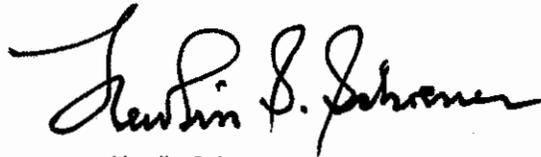
- 8) DEBT ADMINISTRATION: Bonds to refinance the Early Retirement Incentive Program debt from the Lower Camden County Regional High School District, which dissolved, were issued in July 2003 in the amount of \$790,000.00 at 4.48% interest. This represented a significant savings over the interest charged by the State of New Jersey. As of June 30, 2014 the outstanding balance is \$295,000.00. In addition, the School District entered into a lease purchase agreement for wireless network equipment on June 11, 2014 in the amount of \$68,016.20 at 2.395% payable over five years.
- 9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11) OTHER INFORMATION:

A) Independent Audit – State statutes required an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Circular Letter 04-04-OMB. 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: We would like to express our appreciation to the members of the Waterford Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial, accounting and clerical staff.

Respectfully submitted,



Newlin Schoener

Superintendent of Schools



Daniel J. Fox, CPA

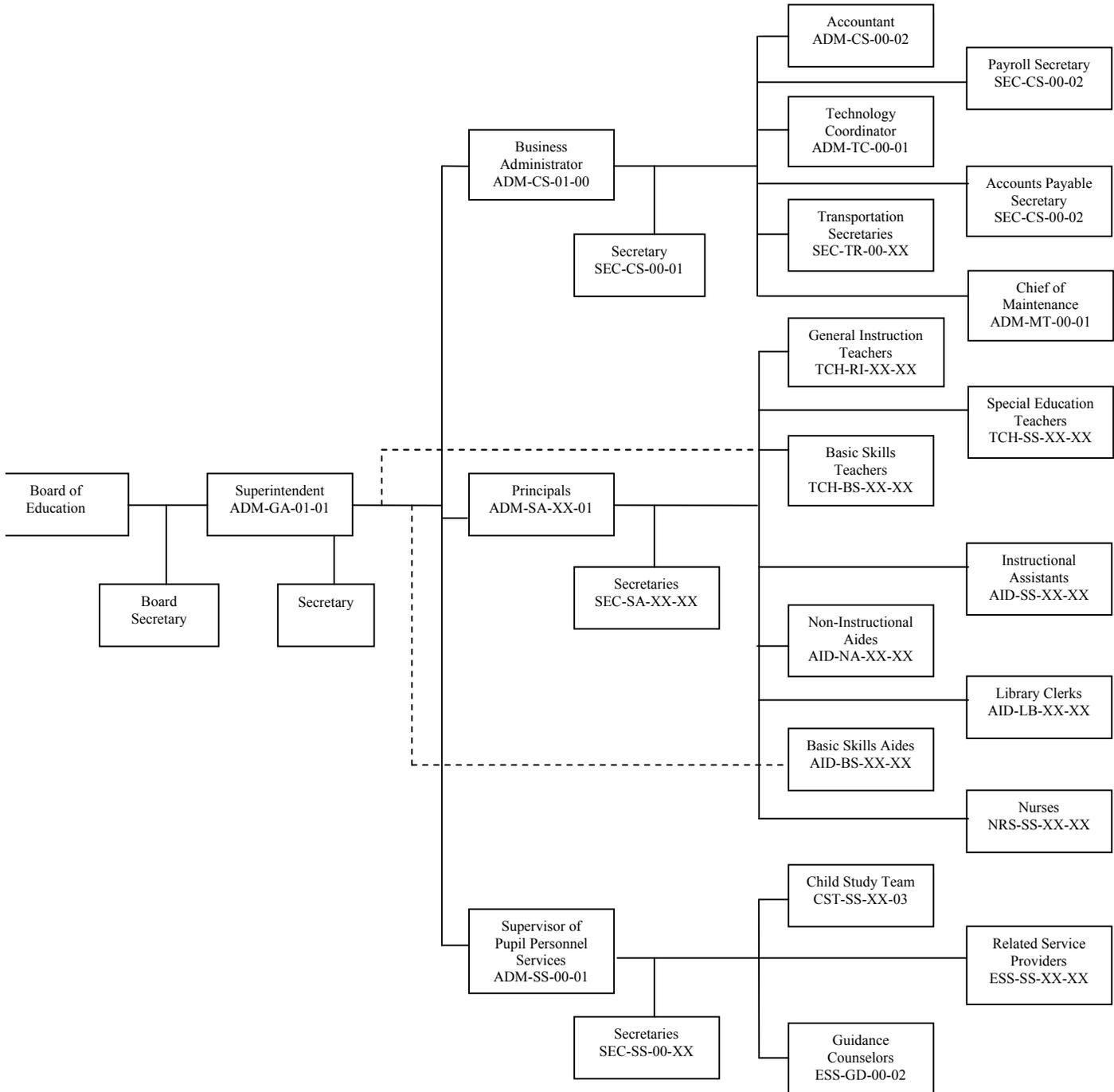
Board Secretary/Business

Administrator

DJF:tt

Transmittal1314.docx

1110 ORGANIZATIONAL CHART



Adopted: 25 June 2014

**ROSTER OF OFFICIALS
JUNE 30, 2014**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Francis DiRocco, President	2016
Terry Chiddenton, Vice President	2014
Alphons Campbell	2014
Julia Day	2016
Carol Friant	2016
Kim Hurley	2015
Roseanna Iles	2015
Bryon Magill	2014
Robert Walsh	2014

OTHER OFFICIALS

Newlin S. Schoener, Superintendent

Daniel J. Fox, CPA, School Business Administrator/Board Secretary

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney

John D. Wade, Esq.
1250 Chews Landing Road
Laurel Springs, NJ 08021

Official Depository

Susquehanna Patriot Bank
145 Atco Avenue
Atco, New Jersey 08004

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
County of Camden
Waterford, New Jersey 08089

Report on the Financial Statements

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 Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 Waterford School District in the County of Camden, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the financial statements, during the fiscal year ended June 30, 2014, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Waterford School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have 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 them.

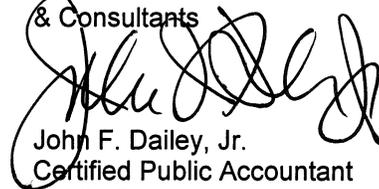
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2014 on our consideration of the Township of Waterford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Waterford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 21, 2014

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
Waterford, New Jersey 08089

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Waterford School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Waterford School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Recommendations and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance that we consider to be a significant deficiency: 2014-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Waterford School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey and which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as finding no.: 2014-1

The Township of Waterford School District's Response to Findings

The Township of Waterford School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

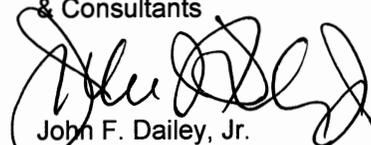
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 21, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

The discussion and analysis of Waterford Township School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. 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.

Overview of the Financial Statements

The financial section of this annual report consists of two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District 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 position and changes in those assets. This change in net position 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 facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business - type 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, pupil transportation and special schools.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township of Waterford School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to an external user for goods or services, are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses enterprise funds to account for its food service program, school age childcare program, and adult piano program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Districts' own programs. The accounting used for the fiduciary funds is much like that used for the proprietary funds.

Notes to the Financial Statements

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

The School District as a Whole

The Statement of Net Position provides a snapshot of the School district as a whole.

The table on the following page provides a summary of the School District's net position for the year ending June 30, 2014.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Table 1

Net Position

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Assets		
Cash and Cash Equivalents	\$ 925,454	\$ 2,334,765
Receivables, net	3,661,068	371,481
Interfund Receivables	5,895	44,010
Prepaid Expenses	1,000	1,000
Inventory	8,484	6,275
Restricted Assets:		
Restricted Cash and Cash Equivalents	1,147,512	22,974
Capital Reserve Account - Cash	910,981	910,070
Capital Assets, net (Note 7)	<u>4,491,840</u>	<u>4,206,489</u>
 Total Assets	 <u>11,152,234</u>	 <u>7,897,064</u>
Liabilities		
Accounts Payable	192,323	243,985
Interfunds Payable		29,236
Accrued Interest Payable	3,304	4,088
Payable to State and Federal Government	308	107,497
Deferred Revenue	5,984	13,375
Noncurrent Liabilities (Note 8):		
Due within One Year	88,969	70,000
Due beyond One Year	<u>740,218</u>	<u>708,495</u>
 Total Liabilities	 <u>1,031,105</u>	 <u>1,176,676</u>
Net Position		
Net Investments in Capital Assets	4,423,824	4,206,489
Restricted for:		
Debt Service	48	67
Capital Projects	5,222,798	
Other Purposes	1,228,835	3,356,521
Unrestricted (Deficit)	<u>(754,376)</u>	<u>(842,687)</u>
 Total Net Position	 <u>\$ 10,121,129</u>	 <u>\$ 6,720,390</u>

The largest portion of the Township of Waterford School Districts' net position (52%) reflects held for capital projects. The Waterford Township School District will use these assets to replace building systems that have passed their useful life.

The net position of the business-type activities decreased by \$1,174.47.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Table 2

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Changes in Net Position		
Revenues		
Program Revenues:		
Charges for Services	\$ 360,765	\$ 406,909
Operating Grants and Contributions	2,073,863	946,303
General Revenues:		
Property Taxes	12,701,851	12,575,018
Federal and State Aid	15,876,988	13,628,962
Tuition	250,131	30,880
Unrestricted Miscellaneous Revenues	147,117	83,077
	<hr/>	<hr/>
Total Revenues	31,410,714	27,671,149
	<hr/>	<hr/>
Program Expenses:		
Governmental Activities:		
Instruction	6,745,028	5,661,619
Support Services	20,667,095	19,861,859
	<hr/>	<hr/>
Total Expenses, Governmental Activities	27,412,123	25,523,478
	<hr/>	<hr/>
Business-Type Activities:		
Food Service	335,195	315,982
School Age Childcare	262,120	233,149
Adult Piano	538	582
	<hr/>	<hr/>
Total Expenses, Business-Type Activities	597,853	549,713
	<hr/>	<hr/>
Total Expenses	28,009,976	26,073,191
	<hr/>	<hr/>
Change in Net Position	\$ 3,400,738	\$ 1,597,958
	<hr/>	<hr/>

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Governmental Activities

State and Federal Aid and the Local Tax Levy comprise 92% of the total revenues for government activities for the fiscal year 2014.

Instruction costs comprises 25% of the District's governmental expenses, while support service and other expenses, including tuition costs, comprise approximately 75% of the Government Expense.

The Statement of Activities shows the costs of the Governmental Activities' 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 for fiscal year 2014. That is, it identifies the cost of these services supported by general revenues

Table 3

	Total Cost of services	Net Cost of services
Instruction	\$ 6,745,028	\$ 6,129,420
Support services:		
Tuition	10,419,326	10,419,326
Student and Instruction Related Service	2,301,706	2,262,945
School Administrative Services	1,082,468	1,082,468
Plant Operation and Maintenance	1,579,485	1,579,485
Pupil Transportation	2,026,554	2,026,554
Unallocated Benefits	1,982,102	1,947,082
Reimbursed TPAF and Social Security	1,203,772	
Special Schools	47,951	47,951
Transfer to Charter School	9,778	9,778
Interest on Long Term Debt	13,953	13,953
	\$ 27,412,123	\$ 25,518,962
Total Government Activities		

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

Tuition expenses include the cost to the School District to send pupils living within the District to private schools and schools and students in grades 7-12 to Hammonton Middle/High Schools.

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

School Administrative and Business and Other Support Services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administrative services.

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

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Governmental Activities (Cont'd)

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health, dental, prescription and other employee benefits.

Reimbursed TPAF and Social Security costs are the amounts for the on-behalf payments made by the State of New Jersey for staff members included in the Teacher's Pension and Annuity Fund.

The dependence upon property taxes, federal and state aid is apparent. The local community, federal government and state, are the primary support for the Waterford Township School District.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$30,869,180.67 (Exhibit B-2), expenditures of \$29,115,115 and other financing sources and uses of \$ 1,413,763. The net change in fund balance was significant in the Capital Projects Fund which had an increase of \$4,311,817. The increase in fund balance in the capital projects fund is primarily a result of recording a grant as revenue.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law. Most of the funds are appropriated in the General Fund.

During the course of the 2014 fiscal year, the School District modified its General Fund budget as allowed by New Jersey School law. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and an appropriation of fund balance to remediate a mold problem.

For the General Fund, the final budget basis revenue estimate was \$25,193,338, with actual revenues in the amount of \$26,929,840, resulting in a positive variance of \$1,736,502. The positive variance occurred mainly because of the TPAF On-behalf and Social Security payments by the State of New Jersey.

The General Fund final budget basis expenditure appropriation estimate was \$27,310,069 compared with the original estimate of the same. Actual General Fund basis expenditures were \$28,067,030.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Capital Assets

At the end of the fiscal year, the School District had \$4,484,271 invested in land, land improvements, buildings and improvements and equipment combined for governmental activities and business-type activities.

Table 4 shows a summary of the district's fiscal 2014 balances:

**Table 4
Capital Assets (Net of Depreciation)**

Land	\$	370,481
Land Improvements		92,944
Buildings and Improvements		3,855,216
Construction in Progress		6,300
Furniture and Equipment		159,330
Totals	\$	4,484,271

Overall capital assets increased \$283,046 from fiscal year 2013 to fiscal year 2014. This increase was primarily as a result of a roofing project expense.

Debt Administration

At the end of the current fiscal year, the Township of Waterford School District had total bonded debt outstanding of \$295,000.00. All of the Districts' bonded debt is governmental as opposed to business-type. The 2014 adopted budget has an appropriation of \$75,000.00 representing the payment of annual principal. The bonds will mature of October 1, 2019.

During the fiscal year ended June 30, 2014, the School District had one new capital lease agreement in the amount of \$68,016 for Technology Equipment. The outstanding balance for all leases at June 30, 2014 is \$68,016.

Economic Factors and Next Year's Budget

For the 2014-15 school year, the School District was able to stay within the State of New Jersey's cap on the increase in taxes levied of 3%. The district continues to look for opportunities for cost containment including shared services. One of the most important factors affecting the budget is enrollment. The district has enacted new procedures to minimize the number of ineligible students.

Contacting the School District's Financial Management

The School District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials and investors and creditors with a general overview of the School District's finances and to show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Waterford Township School Business Administrator/Board Secretary at 1106 Old White Horse Pike, Waterford, New Jersey 08089.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Statement of Net Position

June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 811,674.09	\$ 113,780.27	\$ 925,454.36
Receivables, net	3,647,782.96	13,285.23	3,661,068.19
Interfunds Receivable	82,712.36	(76,817.85)	5,894.51
Inventory		8,484.47	8,484.47
Deposit on Postage	1,000.00		1,000.00
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,147,511.64		1,147,511.64
Capital Reserve Account - Cash	910,980.86		910,980.86
Capital Assets, net (Note 7)	4,484,271.28	7,568.76	4,491,840.04
Total Assets	11,085,933.19	66,300.88	11,152,234.07
LIABILITIES:			
Accounts Payable	190,654.24	1,668.87	192,323.11
Accrued Interest Payable	3,304.00		3,304.00
Payable to Other Governments	307.90		307.90
Deferred Revenue		5,983.64	5,983.64
Noncurrent Liabilities (Note 8):			
Due within One Year	88,968.52		88,968.52
Due beyond One Year	727,361.00	12,856.85	740,217.85
Total Liabilities	1,010,595.66	20,509.36	1,031,105.02
NET POSITION:			
Net Investments in Capital Assets	4,416,255.08	7,568.76	4,423,823.84
Restricted for:			
Debt Service	48.14		48.14
Capital Projects	5,222,798.11		5,222,798.11
Other Purposes	1,228,835.24		1,228,835.24
Unrestricted	(792,599.04)	38,222.76	(754,376.28)
Total Net Position	\$ 10,075,337.53	\$ 45,791.52	\$ 10,121,129.05

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,623,216.76		\$ 615,607.69		\$ (4,007,609.07)		\$ (4,007,609.07)
Special Education	1,480,696.95				(1,480,696.95)		(1,480,696.95)
Other Special Instruction	640,757.60				(640,757.60)		(640,757.60)
School Sponsored Cocurricular Activities	356.25				(356.25)		(356.25)
Support Services:							
Tuition	10,419,326.01				(10,419,326.01)		(10,419,326.01)
Student and Instruction Related Services	2,301,706.03		38,760.80		(2,262,945.23)		(2,262,945.23)
School Administrative Services	1,082,468.08				(1,082,468.08)		(1,082,468.08)
Plant Operations and Maintenance	1,579,484.58				(1,579,484.58)		(1,579,484.58)
Pupil Transportation	2,026,553.56				(2,026,553.56)		(2,026,553.56)
Unallocated Benefits	1,982,102.18		35,020.18		(1,947,082.00)		(1,947,082.00)
Reimbursed TPAF and Social Security	1,203,772.20		1,203,772.20				
Special Schools	47,951.33				(47,951.33)		(47,951.33)
Transfer to Charter School	9,778.00				(9,778.00)		(9,778.00)
Amortization of Debt Issuance Costs	-						
Interest on Long-Term Debt	13,953.17				(13,953.17)		(13,953.17)
Total Governmental Activities	27,412,122.70	-	1,893,160.87	-	(25,518,961.83)	-	(25,518,961.83)
Business-Type Activities:							
Food Service	335,195.33	\$ 177,117.63	180,701.89			\$ 22,624.19	22,624.19
School Age Child Care	262,119.65	183,097.39				(79,022.26)	(79,022.26)
Adult Piano	538.27	550.00				11.73	11.73
Total Business-Type Activities	597,853.25	360,765.02	180,701.89	-	-	(56,386.34)	(56,386.34)
Total Primary Government	\$ 28,009,975.95	\$ 360,765.02	\$ 2,073,862.76	-	(25,518,961.83)	(56,386.34)	(25,575,348.17)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					12,617,133.02		12,617,133.02
Property Taxes, Levied for Debt Service, net					84,718.36		84,718.36
Federal and State Aid not Restricted					12,692,103.77		12,692,103.77
Federal and State Aid Restricted					3,184,884.00		3,184,884.00
Tuition Received					250,130.51		250,130.51
Investment Earnings					12,548.22	66.79	12,615.01
Miscellaneous Income					134,501.92		134,501.92
Transfer to Cover Deficit					(55,145.08)	55,145.08	
Total General Revenues, Special Items, Extraordinary Items and Transfers					28,920,874.72	55,211.87	28,976,086.59
Change in Net Position					3,401,912.89	(1,174.47)	3,400,738.42
Net Position -- July 1					6,681,574.00	46,965.99	6,728,539.99
Prior Period Adjustment (Note 22)					(8,149.36)		(8,149.36)
Net Position, July 1 (Restated)					6,673,424.64	46,965.99	6,720,390.63
Net Position -- June 30					\$ 10,075,337.53	\$ 45,791.52	\$ 10,121,129.05

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 811,674.09	\$ 5,815.25	\$ 1,141,648.25	\$ 48.14	\$ 1,959,185.73
Capital Reserve Account - Cash	910,980.86				910,980.86
Receivables, net:					
Interfunds Receivable:					
Special Revenue Fund	107,497.32				107,497.32
Enterprise Funds	76,817.85				76,817.85
Fiduciary Funds	5,754.51	140.00			5,894.51
Receivables from Other Governments:					
Other	57,046.27				57,046.27
State of New Jersey	193,336.52		3,184,884.00		3,378,220.52
Federal Government		130,458.80			130,458.80
Other -- Tuition	76,476.95				76,476.95
Deposit on Postage	1,000.00				1,000.00
Miscellaneous Other Receivables	4,165.42	1,415.00			5,580.42
Total Assets	\$ 2,244,749.79	\$ 137,829.05	4,326,532.25	\$ 48.14	\$ 6,709,159.23
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 150,932.65	\$ 25,006.59	\$ 14,715.00		\$ 190,654.24
Interfunds Payable:					
General Fund		107,497.32			107,497.32
Payable to Local Clubs		307.90			307.90
Total Liabilities	150,932.65	132,811.81	14,715.00	-	298,459.46

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	\$ 910,980.86				\$ 910,980.86
Excess Surplus -- Designated for Subsequent Year's Expenditures	1,223,818.00				1,223,818.00
Special Revenue Fund		\$ 5,017.24			5,017.24
Debt Service Fund				\$ 48.14	48.14
Committed:					
Other Purposes			\$ 4,350,886.25		4,350,886.25
Assigned:					
Other Purposes	61,310.18				61,310.18
Unassigned:					
Capital Projects Fund			(39,069.00)		(39,069.00)
General Fund	(102,291.90)				(102,291.90)
Total Fund Balances	<u>2,093,817.14</u>	<u>5,017.24</u>	<u>4,311,817.25</u>	<u>48.14</u>	<u>6,410,699.77</u>
Total Liabilities and Fund Balances	<u>\$ 2,244,749.79</u>	<u>\$ 137,829.05</u>	<u>4,326,532.25</u>	<u>\$ 48.14</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,496,580.26, and the accumulated depreciation is \$8,012,308.98.

4,484,271.28

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.

(3,304.00)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(816,329.52)

Net position of governmental activities

\$ 10,075,337.53

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Sources	\$ 12,617,133.02			\$ 84,718.36	\$ 12,701,851.38
Tuition Charges	250,130.51				250,130.51
Miscellaneous	142,032.90	\$ 22,565.60			164,598.50
State Sources	13,869,853.20		\$ 3,184,884.00		17,054,737.20
Federal Sources	26,022.77	671,840.31			697,863.08
Total Revenues	26,905,172.40	694,405.91	3,184,884.00	84,718.36	30,869,180.67
EXPENDITURES:					
Current:					
Regular Instruction	3,785,907.09	615,607.69			4,401,514.78
Special Education Instruction	1,480,696.95				1,480,696.95
Other Special Instruction	640,757.60				640,757.60
School Sponsored Cocurricular Activities	356.25				356.25
Undistributed Expenditures:					
Tuition	10,419,326.01				10,419,326.01
Student and Instruction Related Services	2,227,996.58	38,760.80			2,266,757.38
School Administrative Services	1,067,661.02				1,067,661.02
Plant Operations and Maintenance	1,260,001.65				1,260,001.65
Pupil Transportation	2,026,553.56				2,026,553.56
Unallocated Benefits	1,943,405.88	35,020.18			1,978,426.06
Reimbursed TPAF Pension and Social Security	1,203,772.20				1,203,772.20
Debt Service:					
Interest on Early Retirement Bonds				14,737.13	14,737.13
Redemption of Principal - Early Retirement Bonds				70,000.00	70,000.00
Capital Outlay	1,952,866.30		273,958.75		2,226,825.05
Special Schools	47,951.33				47,951.33
Transfer to Charter Schools	9,778.00				9,778.00
Total Expenditures	28,067,030.42	689,388.67	273,958.75	84,737.13	29,115,114.97
Excess (Deficiency) of Revenues over Expenditures	(1,161,858.02)	5,017.24	2,910,925.25	(18.77)	1,754,065.70

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Out):					
Transfer to School Aged Child Care Fund to cover deficit	\$ (55,145.08)				\$ (55,145.08)
Transfer from Capital Outlay to Capital Projects			\$ 1,400,892.00		1,400,892.00
Assets Aquired Under Capital Lease (Non- Budgeted)	68,016.20				68,016.20
Total Other Financing Sources and Uses	<u>12,871.12</u>	<u>-</u>	<u>1,400,892.00</u>	<u>-</u>	<u>1,413,763.12</u>
Net Change in Fund Balances	(1,148,986.90)	\$ 5,017.24	4,311,817.25	\$ (18.77)	3,167,828.82
Fund Balance -- July 1	<u>3,242,804.04</u>	<u>-</u>		<u>66.91</u>	<u>3,242,870.95</u>
Fund Balance -- June 30	<u>\$ 2,093,817.14</u>	<u>\$ 5,017.24</u>	<u>4,311,817.25</u>	<u>\$ 48.14</u>	<u>\$ 6,410,699.77</u>

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

TOWNSHIP OF WATERFORD 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, 2014

Total Net Change in Fund Balances - Governmental Funds		\$ 3,167,828.82
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (299,671.15)	
Debt Service Assessment Expensed	(3,331.00)	
Capital Outlays Expensed	(239,884.46)	
Capital Outlay Transferred to Capital Projects Fund	(1,400,892.00)	
Capital Outlays	2,226,825.05	
		283,046.44
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		70,000.00
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		783.96
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		(51,730.13)
Change in Net Position of Governmental Activities		\$ 3,401,912.89

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	School Age Child Care	Adult Piano	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 51,952.47	\$ 59,982.25	\$ 1,845.55	\$ 113,780.27
Accounts Receivable:				
State	483.32			483.32
Federal	11,532.25			11,532.25
Other		1,269.66		1,269.66
Inventory	8,484.47			8,484.47
Total Current Assets	<u>72,452.51</u>	<u>61,251.91</u>	<u>1,845.55</u>	<u>135,549.97</u>
Noncurrent Assets:				
Restricted Cash and Cash Equivalents,				
Furniture, Machinery and Equipment	210,051.15			210,051.15
Less Accumulated Depreciation	<u>(202,482.39)</u>			<u>(202,482.39)</u>
Total Noncurrent Assets	<u>7,568.76</u>	<u>-</u>	<u>-</u>	<u>7,568.76</u>
Total Assets	<u>80,021.27</u>	<u>61,251.91</u>	<u>1,845.55</u>	<u>143,118.73</u>
LIABILITIES:				
Current Liabilities:				
Interfund Payable:				
Current Fund	34,050.00	42,735.55	32.30	76,817.85
Deferred Revenue	1,949.94	4,033.70		5,983.64
Accounts Payable		1,625.81	43.06	1,668.87
Total Current Liabilities	<u>35,999.94</u>	<u>48,395.06</u>	<u>75.36</u>	<u>84,470.36</u>
Noncurrent Liabilities:				
Compensated Absences Payable		12,856.85		12,856.85
Total Liabilities	<u>35,999.94</u>	<u>61,251.91</u>	<u>75.36</u>	<u>97,327.21</u>
NET POSITION:				
Net Investments in Capital Assets	7,568.76			7,568.76
Unrestricted (Deficit)	<u>36,452.57</u>	<u>-</u>	<u>1,770.19</u>	<u>38,222.76</u>
Total Net Position	<u>\$ 44,021.33</u>	<u>-</u>	<u>\$ 1,770.19</u>	<u>\$ 45,791.52</u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	School Age Child Care	Adult Piano	
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Breakfast Program	\$ 9,431.45			\$ 9,431.45
School Lunch Program	111,123.55			111,123.55
Daily Sales Non-Reimbursable Programs	52,305.58			52,305.58
Special Functions	4,238.66			4,238.66
Miscellaneous	18.39	\$ 130.00		148.39
Program Fees		182,967.39	\$ 550.00	183,517.39
Total Operating Revenue	<u>177,117.63</u>	<u>183,097.39</u>	<u>550.00</u>	<u>360,765.02</u>
OPERATING EXPENSES:				
Salaries	124,211.87	195,037.23	500.00	319,749.10
Employee Benefits	24,593.98	51,946.39	38.27	76,578.64
Purchased Professional and Technical Services	30,930.14	1,700.00		32,630.14
Other Purchased Services (400 and 500 Series)	9,005.33	387.95		9,393.28
Food	137,378.28			137,378.28
Supplies and Materials	10,364.97	6,599.38		16,964.35
Depreciation	738.01			738.01
Other Objects	22.75	4398.70		4,421.45
Total Operating Expenses	<u>337,245.33</u>	<u>260,069.65</u>	<u>538.27</u>	<u>597,853.25</u>
Operating Income (Loss)	<u>(160,127.70)</u>	<u>(76,972.26)</u>	<u>11.73</u>	<u>(237,088.23)</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	3,749.50			3,749.50
Federal Sources:				
National School Lunch Program	117,249.26			117,249.26
School Breakfast Program	34,240.26			34,240.26
Food Distribution Program	25,462.87			25,462.87
Interest Revenue	15.65	51.14		66.79
Total Nonoperating Revenues (Expenses)	<u>180,717.54</u>	<u>51.14</u>	<u>-</u>	<u>180,768.68</u>
Income (Loss) before Contributions and Transfers	20,589.84	(76,921.12)	11.73	(56,319.55)
Contributions and Transfers:				
Board Contribution	-	55,145.08		55,145.08
Total Contributions and Transfers	<u>-</u>	<u>55,145.08</u>	<u>-</u>	<u>55,145.08</u>
Change in Net Position	20,589.84	(21,776.04)	11.73	(1,174.47)
Net Position - July 1	<u>23,431.49</u>	<u>21,776.04</u>	<u>1,758.46</u>	<u>46,965.99</u>
Net Position - June 30	<u>\$ 44,021.33</u>	<u>-</u>	<u>\$ 1,770.19</u>	<u>\$ 45,791.52</u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	School Age Child Care	Adult Piano	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 177,806.46	\$ 177,547.02	\$ 550.00	\$ 355,903.48
Payments to Employees	(124,211.87)	(194,090.19)	(467.71)	(318,769.77)
Payments for Employee Benefits	(24,593.98)	(51,946.39)	(38.27)	(76,578.64)
Payments to Suppliers	(162,397.68)	14,485.86	(44.59)	(147,956.41)
Net Cash Provided by (used for) Operating Activities	<u>(133,397.07)</u>	<u>(54,003.70)</u>	<u>(0.57)</u>	<u>(187,401.34)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
State Sources	3,749.50			3,749.50
Federal Sources	151,378.33			151,378.33
Operating Subsidies and Transfers to Other Funds	14,391.61	55,145.08		69,536.69
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>169,519.44</u>	<u>55,145.08</u>	<u>-</u>	<u>224,664.52</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Revenue	15.65	51.14	-	66.79
Net Cash Provided by (used for) Investing Activities	<u>15.65</u>	<u>51.14</u>	<u>-</u>	<u>66.79</u>
Net Increase (Decrease) in Cash and Cash Equivalents	36,138.02	1,192.52	(0.57)	37,329.97
Cash and Cash Equivalents, July 1	15,814.45	58,789.73	1,846.12	76,450.30
Cash and Equivalents, June 30	<u>\$ 51,952.47</u>	<u>\$ 59,982.25</u>	<u>\$ 1,845.55</u>	<u>\$ 113,780.27</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (160,127.70)	\$ (76,972.26)	\$ 11.73	\$ (237,088.23)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:				
Depreciation and Net Amortization	738.01			738.01
Food Distribution Program	25,462.87			25,462.87
Change in Assets and Liabilities:				
(Increase) / Decrease in Accounts Receivable		1,884.43		1,884.43
(Increase) / Decrease in Inventory	(2,209.08)			(2,209.08)
Increase / (Decrease) in Deferred Revenue	688.83	(7,434.80)		(6,745.97)
Increase / (Decrease) in Other Liabilities		28,141.87		28,141.87
Compensated Absences Increase / (Decrease)	2,050.00	947.04	(44.59)	2,952.45
Increase / (Decrease) in Accounts Payable		(569.98)	32.29	(537.69)
Total Adjustments	<u>26,730.63</u>	<u>22,968.56</u>	<u>(12.30)</u>	<u>49,686.89</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (133,397.07)</u>	<u>\$ (54,003.70)</u>	<u>\$ (0.57)</u>	<u>\$ (187,401.34)</u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Trust Fund	Agency Funds	
	Unemployment Compensation Insurance	Student Activity	Payroll
ASSETS:			
Cash and Cash Equivalents	\$ 49,449.47	\$ 9,324.57	\$ 179,641.89
Intrafund Receivable	5,269.61		
Accounts Receivable -- Other			609.38
Total Assets	<u>54,719.08</u>	<u>\$ 9,324.57</u>	<u>\$ 180,251.27</u>
LIABILITIES:			
Payroll Deductions and Withholdings			\$ 168,911.50
Intrafund Payable			5,269.61
Interfund Payable:			
General Fund			5,754.51
Special Revenue Fund			140.00
Deposits Payable			175.65
Intergovernmental Accounts Payable - State	306.55		
Payable to Student Groups		\$ 9,324.57	
Total Liabilities	<u>306.55</u>	<u>\$ 9,324.57</u>	<u>\$ 180,251.27</u>
NET POSITION:			
Held in Trust for Unemployment Claims and Other Purposes	<u>54,412.53</u>		
Total Net Position	<u>\$ 54,412.53</u>		

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Fiscal Year Ended June 30, 2014

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Investment earnings:	
Interest	\$ 15.72
Board Contribution	52,000.00
Payroll Deductions	<u>26,293.65</u>
Total Additions	<u>78,309.37</u>
DEDUCTIONS:	
Unemployment Claims	<u>47,446.23</u>
Change in Net Position	30,863.14
Net Position -- July 1	<u>23,549.39</u>
Net Position -- June 30	<u><u>\$ 54,412.53</u></u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Waterford School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 12. Students in grades K through 6 are educated at the School District's three schools. Students in grades 7 through 12 attend, on a tuition basis, Hammonton Middle/High Schools. The School District has an approximate enrollment at June 30, 2014 of 898.

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

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

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

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

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

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

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

Permanent Fund - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students as a whole. The School District does not maintain a permanent fund.

Proprietary Funds

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Proprietary Funds (Cont'd)**

The School District reports the following major proprietary funds:

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

School Aged Child Care Fund - This fund accounts for the financial activity related to providing daycare services for the School District students before and after school.

Adult Piano Fund - This fund accounts for the financial activity related to providing piano instruction.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust fund, and agency funds. The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust fund:

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e. both available and measurable. "Measurable" means the amount of the transaction 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. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The School District considers all revenues, with the exception of the expenditure-driven grants, as available if they are collected within sixty (60) days after fiscal year-end. The expenditure driven grants are considered available if received within one fiscal year from the balance sheet date.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Basis of Accounting (Cont'd)****Modified Accrual (Cont'd)**

Property tax revenue is recognized when taxes are received, except at fiscal year-end when revenue is recognized for taxes received by the School District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due / paid.

In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the School District will receive any amounts; therefore, revenues are recognized based on the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In cases where monies are received and all eligibility requirements, including timing, have been satisfied, but the occurrence of expenditure has yet to happen, amounts are reported as unearned revenue. Conversely, where monies are received but eligibility requirements, including timing, have yet to be satisfied, such amounts are reported as deferred inflows of resources.

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Revenue Recognition

Property Taxes - Ad valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

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

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses (Cont'd)**

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

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20 Years	N/A
Buildings and Improvements	5-50 Years	N/A
Furniture and Equipment	5-20 Years	15 Years
Vehicles	5-10 Years	4-6 Years

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2014 and 2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2014, the amounts earned by these employees were disbursed to the employees' own individual financial institution.

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditure are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position (Cont'd)**

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

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

Interfund Activity

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

Accounting Estimates

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65 materially affected the classification of a few balances on the statement of net position. (See note 23)

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASBS 66, however, does not have a material impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. The adoption of GASBS 70, however, does not have any impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Recently Issued Accounting Pronouncements**

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material when considered in conjunction with the adoption of Statement No. 68.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2014, the School District's bank balances of \$3,492,155.90 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	<u>\$ 33,833.72</u>
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New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2014, the School District's deposits with the New Jersey Cash Management Fund were \$7,319.02.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$84,228.00 in the original 1996-1997 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance July 1, 2013	\$ 910,070.37
Increased by:	
Current Fund Transfer	
Interest Earnings	910.49
	<u>910.49</u>
Ending Balance June 30, 2014	<u>\$ 910,980.86</u>

The June 30, 2014 LRFP balance of local support costs of uncompleted projects at June 30, 2014 is \$9,345,210.00. There were no withdraws from the capital reserve during the Fiscal Year.

Note 4: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2014, the School District transferred \$63,806.00 to the capital outlay accounts. The transfer was made from other budgeted appropriations to supplement a capital project that was approved with the Regular Operating Districts Grants (ROD Grants).

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Intergovernmental	\$ 250,382.79	\$ 130,458.80	\$ 3,184,884.00	\$ 12,015.57		\$ 3,577,741.16
Other	<u>80,642.37</u>	<u>1,415.00</u>		<u>1,269.66</u>	\$ 609.38	<u>83,936.41</u>
	<u>\$ 331,025.16</u>	<u>\$ 131,873.80</u>	<u>\$ 3,184,884.00</u>	<u>\$ 13,285.23</u>	<u>\$ 609.38</u>	<u>\$ 3,661,677.57</u>

Note 6: INVENTORY

Inventory recorded at June 30, 2014 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 6,814.57
Supplies	<u>1,669.90</u>
	<u>\$ 8,484.47</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Transfers	Retirements	Balance June 30, 2014
Government Activities:					
Capital Assets that are not being Depreciated:					
Land	\$ 370,481.00				\$ 370,481.00
Construction In Progress	<u>48,494.00</u>		<u>\$(42,194.00)</u>		<u>6,300.00</u>
Total Capital Assets not being Depreciated	<u>418,975.00</u>	<u>-</u>	<u>(42,194.00)</u>	<u>-</u>	<u>376,781.00</u>
Land Improvements	599,935.32				599,935.32
Building and Improvements	9,802,929.40	\$ 574,101.81	42,194.00		10,419,225.21
Equipment	<u>1,097,814.95</u>	<u>8,615.78</u>		<u>\$ 5,792.00</u>	<u>1,100,638.73</u>
Totals at Historical Cost	<u>11,500,679.67</u>	<u>582,717.59</u>	<u>42,194.00</u>	<u>5,792.00</u>	<u>12,119,799.26</u>
Less: Accumulated Depreciation for:					
Land Improvements	(501,650.05)	(5,340.81)			(506,990.86)
Building and Improvements	(6,305,367.19)	(258,642.05)			(6,564,009.24)
Equipment	<u>(911,412.59)</u>	<u>(35,688.29)</u>		<u>(5,792.00)</u>	<u>(941,308.88)</u>
Total Accumulated Depreciation	<u>(7,718,429.83)</u>	<u>(299,671.15) *</u>	<u>-</u>	<u>(5,792.00)</u>	<u>(8,012,308.98)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>3,782,249.84</u>	<u>283,046.44</u>			<u>4,107,490.28</u>
Government Activities Capital Assets, net	<u>\$ 4,201,224.84</u>	<u>\$ 283,046.44</u>	<u>-</u>	<u>-</u>	<u>\$ 4,484,271.28</u>
Business-Type Activities:					
Equipment	\$ 207,007.00	\$ 3,044.15			\$ 210,051.15
Less: Accumulated Depreciation	<u>(201,744.38)</u>	<u>(738.01) *</u>			<u>(202,482.39)</u>
Business-Type Activities Capital Assets, net	<u>\$ 5,262.62</u>	<u>\$ 2,306.14</u>	<u>-</u>	<u>-</u>	<u>\$ 7,568.76</u>

Note 7: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Instructional	\$ 211,501.98
Support Services Students/Staff	6,331.20
Support Services School Adm.	5,570.50
Support Services Plant	<u>76,267.47</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 299,671.15</u>
Business-Type Activities:	
Food Service	<u>\$ 738.01</u>

Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations for governmental activities:

	<u>Principal Outstanding July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2014</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 365,000.00		\$ (70,000.00)	\$ 295,000.00	\$ 75,000.00
Obligations under Capital Lease		\$ 68,016.20		68,016.20	13,968.52
Compensated Absences	<u>401,583.19</u>	<u>51,730.13</u>		<u>453,313.32</u>	
Governmental Activity Long-term Liabilities	<u>\$ 766,583.19</u>	<u>\$ 119,746.33</u>	<u>\$ (70,000.00)</u>	<u>\$ 816,329.52</u>	<u>\$ 88,968.52</u>

The bonds payable are generally liquidated by the debt service fund, while the obligations under capital lease and compensated absences are liquidated by the general fund.

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations for business-type activities:

	<u>Principal Outstanding July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2014</u>	<u>Due Within One Year</u>
Business Type Activities:					
Compensated Absences	<u>\$ 11,909.81</u>	<u>\$ 947.04</u>	<u>-</u>	<u>\$ 12,856.85</u>	<u>-</u>

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

Note 8: LONG-TERM LIABILITIES (CONT'D)**Bonds Payable (Cont'd)**

On July 29, 2003, the School District issued \$790,000 taxable refunding bonds at interest rates of 4.48% for the retirement of unfunded liabilities of the School District in the Teacher's Pension and Annuity Fund and Public Employees Retirement System under early retirement incentive programs. The final maturity of these bonds is October 1, 2019. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 75,000.00	\$ 11,536.00	\$ 86,536.00
2016	80,000.00	8,064.00	88,064.00
2017	35,000.00	5,488.00	40,488.00
2018	35,000.00	3,920.00	38,920.00
2019	40,000.00	2,240.00	42,240.00
2020	30,000.00	672.00	30,672.00
	<u>\$ 295,000.00</u>	<u>\$ 31,920.00</u>	<u>\$ 326,920.00</u>

Bonds Authorized but not Issued - As of June 30, 2014, the School District had no authorizations to issue additional bonded debt.

Obligations under Capital Lease - The School District is leasing WIFI System equipment totaling \$68,016.20 under a capital lease. The capital lease is for the term of five years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2014.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 13,968.52	\$ 362.00	\$ 14,330.52
2016	13,036.08	1,294.44	14,330.52
2017	13,348.29	982.23	14,330.52
2018	13,667.98	662.54	14,330.52
2019	13,995.33	335.19	14,330.52
	<u>\$ 68,016.20</u>	<u>\$ 3,636.40</u>	<u>\$ 71,652.60</u>

Note 9: OPERATING LEASES

At June 30, 2014, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

Fiscal Year	
<u>Ending June 30,</u>	<u>Amount</u>
2015	\$ 22,354.00
2016	22,354.00
2017	<u>3,725.70</u>
Total	<u>\$ 48,433.70</u>

Rental payments under operating leases for the fiscal year ended June 30, 2014 were \$22,354.20

Note 10: PENSION PLANS

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

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

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

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

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

Note 10: PENSION PLANS (CONT'D)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2014	\$ 35,411.00	\$ 95,927.00	\$ 131,338.00	\$ 2,002.00	\$ 133,340.00
2013	34,658.00	82,868.00	117,526.00	6,995.00	124,521.00
2012	66,851.00	133,701.00	200,552.00	12,778.00	213,330.00

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

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

Note 10: PENSION PLANS (CONT'D)**Defined Contribution Retirement Program (Cont'D)**

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2014	\$ 10,699.80	\$ 10,699.80
2013	10,170.11	10,170.11
2012	7,291.64	7,291.64

Note 11: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving postemployment medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$260,120.00 and \$426,498.00, respectively.

Note 13: RISK MANAGEMENT

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

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

Note 13: RISK MANAGEMENT (CONT'D)

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

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 52,000.00	\$ 26,293.65	\$ 47,446.23	\$ 54,412.53
2013		31,147.00	50,751.00	23,549.39
2012	50,000.00	12,335.16	66,114.17	43,062.12

Note 14: DEFERRED COMPENSATION

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

Washington National
Kemper Investments
Lincoln Investment Planning, Inc.
Travelers

Note 15: COMPENSATED ABSENCES

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

School District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated sick leave. Unused vacation time may not be accumulated.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2014, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$453,313.32 and \$12,856.85, respectively.

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 190,069.68	
Special Revenue	140.00	\$ 107,497.32
Proprietary		76,817.85
Fiduciary		5,894.51
	<u>\$ 190,209.68</u>	<u>\$ 190,209.68</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2015, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: COMMITMENTS

The School District had one construction project ongoing as of the fiscal year ended June 30, 2014 that is to continue into the subsequent fiscal year(s). This project, which is related to the capital projects fund, is as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Waterford Elementary School - Various Unbundled Project	6/20/2014	<u>\$ 6,220,542.25</u>

Note 20: DEFICIT FUND BALANCES

The School District has a deficit unassigned fund balance of \$102,291.90 in the general fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$102,291.90 is less than the June state aid payments.

The School District has a deficit of \$39,069.00 in the capital projects unassigned fund balance as of June 30, 2014. This deficit is the result of the School District receiving approval of the Regular Operating District (ROD) Grants on June 20, 2014 from the State of New Jersey for their project on the Waterford Elementary School estimated to cost \$6,494,501.00. The School District is required to cover the local share of the grant in the amount of \$3,309,617.00. In fiscal year 2014 the School District funded a portion of the local share in the capital projects fund, and have budgeted to fund the remaining portion in fiscal year 2015. This deficit does not indicate that the School District is facing financial difficulties and is a permitted practice under accounting principles generally accepted in the United States of America.

Note 21: DEFICIT IN UNRESTRICTED NET POSITION

The School District has a deficit in unrestricted net position in the governmental activities of \$792,599.04. This deficit is largely due to the deficit unassigned fund balance (Note 20) and to the recognition of compensated absences in the amount of \$453,313.32, early retirement incentive bonds in the amount of \$295,000.00 and accrued interest associated with the bonds in the amount of \$3,304.00.

Note 22: FUND BALANCES**RESTRICTED**

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

Note 22: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund -**

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. As a result of the accounting for the June State Aid payments on the GAAP financial statements, there is no excess fund balance as of June 30, 2014. Additionally, \$1,223,818.00 of excess fund balance generated during 2012-2013 has been restricted and designated for utilization in the 2014-2015 budget.

For Capital Reserve Account - As of June 30, 2014, the balance in the capital reserve account is \$910,980.86. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Special Revenue Fund - The \$5,017.24 Special Revenue Fund balance at June 30, 2014 represents unexpended local grants.

Debt Service Fund - The Debt Service Fund balance at June 30, 2014 of \$48.14 is restricted for the redemption of principal and interest on serial bonds that were issued on July 29, 2003 for the retirement of Unfunded Pension and Annuity Fund and Public Employees' Retirement System Under Early Retirement Incentive Programs.

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. Specific commitments of the School District's fund balance are summarized as follows:

Capital Projects Fund - On June 25, 2014, the Board of Education entered into various contract agreements to commit a portion of unassigned balance for the future architectural, engineering, and construction services. As of June 30, 2014, \$4,350,886.25 has been committed for this purpose.

ASSIGNED

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

General Fund -

Other Purposes - As of June 30, 2014, the School District had \$61,310.18 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 22: FUND BALANCES (CONT'D)**UNASSIGNED**

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

General Fund - As of June 30, 2014, the general fund had a deficit unassigned fund balance of \$102,291.90. Refer to Note 20 for details.

Capital Projects Fund – As of June 30, 2014, the capital projects fund had a deficit unassigned fund balance of \$39,069.00. Refer to Note 20 for details.

Note 23: CUMULATIVE EFFECT OF ADOPTION OF NEWLY ISSUED ACCOUNTING PRINCIPLES

As a result of the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the June 30, 2014 net position of the government-wide financial statements has been restated as follows:

Net Position, June 30, 2013	\$ 6,681,574.00
Expense of Bond Issuance Costs ^a	<u>(8,149.36)</u>
	<u>\$ 6,673,424.64</u>

^a formerly reported as a deferred asset and amortized over the life of the related debt.

Note 24: SUBSEQUENT EVENTS

On August 15, 2014 the School District entered into a five year lease-purchase agreement for HVAC equipment totaling \$2,700,000.00. This amount represents the local share that the School District is required to pay in accordance with two Regular Operating District (ROD) Grants that they received from the State of New Jersey for construction projects on their Atco Elementary School and Thomas Richards School buildings.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 12,617,133.00		\$ 12,617,133.00	\$ 12,617,133.02	\$ 0.02
Tuition	20,500.00		20,500.00	250,130.51	229,630.51
Interest - Capital Reserve Account	500.00		500.00	910.49	410.49
Transportation Fees from Other LEAs				61,912.13	61,912.13
Unrestricted Miscellaneous Revenues	<u>19,500.00</u>		<u>19,500.00</u>	<u>79,210.28</u>	<u>59,710.28</u>
Total - Local Sources	<u>12,657,633.00</u>	<u>-</u>	<u>12,657,633.00</u>	<u>13,009,296.43</u>	<u>351,663.43</u>
State Sources:					
Extraordinary Aid				139,519.00	139,519.00
Categorical Special Education Aid	970,050.00		970,050.00	970,050.00	
Equalization Aid	10,416,210.00		10,416,210.00	10,416,210.00	
Categorical Security Aid	198,097.00		198,097.00	198,097.00	
Categorical Transportation Aid	664,495.00		664,495.00	664,495.00	
School Choice Aid	271,518.00		271,518.00	271,518.00	
Additional Non-Public Transportation Aid				11,677.00	11,677.00
Anti-Bullying Bill of Rights Act				1,097.00	1,097.00
Payment for Institutionalized Children - Unknown District of Residence				18,136.00	18,136.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				426,498.00	426,498.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				260,120.00	260,120.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				<u>517,154.20</u>	<u>517,154.20</u>
Total - State Sources	<u>12,520,370.00</u>	<u>-</u>	<u>12,520,370.00</u>	<u>13,894,571.20</u>	<u>1,374,201.20</u> (Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES (CONT'D):					
Federal Sources:					
Medicaid Reimbursement	\$ 15,335.00		\$ 15,335.00	\$ 26,022.77	\$ 10,687.77
Total - Federal Sources	15,335.00	-	15,335.00	26,022.77	10,687.77
Total Revenues	25,193,338.00	-	25,193,338.00	26,929,890.40	1,736,552.40
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	212,935.42	\$ (39,559.28)	173,376.14	173,376.14	
Kindergarten	357,288.00	57,085.72	414,373.72	414,018.72	355.00
Grades 1 - 5	2,322,232.75	52,396.02	2,374,628.77	2,371,826.07	2,802.70
Grades 6 - 8	557,381.88	22,596.60	579,978.48	578,786.34	1,192.14
Regular Programs - Home Instruction:					
Salaries of Teachers		3,181.25	3,181.25	3,181.25	
Purchased Professional - Educational Services	2,000.00		2,000.00		2,000.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	57,806.27	(33,665.75)	24,140.52	23,550.29	590.23
Purchased Professional - Educational Services		5,000.00	5,000.00	595.00	4,405.00
Purchased Technical Services	5,400.00	(5,000.00)	400.00		400.00
Other Purchased Services	28,604.00	1,295.16	29,899.16	28,369.24	1,529.92
General Supplies	179,255.77	(3,715.50)	175,540.27	155,818.93	19,721.34
Textbooks	118,588.00	(89,892.00)	28,696.00	26,004.59	2,691.41
Other Objects	5,000.00	6,852.50	11,852.50	10,380.52	1,471.98
Total Regular Programs	3,846,492.09	(23,425.28)	3,823,066.81	3,785,907.09	37,159.72

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education:					
Learning and/or Language Disabilities					
Salaries of Teachers		\$ 85,612.00	\$ 85,612.00	\$ 85,532.00	\$ 80.00
Other Salaries for Instruction		16,643.76	16,643.76	16,643.76	
Total - Learning and/ or Language Disabilities	-	102,255.76	102,255.76	102,175.76	80.00
Behavioral Disabilities:					
Salaries of Teachers	\$ 56,872.64	(3,562.00)	53,310.64	53,308.14	2.50
Other Salaries for Instruction	27,556.00	1,292.85	28,848.85	28,848.85	
General Supplies		410.00	410.00	390.50	19.50
Total - Behavioral Disabilities	84,428.64	(1,859.15)	82,569.49	82,547.49	22.00
Multiple Disabilities					
Salaries of Teachers	61,426.58	(4,549.50)	56,877.08	56,852.08	25.00
Other Salaries for Instruction	12,066.87	9,973.68	22,040.55	21,956.31	84.24
General Supplies	2,000.00	(410.00)	1,590.00	1,588.69	1.31
Textbooks	250.00	(50.00)	200.00		200.00
Total - Multiple Disabilities	75,743.45	4,964.18	80,707.63	80,397.08	310.55
Resource Room/Center:					
Salaries of Teachers	1,026,075.83	72,964.50	1,099,040.33	1,097,979.03	1,061.30
Other Salaries for Instruction	110,189.58	(41,488.02)	68,701.56	68,189.76	511.80
General Supplies	13,125.00	(5,000.00)	8,125.00	7,858.26	266.74
Total - Resource Room/Center	1,149,390.41	26,476.48	1,175,866.89	1,174,027.05	1,839.84

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (CONT'D):					
Autism:					
Salaries Of Teachers	\$ 62,860.22	\$ (57,677.16)	\$ 5,183.06	\$ 5,083.06	\$ 100.00
Other Salaries for Instruction	1,328.56	(983.70)	344.86	344.86	
General Supplies	2,475.00	(2,000.00)	475.00	269.80	205.20
Total Autism	<u>66,663.78</u>	<u>(60,660.86)</u>	<u>6,002.92</u>	<u>5,697.72</u>	<u>305.20</u>
Preschool Disabilities - Part-Time:					
Salaries Of Teachers		26,770.39	26,770.39	26,712.89	57.50
Other Salaries for Instruction		3,916.51	3,916.51	3,805.71	110.80
Total Preschool Disabilities - Part-Time	<u>-</u>	<u>30,686.90</u>	<u>30,686.90</u>	<u>30,518.60</u>	<u>168.30</u>
Home Instruction					
Salaries Of Teachers		2,550.00	2,550.00	2,206.25	343.75
Purchased Professional Educational Services	2,500.00	4,170.00	6,670.00	3,127.00	3,543.00
Total Home Instruction	<u>2,500.00</u>	<u>6,720.00</u>	<u>9,220.00</u>	<u>5,333.25</u>	<u>3,886.75</u>
Total - Special Education Instruction	<u>1,378,726.28</u>	<u>108,583.31</u>	<u>1,487,309.59</u>	<u>1,480,696.95</u>	<u>6,612.64</u>
Basic Skills/Remedial:					
Salaries of Teachers	589,512.27	(17,171.69)	572,340.58	571,954.19	386.39
Other Salaries for Instruction	19,150.49	42,671.33	61,821.82	61,250.02	571.80
General Supplies	5,304.00	3,199.00	8,503.00	7,553.39	949.61
Total - Basic Skills/Remedial	<u>613,966.76</u>	<u>28,698.64</u>	<u>642,665.40</u>	<u>640,757.60</u>	<u>1,907.80</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
School Sponsored Cocurricular Activities - Instruction					
Salaries		\$ 356.25	\$ 356.25	\$ 356.25	
Total - School Sponsored Cocurricular Activities - Instruction	-	356.25	356.25	356.25	-
Total - Instruction	\$ 5,839,185.13	114,212.92	5,953,398.05	5,907,717.89	\$ 45,680.16
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State - Regular	7,902,954.00	46,451.50	7,949,405.50	7,943,378.06	6,027.44
Tuition to Other LEAs within the State - Special	1,187,194.00	(51,165.33)	1,136,028.67	1,136,028.67	
Tuition to County Voc. School District - Regular	43,656.00	(5,190.00)	38,466.00	38,466.00	
Tuition to County Voc. School District - Special	8,874.00		8,874.00	8,874.00	
Tuition to CSSD & Regional Day Schools	261,850.00	47,672.37	309,522.37	308,824.24	698.13
Tuition to Private Schools for the Handicapped-State	962,368.00	45,819.95	1,008,187.95	983,755.04	24,432.91
Tuition - State Facilities	5,000.00	(5,000.00)			
Total - Instruction	10,371,896.00	78,588.49	10,450,484.49	10,419,326.01	31,158.48
Attendance and Social Work Services:					
Salaries	364,821.03	(45,425.36)	319,395.67	319,325.67	70.00
Purchased Professional and Technical Services	3,000.00	4,157.00	7,157.00	7,059.05	97.95
Other Purchased Services	1,500.49		1,500.49	826.02	674.47
Supplies and Materials	1,500.00		1,500.00	762.40	737.60
Total - Attendance and Social Work Services	370,821.52	(41,268.36)	329,553.16	327,973.14	1,580.02

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Health Services:					
Salaries	\$ 180,786.75	\$ 9,008.19	\$ 189,794.94	\$ 189,068.96	\$ 725.98
Purchased Professional and Technical Services	91,017.50	(38,544.00)	52,473.50	52,472.76	0.74
Other Purchased Services	2,095.00		2,095.00	895.00	1,200.00
Supplies and Materials	14,061.99	(9,666.50)	4,395.49	3,207.61	1,187.88
Total - Health Services	287,961.24	(39,202.31)	248,758.93	245,644.33	3,114.60
Other Support Services-Speech, OT, PT & Related Services:					
Salaries	307,668.17	(47,501.47)	260,166.70	259,535.46	631.24
Purchased Professional Educational Services	10,200.00	49,912.00	60,112.00	57,168.59	2,943.41
Supplies and Materials	8,050.00	(6,206.88)	1,843.12	1,843.12	
Other Objects	4,300.00	(2,000.00)	2,300.00	1,198.04	1,101.96
Total - Other Support Services-Students-Related Services	330,218.17	(5,796.35)	324,421.82	319,745.21	4,676.61
Other Support Services - Students - Extra Services:					
Salaries	101,889.10	28,309.85	130,198.95	130,187.52	11.43
Supplies and Materials	3,500.00	35,000.00	38,500.00	38,483.24	16.76
Other Objects	200.00		200.00		200.00
Total Other Support Services - Students - Extra Services	105,589.10	63,309.85	168,898.95	168,670.76	228.19

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Guidance:					
Salaries Other Professional Staff	\$ 62,693.02	\$ 44,945.98	\$ 107,639.00	\$ 107,379.00	\$ 260.00
Other Purchased Professional and Technical Services	10,828.00	(3,000.00)	7,828.00	6,406.31	1,421.69
Other Purchased Services	200.00	250.00	450.00	116.42	333.58
Supplies and Materials	6,233.00	(1,650.00)	4,583.00	4,243.15	339.85
Total Other Support Services - Students - Regular	79,954.02	40,545.98	120,500.00	118,144.88	2,355.12
Child Study Team:					
Salaries of Other Professional Staff	197,850.41	46,386.76	244,237.17	242,512.17	1,725.00
Salaries of Secretarial and Clerical Assistants	98,784.36	(10,782.22)	88,002.14	88,002.14	
Other Purchased Services (400-500 series)	13,703.00	(13,703.00)			
Miscellaneous Purchased Services (400-500 o/than Resid costs)		11,788.21	11,788.21	6,624.34	5,163.87
Supplies and Materials	10,990.00	(6,641.00)	4,349.00	4,348.27	0.73
Other Objects	1,000.00	(1,000.00)			
Total Other Support Services - Students - Special Services	322,327.77	26,048.75	348,376.52	341,486.92	6,889.60
Improvement Instructional Services					
Salaries of Supervisors of Instruction	124,682.00	2,492.96	127,174.96	116,724.96	10,450.00
Salaries of Other Professional Staff	35,232.54	17,178.01	52,410.55	52,410.55	
Salaries of Secretarial and Clerical Assistants	32,952.23	6,459.86	39,412.09	37,458.14	1,953.95
Purchased Professional Educational Services	500.00		500.00	140.00	360.00
Other Purchased Services	3,800.00	2,100.00	5,900.00	5,191.40	708.60
Supplies and Materials	7,500.00	(3,800.00)	3,700.00	3,696.94	3.06
Other Objects	469.00		469.00	170.00	299.00
Total Improvement Instructional Services	205,135.77	24,430.83	229,566.60	215,791.99	13,774.61

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Educational Media Services/School Library:					
Salaries	\$ 174,792.35	\$ (11,288.60)	\$ 163,503.75	\$ 162,340.72	\$ 1,163.03
Salaries of Technology Coordinators	44,884.81	2,699.82	47,584.63	47,584.63	
Purchased Professional and Technical Services	93,165.00	(15,877.00)	77,288.00	76,529.93	758.07
Other Purchased Services	1,100.00		1,100.00	766.46	333.54
Supplies and Materials	124,684.57	(19,875.00)	104,809.57	102,674.32	2,135.25
Other Objects	500.00		500.00		500.00
Total Educational Media Services/School Library	439,126.73	(44,340.78)	394,785.95	389,896.06	4,889.89
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	10,462.00	762.92	11,224.92	9,499.92	1,725.00
Salaries of Other Professional Staff	5,801.00	(5,000.00)	801.00	684.31	116.69
Salaries of Secretarial and Clerical Assistants	20,978.35	450.76	21,429.11	21,190.68	238.43
Purchased Professional - Educational Services	55,895.00	4,836.00	60,731.00	60,326.00	405.00
Other Purchased Services	13,024.00	(2,150.00)	10,874.00	7,686.50	3,187.50
Supplies and Materials	13,500.00	(12,808.12)	691.88	691.88	
Other Objects	1,269.00		1,269.00	564.00	705.00
Total Instructional Staff Training Services	120,929.35	(13,908.44)	107,020.91	100,643.29	6,377.62
Support Services General Administration:					
Salaries	193,689.27	(18,529.22)	175,160.05	175,160.05	
Legal Services	46,500.00	(8,550.00)	37,950.00	23,976.00	13,974.00
Audit Fees	29,000.00	(3,239.08)	25,760.92	22,500.00	3,260.92
Architectural / Engineering Services	27,862.80	(16,305.00)	11,557.80	10,910.55	647.25
Other Purchased Professional Services	35,000.00	5,500.00	40,500.00	28,804.12	11,695.88

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration (Cont'd):					
Purchased Technical Services	\$ 16,095.00	\$ 500.00	\$ 16,595.00	\$ 14,579.00	\$ 2,016.00
Communications/Telephone	42,500.00	1,200.00	43,700.00	33,540.35	10,159.65
BOE Other Purchased Services	1,600.00	(250.00)	1,350.00	450.00	900.00
Other Purchased Services	30,211.00	(3,522.49)	26,688.51	20,218.69	6,469.82
General Supplies	3,300.00	450.00	3,750.00	3,746.93	3.07
BOE In-house Training and Meeting Supplies	1,500.00	1,235.00	2,735.00	2,732.47	2.53
Miscellaneous Expenditures	1,925.00		1,925.00	1,750.00	175.00
BOE Membership Dues and Fees	13,250.00	(450.00)	12,800.00	12,216.60	583.40
Total Support Services General Administration	<u>442,433.07</u>	<u>(41,960.79)</u>	<u>400,472.28</u>	<u>350,584.76</u>	<u>49,887.52</u>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	217,161.15	3,419.61	220,580.76	195,905.76	24,675.00
Salaries of Other Professional Staff	12,000.00	(12,000.00)			
Salaries of Secretarial and Clerical Assistants	108,633.04	4,507.53	113,140.57	111,986.67	1,153.90
Other Purchased Services	10,325.00	800.00	11,125.00	5,714.41	5,410.59
Supplies and Materials	9,015.00	1,200.00	10,215.00	9,478.66	736.34
Other Objects	5,325.00		5,325.00	4,439.00	886.00
Total Support Services School Administration	<u>362,459.19</u>	<u>(2,072.86)</u>	<u>360,386.33</u>	<u>327,524.50</u>	<u>32,861.83</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Central Services:					
Salaries	\$ 325,798.39	\$ 11,808.23	\$ 337,606.62	\$ 336,414.48	\$ 1,192.14
Purchased Technical Services	42,482.00		42,482.00	34,638.05	7,843.95
Other Purchased Services	9,001.00	212.56	9,213.56	8,515.63	697.93
Supplies and Materials	12,500.00		12,500.00	8,062.00	4,438.00
Miscellaneous Expenditures	2,225.00		2,225.00	1,921.60	303.40
Total Central Services	392,006.39	12,020.79	404,027.18	389,551.76	14,475.42
Required Maintenance for School Facilities:					
Salaries			23,408.53	23,408.53	
Cleaning, Repair & Maintenance Services	201,678.45	65,826.32	267,504.77	174,609.27	92,895.50
Total - Required Maintenance for School Facilities	201,678.45	65,826.32	290,913.30	198,017.80	92,895.50
Custodial Services:					
Salaries	128,287.53	(46,035.67)	82,251.86	82,107.74	144.12
Salaries of Non-Instructional Aids	67,414.00	(2,575.05)	64,838.95	64,460.37	378.58
Purchased Professional & Technical Services	8,750.00		8,750.00	5,612.20	3,137.80
Cleaning, Repair & Maintenance Services	360,888.09	9,660.74	370,548.83	337,894.94	32,653.89
Rental of Land and Buildings Other Than Lease		3,443.00	3,443.00	3,443.00	
Other Purchased Property Services	49,495.00	(30,581.00)	18,914.00	17,934.20	979.80
Insurance	48,570.00	5,024.00	53,594.00	53,594.00	
Miscellaneous Purchased Services	600.00	20,000.00	20,600.00	10,230.19	10,369.81
General Supplies	79,100.00	(17,550.74)	61,549.26	60,375.41	1,173.85

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TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Custodial Services (Cont'd):					
Energy (Natural Gas)	\$ 75,850.00	\$ 10,950.00	\$ 86,800.00	\$ 70,528.72	\$ 16,271.28
Energy (Electricity)	290,200.00	18,150.00	308,350.00	286,044.97	22,305.03
Energy (Oil)	4,250.00	(1,149.00)	3,101.00	1,967.33	1,133.67
Other Objects	<u>2,150.00</u>	<u>1,000.00</u>	<u>3,150.00</u>	<u>3,073.00</u>	<u>77.00</u>
Total Other Operations and Maintenance of Plant	<u>1,115,554.62</u>	<u>\$ (29,663.72)</u>	<u>1,085,890.90</u>	<u>997,266.07</u>	<u>88,624.83</u>
Care and Upkeep of Grounds:					
Salaries	5,000.00	(4,985.00)	15.00		15.00
Cleaning, Repair, and Maintenance Services	70,000.00	(8,321.00)	61,679.00	61,678.00	1.00
General Supplies	<u>2,650.00</u>	<u>(2,600.00)</u>	<u>50.00</u>		<u>50.00</u>
Total Care and Upkeep of Grounds	<u>77,650.00</u>	<u>(15,906.00)</u>	<u>61,744.00</u>	<u>61,678.00</u>	<u>66.00</u>
Security:					
Salaries	1,095.24	624.11	1,719.35	1,280.92	438.43
General Supplies	<u>2,500.00</u>		<u>2,500.00</u>	<u>1,758.86</u>	<u>741.14</u>
Total Security	<u>3,595.24</u>	<u>624.11</u>	<u>4,219.35</u>	<u>3,039.78</u>	<u>1,179.57</u>
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	69,917.29	(6,424.07)	63,493.22	63,372.56	120.66
Management Fee - ES & CTSA Trasn. Program	27,250.00	11,526.46	38,776.46	36,588.36	2,188.10
Other Purchased Professional and Technical Services	4,125.00	6,000.00	10,125.00	3,975.00	6,150.00
Contracted Services (Between Home & School) - Vendors	1,025,515.00	(12,750.00)	1,012,765.00	989,510.45	23,254.55

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TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services (Cont'd):					
Contracted Services (Other than Between Home & School) - Vendors	\$ 75,550.00	\$ (4,745.00)	\$ 70,805.00	\$ 63,017.50	\$ 7,787.50
Contracted Services (Between Home & School) - Joint Agreements	22,413.00	(4,900.00)	17,513.00	17,447.65	65.35
Contracted Services (Special Education) - Vendors	183,350.00	(89,000.00)	94,350.00	93,713.40	636.60
Contracted Services (Special Education) - Joint Agreements	9,400.00	(8,686.00)	714.00		714.00
Contracted Services (Regular Students) - ESC's & CTSA's	60,000.00	825.00	60,825.00	60,817.85	7.15
Contracted Services (Special Ed. Students) - ESC's & CTSA's	500,000.00	148,250.00	648,250.00	647,976.01	273.99
Contracted Services - Aid in Lieu of Payments-Non Public	31,620.00	14,116.00	45,736.00	45,172.95	563.05
Contracted Services - Aid in Lieu of Payments - Charter School		884.00	884.00	884.00	
Miscellaneous Purchased Services - Transportation	2,265.00	153.00	2,418.00	2,307.92	110.08
General Supplies	2,500.00	(880.00)	1,620.00	1,619.91	0.09
Other Objectss		150.00	150.00	150.00	
Total Student Transportation Services	<u>2,013,905.29</u>	<u>54,519.39</u>	<u>2,068,424.68</u>	<u>2,026,553.56</u>	<u>41,871.12</u>
Unallocated Benefits - Employee Benefits:					
Group Insurance	14,350.00	2,580.00	16,930.00	15,278.30	1,651.70
Social Security	146,395.30	(1,500.00)	144,895.30	136,495.03	8,400.27
Other Retirement Contributions -- PERS	232,500.00	(120,850.00)	111,650.00	106,934.96	4,715.04
Other Retirement Contributions -- Regular		19,500.00	19,500.00	13,207.79	6,292.21
Unemployment	52,000.00		52,000.00	52,000.00	
Workmen's Compensation	90,000.00	(12,000.00)	78,000.00	77,900.00	100.00
Health Benefits	1,671,250.00	(145,697.46)	1,525,552.54	1,522,599.73	2,952.81
Tuition Reimbursement	36,990.00	(23,000.00)	13,990.00	10,167.80	3,822.20
Other Employee Benefits	<u>68,500.00</u>	<u>(54,954.89)</u>	<u>13,545.11</u>	<u>8,822.27</u>	<u>4,722.84</u>
Total Unallocated Benefits - Employee Benefits	<u>2,311,985.30</u>	<u>(335,922.35)</u>	<u>1,976,062.95</u>	<u>1,943,405.88</u>	<u>32,657.07</u>

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TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
On-behalf TPAF Pension Contributions- Post-Retirement Medical (non-budgeted)				\$ 426,498.00	\$ (426,498.00)
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				260,120.00	(260,120.00)
Reimbursed TPAF Social Security Contributions				517,154.20	(517,154.20)
	-----	-----	-----	-----	-----
Total TPAF Contributions	-	-	-	1,203,772.20	(1,203,772.20)
	-----	-----	-----	-----	-----
Total Undistributed Expenses	\$ 19,555,227.22	\$ (180,718.92)	\$ 19,374,508.30	20,148,716.90	(774,208.60)
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Total Expenditures - Current Expense	25,394,412.35	(66,506.00)	25,327,906.35	26,056,434.79	(728,528.44)
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CAPITAL OUTLAY:					
Equipment:					
Support Services - Instructional Staff		3,995.00	3,995.00	3,981.03	13.97
Regular Maintenance of School Facilities	2,073.75	16,400.00	18,473.75	18,079.58	394.17
	-----	-----	-----	-----	-----
Total - Equipment	2,073.75	20,395.00	22,468.75	22,060.61	408.14
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Facilities Acquisition and Construction Services:					
Undistributed Expenditures:					
Architectural and Engineering Services	171,026.00	(158,920.00)	12,106.00	9,345.50	2,760.50
Construction Services	1,684,120.00	(1,198,561.00)	485,559.00	449,220.99	36,338.01
Capital Outlay Transfer to Capital Projects Fund		1,400,892.00	1,400,892.00	1,400,892.00	
Assessment for Debt Service on SDA Funding	3,331.00		3,331.00	3,331.00	
	-----	-----	-----	-----	-----
Total Facilities Acquisition and Construction Services	1,858,477.00	43,411.00	1,901,888.00	1,862,789.49	39,098.51
	-----	-----	-----	-----	-----

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
CAPITAL OUTLAY (CONT'D):					
Assets Acquired Under Capital Lease (Non-Budgeted):					
Wireless Network Equipment Lease	-	-	-	\$ 68,016.20	\$ (68,016.20)
Total Capital Outlay	\$ 1,860,550.75	\$ 63,806.00	\$ 1,924,356.75	1,952,866.30	(28,509.55)
SPECIAL SCHOOLS:					
Summer School - Instruction:					
Salaries of Teachers	20,494.74	(1,110.00)	19,384.74	19,377.75	6.99
Other Salaries for Instruction	8,650.00	1,230.00	9,880.00	9,859.66	20.34
Total Summer School - Instruction	29,144.74	120.00	29,264.74	29,237.41	27.33
Summer School - Support Services:					
Salaries	15,432.99		15,432.99	15,383.95	49.04
Personal Services - Employee Benefits	750.00	2,580.00	3,330.00	3,329.97	0.03
Total Support Services	16,182.99	2,580.00	18,762.99	18,713.92	49.07
Total Special Schools	45,327.73	2,700.00	48,027.73	47,951.33	76.40
Transfer of Funds to Charter Schools	9,778.00	-	9,778.00	9,778.00	-
Total Expenditures	27,310,068.83	-	27,310,068.83	28,067,030.42	(756,961.59)
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,116,730.83)	-	(2,116,730.83)	(1,137,140.02)	979,590.81
					(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Other Financing Sources (Uses):					
Assets Aquired Under Capital Lease (Non- Budgeted)				\$ 68,016.20	\$ 68,016.20
Transfer to School Aged Child Care Fund to cover deficit				(55,145.08)	(55,145.08)
Total - Other Financing Sources (Uses)	-	-	-	12,871.12	12,871.12
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	\$ (2,116,730.83)		\$ (2,116,730.83)	(1,124,268.90)	992,461.93
Fund Balances, July 1	4,445,369.04		4,445,369.04	4,445,369.04	
Fund Balances, June 30	<u>\$ 2,328,638.21</u>	<u>-</u>	<u>\$ 2,328,638.21</u>	<u>\$ 3,321,100.14</u>	<u>\$ 992,461.93</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 910,980.86	
Reserve for Excess Surplus				437,890.46	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,223,818.00	
Assigned Fund Balance:					
Year-End Encumbrances				61,310.18	
Unassigned Fund Balance				<u>687,100.64</u>	
				3,321,100.14	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(1,227,283.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,093,817.14</u>	

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources		\$ 22,872.51	\$ 22,872.51	\$ 17,735.34	\$ (5,137.17)
Total - Local Sources	-	22,872.51	22,872.51	17,735.34	(5,137.17)
Federal Sources:					
Title I	154,548.53	155,095.98	309,644.51	287,275.39	(22,369.12)
Title IIA	17,009.03	17,751.98	34,761.01	32,972.79	(1,788.22)
I.D.E.I.A., Basic Part B	32,525.06	327,560.57	360,085.63	334,503.13	(25,582.50)
I.D.E.I.A., Part B, Preschool Incentive		17,617.00	17,617.00	17,089.00	(528.00)
Total - Federal Sources	204,082.62	518,025.53	722,108.15	671,840.31	(50,267.84)
Total Revenues	204,082.62	540,898.04	744,980.66	689,575.65	(55,405.01)

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries	\$ 101,098.13	\$ 101,777.16	\$ 202,875.29	\$ 200,446.99	\$ 2,428.30
Other Salaries for Instruction	85,556.75	(18,627.19)	66,929.56	66,031.46	898.10
Purchased Educational and Technical Services		1,187.00	1,187.00	600.00	587.00
Other Purchased Services	0.05	334,503.08	334,503.13	334,503.13	
General Supplies	825.00	54,407.53	55,232.53	14,213.09	41,019.44
Other Objects		331.56	331.56		331.56
Total Instruction	<u>187,479.93</u>	<u>473,579.14</u>	<u>661,059.07</u>	<u>615,794.67</u>	<u>45,264.40</u>
Support Services:					
Salaries of Other Professional Staff	-	2,230.17	2,230.17	2,230.17	
Salaries of Secretarial and Clerical Assistants	13,681.68	(1,871.68)	11,810.00	11,810.00	
Personal Services-Employee Benefits	1,721.00	41,024.53	42,745.53	35,020.18	7,725.35
Purchased Professional Educational Services	1,200.01	10,669.99	11,870.00	11,342.00	528.00
Other Purchased Services		14,533.21	14,533.21	13,378.63	1,154.58
Supplies and Materials		732.68	732.68		732.68
Total Support Services	<u>16,602.69</u>	<u>67,318.90</u>	<u>83,921.59</u>	<u>73,780.98</u>	<u>10,140.61</u>
Total Expenditures	<u>204,082.62</u>	<u>540,898.04</u>	<u>744,980.66</u>	<u>689,575.65</u>	<u>55,405.01</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2014

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 26,929,890.40	\$ 689,575.65
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		4,830.26
Differences - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,202,565.00	
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(1,227,283.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 26,905,172.40</u>	<u>\$ 694,405.91</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 28,067,030.42	\$ 689,575.65
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(186.98)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 28,067,030.42</u>	<u>\$ 689,388.67</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	N.C.L.B.					I. D. E. I.A. -- Part B		Total
	<u>Total</u>	<u>Title I</u>		<u>Title IIA</u>		<u>Basic</u>	<u>Preschool Incentive</u>	<u>Brought Forward</u>
		<u>Current Year</u>	<u>Summer</u>	<u>Current Year</u>	<u>Summer</u>			
REVENUES:								
Federal Sources	\$ 671,840.31	\$ 232,787.88	\$ 54,487.51	\$ 31,307.78	\$ 1,665.01	\$ 334,503.13	\$ 17,089.00	
Local Sources	17,735.34							\$ 17,735.34
Total Revenues	689,575.65	232,787.88	54,487.51	31,307.78	1,665.01	334,503.13	17,089.00	17,735.34
EXPENDITURES:								
Instruction:								
Salaries	200,446.99	124,289.49	33,840.00	16,288.00			15,875.00	10,154.50
Other Salaries for Instruction	66,031.46	66,031.46						
Purchased Educational and Technical Services	600.00							600.00
Other Purchased Services	334,503.13					334,503.13		
General Supplies	14,213.09	357.30	4,140.58	6,296.35	1,223.02			2,195.84
Total Instruction	615,794.67	190,678.25	37,980.58	22,584.35	1,223.02	334,503.13	15,875.00	12,950.34
Support Services:								
Salaries of Other Professional Staff	2,230.17		2,230.17					
Salaries of Secretarial and Clerical Assistants	11,810.00	11,810.00						
Personal Services-Employee Benefits	35,020.18	27,670.94	2,588.76	3,104.49	441.99		1,214.00	
Purchased Professional and Technical Services	11,342.00	2,063.00	7,792.00	1,487.00				
Other Purchased Services	13,378.63	565.69	3,896.00	4,131.94				4,785.00
Total Support Services	73,780.98	42,109.63	16,506.93	8,723.43	441.99	-	1,214.00	4,785.00
Total Expenditures	689,575.65	232,787.88	54,487.51	31,307.78	1,665.01	334,503.13	17,089.00	17,735.34
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	Total Carried <u>Forward</u>	Home and School <u>Grants</u>	WTH&S <u>Clubs</u>	Women's Club Mini <u>Grants</u>	Character <u>Counts</u>
REVENUES:					
Federal Sources					
Local Sources	\$ 17,735.34	\$ 4,785.00	\$ 10,154.50	\$ 2,667.30	\$ 128.54
Total Revenues	17,735.34	4,785.00	10,154.50	2,667.30	128.54
EXPENDITURES:					
Instruction:					
Salaries	10,154.50		10,154.50		
Other Salaries for Instruction					
Purchased Educational and Technical Services	600.00			600.00	
Other Purchased Services					
General Supplies	2,195.84			2,067.30	128.54
Total Instruction	12,950.34		10,154.50	2,667.30	128.54
Support Services:					
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Assistants					
Personal Services-Employee Benefits					
Purchased Professional and Technical Services					
Other Purchased Services	4,785.00	4,785.00			
Total Support Services	4,785.00	4,785.00	-	-	-
Total Expenditures	17,735.34	4,785.00	10,154.50	2,667.30	128.54
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

CAPITAL PROJECTS FUND

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2014

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropiations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Waterford Elementary School - Various Unbundled Project	6/20/2014	\$ 6,494,501.00		\$ 273,958.75	\$ 6,220,542.25
		<u>\$ 6,494,501.00</u>	<u>-</u>	<u>\$ 273,958.75</u>	6,220,542.25
Less:					
Local Share to be Funded in Subsequent Year:					
Capital Outlay Transfer to Capital Projects Fund				\$ 998,155.00	
Capital Reserve Transfer to Capital Projects Fund				<u>910,570.00</u>	
					<u>1,908,725.00</u>
					<u>\$ 4,311,817.25</u>
Recapitulation:					
Restricted for Capital Projects:					
Encumbrances					\$ 4,350,886.25
Designated For Subequent Year Expenditures					<u>(39,069.00)</u>
					<u>\$ 4,311,817.25</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

Revenues and Other Financing Sources

State Sources	\$ 3,184,884.00
Local Sources:	
Capital Outlay Transfer to Capital Projects	<u>1,400,892.00</u>
	<u>4,585,776.00</u>

Expenditures and Other Financing Uses

Expenditures:	
Architecture and Engineering Services	<u>273,958.75</u>
Total Expenditures	<u>273,958.75</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	4,311,817.25
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Fund Balance, July 1	<u>-</u>
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Fund Balance, June 30	<u><u>\$ 4,311,817.25</u></u>
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TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Waterford Elementary School Various Unbundled Project
 From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Regular Operating District Grant		\$ 3,184,884.00	\$ 3,184,884.00	\$ 3,184,884.00
Capital Outlay Transfer to Capital Projects		1,400,892.00	1,400,892.00	2,399,047.00
Capital Reserve Transfer to Capital Projects Fund				910,570.00
Total Revenues	-	4,585,776.00	4,585,776.00	6,494,501.00
Expenditures and Other Financing Uses				
Architecture and Engineering Services		273,958.75	273,958.75	1,298,900.00
Construction Services				5,195,601.00
Total Expenditures	-	273,958.75	273,958.75	6,494,501.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 4,311,817.25	\$ 4,311,817.25	-

Additional Project Information

DOE Project Number	5560-100-14-1003
SDA Project Number	5560-100-14-G3FC
Grant Date	6/20/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 6,494,501.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 6,494,501.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	6%
Original Target Completion Date	8/31/2014
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2014

	<u>Food Service</u>	<u>School Age Child Care</u>	<u>Adult Piano</u>	<u>Totals</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 51,952.47	\$ 59,982.25	\$ 1,845.55	\$ 113,780.27
Accounts Receivable:				
State	483.32			483.32
Federal	11,532.25			11,532.25
Other		1,269.66		1,269.66
Inventory	<u>8,484.47</u>			<u>8,484.47</u>
Total Current Assets	<u>72,452.51</u>	<u>61,251.91</u>	<u>1,845.55</u>	<u>135,549.97</u>
Noncurrent Assets:				
Restricted Cash and Cash Equivalents, Furniture, Machinery and Equipment Less Accumulated Depreciation	<u>210,051.15</u> <u>(202,482.39)</u>			<u>210,051.15</u> <u>(202,482.39)</u>
Total Noncurrent Assets	<u>7,568.76</u>	<u>-</u>	<u>-</u>	<u>7,568.76</u>
Total Assets	<u>80,021.27</u>	<u>61,251.91</u>	<u>1,845.55</u>	<u>143,118.73</u>
LIABILITIES:				
Current Liabilities:				
Interfund Payable:				
General Fund	34,050.00	42,735.55	32.30	76,817.85
Deferred Revenue	1,949.94	4,033.70		5,983.64
Accounts Payable		<u>1,625.81</u>	<u>43.06</u>	<u>1,668.87</u>
Total Current Liabilities	<u>35,999.94</u>	<u>48,395.06</u>	<u>75.36</u>	<u>84,470.36</u>
Noncurrent Liabilities:				
Compensated Absences Payable		<u>12,856.85</u>		<u>12,856.85</u>
Total Liabilities	<u>35,999.94</u>	<u>61,251.91</u>	<u>75.36</u>	<u>97,327.21</u>
NET POSITION:				
Net Investments in Capital Assets	7,568.76			7,568.76
Unrestricted	<u>36,452.57</u>	<u>-</u>	<u>1,770.19</u>	<u>38,222.76</u>
Total Net Position	<u>\$ 44,021.33</u>	<u>-</u>	<u>\$ 1,770.19</u>	<u>\$ 45,791.52</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>	<u>School Age Child Care</u>	<u>Adult Piano</u>	<u>Totals</u>
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Breakfast Program	\$ 9,431.45			\$ 9,431.45
School Lunch Program	111,123.55			111,123.55
Daily Sales Non-Reimbursable Programs	52,305.58			52,305.58
Special Functions	4,238.66			4,238.66
Miscellaneous	18.39	\$ 130.00		148.39
Program Fees		182,967.39	\$ 550.00	183,517.39
Total Operating Revenue	<u>177,117.63</u>	<u>183,097.39</u>	<u>550.00</u>	<u>360,765.02</u>
OPERATING EXPENSES:				
Salaries	124,211.87	195,037.23	500.00	319,749.10
Employee Benefits	24,593.98	51,946.39	38.27	76,578.64
Purchased Professional and Technical Services	30,930.14	1,700.00		32,630.14
Other Purchases Services (400 and 500 Series)	9,005.33	387.95		9,393.28
Cost of Goods Sold	137,378.28			137,378.28
Supplies and Materials	10,364.97	6,599.38		16,964.35
Depreciation	738.01			738.01
Other Objects	22.75	4,398.70		4,421.45
Total Operating Expenses	<u>337,245.33</u>	<u>260,069.65</u>	<u>538.27</u>	<u>597,853.25</u>
Operating Income (Loss)	<u>(160,127.70)</u>	<u>(76,972.26)</u>	<u>11.73</u>	<u>(237,088.23)</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	3,749.50			3,749.50
Federal Sources:				
National School Lunch Program	117,249.26			117,249.26
School Breakfast Program	34,240.26			34,240.26
Food Distribution Program	25,462.87			25,462.87
Interest Revenue	15.65	51.14		66.79
Total Nonoperating Revenues (Expenses)	<u>180,717.54</u>	<u>51.14</u>	<u>-</u>	<u>180,768.68</u>
Income (Loss) before Contributions and Transfers	20,589.84	(76,921.12)	11.73	(56,319.55)
Contributions and Transfers:				
Board Contribution		55,145.08		55,145.08
Total Contributions and Transfers	<u>-</u>	<u>55,145.08</u>	<u>-</u>	<u>55,145.08</u>
Change in Net Position	20,589.84	(21,776.04)	11.73	(1,174.47)
Net Position - July 1	<u>23,431.49</u>	<u>21,776.04</u>	<u>1,758.46</u>	<u>46,965.99</u>
Net Position - June 30	<u>\$ 44,021.33</u>	<u>-</u>	<u>\$ 1,770.19</u>	<u>\$ 45,791.52</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	Food Service	School Age Child Care	Adult Piano	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 177,806.46	\$ 177,547.02	\$ 550.00	\$ 355,903.48
Payments to Employees	(124,211.87)	(194,090.19)	(467.71)	(318,769.77)
Payments for Employee Benefits	(24,593.98)	(51,946.39)	(38.27)	(76,578.64)
Payments to Suppliers	<u>(162,397.68)</u>	<u>14,485.86</u>	<u>(44.59)</u>	<u>(147,956.41)</u>
Net Cash Provided by (used for) Operating Activities	<u>(133,397.07)</u>	<u>(54,003.70)</u>	<u>(0.57)</u>	<u>(187,401.34)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
State Sources	3,749.50			3,749.50
Federal Sources	151,378.33			151,378.33
Operating Subsidies and Transfers to Other Funds	<u>14,391.61</u>	<u>55,145.08</u>		<u>69,536.69</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>169,519.44</u>	<u>55,145.08</u>	<u>-</u>	<u>224,664.52</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Revenue	<u>15.65</u>	<u>51.14</u>	<u>-</u>	<u>66.79</u>
Net Cash Provided by (used for) Investing Activities	<u>15.65</u>	<u>51.14</u>	<u>-</u>	<u>66.79</u>
Net Increase (Decrease) in Cash and Cash Equivalents	36,138.02	1,192.52	(0.57)	37,329.97
Cash and Cash Equivalents, July 1	<u>15,814.45</u>	<u>58,789.73</u>	<u>1,846.12</u>	<u>76,450.30</u>
Cash and Equivalents, June 30	<u>\$ 51,952.47</u>	<u>\$ 59,982.25</u>	<u>\$ 1,845.55</u>	<u>\$ 113,780.27</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)				
by Operating Activities:				
Operating Income (Loss)	\$ (160,127.70)	\$ (76,972.26)	\$ 11.73	\$ (237,088.23)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:				
Depreciation and Net Amortization	738.01			738.01
Food Distribution Program	25,462.87			25,462.87
Change in Assets and Liabilities:				
(Increase) / Decrease in Accounts Receivable		1,884.43		1,884.43
(Increase) / Decrease in Inventory	(2,209.08)			(2,209.08)
Increase / (Decrease) in Deferred Revenue	688.83	(7,434.80)		(6,745.97)
Compensated Absences Increase / (Decrease)		947.04		947.04
Increase / (Decrease) in Other Liabilities	2,050.00	28,141.87	(44.59)	30,147.28
Increase / (Decrease) in Accounts Payable		<u>(569.98)</u>	<u>32.29</u>	<u>(537.69)</u>
Total Adjustments	<u>26,730.63</u>	<u>22,968.56</u>	<u>(12.30)</u>	<u>49,686.89</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (133,397.07)</u>	<u>\$ (54,003.70)</u>	<u>\$ (0.57)</u>	<u>\$ (187,401.34)</u>

FIDUCIARY FUNDS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2014

	Trust Fund	Agency Funds		Totals
	Unemployment Compensation Insurance	Student Activity	Payroll	
ASSETS:				
Cash and Cash Equivalents	\$ 49,449.47	\$ 9,324.57	\$ 179,641.89	\$ 238,415.93
Intrafund Receivable	5,269.61			5,269.61
Accounts Receivable -- Other			609.38	609.38
Total Assets	<u>54,719.08</u>	<u>\$ 9,324.57</u>	<u>\$ 180,251.27</u>	<u>244,294.92</u>
LIABILITIES:				
Payroll Deductions and Withholdings			168,911.50	168,911.50
Intrafund Payable			5,269.61	5,269.61
Interfund Payable:				
General Fund			5,754.51	5,754.51
Special Revenue Fund			140.00	140.00
Intergovernmental Accounts Payable - State	306.55		175.65	482.20
Payable to Student Groups		\$ 9,324.57		9,324.57
Total Liabilities	<u>306.55</u>	<u>\$ 9,324.57</u>	<u>\$ 180,251.27</u>	<u>189,882.39</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	<u>54,412.53</u>			<u>54,412.53</u>
Total Net Position	<u>\$ 54,412.53</u>			<u>\$ 54,412.53</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2014

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS:	
Investment Earnings:	
Interest on Investments	\$ 15.72
Board Contribution	52,000.00
Payroll Deductions	<u>26,293.65</u>
Total Additions	<u>78,309.37</u>
DEDUCTIONS:	
Unemployment Compensation Insurance Claims	<u>47,446.23</u>
Total Operating Expenditures	<u>47,446.23</u>
Change in Net Position	30,863.14
Net Position -- July 1	<u>23,549.39</u>
Net Position -- June 30	<u>\$ 54,412.53</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2014</u>
ELEMENTARY SCHOOLS:				
Waterford Elementary Schools	<u>\$ 8,049.71</u>	<u>\$ 6,267.61</u>	<u>\$ 4,992.75</u>	<u>\$ 9,324.57</u>
Total Student Activity	<u><u>\$ 8,049.71</u></u>	<u><u>\$ 6,267.61</u></u>	<u><u>\$ 4,992.75</u></u>	<u><u>\$ 9,324.57</u></u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 34,578.27	\$ 12,031,390.09	\$ 11,886,326.47	\$ 179,641.89
Accounts Receivable--Other		<u>1,098.26</u>	<u>488.88</u>	<u>609.38</u>
Total Assets	<u>\$ 34,578.27</u>	<u>\$ 12,032,488.35</u>	<u>\$ 11,886,815.35</u>	<u>\$ 180,251.27</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 19,803.22	\$ 6,068,287.48	\$ 5,919,179.20	\$ 168,911.50
Intrafund Accounts Payable:				
Unemployment Trust Fund		5,269.61		5,269.61
Interfund Accounts Payable:				
General Fund	14,775.05	174,957.62	183,978.16	5,754.51
Special Revenue Fund		840.00	700.00	140.00
Intergovernmental Accounts Payable - State		175.65		175.65
Net Payroll		<u>5,782,957.99</u>	<u>5,782,957.99</u>	
Total Liabilities	<u>\$ 34,578.27</u>	<u>\$ 12,032,488.35</u>	<u>\$ 11,886,815.35</u>	<u>\$ 180,251.27</u>

LONG-TERM DEBT

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2014

<u>SERIES</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>		<u>Amount Outstanding July 1, 2013</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2014</u>
				<u>Principal</u>	<u>Interest</u>				
Wireless Network Equipment Lease	6/11/2014	5 years	2.395%	\$ 68,016.20	\$ 3,636.40	-	\$ 68,016.20	-	\$ 68,016.20
						-	68,016.20	-	\$ 68,016.20

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 84,718.00	_____	\$ 84,718.00	\$ 84,718.36	\$ 0.36
Total Revenues	<u>84,718.00</u>	<u>-</u>	<u>84,718.00</u>	<u>84,718.36</u>	<u>0.36</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	14,784.00	_____	14,784.00	14,737.13	46.87
Redemption of Principal	70,000.00	_____	70,000.00	70,000.00	_____
Total Regular Debt Service	<u>84,784.00</u>	<u>-</u>	<u>84,784.00</u>	<u>84,737.13</u>	<u>46.87</u>
Total Expenditures	<u>84,784.00</u>	<u>-</u>	<u>84,784.00</u>	<u>84,737.13</u>	<u>46.87</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(66.00)	-	(66.00)	(18.77)	47.23
Fund Balance, July 1	<u>66.91</u>	_____	<u>66.91</u>	<u>66.91</u>	_____
Fund Balance, June 30	<u>\$ 0.91</u>	<u>-</u>	<u>\$ 0.91</u>	<u>\$ 48.14</u>	<u>\$ 47.23</u>

STATISTICAL SECTION

Financial Trends Information

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net Investment in Capital Assets	\$ 4,416,255.08	\$ 3,836,226.00	\$ 3,711,887.65	\$ 3,822,874.37	\$ 4,046,853.26	\$ 4,274,843.80	\$ 4,556,377.60	\$ 5,422,115.53	\$ 5,634,065.64	\$ 5,297,089.65
Restricted	6,451,681.49	3,356,588.00	164,152.74	105,476.75	1,088,757.74	2,423,543.55	2,736,586.89	2,962,493.96	1,717,112.37	1,245,286.83
Unrestricted	<u>(792,599.04)</u>	<u>(511,240.00)</u>	<u>1,226,497.82</u>	<u>436,862.51</u>	<u>(1,447,360.34)</u>	<u>(873,002.44)</u>	<u>(679,920.80)</u>	<u>(1,295,502.17)</u>	<u>(435,726.91)</u>	<u>(185,240.67)</u>
Total Governmental Activities Net Position	<u>\$ 10,075,337.53</u>	<u>\$ 6,681,574.00</u>	<u>\$ 5,102,538.21</u>	<u>\$ 4,365,213.63</u>	<u>\$ 3,688,250.66</u>	<u>\$ 5,825,384.91</u>	<u>\$ 6,613,043.69</u>	<u>\$ 7,089,107.32</u>	<u>\$ 6,915,451.10</u>	<u>\$ 6,357,135.81</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 7,568.76	\$ 5,263.00	\$ 6,961.81	\$ 8,904.15	\$ 12,222.65	\$ 15,341.19	\$ 17,065.00	\$ 16,468.86	\$ 20,095.44	\$ 23,722.02
Restricted										
Unrestricted	<u>38,222.76</u>	<u>41,701.00</u>	<u>21,079.72</u>	<u>19,557.60</u>	<u>1,340.88</u>	<u>31,251.94</u>	<u>68,639.67</u>	<u>25,778.42</u>	<u>(31,761.46)</u>	<u>(26,815.83)</u>
Total Business-type Activities Net Position	<u>\$ 45,791.52</u>	<u>\$ 46,964.00</u>	<u>\$ 28,041.53</u>	<u>\$ 28,461.75</u>	<u>\$ 13,563.53</u>	<u>\$ 46,593.13</u>	<u>\$ 85,704.67</u>	<u>\$ 42,247.28</u>	<u>\$ (11,666.02)</u>	<u>\$ (3,093.81)</u>
District-wide										
Net Investment in Capital Assets	\$ 4,423,823.84	\$ 3,841,489.00	\$ 3,718,849.46	\$ 3,831,778.52	\$ 4,059,075.91	\$ 4,290,184.99	\$ 4,573,442.60	\$ 5,438,584.39	\$ 5,654,161.08	\$ 5,320,811.67
Restricted	6,451,681.49	3,356,588.00	164,152.74	105,476.75	1,088,757.74	2,423,543.55	2,736,586.89	2,962,493.96	1,717,112.37	1,245,286.83
Unrestricted	<u>(754,376.28)</u>	<u>(469,539.00)</u>	<u>1,247,577.54</u>	<u>456,420.11</u>	<u>(1,446,019.46)</u>	<u>(841,750.50)</u>	<u>(611,281.13)</u>	<u>(1,269,723.75)</u>	<u>(467,488.37)</u>	<u>(212,056.50)</u>
Total District-wide Net Position	<u>\$ 10,121,129.05</u>	<u>\$ 6,728,538.00</u>	<u>\$ 5,130,579.74</u>	<u>\$ 4,393,675.38</u>	<u>\$ 3,701,814.19</u>	<u>\$ 5,871,978.04</u>	<u>\$ 6,698,748.36</u>	<u>\$ 7,131,354.60</u>	<u>\$ 6,903,785.08</u>	<u>\$ 6,354,042.00</u>

Source: District Records

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WATERFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 4,623,216.76	\$ 3,878,073.00	\$ 4,117,631.70	\$ 4,887,030.76	\$ 6,066,999.93	\$ 4,777,492.09	\$ 4,397,546.67	\$ 3,671,669.45	\$ 3,731,967.26	\$ 3,534,183.39
Special Education	1,480,696.95	1,274,110.00	1,337,358.04	1,405,173.55	1,488,698.09	1,923,928.68	1,980,177.91	1,373,277.94	1,223,854.07	1,164,908.64
Other Special Education	640,757.60	509,436.00	438,820.57	398,154.12	522,810.57	615,422.32	558,398.22	530,313.18	450,324.13	406,978.86
School Sponsored Cocurricular Activities	356.25									
Support Services:										
Tuition	10,419,326.01	10,269,073.00	10,608,581.55	10,937,945.12	11,348,840.93	10,843,462.73	9,711,177.58	6,953,190.16	7,587,633.03	8,173,006.74
Student & Instruction Related Services	2,301,706.03	1,877,692.00	1,813,029.56	2,268,833.97	2,433,952.35	2,518,274.73	2,396,312.58	3,579,001.86	3,180,339.03	2,957,852.28
School Administrative Services	1,082,468.08	1,044,244.00	1,069,393.73	1,080,482.23	1,425,145.17	1,529,098.56	1,350,500.22	856,512.52	807,241.47	769,729.11
Plant Operations and Maintenance	1,579,484.58	1,266,805.00	1,620,204.25	1,254,758.03	1,637,980.61	1,560,586.21	1,509,458.38	1,539,529.65	1,477,331.10	1,405,367.67
Pupil Transportation	2,026,553.56	1,881,707.00	1,800,939.58	1,907,558.79	1,893,839.83	1,843,859.36	1,723,297.46	2,091,773.39	1,839,483.10	1,720,931.45
Special Schools	47,951.33	40,446.00	45,386.73	39,566.33	44,420.48	37,826.70	35,877.00			
Unallocated Benefits	1,982,102.18	1,788,518.00	1,795,707.35	371,023.25	366,690.60	71,531.72	189,425.71	781,284.65	487,212.29	525,819.30
Reimbursed TPAF and Social Security	1,203,772.20	1,302,106.00	1,088,674.86	906,437.64	943,355.49	912,848.54	1,211,365.24	1,160,023.80	704,693.93	601,750.88
Transfer to Charter Schools	9,778.00	9,506.00				17,204.00	17,906.00	17,218.00	12,458.00	8,008.00
Amortization of Debt Issuance Costs		1,073.00	1,317.56	1,317.56	1,317.56	1,317.56	1,317.57	1,317.56	1,317.56	1,317.56
Interest on Long-term Debt	13,953.17	18,208.00	21,218.55	25,489.80	29,411.13	33,272.43	43,537.38	30,206.00	31,584.00	32,928.00
Unallocated Compensated Absences		(10,915.00)								
Unallocated Depreciation		373,396.00					299,363.00	168,742.83	184,307.76	249,276.13
Total Governmental Activities Expenses	27,412,122.70	25,523,478.00	25,758,264.03	25,483,771.15	28,203,462.74	26,686,125.63	25,425,660.92	22,754,060.99	21,719,746.73	21,552,058.01
Business-type Activities:										
Food Service	335,195.33	315,982.00	372,074.51	348,542.23	460,192.92	441,776.02	387,631.62	325,800.48	330,865.84	332,561.26
School Age Child Care	262,119.65	233,149.00	225,255.95	217,176.31	189,736.64	187,748.13	189,362.92	187,691.65	188,695.34	182,242.14
Adult Piano	538.27	582.00	983.84	1,003.95	1,148.96	929.81	1,231.45	1,566.31	1,534.02	1,469.43
Total Business-type Activities Expense	597,853.25	549,713.00	598,314.30	566,722.49	651,078.52	630,453.96	578,225.99	515,058.44	521,095.20	516,272.83
Total District Expenses	\$ 28,009,975.95	\$ 26,073,191.00	\$ 26,356,578.33	\$ 26,050,493.64	\$ 28,854,541.26	\$ 27,316,579.59	\$ 26,003,886.91	\$ 23,269,119.43	\$ 22,240,841.93	\$ 22,068,330.84
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 1,893,160.87	\$ 785,014.00	\$ 1,924,745.91	\$ 1,731,927.65	\$ 2,268,578.95	\$ 1,641,352.23	\$ 1,870,127.20	\$ 1,829,247.34	\$ 1,482,058.72	\$ 1,307,509.73
Capital Grants and Contributions			50,640.00							
Total Governmental Activities Program Revenues	1,893,160.87	785,014.00	1,975,385.91	1,731,927.65	2,268,578.95	1,641,352.23	1,870,127.20	1,829,247.34	1,482,058.72	1,307,509.73
Business-type activities:										
Charges for services										
Food Service	177,117.63	171,091.00	221,526.61	198,197.49	176,868.28	189,764.71	183,777.49	171,789.22	184,948.47	176,106.85
School Age Child Care	183,097.39	235,224.00	225,881.51	234,378.60	172,665.54	172,989.62	218,847.88	134,685.55	154,016.21	157,206.27
Adult Piano	550.00	594.00	1,001.00	1,364.00	1,595.00	1,265.00	1,661.00	1,991.00	2,204.37	2,068.00
Operating Grants and Contributions	180,701.89	161,289.00	148,459.70	146,709.59	162,154.21	153,857.77	114,601.99	90,806.95	81,601.26	74,963.48
Total Business-type Activities Program Revenues	541,466.91	568,198.00	596,868.82	580,649.68	513,283.03	517,877.10	518,888.36	399,272.72	422,770.31	410,344.60
Total District Program Revenues	\$ 2,434,627.78	\$ 1,353,212.00	\$ 2,572,254.73	\$ 2,312,577.33	\$ 2,781,861.98	\$ 2,159,229.33	\$ 2,389,015.56	\$ 2,228,520.06	\$ 1,904,829.03	\$ 1,717,854.33
Net (Expense)/Revenue										
Governmental Activities	\$ (25,518,961.83)	\$ (24,738,464.00)	\$ (23,782,878.12)	\$ (23,751,843.50)	\$ (25,934,883.79)	\$ (25,044,773.40)	\$ (23,555,533.72)	\$ (20,924,813.65)	\$ (20,237,688.01)	\$ (20,244,548.28)
Business-type Activities	(56,386.34)	18,485.00	(1,445.48)	13,927.19	(137,795.49)	(112,576.86)	(59,337.63)	(115,785.72)	(98,324.89)	(105,928.23)
Total District-wide Net Expense	\$ (25,575,348.17)	\$ (24,719,979.00)	\$ (23,784,323.60)	\$ (23,737,916.31)	\$ (26,072,679.28)	\$ (25,157,350.26)	\$ (23,614,871.35)	\$ (21,040,599.37)	\$ (20,336,012.90)	\$ (20,350,476.51)

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30.									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 12,617,133.02	\$ 12,492,211.00	\$ 11,999,730.00	\$ 11,999,729.96	\$ 12,007,004.00	\$ 11,502,117.96	\$ 11,426,788.00	\$ 10,257,696.00	\$ 9,708,417.00	\$ 9,223,240.95
Taxes Levied for Debt Service	84,718.36	82,807.00	80,608.40	83,293.00	65,536.00	62,181.96	63,784.00	60,240.00	61,539.00	125,873.05
Unrestricted Federal & State Aid	12,692,103.77	13,628,962.00	12,244,496.23	11,459,338.48	11,520,136.27	11,897,074.05	10,315,793.60	10,027,882.90	10,004,881.54	10,003,073.38
Restricted Federal & State Aid	3,184,884.00				5,636.65	15,986.69				4,558.00
Tuition Received	250,130.51	30,880.00	105,160.24	140,641.13	132,657.93	262,927.11	179,094.54	80,792.54	29,009.00	6,647.00
Investment Earnings	12,548.22	17,654.00	29,003.53	27,325.67	78,633.18	61,008.75	157,685.64			
Miscellaneous Income	134,501.92	64,986.00	75,755.84	57,880.16	88,952.48	607,662.70	1,639,918.86	836,099.04	1,076,906.55	808,443.47
Special Item -- Rounding Adjustment									0.21	225,800.00
Loss on Disposal of Capital Asset						(1,367.39)				
Donated Capital Assets					2,866.59					
Cancellation of Prior Year Accounts Payable				660,598.07						
Cancellation of Prior Year Accounts Receivable			(14,551.54)							
Transfers	(55,145.08)				(103,673.57)	(72,416.41)	(100,000.00)	(164,240.61)	(84,750.00)	(84,750.00)
Total Governmental Activities	28,920,874.72	26,317,500.00	24,520,202.70	24,428,806.47	23,797,749.53	24,335,175.42	23,683,064.64	21,098,469.87	20,796,003.30	20,312,885.85
Business-type Activities:										
Investment Earnings	66.79	437.00	1,025.26	971.83	1,091.52	1,048.91	2,795.02	5,458.41	5,002.68	3,230.65
Transfers	55,145.08				103,673.57	72,416.41	100,000.00	164,240.61	84,750.00	84,750.00
Total Business-type Activities	55,211.87	437.00	1,025.26	971.83	104,765.09	73,465.32	102,795.02	169,699.02	89,752.68	87,980.65
Total District-wide	\$ 28,976,086.59	\$ 26,317,937.00	\$ 24,521,227.96	\$ 24,429,778.30	\$ 23,902,514.62	\$ 24,408,640.74	\$ 23,785,859.66	\$ 21,268,168.89	\$ 20,885,755.98	\$ 20,400,866.50
Change in Net Position										
Governmental Activities	\$ 3,401,912.89	\$ 1,579,036.00	\$ 737,324.58	\$ 676,962.97	\$ (2,137,134.26)	\$ (709,597.98)	\$ 127,530.92	\$ 173,656.22	\$ 558,315.29	\$ 68,337.57
Business-type Activities	(1,174.47)	18,922.00	(420.22)	14,899.02	(33,030.40)	(39,111.54)	43,457.39	53,913.30	(8,572.21)	(17,947.58)
Total District	\$ 3,400,738.42	\$ 1,597,958.00	\$ 736,904.36	\$ 691,861.99	\$ (2,170,164.66)	\$ (748,709.52)	\$ 170,988.31	\$ 227,569.52	\$ 549,743.08	\$ 50,389.99

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011(a)	2010	2009	2008	2007	2006	2005
General Fund										
Restricted	\$ 2,134,798.86	\$ 3,356,521.00	\$ 1,362,729.21	\$ 114,604.54	\$ 1,088,332.06	\$ 2,698,222.74	\$ 2,781,139.28	\$ 2,964,795.92	\$ 1,803,666.23	\$ 858,972.60
Committed			108,278.00	18,311.08						
Assigned	61,310.18		188,913.82	686,517.74						
Unassigned	(102,291.90)	\$ (113,717.00)	565,152.81	632,550.30						
Unreserved					(269,512.98)	1,169,411.23	580,457.84	69,609.76	559,634.75	863,702.46
Total General Fund	<u>\$ 2,093,817.14</u>	<u>\$ 3,242,804.00</u>	<u>\$ 2,225,073.84</u>	<u>\$ 1,451,983.66</u>	<u>\$ 818,819.08</u>	<u>3867633.97</u>	<u>\$ 3,361,597.12</u>	<u>\$ 3,034,405.68</u>	<u>\$ 2,363,300.98</u>	<u>\$ 1,722,675.06</u>
All Other Governmental Funds										
Restricted	\$ 5,065.38		\$ 4,699.73	\$ 9,138.09						
Reserved										
Committed	\$ 4,350,886.25									\$ 406,507.00
Unassigned Reported in:										
Capital Projects Fund	\$ (39,069.00)									
Unreserved, Reported in:										
Special Revenue Fund					\$ 376.85	\$ 2,811.88	\$ (6,265.64)	\$ (1,305.15)	(1,305.15)	(1,305.15)
Capital Projects Fund								58,309.45	58,309.45	83,934.70
Debt Service Fund		\$ 67.00			48.83	34.00	34.00	34.00		44.79
Permanent Fund										
Total All Other Governmental Funds	<u>\$ 4,316,882.63</u>	<u>\$ 67.00</u>	<u>\$ 4,699.73</u>	<u>\$ 9,138.09</u>	<u>\$ 425.68</u>	<u>\$ 2,845.88</u>	<u>\$ (6,231.64)</u>	<u>\$ 57,038.30</u>	<u>\$ 57,004.30</u>	<u>\$ 489,181.34</u>

(a) Beginning for the fiscal year ended June 30, 2011, the School District began reporting fund balances under GASB 54.

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Local Sources	\$ 12,701,851.38	\$ 12,575,018.00	\$ 12,080,338.40	\$ 12,083,022.96	\$ 12,072,540.00	\$ 11,564,299.92	\$ 11,490,572.00	\$ 10,317,936.00	\$ 9,770,356.00	\$ 9,349,114.00
Tuition Charges	250,130.51	30,880.00	105,160.24	140,641.13	132,657.93	262,927.11	179,094.54	80,792.54	29,009.00	6,647.00
Miscellaneous	164,598.50	122,178.00	151,409.61	124,624.90	184,435.71	684,371.16	1,566,868.73	836,099.04	1,076,906.55	808,443.47
State Sources	17,054,737.20	13,718,802.00	13,025,023.47	12,498,803.79	10,780,732.55	12,989,381.77	11,839,861.06	11,343,586.42	10,851,890.29	10,724,041.68
Federal Sources	697,863.08	660,447.00	1,148,208.43	653,043.27	2,996,769.27	549,331.49	462,499.25	513,543.82	634,649.97	591,099.43
Total Revenue	30,869,180.67	27,107,325.00	26,510,140.15	25,500,136.05	26,167,135.46	26,050,311.45	25,538,895.58	23,091,957.82	22,362,811.81	21,479,345.58
Expenditures										
Instruction										
Regular Instruction	4,401,514.78	3,878,073.00	3,895,721.70	4,662,875.29	5,884,616.00	4,712,159.02	4,421,676.13	3,107,192.31	3,723,174.53	3,528,246.48
Special Education Instruction	1,480,696.95	1,274,110.00	1,337,358.04	1,405,173.55	1,488,698.09	1,923,928.68	1,979,182.91	1,360,556.75	1,213,816.01	1,155,840.08
Other Special Instruction	640,757.60	509,436.00	438,820.57	398,154.12	522,810.57	615,422.32	558,398.22	530,313.18	450,324.13	406,978.86
School Sponsored Cocurricular Activities	356.25									
Support Services:										
Tuition	10,419,326.01	10,269,073.00	10,608,581.55	10,937,945.12	11,348,840.93	10,843,462.87	9,711,177.58	7,506,816.87	7,587,633.03	8,173,006.74
Student & Instruction Related Services	2,266,757.38	1,877,692.00	1,807,173.14	2,297,201.52	2,493,277.67	2,311,099.63	2,391,707.58	3,572,641.27	3,174,716.21	2,954,015.06
School Administrative Services	1,067,661.02	1,071,559.00	1,056,813.95	1,214,672.12	1,417,943.81	1,381,231.50	1,348,532.22	853,893.45	804,448.93	767,419.63
Plant Operations and Maintenance	1,260,001.65	1,266,805.00	1,610,955.99	1,253,627.90	1,639,702.90	1,567,487.18	1,507,553.38	1,536,162.28	1,475,702.56	1,434,777.96
Pupil Transportation	2,026,553.56	1,881,707.00	1,812,554.34	1,918,678.70	1,904,485.98	1,855,990.96	1,717,526.46	2,057,209.41	1,928,780.29	1,704,670.54
Unallocated Employee Benefits	1,978,426.06	1,788,518.00	1,795,707.35	371,023.25	366,690.60	65,400.85	189,425.71	467,069.84	471,420.27	546,377.33
Reimbursed TPAF Pension/Social Security	1,203,772.20	1,302,106.00	1,090,020.51	920,536.35	953,036.03	912,848.54	1,211,365.24	1,160,023.80	704,693.93	601,750.88
Special Schools	47,951.33	40,446.00	45,386.73	39,566.33	44,420.48	37,826.70	35,877.00			
Transfer to Charter Schools	9,778.00	9,506.00				17,204.00	17,906.00	17,218.00	12,458.00	8,008.00
Capital Outlay	2,226,825.05	837,757.00	147,254.92	16,108.24	19,209.12	252,532.09	76,566.65	27,275.35	620,006.25	165,712.20
Debt Service:										
Principal - Early Retirement Bonds	70,000.00	65,000.00	60,000.00	60,000.00	40,000.00	35,000.00	35,000.00	30,000.00	30,000.00	30,000.00
Interest on Early Retirement Bonds	14,737.13	17,808.00	20,588.00	23,294.64	25,489.84	27,213.29	28,784.00	30,206.00	31,584.00	32,928.00
Total Expenditures	29,115,114.97	26,089,596.00	25,726,936.79	25,518,857.13	28,149,222.02	26,558,807.63	25,230,679.08	22,256,578.51	22,228,758.14	21,509,731.76
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,754,065.70	1,017,729.00	783,203.36	(18,721.08)	(1,982,086.56)	(508,496.18)	308,216.50	835,379.31	134,053.67	(30,386.18)
Other Financing Sources (Uses)										
Cancellation of Prior Year Revenue		(4,632.00)								
Capital Leases (Non-budgeted)	68,016.20					130,552.00	55,705.00		159,145.00	
Operating Transfers In	(55,145.08)		150,000.00	660,598.08			200,809.45	2,514.11	3,513.79	221,839.03
Transfers from Capital Outlay to Capital Projects Fund	1,400,892.00									
Operating Transfers Out			(164,551.54)		(103,673.57)	(72,416.41)	(300,809.45)	(166,754.72)	(88,263.79)	(306,589.03)
Total Other Financing Sources (Uses)	1,413,763.12	(4,632.00)	(14,551.54)	660,598.08	(103,673.57)	58,135.59	(44,295.00)	(164,240.61)	74,395.00	(84,750.00)
Net Change in Fund Balances	\$ 3,167,828.82	\$ 1,013,097.00	\$ 768,651.82	\$ 641,877.00	\$ (2,085,760.13)	\$ (450,360.59)	\$ 263,921.50	\$ 671,138.70	\$ 208,448.67	\$ (115,136.18)
Debt Service as a Percentage of Noncapital Expenditures	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Interest on Investments	\$ 11,637.73	\$ 18,097.00	\$ 28,896.18	\$ 27,232.72	\$ 78,633.18	\$ 61,008.75	\$ 157,685.64	\$ 176,934.44	\$ 87,255.14	\$ 52,988.48
Interest on Investments - Capital Reserve Account	910.49	617.00	107.35	92.95	73.50	97.79	333.93	545.16	172.69	460.82
Refund of Prior Year Expenditures	63,197.33	25,618.00	58,296.88	43,377.93	50,671.65	25,559.20	43,468.96	21,667.69	16,239.02	22,877.24
E-Rate Reimbursement	2,721.34									
Insurance Reimbursements			695.04			1,807.97	119,664.80	44,911.27		
Donations from Private Sources								8,880.00		16,000.00
Cancellation of Prior Year Accounts Payable					36,535.00					
Miscellaneous Fines			1,114.60	1,190.36	2,126.87	300.50	2,495.00	7,704.56	5,933.62	1,178.13
Miscellaneous Sales										
Sale of Assets	174.93	3,101.00	559.00			50.00	658,217.34			
Use of Facilities	250.00	271.00	450.00	900.00	1,980.49	732.20	2,084.18			
Miscellaneous Services Provided to Others	1,228.95	23,677.00	3,800.10							
Summer School						6,900.00				
Transportation Fees	61,912.13	16,070.00	15,298.98	3,697.82		1,318.64				
Revenue from Dissolution of Lower Camden County Regional School District						561,818.88	561,818.88	572,941.81	963,792.29	713,456.77
	<u>\$ 142,032.90</u>	<u>\$ 87,451.00</u>	<u>\$ 109,218.13</u>	<u>\$ 76,491.78</u>	<u>\$ 170,020.69</u>	<u>\$ 659,593.93</u>	<u>\$ 1,545,768.73</u>	<u>\$ 833,584.93</u>	<u>\$ 1,073,392.76</u>	<u>\$ 806,961.44</u>

Source: District Records.

Revenue Capacity Information

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg./Qual.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2014	\$ 10,532,600.00	\$ 415,318,600.00	\$ 14,685,700.00	\$ 29,326,400.00	\$ 1,146,000.00	\$ 2,394,900.00	\$ 473,404,200.00	\$ 1,003,315.00	\$ 474,407,515.00	\$ 54,566,900.00	771,675,143.00	2.677
2013	11,399,800.00	411,292,100.00	14,586,300.00	30,623,600.00	1,200,000.00	2,394,900.00	471,496,700.00	1,226,075.00	472,722,775.00	53,969,200.00	815,415,847.00	2.660
2012	12,435,200.00	408,983,600.00	13,816,700.00	30,640,300.00	1,225,400.00	2,394,900.00	469,496,100.00	1,111,951.00	470,608,051.00	53,801,500.00	871,284,321.00	2.567
2011	10,740,700.00	408,702,000.00	13,738,400.00	33,880,600.00	1,225,400.00	2,394,900.00	470,682,000.00	1,128,609.00	471,810,609.00	53,869,900.00	902,203,592.00	2.561
2010	10,898,100.00	408,789,200.00	13,954,500.00	35,117,000.00	1,225,400.00	2,394,900.00	472,379,100.00	1,398,154.00	473,777,254.00	53,299,900.00	934,631,793.00	2.548
2009	10,902,800.00	408,423,200.00	13,652,000.00	34,906,500.00	1,225,400.00	2,394,900.00	471,504,800.00	1,478,184.00	472,982,984.00	52,765,300.00	933,331,419.00	2.552
2008	11,286,600.00	405,205,800.00	13,621,000.00	37,079,900.00	1,225,400.00	2,394,900.00	470,813,600.00	978,045.00	471,791,645.00	52,442,800.00	884,682,109.00	2.436
2007	11,499,800.00	402,157,300.00	12,381,700.00	37,241,100.00	1,225,400.00	2,144,900.00	466,650,200.00	1,022,401.00	467,672,601.00	52,765,500.00	805,027,924.00	2.206
2006	10,540,200.00	397,814,600.00	11,241,300.00	35,953,800.00	1,225,400.00	2,144,900.00	458,920,200.00	1,147,259.00	460,067,459.00	52,120,000.00	790,891,193.00	2.124
2005	10,522,900.00	395,510,400.00	11,060,000.00	35,951,200.00	1,225,400.00	2,144,900.00	456,414,800.00	1,365,134.00	457,779,934.00	52,071,200.00	684,518,554.00	2.042

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

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

Source: Municipal Tax Assessor

WATERFORD TOWNSHIP SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Waterford	County of Camden	
2014	2.660	0.018	2.677	1.379	1.355	5.411
2013	2.643	0.018	2.660	1.356	1.353	5.369
2012	2.550	0.017	2.567	1.332	1.341	5.240
2011	2.543	0.018	2.561	1.292	1.282	5.135
2010	2.534	0.014	2.548	1.355	1.205	5.108
2009	2.539	0.014	2.552	1.245	1.128	4.925
2008	2.422	0.014	2.436	1.205	1.130	4.771
2007	2.193	0.013	2.206	1.170	1.133	4.509
2006	2.110	0.013	2.124	1.109	1.132	4.365
2005	2.015	0.027	2.042	1.020	1.026	4.088

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

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

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as the prebudget year net budget increased by the cost of living or 2,5 percent, whichever is greater, plus any growth adjustments.

Source: Municipal Tax Collector

WATERFORD TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Broadway Square Realty	\$ 3,000,000.00	1	0.63%	N/A	N/A	N/A
National Amusement	1,950,900.00	2	0.41%	\$ 6,452,100.00	1	1.41%
Pliner Leon Inc	1,274,400.00	3	0.27%	1,271,400.00	4	0.28%
Meisenzahl Partners, LLC	1,195,100.00	4	0.25%	NA	N/A	N/A
Atco Raceway Inc.	949,300.00	5	0.20%	846,700.00	8	0.18%
Atco Equities LLC (Rite Aid Corp)	913,500.00	6	0.19%	3,000,000.00	2	0.66%
Hays Mill Associates	896,100.00	7	0.19%	896,100.00	7	0.20%
Susquehanna Bank	869,000.00	8	0.18%	N/A	N/A	N/A
Campbell Foundry Co.	806,900.00	9	0.17%	806,900.00	9	0.18%
UFP Eastern Div % UFP Berlin, LLC	723,900.00	10	0.15%	723,900.00	10	0.16%
O'Hara James H C/O Shannon's	N/A	N/A	N/A	951,400.00	6	0.21%
NJ Bell Telephone Co.	N/A	N/A	N/A	1,365,134.00	3	0.30%
Mobile Field Office	N/A	N/A	N/A	976,500.00	5	0.21%
Total	\$ 12,579,100.00		2.65%	\$ 17,290,134.00		3.78%

Source: Municipal Tax Assessor

WATERFORD TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year <u>Ended June 30,</u>	School Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	\$ 12,701,851.38	\$ 12,701,851.38	100.00%	
2013	12,575,018.00	12,575,018.00	100.00%	
2012	12,080,338.40	12,080,338.40	100.00%	
2011	12,083,022.96	12,083,022.96	100.00%	
2010	12,072,540.00	12,072,540.00	100.00%	
2009	11,564,299.92	11,564,299.92	100.00%	
2008	11,490,572.00	11,490,572.00	100.00%	
2007	10,317,936.00	10,317,936.00	100.00%	
2006	9,769,956.00	9,769,956.00	100.00%	
2005	9,349,114.00	9,349,114.00	100.00%	

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

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

Debt Capacity Information

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>			
2014	\$ 295,000.00	-	\$ 68,016.20	-	-	\$ 363,016.20	(3)	(3)
2013	365,000.00	-	-	-	-	365,000.00	(3)	\$ 33.82
2012	430,000.00	-	27,314.99	-	-	457,314.99	0.094%	42.70
2011	490,000.00	-	65,188.54	-	-	555,188.54	0.118%	52.17
2010	550,000.00	-	101,551.87	-	-	651,551.87	0.144%	61.19
2009	590,000.00	-	136,465.34	-	-	726,465.34	0.161%	67.97
2008	625,000.00	-	43,573.40	-	-	668,573.40	0.148%	62.72
2007	660,000.00	-	95,824.37	-	-	755,824.37	0.173%	70.98
2006	690,000.00	-	230,751.52	-	-	920,751.52	0.218%	86.44
2005	720,000.00	-	325,091.77	-	-	1,045,091.77	0.263%	98.32

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

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

(2) 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.

(3) Information not available

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2014	\$ 295,000.00		\$ 295,000.00	0.06%	(3)
2013	365,000.00		365,000.00	0.08%	33.82
2012	430,000.00		430,000.00	0.09%	40.15
2011	490,000.00		490,000.00	0.10%	46.05
2010	550,000.00		550,000.00	0.12%	51.65
2009	590,000.00		590,000.00	0.13%	55.20
2008	625,000.00		625,000.00	0.13%	58.63
2007	660,000.00		660,000.00	0.14%	61.98
2006	690,000.00		690,000.00	0.15%	64.78
2005	720,000.00		720,000.00	0.16%	67.73

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

- (1) See Exhibit No. J-6 for property tax data.
- (2) Population data can be found in Exhibit No. J-14.
- (3) Information not available.

Source: District Records.

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

Township of Waterford:	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Waterford Township</u>
Municipal Debt: (1)				
Waterford Township School District	\$ 295,000.00	\$ 295,000.00		
Waterford Township Water and Sewer Utility	3,184,685.83	3,184,685.83		
Waterford Township	<u>7,425,394.18</u>	<u>30,530.75</u>	<u>\$ 7,394,863.43</u>	<u>\$ 7,394,863.43</u>
	<u>10,905,080.01</u>	<u>3,510,216.58</u>	<u>7,394,863.43</u>	<u>7,394,863.43</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	45,994,352.00	13,774,588.00 (3)	28,310,764.00	585,619.57 (5)
Loan Agreement	191,780,000.00		191,780,000.00	
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>689,242,784.00</u>	<u>689,242,784.00 (4)</u>		
	<u>927,017,136.00</u>	<u>703,017,372.00</u>	<u>220,090,764.00</u>	<u>585,619.57</u>
	<u>\$ 937,922,216.01</u>	<u>\$ 706,527,588.58</u>	<u>\$ 227,485,627.43</u>	<u>\$ 7,980,483.00</u>

Sources:

- (1) 2013 Annual Debt Statement
 - (2) County's 2013 Audit Report
 - (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
 - (4) Deductible in accordance with N.J.S. 40:37A-80.
 - (5) Such debt is allocated as a proportion of the Township's share of the total 2013 Equalized Value, which is 2.07%.
- The source for this computation was the 2013 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis	
	2013	\$ 766,661,301.00
	2012	809,755,260.00
	2011	<u>871,310,626.00</u>
	[A]	<u>\$ 2,447,727,187.00</u>
Average equalized valuation of taxable property	[A/3]	\$ 815,909,062.33
Debt limit (2.5% of average equalization value)	[B]	20,397,726.56
Total Net Debt Applicable to Limit	[C]	<u>295,000.00</u>
Legal Debt Margin	[B-C]	<u>20,102,726.56</u>

	Fiscal Year									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt limit	\$ 20,397,726.56	\$ 25,842,764.00	\$ 22,110,649.08	\$ 23,024,390.98	\$ 22,788,134.74	\$ 22,779,825.62	\$ 19,564,642.68	\$ 17,263,862.83	\$ 15,105,393.34	\$ 13,467,382.99
Total net debt applicable to limit	<u>295,000.00</u>	<u>365,000.00</u>	<u>430,000.00</u>	<u>490,000.00</u>	<u>550,000.00</u>	<u>590,000.00</u>	<u>625,000.00</u>	<u>660,000.00</u>	<u>690,000.00</u>	<u>720,000.00</u>
Legal debt margin	<u>\$ 20,102,726.56</u>	<u>\$ 25,477,764.00</u>	<u>\$ 21,680,649.08</u>	<u>\$ 22,534,390.98</u>	<u>\$ 18,939,642.68</u>	<u>\$ 16,603,862.83</u>	<u>\$ 14,415,393.34</u>	<u>\$ 12,747,382.99</u>	<u>\$ 11,987,893.46</u>	<u>\$ 11,556,604.47</u>
Total net debt applicable to the limit as a percentage of debt limit	1.45%	1.41%	1.94%	2.13%	2.41%	2.59%	3.19%	3.82%	4.57%	5.35%

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

Demographic and Economic Information

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	(5)	(5)	(5)	(5)
2013	10,792	(5)	(5)	9.0%
2012	10,711	\$ 487,778,940.00	\$ 45,540.00	10.1%
2011	10,641	472,024,119.00	44,359.00	10.0%
2010	10,648	452,082,136.00	42,457.00	10.2%
2009	10,688	451,482,496.00	42,242.00	9.7%
2008	10,660	450,491,600.00	42,260.00	6.2%
2007	10,649	436,566,404.00	40,996.00	4.7%
2006	10,652	421,403,772.00	39,561.00	5.1%
2005	10,630	396,647,820.00	37,314.00	4.7%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development (July 1)
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development
- (5) Information unavailable

WATERFORD TOWNSHIP SCHOOL DISTRICT

Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer (1)</u>	<u>2014</u>			<u>2005 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Archway Programs (and Subsidiaries)	200	1	3.78%	N/A	N/A	N/A
B&B Custom Drywall, Inc.	200	2	3.78%	N/A	N/A	N/A
Gateway Communities Inc.	200	3	3.78%	N/A	N/A	N/A
Sunrise Senior Living, Inc.	58	4	1.10%	N/A	N/A	N/A
Atco Foods Inc	50	5	0.95%	N/A	N/A	N/A
Defalco & Bisconti, Inc.	40	6	0.76%	N/A	N/A	N/A
WB Adams Trucking	30	7	0.57%	N/A	N/A	N/A
Morgan's Bus Service	31	8	0.59%	N/A	N/A	N/A
Mack Korp Associates LLC	27	9	0.51%	N/A	N/A	N/A
O T Transportation, Inc.	26	10	0.49%	N/A	N/A	N/A
United States Postal Service	26	10	0.49%	N/A	N/A	N/A
Waterford Township EMS Inc.	26	10	0.49%	N/A	N/A	N/A
	<u>914</u>		<u>17.29%</u>	<u>---</u>		<u>---</u>

(1) Source: D&B Regional Business Directory (2013), School District Records and the Township of Waterford.

(2) The data from nine years ago was not available.

Operating Information

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

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

<u>Function/Program</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction										
Regular	61.0	58.5	54.3	56.4	108.8	116.5	105.2	81.4	76.9	76.9
Special education	27.0	35.1	35.1	36.5				1.6	3.1	3.1
Support Services:										
Student & instruction related services	33.0	28.0	27.2	26.9	31.5	31.3	32.5	30.5	24.6	24.6
General administrative services	2.0	2.0	1.6	2.0	2.0	2.0	2.0	2.0	4.0	4.0
School administrative services	5.3	5.3	7.5	8.5	6.2	6.2	6.3	6.5	7.9	7.9
Business administrative services	5.0	4.5	4.0	4.0	5.0	4.5	4.5	4.0	4.0	4.0
Plant operations and maintenance	6.0	6.0	6.3	8.3	20.9	20.9	20.2	10.0	10.0	9.0
Pupil transportation	2.0	2.0	2.0	2.0	2.2	2.3	2.3	27.0	28.0	28.0
Other			2.9	2.6	10.9	12.3				
Total	<u>141.3</u>	<u>141.4</u>	<u>140.9</u>	<u>147.2</u>	<u>187.5</u>	<u>196.0</u>	<u>173.0</u>	<u>163.0</u>	<u>158.5</u>	<u>157.5</u>

Source: District Personnel Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal</u>	<u>Elementary Enrollment</u>	<u>Secondary Enrollment (1)</u>	<u>Operating Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (3)</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE) (4)</u>	<u>Average Daily Attendance (ADA) (4)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	898	809	\$26,803,552.79	\$15,702.14	8.78%	83.0	10.82	869.4	830.7	-4.56%	95.55%
2013	914	802	25,159,525.00	14,661.73	-10.77%	76.0	12.03	910.9	868.4	4.77%	95.33%
2012	878	844	24,664,368.47	14,323.09	-11.46%	74.0	11.86	869.4	830.7	-5.67%	95.55%
2011	889	839	28,064,523.06	16,241.04	1.38%	66.0	11.01	921.7	870.1	4.35%	94.80%
2010	909	849	28,064,523.06	15,963.89	8.67%	76.0	11.96	920.9	869.4	-1.80%	94.41%
2009	936	864	26,244,062.25	14,580.03	1.38%	76.0	12.32	937.8	889.0	4.35%	94.80%
2008	899	846	25,090,328.43	14,378.41	13.77%	71.5 (5)	12.57	898.7	852.6	-2.66%	94.87%
2007	923	865	22,169,097.16	12,398.82	4.46%	96.0	9.61	923.3	873.9	-1.84%	94.65%
2006	938	881	21,547,167.89	11,845.61	0.56%	96.0	9.77	940.6	892.4	-1.75%	94.88%
2005	960	847	21,285,649.56	11,779.55	100.00%	96.0	10.00	957.4	907.8	-6.60%	94.82%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

- (1) Secondary students are sent on a tuition basis.
- (2) Operating expenditures equal total expenditures less debt service and capital outlay
- (3) Teaching staff includes only full-time equivalents of certificated staff.
- (4) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). and includes elementary students only, secondary students are sent on a tuition basis.
- (5) Beginning in 2008, the calculation was adjusted to exclude administrators and child study team.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>District Building</u>										
<u>Elementary</u>										
Atco (1965)										
Square Feet	42,021	42,021	25,600	24,494	24,494	24,494	24,494	24,494	24,494	24,494
Capacity (students)	336	336	150	176	176	176	176	176	176	176
Enrollment	179	179	163 *	217	256	253	172	233	233	279
Thomas Richards (1979)										
Square Feet	41,405	41,405	30,033	32,723	32,723	32,723	32,723	32,723	32,723	32,723
Capacity (students)	331	331	193	262	262	262	262	262	262	262
Enrollment	213	213	252	259	234	220	269	281	281	283
Waterford (1985)										
Square Feet	34,358	34,358	71,418	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)	274	274	445	450	450	450	450	450	450	450
Enrollment	452	452	401	413	442	461	413	427	427	396
<u>Other</u>										
Office Building (1985)										
Square Feet	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000

* Kindergarten students were counted as .5 because they are half day.

Number of Schools at June 30, 2014
 Elementary = 3

Source: District records, ASSA

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Project # (s)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Waterford Elementary	N/A	\$ 94,742.40	\$ 161,024.00	\$ 191,163.63	\$ 90,480.13	\$ 76,213.18	\$ 70,920.83	\$ 73,145.53	\$ 82,699.08	\$ 111,000.85	\$ 115,039.55
Thomas Richards Elementary	N/A	49,101.38	51,281.00	60,879.20	34,039.60	28,715.83	28,665.68	27,041.82	34,695.00	40,013.00	32,521.00
Atco Elementary	N/A	32,357.63	36,647.00	43,506.48	32,005.14	39,122.79	20,530.71	32,572.46	25,970.00	37,540.00	27,666.00
Total School Facilities		<u>176,201.41</u>	<u>248,952.00</u>	<u>295,549.31</u>	<u>156,524.87</u>	<u>144,051.80</u>	<u>120,117.22</u>	<u>132,759.81</u>	<u>143,364.08</u>	<u>188,553.85</u>	<u>175,226.55</u>
Other Facilities	N/A	2,131.54	4,960.00	5,887.75	2,850.52	25,898.05	10,212.73	9,119.80	6,361.00	6,363.00	5,303.00
Grand Total		<u>\$ 178,332.95</u>	<u>\$ 253,912.00</u>	<u>\$ 301,437.06</u>	<u>\$ 159,375.39</u>	<u>\$ 130,329.95</u>	<u>\$ 130,329.95</u>	<u>\$ 141,879.61</u>	<u>\$ 149,725.08</u>	<u>\$ 194,916.85</u>	<u>\$ 180,529.55</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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Blanket Building and Contents (1)	\$ 23,849,207.00	\$ 1,000.00
Commercial General Liability (1):	3,000,000.00	
Each Occurrence	1,000,000.00	
Damage to Rented Premises	1,000,000.00	
Medical Expense (excludes student medical expenses)	10,000.00	
Personal & Adv Injury	1,000,000.00	
General Aggregate		
Products - Comp/OP AGG		
Occurrence Based Specialty Coverage (1):		
Abuse of Molestation Liability (each loss)	1,000,000.00	
Annual Aggregate	3,000,000.00	
Claims-Made Liability Coverage (1):		
School District and Educators Legal Liability (each loss)	1,000,000.00	
Annual Aggregate	2,000,000.00	
Employee Benefits Program Liability	1,000,000.00	
Annual Aggregate	3,000,000.00	
Crime Coverage (1)		
Employee Theft/ Forgery or Alteration	100,000.00	
Inside or Outside the premises	25,000.00	
Government Crime Coverage (1)		
Employee Theft - Per Loss Coverage	250,000.00	
Automobile Liability (1):		
Any Auto, Hired Autos and Non-owned Autos		
Combined Single Limit	1,000,000.00	
Auto Physical Damage (1):		
Scheduled Vehicles		
Collision		500.00
Other than Collision		500.00
Excess Liability (1):		
Umbrella Form		
Each Occurrence	10,000,000.00	
Aggregate	10,000,000.00	
Self-Insured Retention	10,000.00	

(Continued)

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Workers' Compensation and Employer's Liability (2)		
Statutory Limits		
Excess Liability Each Accident	2,000,000.00	
Excess Liability Disease, Each Employee	2,000,000.00	
Excess Liability Disease, Policy Limit	2,000,000.00	
Asbestos General Liability (3)	1,000,000.00	780.00
Surety Bonds (4)		
Board Secretary/Business Administrator	2,000.00	
(Also included in the Employee Crime coverage)		
(1) - Utica National Insurance Company		
(2) - New Jersey School Boards Association Insurance Group		
(3) American Empire Surplus Lines Insurance Company		
(4) Selective Insurance Company		
Source: District Records		

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
County of Camden
Waterford, New Jersey 08089

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Waterford School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2014. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Recommendations.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Waterford School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Waterford School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

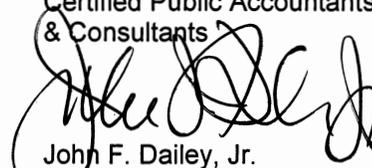
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 21, 2014

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2014

Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2013		Carryover/ Walkover Amount
				From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor	
U.S. Department of Agriculture								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
Non-Cash Assistance (Food Distribution):								
National School Lunch Program	10.555	N/A	\$ 25,462.87	7-1-13	6-30-14			
Non-Cash Assistance Subtotal						-	-	-
Cash Assistance:								
School Breakfast Program	10.553	N/A	31,189.00	7-1-12	6-30-13	\$ (2,724.90)		
School Breakfast Program	10.553	N/A	34,240.26	7-1-13	6-30-14			
National School Lunch Program	10.555	N/A	111,246.00	7-1-12	6-30-13	(8,696.16)		
National School Lunch Program	10.555	N/A	117,249.26	7-1-13	6-30-14			
Cash Assistance Subtotal						(11,421.06)	-	-
Total Enterprise Fund						(11,421.06)	-	-
U.S. Department of Education								
General Fund:								
Medical Assistance Program (SEMI)	93.778	N/A	26,022.77	7-1-13	6-30-14			
Medicaid Assistance Program (SEMI) Subtotal						-	-	-
Education Jobs Fund	84.410	N/A	426,705.00	7-1-12	6-30-13	(1,065.00)	-	-
Total General Fund						(1,065.00)	-	-
U.S. Department of Education								
Passed-through State Department of Education:								
No Child Left Behind Programs:								
Title I, Part A Cluster								
Title I, Part A Summer	84.010A	NCLB5560-13	54,488.00	9-1-12	8-31-13			
Title I, Part A	84.010A	NCLB5560-13	217,980.00	9-1-12	8-31-13	(61,460.49)		
Title I, Part A	84.010A	NCLB5560-14	255,157.00	9-1-13	6-30-14			
Total Title I, Part A Cluster						(61,460.49)	-	-
Title II, Part A Summer								
Title II, Part A	84.367	NCLB5560-13	1,665.00	9-1-12	8-31-13			
Title II, Part A	84.367	NCLB5560-13	27,123.00	9-1-12	8-31-13	(8,817.00)		
Title II, Part A	84.367	NCLB5560-14	33,096.00	9-1-13	6-30-14			
Total Title II, Part A						(8,817.00)	-	-
Title II, Part D Summer								
Title II, Part D Summer	84.318	NCLB5560-11	556.00	9-1-10	8-31-11	(70.00)		
Total Title II, Part D						(70.00)	-	-
Total No Child Left Behind (NCLB)						(70,347.49)	-	-
I.D.E.I.A., Part B Cluster:								
Basic - Regular	84.027	FT-5560-13	345,745.00	9-1-12	8-31-13	(97,473.00)		
Basic - Regular	84.027	FT-5560-14	360,086.00	9-1-13	6-30-14			
Preschool Incentive	84.173	PS-5560-13	17,943.00	9-1-12	8-31-13	(17,415.00)		
Preschool Incentive	84.173	PS-5560-14	17,617.00	9-1-13	6-30-14			
Total I.D.E.I.A. Part B Cluster						(114,888.00)	-	-
Total U.S. Department of Education						(186,300.49)	-	-
Total Special Revenue Fund						(185,235.49)	-	-
Total Federal Financial Assistance						\$ (197,721.55)	-	-

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

Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	Balance at June 30, 2014		
				Accounts Receivable	Deferred Revenue	Due to Grantor
\$ 25,462.87	(25,462.87)					
25,462.87	(25,462.87)	-	-	-	-	-
2,724.90						
31,760.10	(34,240.26)			\$ (2,480.16)		
8,696.16						
108,197.17	(117,249.26)			(9,052.09)		
151,378.33	(151,489.52)	-	-	(11,532.25)	-	-
176,841.20	(176,952.39)	-	-	(11,532.25)	-	-
26,022.77	(26,022.77)			-		
26,022.77	(26,022.77)	-	-	-	-	-
1,065.00	-	-	-	-	-	-
27,087.77	(26,022.77)	-	-	-	-	-
54,487.51	(54,487.51)					
61,460.49						
188,608.00	(232,787.88)			(44,179.88)		
304,556.00	(287,275.39)	-	-	(44,179.88)	-	-
1,665.01	(1,665.01)					
8,817.00	(31,307.78)			(12,747.79)		
18,559.99	(32,972.79)	-	-	(12,747.79)	-	-
27,376.99	(32,972.79)	-	-	(12,747.79)	-	-
	-			(70.00)		
-	-	-	-	(70.00)	-	-
331,932.99	(320,248.18)	-	-	(56,997.67)	-	-
97,473.00						
264,393.00	(334,503.13)			(70,110.13)		
17,415.00						
13,738.00	(17,089.00)			(3,351.00)		
393,019.00	(351,592.13)	-	-	(73,461.13)	-	-
752,039.76	(697,863.08)	-	-	(130,458.80)	-	-
724,951.99	(671,840.31)	-	-	(130,458.80)	-	-
\$ 928,880.96	\$ (874,815.47)	-	-	\$ (141,991.05)	-	-

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2014

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Local Share	Grant Period		Balance at June 30, 2013	
				From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	13-495-034-5120-078	\$ 10,159,851.00		7-1-2012	6-30-2013	\$ (997,810.10)	
Equalization Aid	14-495-034-5120-078	10,416,210.00		7-1-2013	6-30-2014		
Special Education Categorial Aid	13-495-034-5120-089	955,470.00		7-1-2012	6-30-2013	(93,837.75)	
Special Education Categorial Aid	14-495-034-5120-089	970,050.00		7-1-2013	6-30-2014		
Security Aid	13-495-034-5120-084	190,042.00		7-1-2012	6-30-2013	(18,664.23)	
Security Aid	14-495-034-5120-084	198,097.00		7-1-2013	6-30-2014		
School Choice Aid	13-495-034-5120-068	281,106.00		7-1-2012	6-30-2013	(27,607.73)	
School Choice Aid	14-495-034-5120-068	271,518.00		7-1-2013	6-30-2014		
Total State Aid - Public Cluster						(1,137,919.81)	-
Transportation Aid:							
Transportation Aid	13-495-034-5120-014	658,227.00		7-1-2012	6-30-2013	(64,645.19)	
Transportation Aid	14-495-034-5120-014	664,495.00		7-1-2013	6-30-2014		
Additional Nonpublic School Transportation Aid	13-495-034-5120-014	7,914.00		7-1-2012	6-30-2013	(7,914.00)	
Additional Nonpublic School Transportation Aid	14-495-034-5120-014	11,677.00		7-1-2013	6-30-2014		
Total Transportation Aid						(72,559.19)	-
Extraordinary Aid							
Extraordinary Aid	13-495-034-5120-473	108,133.00		7-1-2012	6-30-2013	(108,133.00)	
Extraordinary Aid	14-495-034-5120-473	139,519.00		7-1-2013	6-30-2014		
Total Extraordinary Aid						(108,133.00)	-
Anti-Bullying Bill of Rights Act							
Anti-Bullying Bill of Rights Act	14-100-034-5064-201	1,097.00		7-1-2013	6-30-2014	-	-
Payment for Institutionalized Children - Unknown District of Residence							
Payment for Institutionalized Children - Unknown District of Residence	14-495-034-5120-005	18,136.00		7-1-2013	6-30-2014	-	-
Reimbursed T.P.A.F. Social Security							
Reimbursed T.P.A.F. Social Security	13-495-034-5095-002	439,870.00		7-1-2012	6-30-2013	(21,032.12)	
Reimbursed T.P.A.F. Social Security	14-495-034-5095-002	517,154.20		7-1-2013	6-30-2014		
Total Reimbursed T.P.A.F. Social Security						(21,032.12)	-
Total General Fund						(1,339,644.12)	-
Special Revenue Fund:							
New Jersey Department of Education:							
N.J. Nonpublic Aid:							
Nursing Aid	13-100-034-5120-070	13,568.00		7-1-2012	6-30-2013	-	\$ 136.00
Textbook Aid	13-100-034-5120-064	9,775.00		7-1-2012	6-30-2013	-	2,252.00
Technology	13-100-034-5120-373	3,608.00		7-1-2012	6-30-2013	-	352.00
Auxiliary Services Aid (P.L. 192)							
Compensatory Education - Basic Skills	13-100-034-5120-067	90,297.00		7-1-2012	6-30-2013		46,067.00
Transportation	13-100-034-5120-068	7,392.00		7-1-2012	6-30-2013		5,353.00
Total Auxiliary Services Aid (P.L. 192)						-	51,420.00
Handicapped Services (P.L. 193)							
Supplementary Instruction	13-100-034-5120-066	14,571.00		7-1-2012	6-30-2013		5,968.00
Examination and Classification	13-100-034-5120-066	22,768.00		7-1-2012	6-30-2013		14,325.00
Corrective Speech	13-100-034-5120-066	53,043.00		7-1-2012	6-30-2013		33,044.32
Total Handicapped Services Aid (P.L. 193)						-	53,337.32
Total N.J. Nonpublic Aid						-	107,497.32
Total Special Revenue Fund						-	107,497.32
Capital Projects Fund:							
School Development Authority:							
Regular Operating District Grant:							
Waterford Elementary School - Unbundled	5560-100-14-1003	3,184,884.00	\$ 3,309,617.00	6-20-14	Completion		
Total Capital Projects Fund						-	-

Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014			Memo	
			Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2014	Cumulative Total Expenditures
\$ 997,810.10							\$ (10,159,851.00)
9,395,182.87	\$ (10,416,210.00)		\$ (1,021,027.13)			\$ (1,021,027.13)	(10,416,210.00)
93,837.75							(955,470.00)
874,962.88	(970,050.00)		(95,087.12)			(95,087.12)	(970,050.00)
18,664.23							(190,042.00)
178,678.96	(198,097.00)		(19,418.04)			(19,418.04)	(198,097.00)
27,607.73							(281,106.00)
244,903.02	(271,518.00)		(26,614.98)			(26,614.98)	(271,518.00)
11,831,647.54	(11,855,875.00)	-	(1,162,147.27)	-	-	(1,162,147.27)	(23,442,344.00)
64,645.19							(658,227.00)
599,359.27	(664,495.00)		(65,135.73)			(65,135.73)	(664,495.00)
7,914.00							(7,914.00)
	(11,677.00)		(11,677.00)			(11,677.00)	(11,677.00)
671,918.46	(676,172.00)	-	(76,812.73)	-	-	(76,812.73)	(1,342,313.00)
108,133.00	(139,519.00)		(139,519.00)			(139,519.00)	(108,133.00)
							(139,519.00)
108,133.00	(139,519.00)	-	(139,519.00)	-	-	(139,519.00)	(247,652.00)
1,097.00	(1,097.00)	-	-	-	-	-	(1,097.00)
-	(18,136.00)	-	(18,136.00)	-	-	(18,136.00)	(18,136.00)
21,032.12							(439,870.00)
493,149.68	(517,154.20)		(24,004.52)			(24,004.52)	(517,154.20)
514,181.80	(517,154.20)	-	(24,004.52)	-	-	(24,004.52)	(957,024.20)
13,126,977.80	(13,207,953.20)	-	(1,420,619.52)	-	-	(1,420,619.52)	(26,008,566.20)
-	-	\$ (136.00)	-	-	-	-	(13,432.00)
-	-	(2,252.00)	-	-	-	-	(7,523.00)
-	-	(352.00)	-	-	-	-	(3,256.00)
		(46,067.00)					(44,230.00)
		(5,353.00)					(2,039.00)
-	-	(51,420.00)	-	-	-	-	(46,269.00)
		(5,968.00)					(8,603.00)
		(14,325.00)					(8,443.00)
		(33,044.32)					(19,999.00)
-	-	(53,337.32)	-	-	-	-	(37,045.00)
-	-	(107,497.32)	-	-	-	-	(107,525.00)
-	-	(107,497.32)	-	-	-	-	(107,525.00)
1,400,892.00	(273,958.75)		(3,184,884.00)	\$ 4,311,817.25		(3,184,884.00)	(273,958.75)
1,400,892.00	(273,958.75)	-	(3,184,884.00)	4,311,817.25	-	(3,184,884.00)	(273,958.75)

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2014

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Local Share</u>	<u>Grant Period</u>		<u>Balance at June 30, 2013</u>		
				<u>From</u>	<u>To</u>	<u>Deferred Revenue/ Accounts Receivable</u>	<u>Due to Grantor</u>	
Enterprise Fund:								
New Jersey Department of Agriculture:								
State School Lunch Program	13-100-010-3350-023	3,674.00		7-1-2012	6-30-2013	\$	(485.30)	
State School Lunch Program	14-100-010-3350-023	3,749.50		7-1-2013	6-30-2014			
Total Enterprise Fund							<u>(485.30)</u>	<u>-</u>
Total State Financial Assistance subject to Major Program Determination for State Single Audit							<u>(1,340,129.42)</u>	<u>\$ 107,497.32</u>
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of the Treasury:								
On-behalf T.P.A.F. Pension Contributions - Normal Co:	N/A	260,120.00		7-1-2013	6-30-2014			
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	N/A	426,498.00		7-1-2013	6-30-2014			
Total General Fund (Non-Cash Assistance)							<u>-</u>	<u>-</u>
Total State Financial Assistance							<u>\$ (1,340,129.42)</u>	<u>\$ 107,497.32</u>

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

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

<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior Years' Balances</u>	<u>Balance at June 30, 2014</u>			<u>Memo</u>	
			<u>Accounts Receivable</u>	<u>Deferred Revenue</u>	<u>Due to Grantor</u>	<u>Budgetary Receivable June 30, 2014</u>	<u>Cumulative Total Expenditures</u>
\$ 485.30							
3,266.18	\$ (3,749.50)		\$ (483.32)			\$ (483.32)	\$ (3,674.00)
3,751.48	(3,749.50)	-	(483.32)	-	-	(483.32)	(7,423.50)
14,531,621.28	(13,485,661.45)	\$ (107,497.32)	(4,605,986.84)	\$ 4,311,817.25	-	(4,605,986.84)	(26,397,473.45)
260,120.00	(260,120.00)						(260,120.00)
426,498.00	(426,498.00)						(426,498.00)
686,618.00	(686,618.00)	-	-	-	-	-	(686,618.00)
\$ 15,218,239.28	\$ (14,172,279.45)	\$ (107,497.32)	\$ (4,605,986.84)	\$ 4,311,817.25	-	\$ (4,605,986.84)	\$ (27,084,091.45)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$24,718.00 for the general fund and \$4,830.26 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$186.98 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 26,022.77	\$ 13,869,853.20	\$ 13,895,875.97
Special Revenue	671,840.31		671,840.31
Capital Projects		273,958.75	273,958.75
Food Service	176,952.39	3,749.50	180,701.89
	<u>\$ 874,815.47</u>	<u>\$ 14,147,561.45</u>	<u>\$ 15,022,376.92</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: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2014, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the Federal Food Distribution Program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

Note 6: MAJOR PROGRAMS

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.I.A. - Basic Regular
84.173	I.D.E.I.A. - Prechool Incentive
84.010A	No Child Left Behind, Title I A

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee? yes X no

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-89	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5095-068	School Choice Aid
495-034-5095-002	Reimbursed TPAF Social Security Contributions
495-034-5120-014	Transportation Aid
495-034-5120-014	Non Public School Transportation Aid

Dollar threshold used to determine Type A programs \$404,570.00

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2014-1

Criteria or Specific Requirement

As per N.J.S.A. 18A:19, sound internal control practices and the School District's policies require that purchase vouchers have proper approval to authorize payment.

Condition

Our audit of disbursements disclosed several purchase vouchers that were paid without the School Business Administrator's initials authorizing payment.

Context

In our audit, 24 of the 40 purchase vouchers selected were paid without first obtaining the School Business Administrator's initials authorizing payment.

Effect

Failure to obtain proper authorization for purchase vouchers before payments are made can lead to material errors or omissions in the financial statements.

Cause

Not enforcing established internal control procedures and School District Policies.

Recommendation

That the internal control procedures and School District's policies be consistently applied to ensure that purchase vouchers are only paid after the School Business Administrator initials the voucher authorizing payment.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

