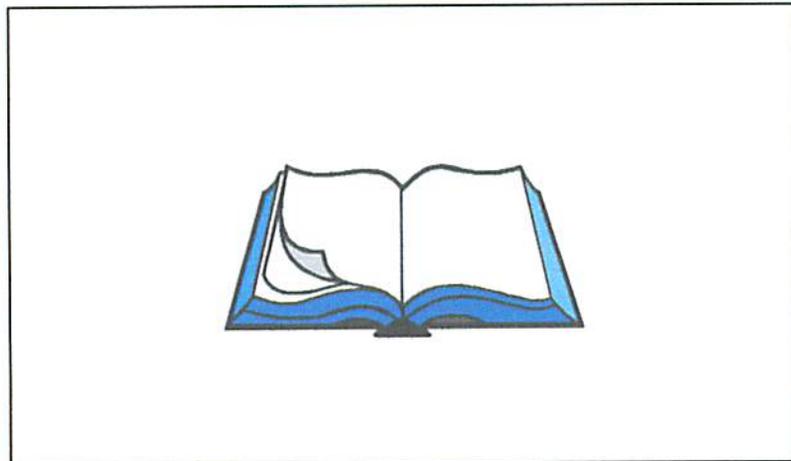


SCHOOL DISTRICT  
OF  
**WESTAMPTON  
TOWNSHIP**



Westampton Township Board of Education  
Westampton, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008

**Comprehensive Annual  
Financial Report**

**of the**

**Westampton Township Board of Education**

**Westampton, New Jersey**

**For the Fiscal Year Ended June 30, 2008**

**Prepared by  
Westampton Township Board of Education  
Finance Department**

# WESTAMPTON SCHOOL DISTRICT

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**Introductory Section**

**WESTAMPTON TOWNSHIP BOARD OF EDUCATION**

**700 Rancocas Road**

**Westampton, New Jersey 08060**

**Tel. (609) 261-1969 Fax: (609) 267-2760**

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August 25, 2008

Honorable President and  
Members of the Board of Education  
Westampton Township School District  
County of Burlington, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Westampton Township School District (District) for the fiscal year ended June 30, 2008 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures rests with the management of the Board of Education (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 Single Audit Act of 1984 and the U. S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the state Treasury Circular Letter 93-05 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Westampton 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 Westampton 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 8. These include regular and special education for identified handicapped students. The District completed the 2007-2008 fiscal year with an enrollment of 931 students, which is 7 students below the reported previous year's enrollment. The following details the changes in the student enrollments of the District over the last ten (10) years.

**AVERAGE DAILY ENROLLMENT**

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>INCREASE/ DECREASE</u>	<u>PERCENT CHANGE</u>
2007-2008	931	(7)	0.7
2006-2007	938	(24)	(2.5)
2005-2006	962	(35)	(3.5)
2004-2005	997	22	2.3
2003-2004	975	(32)	(3.2)
2002-2003	1007	47	4.9
2001-2002	960	5	0.5
2000-2001	955	(12)	(1.2)
1999-2000	967	(13)	(1.3)
1998-1999	980	41	4.4

2. **ECONOMIC CONDITION AND OUTLOOK:**

Housing growth within the community continues to be moderate. Growth in student population will come from completion of new townhouses in Westampton Woods and the development of the Sunnyside property which is targeted for 500 units comprising 250 carriage houses and 250 age-restricted units and by an ongoing turnover market in Spring Meadows, Tarnsfield and Holly Hills developments.

The community of Westampton is a K to 8 District that is served by two schools that are a source of great pride to this mid-sized community located in the heart of Burlington County. The Holly Hills School serves 495 students in grades K to 4, while the Westampton Middle School has an enrollment of 436 students in grades 5 through 8. The community of Westampton is a sending district to the Rancocas Valley Regional High

**School District and is proud of the fact that our students are active and vital participants in all of the programs offered at the Rancocas Valley Regional High School.**

**Westampton is an excellent place to live and to raise a family. Access by major highways to Southern New Jersey corporate centers, Philadelphia, New York, and the Princeton area continue to increase the desirability of locating here. Westampton Township covers an area of 11.04 square miles with the most recent data showing a population of 7,297. The unemployment rate remains below that of the county.**

**While there are reported proposals for smaller developments of 100 homes or less, the possibility exists for additional court-mandated Affordable Housing. Their magnitudes are not quantifiable. In general the Township Master Plan, and significant local wetlands, discourages development beyond that which is identified above.**

**The Westampton Board of Education meets on the second Monday of each month at 7:00 PM. The meetings are held in the Media Center of the Westampton Middle School, 700 Rancocas Road. The members of the Board of Education take their responsibilities to provide each and every child an education that challenges them academically and nurtures them socially. They are committed to accomplishing this in the most cost effective manner possible, a responsibility to the taxpayers that they take very seriously.**

**The school facilities are not only educational centers but also serve the community as the sites for a very comprehensive recreational program that is available to citizens of all ages. The continual use of our school facilities is only one example of the cooperative working arrangement that exists between the elected political leaders of the community and the Westampton Board of Education.**

**The educational programs in Westampton continue to be served by an administrative, teaching and support staff that is committed to creating an educational environment which is focused on the following Mission Statement: The Westampton Township Public Schools will provide a high quality, age appropriate educational experience that empowers children to reach their academic potential, become well-rounded individuals, and develop a love for learning with a safe, secure, nurturing social and academic environment. The social environment is one which fosters: risk taking; development of positive self-esteem; individuality; respect for diversity; social consciousness; positive social interaction; and encourages students to expand their roles as active participants in their community and world.**

**In support of the Mission Statement, the Board of Education provides a wide variety of programs and services including a Special Education Program that is committed to educating all of our children in the "least restrictive environment". Both of our schools**

provide a wide variety of services and extra-curricular programs that are designed to give every child opportunities to grow academically, athletically and socially.

3. **MAJOR INITIATIVES:**

Major School District initiatives during the 2007-2008 school year included the following:

- The District concluded major portions of the modernization and upgrading of facilities at both the Holly Hills and Westampton Middle Schools, as well as the construction of a new Central Office facility. These improvements consisted of air-conditioning the school facilities, upgrading the security systems, replacing windows, upgrading sound systems, upgrading of the exterior lighting and parking lots in addition to the fire alarm systems and improvements to the athletic fields. A new 3,000 square foot administration building has been constructed and occupied adjacent to the Middle School.
- Additional initiatives are in place which continue to focus on improving and enhancing the instructional programs that are already in place and have resulted in sustained student improvement with respect to meeting the state standards. Our budgets exceed adequacy, as defined by the state due to extending support services to children requiring added assistance in order to meet the state standards. This is reflected in class size as well as support staff budget to sustain the effort which has consistently received community support.
- Additionally, we have made a concerted effort to reduce out-of-district placements by offering in-class support and inclusion-based services to eligible students. Our community is nestled in the Rancocas Woods area which sprawls across 12 square miles. This encompasses several hazardous routes which necessitates transportation needs that may not be easily calculated in state formulas to ascertain adequacy spending.

New construction will impact student enrollment as well as our future plans to provide full day kindergarten and pre-k services.

Westampton's budget has been developed to maintain existing programs and services which have proven to yield favorable results on state assessment and generate community support. The District continues to exercise discretion with its spending as evidenced by the historically successful budget passing rate. Special emphasis has been placed on supporting educational programs that

provide remediation and essential professional development. The budget is built with a focus on teaching and learning. Our guiding objective has been to continue the excellence for which our District is well known. With an eye on expanding our current kindergarten programs in the future, resources have been devoted to enhancing early literacy, immediate identification of students with learning gaps and to close the achievement gaps wherever they may exist. The 2008-2009 school year will mark the District's third year with Everyday Math/Connected Math. Appropriate professional development and materials are included to sustain these efforts.

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

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an 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.

**5. BUDGETARY CONTROLS:**

In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included

as a reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2008.

6. **FINANCIAL INFORMATION AT FISCAL YEAR-END:**

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. **CASH MANGEMENT:**

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

8. **RISK MANGEMENT:**

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

9. **OTHER INFORMATION:**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, 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 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 98-07 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 the report. The auditor's reports related specifically to the single audit are included in the single audit section of the report.

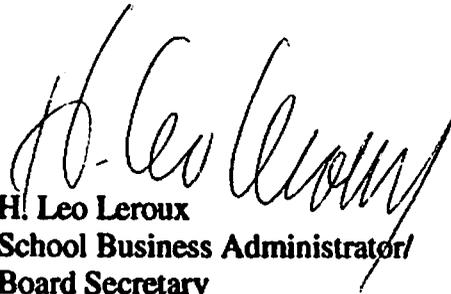
10. **ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Westampton 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.

Respectfully submitted,



**Kenneth R. Hamilton, Ed.D.**  
**Superintendent**



**H. Leo Leroux**  
**School Business Administrator/  
Board Secretary**



**WESTAMPTON TOWNSHIP BOARD OF EDUCATION  
WESTAMPTON, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2008**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Teri Stallone, President	2009
Vanessa L. Nichols, Vice President	2010
Harry Bell	2010
Daniel Dole	2011
Michael Cormier	2010
C. Andre' Daniels	2011
Kristine Lewis	2009
Wayne MacManiman, Jr.	2009
Jason York	2011

**Other Officials**

**Kenneth R. Hamilton, Ed.D., Superintendent**

**H. Leo Leroux, Business Administrator/Board Secretary**

**Margaret E. Garber of MS Accounting Firm, Treasurer**

**Stephen J. Mushinski, Parker McCay, Solicitor**

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

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

**Attorney**

Stephen J. Mushinski, Esq.  
Parker/McCay  
3 Greentree Center, Suite 401  
Marlton, NJ 08053

**Architect**

Garrison Architect  
14000 F. Commerce Parkway  
Mount Laurel, NJ 08054

**Broker of Record**

EJA Insurance & Associates  
217 Route 130  
Bordentown, NJ 08505

**Official Depository**

Commerce Bank  
580 Rancocas Road  
Westampton, NJ 08060

**Financial Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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

## **Independent Auditor's Report**

The Honorable President and Members  
of the Board of Education  
Westampton Township School District  
County of Burlington  
Westampton, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Westampton Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Westampton Township School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Westampton Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2008 on our consideration of the Westampton Township 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westampton Township School District's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert A. Stewart  
Public School Accountant

Marlton, New Jersey  
August 22, 2008

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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

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

The Honorable President and Members  
of the Board of Education  
Westampton Township School District  
County of Burlington  
Westampton, New Jersey

We have audited the financial statements of the Board of Education of the Westampton Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated August 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

**Compliance and Other Matters**

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

However, we noted certain matters that we reported to the Board of Education of the Westampton Township School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated August 22, 2008.

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

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert A. Stewart  
Public School Accountant

Marlton, New Jersey  
August 22, 2008

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

**Westampton Township School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008**

As management of the Board of Education of the Township of Westampton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$4,813,948 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$1,654,679. The accounting treatments in the governmental funds for compensated absences payable, capital lease payable and the last state aid payment, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net assets of the School District increased by \$38,129 from the prior fiscal year-end balance. The increase is a net result of a decrease in the percentage of the budget expended during the year in comparison to the prior year.
- Fund balance of the School District's governmental funds decreased by \$347,608 resulting in an ending fund balance of \$1,579,939. The majority of this decrease is the result of the capital projects program.
- Business-type activities have unrestricted net assets of \$71,365 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (food services, after school program and substitute service operations).
- The School District's long-term obligations decreased by \$745,089 which constitutes the annual payment of existing debt obligations.

**Overview of the Basic Financial Statements**

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

## District-wide Financial Statements

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

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

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

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

## Fund Financial Statements

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

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

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

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

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

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

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

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

### **Notes to the Basic Financial Statements**

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

### **Other Information**

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

### **District-wide Financial Analysis**

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available

resources, current assets or new resources that become available during fiscal year 2008. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2008.

The assets of the primary government activities exceeded liabilities by \$4,742,583 with an unrestricted deficit balance of \$1,654,679. As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable, capital lease payable, accrued interest expense and the last state aid payment, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The net assets of the primary government do not include internal balances.

A net investment of \$4,837,059 in land, improvements, buildings and equipment which provide the services to the School District's 931 public school students, represents 92.7% of the School District's net assets.

Net assets of \$1,583,491 have been restricted as follows:

Designated for the 2008/08 budget	\$ 520,535
Capital projects	893,074
Debt service	169,882

**Comparative Summary of Net Assets  
As of June 30, 2008 and 2007**

	Governmental Activities		Business-Type Activities		District-Wide	
	2008	2007	2008	2007	2008	2007
<b>Assets:</b>						
Current assets	\$ 1,830,536	\$ 2,828,503	\$ 48,077	\$ 59,389	\$ 1,878,613	\$ 2,887,892
Capital assets	15,229,113	15,552,197	23,288	29,225	15,252,401	15,581,422
<b>Total assets</b>	<b>17,059,649</b>	<b>18,380,700</b>	<b>71,365</b>	<b>88,614</b>	<b>17,131,014</b>	<b>18,469,314</b>
<b>Liabilities:</b>						
Current Liabilities	1,032,183	1,678,076			1,032,183	1,678,076
Concurrent Liabilities	11,284,883	12,015,419			11,284,883	12,015,419
<b>Total liabilities</b>	<b>12,317,066</b>	<b>13,693,495</b>			<b>12,317,066</b>	<b>13,693,495</b>
<b>Net assets</b>	<b>\$ 4,742,583</b>	<b>\$ 4,687,205</b>	<b>\$ 71,365</b>	<b>\$ 88,614</b>	<b>\$ 4,813,948</b>	<b>\$ 4,775,819</b>
<b>Net assets consist of:</b>						
Invested in capital assets, net of related debt	\$ 4,813,771	\$ 4,401,631	\$ 23,288	\$ 29,225	\$ 4,837,059	\$ 4,430,856
Restricted net assets	1,583,491	1,830,812			1,583,491	1,830,812
Unrestricted net assets (deficit)	(1,654,679)	(1,545,238)	48,077	59,389	(1,606,602)	(1,485,849)
<b>Net assets</b>	<b>\$ 4,742,583</b>	<b>\$ 4,687,205</b>	<b>\$ 71,365</b>	<b>\$ 88,614</b>	<b>\$ 4,813,948</b>	<b>\$ 4,775,819</b>

**Governmental Activities**

Governmental activities increased the net assets of the School District by \$55,378 during the current fiscal year. Key elements of the increase in net assets for governmental activities are as follows:

- The District did not dispose of any assets during the year.
- The tax levy increased by \$133,629.
- Although the state revenue was maintained at the recent fiscal year levels, the School District expenses were well within anticipated revenues. This is due, in part to a reduction in anticipated special education tuition and health benefit costs.

**Business-type Activities**

Business-type activities decreased the School District's net assets by \$17,249. Key elements of the decrease in net assets for business-type activities are as follows:

- The Food Service program had a net loss in operations of \$17,706.

**Westampton Township School District  
Comparative Schedule of Changes in Net Assets  
As of and for the Fiscal Year Ended June 30, 2008 and 2007**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services			\$ 302,812	\$ 244,420	\$ 302,812	\$ 244,420
Operating grants and Contributions	\$ 1,757,338	\$ 1,732,196	71,223	58,748	1,828,561	1,790,944
<b>General Revenues:</b>						
Property Taxes	7,875,381	7,741,752			7,875,381	7,741,752
State Aid	3,710,821	3,614,259			3,710,821	3,614,259
State Aid – Capital Projects	104,383	451,235			104,383	451,235
Other Revenues	119,191	227,236	1,054	2,570	120,245	229,806
Loss on disposal of assets		(32,874)				(32,874)
<b>Total Revenues</b>	<u>13,567,114</u>	<u>13,733,804</u>	<u>375,089</u>	<u>305,738</u>	<u>13,942,203</u>	<u>14,039,542</u>

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	\$ 6,086,530	\$ 7,046,427			\$ 6,086,530	\$ 7,046,427
Tuition	172,242	149,958			172,242	149,958
Related Services	1,048,537	1,047,465			1,048,537	1,047,465
Administrative Services	1,247,000	1,266,218			1,247,000	1,266,218
Operations and Maintenance	922,149	951,623			922,149	951,623
Transportation	646,810	651,426			646,810	651,426
Unallocated benefits	2,823,297	2,707,102			2,823,297	2,707,102
Interest on long-term Debt	424,245	469,272			424,245	469,272
Other	140,926	140,925			140,926	140,925
<b>Business-Type Activities:</b>						
Food Service Operations			\$ 355,686	\$ 305,225	355,686	305,225
After School Program			9,655		9,655	
Substitute Service Operations			26,997	26,202	26,997	26,202
<b>Total Expenses</b>	<b>13,511,736</b>	<b>14,430,416</b>	<b>392,338</b>	<b>331,427</b>	<b>13,904,074</b>	<b>14,761,843</b>
<b>Increase (Decrease) in Net Assets Before transfers</b>						
	55,378	(696,612)	(17,249)	(25,689)	38,129	(722,301)
<b>Transfers</b>						
Changes in net assets	55,378	(696,612)	(17,249)	(25,689)	38,129	(722,301)
Net assets, July 1,	4,687,205	5,383,817	88,614	114,303	4,775,819	5,498,120
Net assets, June 30,	\$ 4,742,583	\$ 4,687,205	\$ 71,365	\$ 88,614	\$ 4,813,948	\$ 4,775,819

### Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,579,939, a decrease of \$347,608 in comparison with the prior year. The majority of the decrease is due to the capital projects program.

The unreserved fund balance for the School District at the end of the fiscal year represents the unreserved fund balance for the General Fund of (\$3,552). The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed, as follows: 1) restricted for future debt service payments in accordance with state statutes (\$169,882), 2) appropriated as a

revenue source in the subsequent year's budget (\$520,535), or 3) reserved for future capital expenditures (\$893,074).

The general fund is the chief operating fund of the School District. As discussed earlier, the deficit unreserved fund balance is due, primarily, to the accounting treatments of compensated absences payable, the last state aid payment, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

Revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

### **General Fund Budgetary Highlights**

There was no change between the original budget and the final amended budget.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$171,078, while total fund balance (budgetary basis) was \$691,613. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$12,051,178. Unreserved fund balance (budgetary basis) represents 1.42% of expenditures while total fund balance (budgetary basis) represents 5.7% of that same amount

### **Capital Asset and Debt Administration**

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2008, totaled \$15,252,401 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$329,020, or a 2.1% decrease. The decrease is due to the net effect of the capital projects program minus current year depreciation.

**Westampton Township School District  
Capital Asset (net of accumulated depreciation)  
June 30, 2008 and 2007**

	Governmental Activities		Business-Type Activities		District-Wide	
	2008	2007	2008	2007	2008	2007
Land	\$ 12,455	\$ 12,455			\$ 12,455	\$ 12,455
Construction in Progress	8,750,729	8,415,406			8,750,729	8,415,406
Site Improvements	4,832,400	5,145,219			4,832,400	5,145,219
Buildings and Building Improvements	1,245,760	1,318,017			1,245,760	1,318,017
Equipment	387,770	661,100	\$ 23,288	\$ 29,225	411,058	690,325
Vehicles						
Net assets	<u>\$ 15,229,114</u>	<u>\$ 15,552,197</u>	<u>\$ 23,288</u>	<u>\$ 29,225</u>	<u>\$ 15,252,402</u>	<u>\$ 15,581,422</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 4) of this report.

**Long-term debt** – During the fiscal year ended June 30, 2008, the School District had total bonded debt outstanding of \$10,415,342 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for capital leases in the amount of \$33,815 and compensated absences in the amount of \$1,576,950.

General obligation bonds decreased \$735,224 and capital lease obligations decreased \$9,865 during the year in accordance with the annual payments due.

The School District continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$32,388,427 and the legal debt margin was \$21,973,085.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered and incorporated into the preparation of the School District's budget for the 2008-09 fiscal years.

- State aid has remained flat over the last several years, failing to keep pace with the inflationary factors that impact our economic structure. This is a *major impact* on desirable programs due to the lack of adequate financial support. This makes it increasingly difficult to further develop or maintain, in certain instances, desired activities. Although the state marginally increased state aid to Westampton during this budget cycle, they negated this increase by doubling the required District pension contributions. Our challenge to keep educational costs low while faced with inflationary factors remains challenging.
- Schools are faced with increases in fixed costs such as insurance and utilities. This puts a tremendous burden on property taxpayers to come up with additional funds to maintain facilities and to cover fixed costs. This has caused districts to draw down their fund balance in order to stabilize the amount that taxpayers are asked to contribute to the operation of the local schools. For the past three years the state has postponed the final aid payment, and this coupled with the restrictions on surplus, creates further financial challenges for the local school district. This causes a significant hardship on taxpayers in order to sustain desirable programs.
- The per pupil regular spending was within the state designated T&E range and remains as one of the lowest in Burlington County. The 2008-09 budget certified for taxes shows a local school tax rate of \$1.170 per \$100 of assessed valuation as compared to \$1.777 in the 1996-1997 school budget. 85.3% of every dollar spent in the Westampton School District goes directly to the schools for instruction and student support services. This leaves a balance of 14.7% to conduct all the necessary remaining activities within the School District.
- The District continues to pursue all opportunities to enter into shared services agreements and has been successful in this area with the municipality and neighboring school districts.

## **Requests for Information**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Westampton Township School District Business Administrator, 700 Rancocas Road, Westampton, New Jersey, 08060, telephone number (609) 261-1969.

**Basic Financial Statements**

## District-Wide Financial Statements

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2008**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,552,493	\$ 41,061	\$ 1,593,554
Receivables, net	181,433	3,104	184,537
Inventory		3,912	3,912
Deferred Bond Issuance Costs - Net	96,610		96,610
Capital Assets - Net (Note 4)	15,229,113	23,288	15,252,401
<b>Total Assets</b>	<b>17,059,649</b>	<b>71,365</b>	<b>17,131,014</b>
 <b>LIABILITIES:</b>			
Accounts Payable	5,430		5,430
Contracts Payable	129,374		129,374
Intergovernmental Payable:			
State	5,013		5,013
Federal	4,576		4,576
Deferred Revenue	9,594		9,594
Accrued Interest Payable	136,972		136,972
Noncurrent Liabilities (Note 6):			
Due within one year	741,224		741,224
Due beyond one year	11,284,883		11,284,883
<b>Total Liabilities</b>	<b>12,317,066</b>		<b>12,317,066</b>
 <b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	4,813,771	23,288	4,837,059
Restricted for:			
Capital Projects	893,074		893,074
Debt Service Funds	169,882		169,882
Other Purposes	520,535		520,535
Unrestricted (Deficit)	(1,654,679)	48,077	(1,606,602)
<b>Total Net Assets</b>	<b>\$ 4,742,583</b>	<b>\$ 71,365</b>	<b>\$ 4,813,948</b>

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



## Fund Financial Statements

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2008**

<b>ASSETS</b>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 493,411	\$ (28,864)	\$ 976,718	\$ 111,228	\$1,552,493
Receivables, net	27,727	49,322	104,384	58,654	240,087
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b><u>\$ 521,138</u></b>	<b><u>\$ 20,458</u></b>	<b><u>\$ 1,081,102</u></b>	<b><u>\$ 169,882</u></b>	<b><u>\$ 1,792,580</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 4,155	\$ 1,275			\$ 5,430
Contacts payable			\$ 129,374		129,374
Intergovernmental payable:					
State		5,013			5,013
Federal		4,576			4,576
Interfund			58,654		58,654
Deferred revenues		9,594			9,594
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Liabilities</b>	<b><u>4,155</u></b>	<b><u>20,458</u></b>	<b><u>188,028</u></b>	<b><u>169,882</u></b>	<b><u>212,641</u></b>
<b>Fund Balances:</b>					
Reserved for:					
Capital projects			893,074		893,074
Unreserved	(3,552)			\$ 51,587	48,035
Unreserved - designated for subsequent year's expenditures	520,535			118,295	638,830
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Fund Balances</b>	<b><u>516,983</u></b>	<b><u>20,458</u></b>	<b><u>893,074</u></b>	<b><u>169,882</u></b>	<b><u>1,579,939</u></b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 521,138</u></b>	<b><u>\$ 20,458</u></b>	<b><u>\$ 1,081,102</u></b>	<b><u>\$ 169,882</u></b>	

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 \$22,074,093 and the accumulated depreciation is \$6,844,980	15,229,113
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.	96,610
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:	
General Obligation Bonds	\$ (10,415,342)
Capital Leases Payable	(33,815)
Accrued Interest Payable	(136,972)
Compensated Absences Payable	<u>(1,576,950)</u>
	<u>(12,163,079)</u>
<b>Net assets of governmental activities</b>	<b><u>\$ 4,742,583</u></b>

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 7,139,593			\$ 735,788	\$ 7,875,381
Miscellaneous	67,604		\$ 51,587		119,191
<b>Total local sources</b>	<b>7,207,197</b>		<b>51,587</b>	<b>735,788</b>	<b>7,994,572</b>
State sources	4,792,282	\$ 69,883	104,383	317,902	5,284,450
Federal sources		288,092			288,092
<b>Total Revenues</b>	<b>11,999,479</b>	<b>357,975</b>	<b>155,970</b>	<b>1,053,690</b>	<b>13,567,114</b>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	3,824,353				3,824,353
Special education instruction	1,073,330	257,651			1,330,981
Other instruction	449,759				449,759
Support services and undistributed costs:					
Tuition	172,242				172,242
Student & instruction related services	948,213	100,324			1,048,537
General administrative services	606,619				606,619
School administrative services	574,541				574,541
Plant operations and maintenance	932,014				932,014
Pupil transportation	646,810				646,810
Unallocated employee benefits	2,823,297				2,823,297
Capital outlay			335,322		335,322
Debt service:					
Principal				735,224	735,224
Interest and other charges				435,023	435,023
<b>Total Expenditures</b>	<b>12,051,178</b>	<b>357,975</b>	<b>335,322</b>	<b>1,170,247</b>	<b>13,914,722</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(51,699)</b>		<b>(179,352)</b>	<b>(116,557)</b>	<b>(347,608)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in				51,587	51,587
Transfers out			(51,587)		(51,587)
<b>Total Other Financing Sources (Uses)</b>			<b>(51,587)</b>	<b>51,587</b>	
<b>Net Change in Fund Balances</b>	<b>(51,699)</b>		<b>(230,939)</b>	<b>(64,970)</b>	<b>(347,608)</b>
Fund Balances - July 1, 2007	568,682		1,124,013	234,852	1,927,547
<b>Fund Balances - June 30, 2008</b>	<b>\$ 516,983</b>	<b>\$ -</b>	<b>\$ 893,074</b>	<b>\$ 169,882</b>	<b>\$ 1,579,939</b>

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

**WESTAMPTON TOWNSHIP 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, 2008**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (347,608)

Amounts reported for governmental activities in the statement of activities (A-2)  
are different because:

Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expense	\$ (658,406)	
Fixed Asset Additions	<u>335,322</u>	(323,084)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bonds	735,224	
Capital leases	<u>9,865</u>	745,089

Bond issuance costs are reported in the governmental fund as expenditures in year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.

(9,244)

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences	(20,553)	
Accrued Interest	<u>10,778</u>	<u>(9,775)</u>

Change in Net Assets of Governmental Activities \$ 55,378

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2008**

	<b>Business-Type Activities</b>			<b>Total</b>
	<b>Enterprise Funds</b>			
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Substitute Service Program</b>	
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 33,683	\$ 456	\$ 6,922	\$ 41,061
Intergovernmental receivables	3,104			3,104
Inventories	3,912			3,912
<b>Total current assets</b>	<b>40,699</b>	<b>456</b>	<b>6,922</b>	<b>48,077</b>
<b>Noncurrent assets:</b>				
Machinery and equipment (net of accumulated depreciation)	23,288			23,288
<b>Total noncurrent assets</b>	<b>23,288</b>			<b>23,288</b>
<b>Total Assets</b>	<b>63,987</b>	<b>456</b>	<b>6,922</b>	<b>71,365</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable				
<b>Total current liabilities</b>				
<b>NET ASSETS:</b>				
Invested in capital assets	23,288			23,288
Unrestricted	40,699	456	6,922	48,077
<b>Total Net Assets</b>	<b>\$ 63,987</b>	<b>\$ 456</b>	<b>\$ 6,922</b>	<b>\$ 71,365</b>

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2008**

	<b>Business-Type Activities</b>			
	<b>Enterprise Funds</b>			
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Substitute Service Program</b>	<b>Totals</b>
<b>Operating Revenues:</b>				
Charges for Services:				
Daily sales:				
Reimbursable programs	\$ 139,642			\$ 139,642
Non-reimbursable programs	126,061			126,061
Program fees		\$ 10,111	\$ 26,998	37,109
<b>Total Operating Revenue</b>	<b>265,703</b>	<b>10,111</b>	<b>26,998</b>	<b>302,812</b>
<b>Operating Expenses:</b>				
Salaries and fringe benefits	155,763	9,477	17,436	182,676
Management fee	18,605			18,605
Supplies and materials	10,800	178	1,787	12,765
Health Benefits			7,774	7,774
Other costs	16,508			16,508
Depreciation	5,937			5,937
Cost of sales	148,073			148,073
<b>Total Operating Expenses</b>	<b>355,686</b>	<b>9,655</b>	<b>26,997</b>	<b>392,338</b>
Operating Income (Loss)	<u>(89,983)</u>	<u>456</u>	<u>1</u>	<u>(89,526)</u>
<b>Non-Operating Revenues:</b>				
State sources:				
State school lunch program	4,214			4,214
Federal sources:				
National school lunch program	44,841			44,841
Food distribution program	22,168			22,168
Local sources:				
Interest earned	1,054			1,054
<b>Total Non-Operating Revenues</b>	<b>72,277</b>			<b>72,277</b>
Income (Loss) before Contributions and Transfers	(17,706)	456	1	(17,249)
Operating Transfer In				
Changes in Net Assets	(17,706)	456	1	(17,249)
Net Assets - July 1, 2007	81,693		6,921	88,614
Net Assets - June 30, 2008	<u>\$ 63,987</u>	<u>\$ 456</u>	<u>\$ 6,922</u>	<u>\$ 71,365</u>

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2008**

	<b>Business-Type Activities</b>			<b>Total</b>
	<b>Enterprise Funds</b>			
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Substitute Service Program</b>	
<b>Cash Flows from Operating Activities:</b>				
Cash receipts from customers	\$ 265,703	\$ 10,111	\$ 26,998	\$ 302,812
Cash payments to employees for services	(155,763)	(9,477)	(25,210)	(190,450)
Cash payments to suppliers for goods and services	(195,033)	(178)	(1,787)	(196,998)
Net Cash Provided by (used for) Operating Activities	<u>(85,093)</u>	<u>456</u>	<u>1</u>	<u>(84,636)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Cash received from state sources	4,351			4,351
Cash received from federal sources	68,410			68,410
Operating transfer in				
Net Cash Provided by (used for) Noncapital Financing Activities	<u>72,761</u>			<u>72,761</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>				
Purchase of Equipment				
<b>Cash Flow Provided by Investing Activities:</b>				
Interest on Cash Equivalents	1,054			1,054
Net Increase (Decrease) in Cash and Cash Equivalents	(11,278)	456	1	(10,821)
Cash and Cash Equivalents - July 1, 2007	44,961		6,921	51,882
Cash and Cash Equivalents - June 30, 2008	<u>\$ 33,683</u>	<u>\$ 456</u>	<u>\$ 6,922</u>	<u>\$ 41,061</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>				
Operating Income (Loss)	\$ (89,983)	\$ 456	\$ 1	\$ (89,526)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:				
Depreciation	5,937			5,937
Change in Assets and Liabilities:				
(Increase) decrease in inventories	(1,047)			(1,047)
Increase (decrease) in accounts payable				
Net Cash Provided by (used for) Operating Activities	<u>\$ (85,093)</u>	<u>\$ 456</u>	<u>\$ 1</u>	<u>\$ (84,636)</u>

**Noncash Noncapital Financing Activities:**  
During the year the District received \$22,168 of food commodities from the U.S. Department of Agriculture.

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

	Trust Funds		
	Unemployment Compensation Insurance Trust	Private Purpose Scholarship Fund	Agency Funds
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 35,427	\$ 8,388	\$ 45,466
Total Assets	35,427	8,388	\$ 45,466
<b>LIABILITIES:</b>			
Payroll deductions and withholdings			\$ 37,399
Due to student groups	_____	_____	8,067
Total Liabilities	_____	_____	\$ 45,466
<b>NET ASSETS:</b>			
Held in trust for unemployment claims and other purposes	\$ 35,427		
Reserved for scholarships		\$ 8,388	

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2008**

	<b>Unemployment Compensation Insurance Trust</b>	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS:</b>		
Contributions:		
Employee		
Donations		
Total contributions		
Investment earnings:		
Interest	\$ 1,599	
Net investment earnings	1,599	
Total Additions	1,599	
<b>DEDUCTIONS:</b>		
Unemployment claims	19,799	
Scholarships awarded		\$ 200
Total Deductions	19,799	200
Change in Net Assets	(18,200)	(200)
Net assets - July 1, 2007	53,627	8,588
Net assets - June 30, 2008	\$ 35,427	\$ 8,388

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

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**Description of Reporting Entity**

The Westampton Township School District (District) is a Type II school district located in Burlington County, New Jersey and covers an area of approximately eleven square miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the District is to provide educational services for all of Westampton Township's students in grades K through 8. Students in grades 9 through 12 attend the Rancocas Valley Regional High School District. The Westampton Township School District has an approximate enrollment at June 30, 2008 of 931 students.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

The School District's basic financial statements consists of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

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

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Fund Accounting**

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

**General Fund** - The General Fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional 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 states that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenues from the State and Federal Government, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

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

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting (Continued)**

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

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

The School District's major enterprise funds are:

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

**After School Fund** - This fund accounts for the financial transactions pertaining to the before and after school program operations of the District.

**Substitute Service Fund** - This fund accounts for the financial transactions pertaining to the substitute teaching service operations of the District.

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

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

Equipment	12 Years
Light Trucks and Vehicles	4 Years

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

**Measurement Focus**

**District-wide Financial Statements** - The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus (Continued)**

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

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

**Basis of Accounting**

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

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

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting (Continued)**

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

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(g)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-2.3.

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

The accounting records of the special revenue fund are maintained on the 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 and C-2, 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 year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

**Encumbrance Accounting**

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

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

Cash and cash equivalents 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. 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 units shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

The School 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.

**Tuition Receivable**

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

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2008 and 2006 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Inventories**

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

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

Inventory in the Food Service Fund at June 30, 2008 consisted of the following:

Food	\$ 3,078
Supplies	<u>834</u>
	<u>\$ 3,912</u>

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories (Continued)**

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as amended) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**Prepaid Expenses**

Prepaid expenses recorded on the district-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2008.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. 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 represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are presented as Interfunds Receivable and/or Interfunds Payable.

**Restricted Assets**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts set-aside to create a reserve for future capital projects.

**Deferred Charges**

On the District-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred.

**Capital Assets**

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

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets (Continued)**

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

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

<u>Asset Class</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business -Type Activities Estimated Lives</u>
School Buildings	50 years	N/A
Building Improvements	50 years	N/A
Site Improvements	20 years	N/A
Machinery and Equipment	5-20 years	12 years

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

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

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

School District employees are granted vacation and sick leave in varying amounts in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement or permanent disability, full-time employees who qualify shall be paid by the School District for unused sick leave in accordance with the School District's agreement or personnel policy.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2008, the liability for compensated absences in the governmental fund types was \$1,576,950 and no liability existed in the proprietary fund types.

**Deferred Revenue**

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

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the district-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, contractually required pension contributions, special termination benefits and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets**

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

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

**Fund Balance Reserves**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, legally restricted appropriations, excess surplus and capital reserve program.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service and tuition for the before and after school program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**Interfund Activity**

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

**Estimates**

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

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**3. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk** – Custodial credit is the risk that, in the event of a bank failure, the School District’s deposits may not be returned to it. The School District’s formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. and requires that the School District deposit all public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA), as described in Note 1. As of June 30, 2008 the School District’s bank balance of \$1,883,959.01 was insured or collateralized as follows:

Insured by depository insurance	\$	100,000.00
Collateralized under GUDPA		<u>1,783,959.01</u>
	\$	<u>1,883,959.01</u>

**4. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2008</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 12,455			\$ 12,455
Construction in progress	<u>8,415,406</u>	<u>\$ 335,323</u>		<u>8,750,729</u>
Total capital assets, not being Depreciated	<u>8,427,861</u>	<u>335,323</u>		<u>8,763,184</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	6,331,659			6,331,659
Building and Building Improvements	3,519,632			3,519,632
Equipment	<u>3,459,619</u>			<u>3,459,619</u>
Totals at historical cost	<u>13,310,910</u>			<u>13,310,910</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(1,186,440)	(312,819)		(1,499,259)
Building and Building Improvements	(2,201,615)	(72,257)		(2,273,872)
Equipment	<u>(2,798,519)</u>	<u>(273,330)</u>		<u>(3,071,849)</u>
Totals accumulated depreciation	<u>(6,186,574)</u>	<u>(658,406)</u>		<u>(6,844,980)</u>
Total Capital Assets, being depreciated, net	<u>7,124,336</u>	<u>(658,406)</u>		<u>6,465,930</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,552,197</u>	<u>\$ (323,083)</u>	<u>\$ 0</u>	<u>\$ 15,229,114</u>
 <b>Business-Type Activities:</b>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 267,018			\$ 267,018
Less accumulated depreciation	<u>(237,793)</u>	<u>\$ (5,937)</u>		<u>(243,730)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 29,225</u>	<u>\$ (5,937)</u>		<u>\$ 23,288</u>

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**4. CAPITAL ASSETS (Continued)**

Depreciation expense in the amount of \$658,406 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 460,885
General Administration	32,921
School Administration	32,920
Unallocated	131,680
Total depreciation expense	\$ 658,406

**5. RECEIVABLES**

Receivables at June 30, 2008 consisted of governmental grants. All receivables are considered collectible in full due to the stable condition of the other governmental units.

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 27,727		\$ 104,384	\$ 273	\$ 132,384
Federal Aid		\$ 49,322		2,831	52,153
	\$ 27,727	\$ 49,322	\$ 104,384	\$ 3,104	\$ 184,537
Total	\$ 27,727	\$ 49,322	\$ 104,384	\$ 3,104	\$ 184,537

**6. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2008, the following changes occurred in long-term obligations:

	Principal Outstanding July 1, 2007	Additions	Reductions	Principal Outstanding June 30, 2008	Amounts Due Within One Year
Compensated Absences	\$ 1,556,397	\$ 20,553		\$ 1,576,950	
Capital Lease Payable	43,680		\$ 9,865	33,815	
General Obligation Bonds	11,150,566		735,224	10,415,342	\$ 741,224
	\$ 12,750,643	\$ 20,553	\$ 745,089	\$ 12,026,107	\$ 741,224

**Business – Type Activities:**

Compensated Absences	-	-	-	-	-
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**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**6. LONG-TERM OBLIGATIONS (Continued)**

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

1993 General Obligation Bonds dated March 1, 1993 in the amount of \$296,000 due in annual installments through March 1, 2009, bearing interest rate of 4.85%.

1999 General Obligation Bonds dated March 15, 1999 in the amount of \$2,744,000 due in annual installments through March 15, 2015, bearing interest rate of 4.50%.

1993 Safe School Loan dated August 18, 1993 in the amount of \$841,342 due in annual installments through July 15, 2013, bearing interest rate of 1.50%.

2006 General Obligation Bonds dated February 1, 2006 in the amount of \$6,534,000 due in annual installments through March 1, 2025, bearing interest rate of 3.75% to 3.95%.

**B. Debt Service Requirements**

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 741,224	\$ 405,132	\$ 1,146,356
2010	770,224	374,986	1,145,210
2011	800,224	346,392	1,146,616
2012	850,224	316,449	1,166,673
2013	870,223	284,256	1,154,479
2014-2018	3,204,223	948,454	4,152,677
2019-2023	2,270,000	447,555	2,717,555
2024-2025	909,000	53,838	962,838
	<u>\$ 10,415,342</u>	<u>\$ 3,177,062</u>	<u>\$ 13,592,404</u>

As of June 30, 2008 the School District had no authorized but not issued bonds.

**C. Capital Lease Requirements**

The District has entered into capital lease agreements for the following:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
54 Passenger Bus	July 6, 2010	4.76%	\$56,041

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**6. LONG-TERM OBLIGATIONS (Continued)**

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2008:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 10,752	\$ 1,609	\$ 12,361
2010	11,263	1,098	12,361
2011	11,800	562	12,362
	\$ 33,815	\$ 3,269	\$ 37,084

**7. OPERATING LEASES**

At June 30, 2008, the School District had operating lease agreements in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2008, and 2007 were \$25,749 and \$33,597 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2009	\$ 19,789
June 30, 2010	10,940
June 30, 2011	2,399
	\$ 33,128
Total future minimum lease payments	\$ 33,128

**8. PENSION PLANS**

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

***Teachers' Pension and Annuity Fund (TPAF)***

The Teachers' Pension and Annuity Fund is a single-employer contributory defined benefit pension plan which was established on January 1, 1955. 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:6C.

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**8. PENSION PLANS (Continued)**

The contribution requirements of plan members are determined by State statute. The full or normal employee contribution rate was 5% of base salary, through June 30, 2007. In accordance with Chapters 92, and 103, P.L. 2007, the TPAF employee contribution rate increased to 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rate – authorized in statute and based on the existence of surplus pension assets in the Teachers’ Pension and Annuity Fund; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

***Public Employees' Retirement System (PERS)***

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

The contribution requirements of plan members are determined by State statute. The full or normal employee contribution rate was 5% of base salary, through June 30, 2007. In accordance with Chapters 92, and 103, P.L. 2007, the PERS employee contribution rate increased to 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rate within the parameters of the law.

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 year were as follows:

**Public Employees Retirement System**

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
2008	\$ 57,917	\$ 44,633	\$ 102,550	\$ 20,510	\$ 82,040
2007	48,651	25,264	73,915	29,566	44,349
2006	44,127	12,138	56,265	33,759	22,506

During the year ended June 30, 2008, the State of New Jersey contributed \$680,912 to the TPAF for normal and post-retirement benefits on behalf of the School District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the School District \$400,549 during the fiscal year ended June 30, 2008 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**9. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and 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. As of June 30, 2007 there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of one percent of the active State payroll.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2007.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in Fiscal Year 2007.

**10. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, 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 School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements.

**11. RISK MANAGEMENT**

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

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

**Joint Insurance Pool** - The District is a member of the New Jersey School Alliance Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**11. RISK MANAGEMENT (Continued)**

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2007-2008	\$ 1,599	\$ 0	\$ 19,799	\$ 35,427
2006-2007	1,894	15,645	4,916	53,627
2005-2006	1,244	16,871	16,745	41,004

**12. CONTINGENCIES**

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the School District's future operation is not yet determinable.

**13. DEFICIT UNRESTRICTED NET ASSETS**

As reflected on Exhibit A-1, Statement of Net Assets, a deficit in unrestricted net assets of \$1,654,679 existed as of June 30, 2008 for governmental activities. The primary causes of this deficit are the School District not recognizing the receivable for the last state aid payment and the recording of the long-term liability for compensated absences, capital lease payable, and accrued interest payable. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Assets, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the School District in the formulation of their annual budget (see Note 1), compensated absences, capital leases payable and accrued interest payable that relate to future services, or that are contingent on a specific event outside the control of the School District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net assets for governmental activities does not indicate that the School District is facing financial difficulties.

**Westampton Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008**

**14. FUND BALANCES**

**Reserved**

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

**Unreserved**

**General Fund** – Of the \$691,613 unreserved General Fund balance at June 30, 2008, \$520,535 has been appropriated and included as anticipated revenue for the year ending June 30, 2009 and \$171,078 is undesignated.

**Debt Service Fund** – Of the \$169,882 unreserved Debt Service Fund balance at June 30, 2008, \$118,295 has been appropriated and included as anticipated revenue for the year ending June 30, 2009 and \$51,587 is undesignated.

**Required Supplementary Information - Part II**

**Budgetary Comparison Schedules**

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local Tax Levy	\$ 7,139,593		\$ 7,139,593	\$ 7,139,593	
Tuition	15,000		15,000		\$ (15,000)
Unrestricted misc. revenues	85,000		85,000	67,604	(17,396)
<b>Total local sources</b>	<b>7,239,593</b>		<b>7,239,593</b>	<b>7,207,197</b>	<b>(32,396)</b>
State sources:					
Core curriculum standards aid	1,974,282		1,974,282	1,974,282	
Supplemental Core curriculum standards aid	126,192		126,192	126,192	
Transportation aid	295,866		295,866	295,866	
Special education aid	469,455		469,455	469,455	
Stabilization Aid	524,591		524,591	524,591	
Consolidated aid	109,210		109,210	109,210	
Additional formula aid	205,901		205,901	205,901	
Extraordinary aid				8,266	8,266
Teacher Mentoring Aid				341	341
On-behalf TPAF pension contrib.. (non-budgeted)				680,912	680,912
Reimbursed TPAF social security contribution (non-budgeted)				400,549	400,549
<b>Total state sources</b>	<b>3,705,497</b>		<b>3,705,497</b>	<b>4,795,565</b>	<b>1,090,068</b>
<b>TOTAL REVENUES</b>	<b>10,945,090</b>		<b>10,945,090</b>	<b>12,002,762</b>	<b>1,057,672</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool/Kindergarten	136,547	26,839	163,386	163,385	1
Grades 1-5	1,713,342	(7,578)	1,705,764	1,705,764	
Grades 6-8	1,600,352	49,746	1,650,098	1,650,098	
Regular Programs - Home Instruction:					
Salaries of teachers	8,600	(4,751)	3,849	3,849	
Regular Programs - Undistributed Instruction:					
Other purchased services	27,716	416	28,132	25,604	2,528
General supplies	260,011	(22,606)	237,405	237,120	285
Textbooks	8,000	(1,974)	6,026	6,026	
Other objects	38,490	(5,015)	33,475	32,507	968
<b>Total - Regular Programs - Instruction</b>	<b>3,793,058</b>	<b>35,077</b>	<b>3,828,135</b>	<b>3,824,353</b>	<b>3,782</b>
Special Education Instruction:					
Cognitive - Moderate:					
Salaries of teachers	108,550	15,825	124,375	124,375	
Other salaries for instruction	39,010	24,021	63,031	63,031	
Other purchased services	350		350	12	338
General supplies	747		747	644	103
<b>Total cognitive - moderate</b>	<b>148,657</b>	<b>39,846</b>	<b>188,503</b>	<b>188,062</b>	<b>441</b>

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

(CONTINUED TO NEXT PAGE)

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2008**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Special Education Instruction:</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	\$ 253,489	\$ (42,663)	\$ 210,826	\$ 210,532	\$ 294
Other salaries for instruction	253,382	42,663	296,045	296,045	
General supplies	5,450	(1,258)	4,192	4,109	83
Other objects	300		300		300
<b>Total learning and/or language disab.</b>	<u>512,621</u>	<u>(1,258)</u>	<u>511,363</u>	<u>510,686</u>	<u>677</u>
<b>Resource room/resource center:</b>					
Salaries of teachers	377,594	(3,564)	374,030	374,030	
Other objects	1,800	(402)	1,398	552	846
<b>Total resource room/resource center</b>	<u>379,394</u>	<u>(3,966)</u>	<u>375,428</u>	<u>374,582</u>	<u>846</u>
<b>Total Special Education - Instruction</b>	<u>1,040,672</u>	<u>34,622</u>	<u>1,075,294</u>	<u>1,073,330</u>	<u>1,964</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	300,024	(10,147)	289,877	289,877	
Other salaries for instruction	36,413	402	36,815	36,815	
Other purchased services	3,960		3,960	3,960	
<b>Total basic skills/remedial - instruction</b>	<u>340,397</u>	<u>(9,745)</u>	<u>330,652</u>	<u>330,652</u>	
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	83,084	(26,135)	56,949	44,200	12,749
General supplies	1,350		1,350	1,312	38
<b>Total bilingual education - instruction</b>	<u>84,434</u>	<u>(26,135)</u>	<u>58,299</u>	<u>45,512</u>	<u>12,787</u>
<b>School-Sponsored Cocurricular Act - Instruction:</b>					
Salaries	32,946	2,797	35,743	35,743	
Purchased services	500		500		500
Other objects	800		800		800
<b>Total school-sponsored cocurr. act. - instruct.</b>	<u>34,246</u>	<u>2,797</u>	<u>37,043</u>	<u>35,743</u>	<u>1,300</u>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	28,103		28,103	24,680	3,423
Purchased services	6,000	(1,015)	4,985	4,984	1
Other objects	8,400		8,400	8,188	212
<b>Total school-sponsored athletics - instruct.</b>	<u>42,503</u>	<u>(1,015)</u>	<u>41,488</u>	<u>37,852</u>	<u>3,636</u>
<b>Total Instruction</b>	<u>5,335,310</u>	<u>35,601</u>	<u>5,370,911</u>	<u>5,347,442</u>	<u>23,469</u>

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

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**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2008**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other LEAs within the state - spec	\$ 25,875	\$ 1,911	\$ 27,786	\$ 27,661	\$ 125
Tuition to CSSD & Reg. Day Schools	59,426	35,946	95,372	95,372	
Tuition to priv. sch. for the disabled in state	169,390	(47,857)	121,533	49,209	72,324
Tuition - state facilities					
<b>Total undistributed expenditures - instruction</b>	<b>254,691</b>	<b>(10,000)</b>	<b>244,691</b>	<b>172,242</b>	<b>72,449</b>
<b>Attendance and Social Work Services:</b>					
Salaries	300		300		300
<b>Total attendance and social work services</b>	<b>300</b>		<b>300</b>		<b>300</b>
<b>Health Services:</b>					
Salaries	92,100	(336)	91,764	91,751	13
Purchased professional and technical services	6,500	(1,360)	5,140	5,140	
Other purchased services	9,100	1,696	10,796	10,706	90
Supplies and materials	6,075		6,075	5,973	102
<b>Total health services</b>	<b>113,775</b>		<b>113,775</b>	<b>113,570</b>	<b>205</b>
<b>Other Support Services Student - Extra. Serv.</b>					
Salaries	123,313	1,258	124,571	124,570	1
Supplies and materials	1,224		1,224	1,110	114
<b>Total other support services student - related serv.</b>	<b>124,537</b>	<b>1,258</b>	<b>125,795</b>	<b>125,680</b>	<b>115</b>
<b>Other Support Services Student - Regular:</b>					
Salaries of other professional staff	122,462	1,253	123,715	123,714	1
Supplies and materials	2,190		2,190	1,919	271
<b>Total other support services student - regular</b>	<b>124,652</b>	<b>1,253</b>	<b>125,905</b>	<b>125,633</b>	<b>272</b>
<b>Other Support Services Student - Special:</b>					
Salaries of other professional staff	175,406	(4,312)	171,094	159,703	11,391
Salaries of secretarial and clerical assistants	27,930	4,312	32,242	32,242	
Purchased professional - educational services	118,231	(15,000)	103,231	86,891	16,340
Other purchased prof. and technical services	5,000		5,000	3,989	1,011
Miscellaneous purchased services	4,620	(1,253)	3,367	3,052	315
Supplies and materials	6,150		6,150	5,642	508
<b>Total other support services student - special</b>	<b>337,337</b>	<b>(16,253)</b>	<b>321,084</b>	<b>291,519</b>	<b>29,565</b>
<b>Improvement of Instruction Services:</b>					
Salaries of supervisors of instruction	89,400	(446)	88,954	84,863	4,091
Salaries of secretarial and clerical assistants	29,327	446	29,773	29,773	
Purchased professional - educational services	4,000		4,000		4,000
Other purchased services	6,000		6,000	5,152	848
Supplies and materials	3,150		3,150	2,682	468
Other objects	500		500	398	102
<b>Total improvement of instructional services</b>	<b>132,377</b>		<b>132,377</b>	<b>122,868</b>	<b>9,509</b>

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

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**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2008**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Educational Media Services/School Library:</b>					
Salaries	\$ 136,889		\$ 136,889	\$ 136,888	\$ 1
Other purchased services (400-500 series)	10,100		10,100	5,922	4,178
Supplies and materials	29,540		29,540	26,133	3,407
<b>Total educational media services/school library</b>	<b>176,529</b>		<b>176,529</b>	<b>168,943</b>	<b>7,586</b>
<b>Support Services - General Administration:</b>					
Salaries	241,751		241,751	239,791	1,960
Legal services	8,000	\$ 475	8,475	8,475	
Other purchased professional services	25,050	3,625	28,675	28,674	1
Communications / telephone	52,000	(5,000)	47,000	22,679	24,321
Other purchased services	13,200	(4,100)	9,100	5,469	3,631
General Supplies	13,300		13,300	5,348	7,952
Miscellaneous expenditures	37,000	8,900	45,900	37,424	8,476
<b>Total support services - general administration</b>	<b>390,301</b>	<b>3,900</b>	<b>394,201</b>	<b>347,860</b>	<b>46,341</b>
<b>Support Services - School Administration:</b>					
Salaries of principals/assist. principals	313,738	(2,678)	311,060	304,279	6,781
Salaries of secretarial and clerical assistants	263,826	(2,399)	261,427	250,205	11,222
Other purchased services	16,350		16,350	6,868	9,482
Supplies and materials	16,920		16,920	12,227	4,693
Other objects	3,500		3,500	962	2,538
<b>Total support services - school administration</b>	<b>614,334</b>	<b>(5,077)</b>	<b>609,257</b>	<b>574,541</b>	<b>34,716</b>
<b>Support Services - Central Services:</b>					
Salaries	229,780	3,527	233,307	232,710	597
Purchased professional services	2,500		2,500	715	1,785
Purchased technical services	9,000		9,000	8,960	40
Misc. Purchased Services	14,550	(9,027)	5,523	5,156	367
Sale/Lease-back Payments		5,500	5,500	4,276	1,224
Supplies and Materials	8,362		8,362	5,992	2,370
Misc. Expenditures	1,085		1,085	950	135
<b>Total support services - central services</b>	<b>265,277</b>		<b>265,277</b>	<b>258,759</b>	<b>6,518</b>
<b>Required Maintenance School Facilities:</b>					
Salaries	134,150		134,150	132,625	1,525
Cleaning, repair and maintenance services	94,300	(1,782)	92,518	59,443	33,075
General supplies	40,600		40,600	36,717	3,883
<b>Total required maintenance school facilities</b>	<b>269,050</b>	<b>(1,782)</b>	<b>267,268</b>	<b>228,785</b>	<b>38,483</b>
<b>Other Operation &amp; Maintenance of Plant:</b>					
Salaries	351,401	5,414	356,815	356,815	
Purchased professional and technical services	12,000	(7,857)	4,143	3,700	443
Other purchased property services	19,800	(7,021)	12,779	12,778	1
Insurance	68,250	(3,496)	64,754	64,754	
Misc. Purchased Services	3,000		3,000	2,222	778
Energy (Heat & Electricity)	250,000	12,960	262,960	262,960	
<b>Total other operations &amp; maint. of plant</b>	<b>704,451</b>		<b>704,451</b>	<b>703,229</b>	<b>1,222</b>
<b>Total operation &amp; maint. of plant services</b>	<b>973,501</b>	<b>(1,782)</b>	<b>971,719</b>	<b>932,014</b>	<b>39,705</b>

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

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**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2008**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Student Transportation Services:</b>					
Salaries for Pupil Trans (between home and school) - regular	\$ 36,152		\$ 36,152	\$ 31,984	\$ 4,168
Contr. serv. (between home & school) - vendor	406,690	\$ (15,857)	390,833	334,202	56,631
Contr. serv. (not between home & sch) - vendor	55,400		55,400	30,531	24,869
Contr. Serv. (Spl. Ed. Students) - vendor	224,000		224,000	217,419	6,581
Contr. Serv. (Spl. Ed. Students) - joint agree.	5,000	(233)	4,767	3,480	1,287
Misc. purchased services - transportation	13,500		13,500	12,361	1,139
Supplies and materials	16,600	233	16,833	16,833	
<b>Total student transportation services</b>	<b>757,342</b>	<b>(15,857)</b>	<b>741,485</b>	<b>646,810</b>	<b>94,675</b>
<b>Unallocated Benefits - Employee Benefits:</b>					
Social security contributions	145,000	15,857	160,857	160,857	
Other Retirement contributions	46,000	36,040	82,040	82,040	
Health benefits	1,367,842	141,045	1,508,887	1,498,939	9,948
Other Employee Benefits	177,085	(177,085)			
<b>Total unallocated benefits - employee benefits</b>	<b>1,735,927</b>	<b>15,857</b>	<b>1,751,784</b>	<b>1,741,836</b>	<b>9,948</b>
On-behalf TPAF pension contr. (non-budgeted)				680,912	(680,912)
Reimbursed TPAF social security contr. (non-budgeted)				400,549	(400,549)
<b>Total Undistributed Expenditures</b>	<b>6,000,880</b>	<b>(26,701)</b>	<b>5,974,179</b>	<b>6,703,736</b>	<b>(729,557)</b>
<b>Total General Current Expense</b>	<b>11,336,190</b>	<b>8,900</b>	<b>11,345,090</b>	<b>12,051,178</b>	<b>(706,088)</b>
<b>CAPITAL OUTLAY:</b>					
<b>Equipment:</b>					
Undist. expend. - oper. & maint. of plant serv.					
<b>Total Equipment</b>					
<b>Facilities Acquisition and Construction Services:</b>					
Construction services					
<b>Total Facilities Acquisition and Constr. Services</b>					
<b>Total Capital Outlay</b>					
<b>TOTAL EXPENDITURES</b>	<b>11,336,190</b>	<b>8,900</b>	<b>11,345,090</b>	<b>12,051,178</b>	<b>(706,088)</b>

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

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**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2008**

(Continued from prior page)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	\$ (391,100)	\$ (8,900)	\$ (400,000)	\$ (48,416)	\$ 351,584
Other Financing Sources:					
Operating transfers in					
Operating transfers out	<u>(8,900)</u>	<u>8,900</u>			
Total Other Financing Sources	<u>(8,900)</u>	<u>8,900</u>			
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(400,000)		(400,000)	(48,416)	351,584
Fund Balance - July 1, 2007	<u>740,029</u>		<u>740,029</u>	<u>740,029</u>	
Fund Balance - June 30, 2008	<u>\$ 340,029</u>	<u>\$ -</u>	<u>\$ 340,029</u>	<u>\$ 691,613</u>	<u>\$ 351,584</u>
Recapitulation:					
Unreserved:					
Designated for Subsequent Year's Expenditures				\$ 520,535	
Undesignated Fund Balance				<u>171,078</u>	
				691,613	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(174,630)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 516,983</u>	

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$ 74,895		\$ 74,895	\$ 69,883	\$ (5,012)
Federal sources	297,685		297,685	288,092	(9,593)
<b>Total Revenues</b>	<b>372,580</b>		<b>372,580</b>	<b>357,975</b>	<b>(14,605)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	40,016		40,016	37,766	2,250
Purchased professional - tech. services	977		977	888	89
Tuition	194,027		194,027	185,000	9,027
General supplies	22,785		22,785	21,909	876
Textbooks	12,743		12,743	12,088	655
<b>Total Instruction</b>	<b>270,548</b>		<b>270,548</b>	<b>257,651</b>	<b>12,897</b>
Support Services:					
Salaries of other professional staff	17,602		17,602	17,602	
Personal services - employee benefits	1,766		1,766	1,766	
Purchased professional - educ. services	69,153		69,153	68,055	1,098
Other purchased services	13,362		13,362	12,759	603
Supplies and materials	149		149	142	7
<b>Total Support Services</b>	<b>102,032</b>		<b>102,032</b>	<b>100,324</b>	<b>1,708</b>
Facilities Acquisition and Construction Services:					
Instructional equipment					
<b>Total Facilities Acq. and Const. Services</b>					
<b>Total Expenditures</b>	<b>372,580</b>		<b>372,580</b>	<b>357,975</b>	<b>14,605</b>
<b>Total Outflows</b>	<b>372,580</b>		<b>372,580</b>	<b>357,975</b>	<b>14,605</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

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

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the Fiscal Year Ended June 30, 2008**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 12,002,762	\$ 357,975
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	171,347	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(174,630)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,999,479</u>	<u>\$ 357,975</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 12,051,178	\$ 357,975
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.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 12,051,178</u>	<u>\$ 357,975</u>

**Other Supplementary Information**

**Special Revenue Fund  
Detail Statements**

**The Special Revenue Fund is used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific purposes.**

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2008**

	Total Other Prog. (See E-1A)	Total Other Prog. (See E-1B)	Totals
<b>REVENUES:</b>			
State sources	\$ 12,088	\$ 57,795	\$ 69,883
Federal sources	<u>53,686</u>	<u>234,406</u>	<u>288,092</u>
<b>Total Revenues</b>	<u>65,774</u>	<u>292,201</u>	<u>357,975</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	27,815	9,951	37,766
Purchased prof. - technical services	888		888
Tuition		185,000	185,000
General supplies	7,170	14,739	21,909
Textbooks	<u>12,088</u>		<u>12,088</u>
<b>Total Instruction</b>	<u>47,961</u>	<u>209,690</u>	<u>257,651</u>
Support Services:			
Salaries of other professional staff		17,602	17,602
Personal services - employee benefits	1,766		1,766
Purchased prof. - educational services	9,405	58,650	68,055
Other purchased services	6,500	6,259	12,759
Supplies and materials	<u>142</u>		<u>142</u>
<b>Total Support Services</b>	<u>17,813</u>	<u>82,511</u>	<u>100,324</u>
Facilities Acquisition and Const. Serv.:			
Instructional equipment			
<b>Total Facilities Acq. and Const. Serv.</b>			
<b>Total Expenditures</b>	<u>65,774</u>	<u>292,201</u>	<u>357,975</u>
<b>Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)</b>	<u>---</u>	<u>---</u>	<u>---</u>

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2008**

	Nonpublic Textbook Aid	Title I	Title II A	Title II D	Title III	Title IV	Title V	Total
<b>REVENUES:</b>								
State sources	\$ 12,088							\$ 12,088
Federal sources		\$ 33,578	\$ 11,341	\$ 194	\$ 4,836	\$ 2,641	\$ 1,096	53,686
<b>Total Revenues</b>	<b>12,088</b>	<b>33,578</b>	<b>11,341</b>	<b>194</b>	<b>4,836</b>	<b>2,641</b>	<b>1,096</b>	<b>65,774</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of teachers		21,490			4,836	1,489		27,815
Purchased prof. tech. services						888		888
General supplies		5,036	1,344	194			596	7,170
Textbooks	12,088							12,088
<b>Total Instruction</b>	<b>12,088</b>	<b>26,526</b>	<b>1,344</b>	<b>194</b>	<b>4,836</b>	<b>2,377</b>	<b>596</b>	<b>47,961</b>
Support Services:								
Personal services-employee benefits		1,644				122		1,766
Purchased prof. educ. services		5,408	3,997					9,405
Other purchased services			6,000				500	6,500
Supplies and materials						142		142
<b>Total Support Services</b>		<b>7,052</b>	<b>9,997</b>			<b>264</b>	<b>500</b>	<b>17,813</b>
Facilities Acquisition and Const. Serv.:								
Instructional equipment								
<b>Total Facilities Acq. and Const. Serv.</b>								
<b>Total Expenditures</b>	<b>12,088</b>	<b>33,578</b>	<b>11,341</b>	<b>194</b>	<b>4,836</b>	<b>2,641</b>	<b>1,096</b>	<b>65,774</b>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2008**

	Nonpublic Nursing Aid	Nonpublic Technology Aid	Nonpublic Comp. Educ.	Nonpublic Exam. & Class.	Nonpublic Corrective Speech	Nonpublic Supple. Instruc.	IDEA Basic	Total
<b>REVENUES:</b>								
State sources	\$ 17,602	\$ 9,120	\$ 10,650	\$ 6,259	\$ 9,951	\$ 4,213		\$ 57,795
Federal sources							\$ 234,406	234,406
<b>Total Revenues</b>	<u>17,602</u>	<u>9,120</u>	<u>10,650</u>	<u>6,259</u>	<u>9,951</u>	<u>4,213</u>	<u>234,406</u>	<u>292,201</u>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers					9,951			9,951
Tuition							185,000	185,000
General supplies		9,120				4,213	1,406	14,739
<b>Total Instruction</b>		<u>9,120</u>			<u>9,951</u>	<u>4,213</u>	<u>186,406</u>	<u>209,690</u>
Support Services:								
Salaries of other prof. staff	17,602							17,602
Purchased prof. educational services			10,650				48,000	58,650
Other purchased services				6,259				6,259
<b>Total support Services</b>	<u>17,602</u>		<u>10,650</u>	<u>6,259</u>			<u>48,000</u>	<u>82,511</u>
Facilities Acquisition and Const. Serv.:								
Instructional equipment								
<b>Total Facilities Acq. and Const. Serv.</b>								
<b>Total Expenditures</b>	<u>17,602</u>	<u>9,120</u>	<u>10,650</u>	<u>6,259</u>	<u>9,951</u>	<u>4,213</u>	<u>234,406</u>	<u>292,201</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

**Capital Projects Fund  
Detail Statements**

**The Capital Projects Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchases other than those financed by Proprietary Funds.**

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Summary Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year ended June 30, 2008**

<b>Revenues and Other Financing Sources:</b>	
Interest earned on investments	\$ 51,587
Total revenues and other financing sources	51,587
 <b>Expenditures and Other Financing (Uses):</b>	
Purchased professional services	153,719
Construction services	181,603
Transfer to debt service for interest earned	51,587
Total expenditures and other financing (uses)	386,909
Excess (deficiency) or revenues over (under) expenditures	(335,322)
Fund Balance - July 1, 2007	1,823,779
Fund Balance - June 30, 2008	\$ 1,488,457

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Additions and Renovations to Westampton Middle School**  
**From Inception and for the Fiscal Year ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 2,018,594		\$ 2,018,594	\$ 2,018,594
Bond proceeds	4,068,906		4,068,906	4,068,906
<b>Total revenues</b>	<u>6,087,500</u>		<u>6,087,500</u>	<u>6,087,500</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	908,062	\$ 107,269	1,015,331	1,015,331
Construction services	4,293,748	64,639	4,358,387	4,358,387
	<u>5,201,810</u>	<u>171,908</u>	<u>5,373,718</u>	<u>5,373,718</u>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<u>\$ 885,690</u>	<u>\$ (171,908)</u>	<u>\$ 713,782</u>	<u>\$ 713,782</u>
<b>Additional project information:</b>				
Project Number	5720-020-05-1000			
Grant Date	06/15/05			
Bond Authorization Date	02/01/06			
Bonds Authorized	\$ 4,068,906			
Bonds Issued	\$ 4,068,906			
Original Authorized Cost	\$ 6,087,500			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 6,087,500			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage Completion	95.00%			
Original target completion date	12/31/07			
Revised target completion date	12/31/08			

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Additions and Renovations to Holly Hills School**  
**From Inception and for the Fiscal Year ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
State sources - SCC Grant	\$ 1,569,954		\$ 1,569,954	\$ 1,569,954
Bond proceeds	2,475,099		2,475,099	2,475,099
<b>Total revenues</b>	<b>4,045,053</b>		<b>4,045,053</b>	<b>4,045,053</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	605,374	\$ 46,450	651,824	651,824
Construction services	2,501,590	116,964	2,618,554	2,618,554
	<b>3,106,964</b>	<b>163,414</b>	<b>3,270,378</b>	<b>3,270,378</b>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<b>\$ 938,089</b>	<b>\$ (163,414)</b>	<b>\$ 774,675</b>	<b>\$ 774,675</b>
<b>Additional project information:</b>				
Project Number	5720-020-05-1000			
Grant Date	06/15/05			
Bond Authorization Date	02/01/06			
Bonds Authorized	\$ 2,475,099			
Bonds Issued	\$ 2,475,099			
Original Authorized Cost	\$ 4,045,053			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 4,045,053			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	95.00%			
Original target completion date	12/31/07			
Revised target completion date	12/31/08			

## **Proprietary Funds Detail Statements**

**Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user fees.**

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

**Substitute Service Fund - This fund provides for the operations associated with providing substitute teachers to various school districts.**

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Assets**  
**June 30, 2008**

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Substitute Service Program</u>	<u>Total</u>
<b>ASSETS:</b>				
Current Assets:				
Cash and cash equivalents	\$ 33,683	\$ 456	\$ 6,922	\$ 41,061
Accounts receivable:				
State	273			273
Federal	2,831			2,831
Inventories	<u>3,912</u>			<u>3,912</u>
Total Current Assets	<u>40,699</u>	<u>456</u>	<u>6,922</u>	<u>48,077</u>
Noncurrent Assets:				
Equipment	267,018			267,018
Less - accumulated depreciation	<u>(243,730)</u>			<u>(243,730)</u>
Total Noncurrent Assets	<u>23,288</u>			<u>23,288</u>
Total Assets	<u>63,987</u>	<u>456</u>	<u>6,922</u>	<u>71,365</u>
 <b>LIABILITIES:</b>				
Current Liabilities:				
Accounts payable				
Total Current Liabilities				
 <b>NET ASSETS:</b>				
Invested in capital assets	23,288			23,288
Unrestricted	<u>40,699</u>	<u>456</u>	<u>6,922</u>	<u>48,077</u>
Total Net Assets	<u>\$ 63,987</u>	<u>\$ 456</u>	<u>\$ 6,922</u>	<u>\$ 71,365</u>

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Assets**  
**For the Fiscal Year Ended June 30, 2008**

	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Substitute Service Program</b>	<b>Totals</b>
<b>OPERATING REVENUES:</b>				
Charges for Services:				
Daily sales reimbursable programs:				
School lunch	\$ 139,642			\$ 139,642
Daily sales non-reimbursable programs:				
Adult and a la carte sales	72,720			72,720
Other	53,341			53,341
Program fees		\$ 10,111	\$ 26,998	37,109
Total Operating Revenues	<u>265,703</u>	<u>10,111</u>	<u>26,998</u>	<u>302,812</u>
<b>OPERATING EXPENSES:</b>				
Salaries and fringe benefits	155,763	9,477	17,436	182,676
Management fee	18,605			18,605
Supplies and materials	10,800	178	1,787	12,765
Health Benefits			7,774	7,774
Other costs	16,508			16,508
Depreciation	5,937			5,937
Cost of sales	<u>148,073</u>			<u>148,073</u>
Total Operating Expenses	<u>355,686</u>	<u>9,655</u>	<u>26,997</u>	<u>392,338</u>
Operating Income (Loss)	<u>(89,983)</u>	<u>456</u>	<u>1</u>	<u>(89,526)</u>
<b>Non-Operating Revenues:</b>				
State sources:				
State school lunch program	4,214			4,214
Federal sources:				
National school lunch program	44,841			44,841
Food distribution program	22,168			22,168
Local sources:				
Interest earned	<u>1,054</u>			<u>1,054</u>
Total Non-Operating Revenues	<u>72,277</u>			<u>72,277</u>
Income (Loss) before Contributions and Transfers	(17,706)	456	1	(17,249)
Operating Transfer In				
Changes in Net Assets	(17,706)	456	1	(17,249)
Net Assets - July 1, 2007	<u>81,693</u>		<u>6,921</u>	<u>88,614</u>
Net Assets - June 30, 2008	<u>\$ 63,987</u>	<u>\$ 456</u>	<u>\$ 6,922</u>	<u>\$ 71,365</u>

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2008**

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Substitute Service Program</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>				
Cash receipts from customers	\$ 265,703	\$ 10,111	\$ 26,998	\$ 302,812
Cash payments to employees for services	(155,763)	(9,477)	(25,210)	(190,450)
Cash payments to suppliers for goods and services	(195,033)	(178)	(1,787)	(196,998)
Net cash provided by (used for) operating activities	<u>(85,093)</u>	<u>456</u>	<u>1</u>	<u>(84,636)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Cash received from state sources	4,351			4,351
Cash received from federal sources	68,410			68,410
Operating transfer in				
Net cash provided by noncapital financing activities	<u>72,761</u>			<u>72,761</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>				
Purchase of equipment				
<b>Cash Flow Provided by Investing Activities:</b>				
Interest on cash equivalents	1,054			1,054
Net increase (decrease) in cash and cash equivalents	(11,278)	456	1	(10,821)
Cash and cash equivalents - July 1, 2007	44,961		6,921	51,882
Cash and cash equivalents - June 30, 2008	<u>\$ 33,683</u>	<u>\$ 456</u>	<u>\$ 6,922</u>	<u>\$ 41,061</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:</b>				
Operating income (loss)	\$ (89,983)	\$ 456	\$ 1	\$ (89,526)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	5,937			5,937
Change in assets and liabilities:				
(Increase) decrease in accounts receivables				
(Increase) decrease in inventories	(1,047)			(1,047)
Increase (decrease) in accounts payable				
Net cash provided by (used for) operating activities	<u>\$ (85,093)</u>	<u>\$ 456</u>	<u>\$ 1</u>	<u>\$ (84,636)</u>
<b>Noncash Noncapital Financing Activities:</b>				
During the year the District received \$22,168 of food commodities from the U.S. Department of Agriculture.				

## **Fiduciary Funds Detail Statements**

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

**Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.**

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

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

**Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.**

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2008**

	<b>Trust Funds</b>		<b>Agency Funds</b>		
	<b>Unemployment Compensation Insurance</b>	<b>Scholarship Funds</b>	<b>Student Activity</b>	<b>Payroll</b>	<b>Total</b>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 35,427	\$ 8,388	\$ 8,067	\$ 37,399	\$ 89,281
<b>Total Assets</b>	<b>35,427</b>	<b>8,388</b>	<b>\$ 8,067</b>	<b>\$ 37,399</b>	<b>89,281</b>
 <b>LIABILITIES:</b>					
Liabilities:					
Payroll deductions payable				\$ 37,399	37,399
Due to student groups			\$ 8,067		8,067
<b>Total Liabilities</b>			<b>\$ 8,067</b>	<b>\$ 37,399</b>	<b>45,466</b>
 <b>NET ASSETS:</b>					
Held in trust for unemployment claims	35,427				35,427
Held in trust for scholarships		8,388			8,388
<b>Total Net Assets</b>	<b>\$ 35,427</b>	<b>\$ 8,388</b>			<b>\$ 43,815</b>

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Fiscal Years Ended June 30, 2008**

	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
<b>Additions:</b>			
Interest on investments		\$ 1,599	\$ 1,599
Employee withholdings			
<b>Total Additions</b>		1,599	1,599
<b>Deductions:</b>			
Unemployment compensation insurance claims		19,799	19,799
Scholarships	\$ 200		200
<b>Total Deductions</b>	200	19,799	19,999
<b>Change in Net Assets</b>	(200)	(18,200)	(18,400)
<b>Net Assets - July 1, 2007</b>	8,588	53,627	62,215
<b>Net Assets - June 30, 2008</b>	\$ 8,388	\$ 35,427	\$ 43,815

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2008</u>
Elementary School	\$ 6,654	\$ 34,237	\$ 34,407		\$ 6,484
Student Council	<u>5,407</u>	<u>8,912</u>	<u>12,736</u>		<u>1,583</u>
Total all schools	<u>\$ 12,061</u>	<u>\$ 43,149</u>	<u>\$ 47,143</u>	<u>\$ -</u>	<u>\$ 8,067</u>

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
<b>ASSETS:</b>				
Cash and cash equivalents	<u>\$ 22,074</u>	<u>\$ 9,411,857</u>	<u>\$ 9,396,532</u>	<u>\$ 37,399</u>
Total Assets	<u>\$ 22,074</u>	<u>\$ 9,411,857</u>	<u>\$ 9,396,532</u>	<u>\$ 37,399</u>
 <b>LIABILITIES:</b>				
Net payroll	<u>\$ 5,467</u>	<u>\$ 4,524,705</u>	<u>\$ 4,523,243</u>	<u>\$ 6,929</u>
Payroll deductions and withholdings	<u>16,607</u>	<u>4,887,153</u>	<u>4,873,290</u>	<u>30,470</u>
Total Liabilities	<u>\$ 22,074</u>	<u>\$ 9,411,858</u>	<u>\$ 9,396,533</u>	<u>\$ 37,399</u>

## Long-Term Debt Schedules

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT  
Statement of Serial Bonds  
For the Fiscal Year Ended June 30, 2008**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2007	Issued	Retired	Balance June 30, 2008
			Date	Amount					
Renovations and Improvements to various school buildings	12/01/93	\$ 3,215,000	03/01/09	\$ 296,000	4.85%	\$ 596,000		\$ 300,000	\$ 296,000
Renovations and Improvements to various school buildings	03/02/99	4,244,000	03/01/09	300,000	4.50%	3,034,000		290,000	2,744,000
			03/01/10	320,000					
			03/01/11	350,000					
			03/01/12	400,000					
			03/01/13	420,000					
			03/01/14	460,000					
Renovations and Improvements to various school buildings (EDA Loan)	08/18/93	2,664,250	07/15/08	140,224	1.50%	981,565		140,223	841,342
			07/15/09	140,224					
			07/15/10	140,224					
			07/15/11	140,224					
			07/15/12	140,224					
			07/15/13	140,224					
Construction of Board Office	02/21/06	6,544,000	03/01/09	5,000	3.75%	6,539,000		5,000	6,534,000
			03/01/10-14	310,000	3.90%				
			03/01/15-19	450,000	3.95%				
			03/01/20-24	455,000	3.95%				
			03/01/25	454,000	3.95%				
						<u>\$ 11,150,565</u>	<u>\$ -</u>	<u>\$ 735,223</u>	<u>\$ 10,415,342</u>

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT  
Statement of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2008**

Series	Date of Lease	Maturity Date	Interest Rate	Amount of Original Issue		Amount Outstanding July 1, 2007	Issued	Retired	Amount Outstanding June 30, 2008
				Principal	Interest				
54 Passenger School Bus	07/13/06	07/06/10	4.76%	\$ 56,041	\$ 5,766	\$43,680		\$ 9,865	\$ 33,815
						<u>\$ 43,680</u>	<u>\$ -</u>	<u>\$ 9,865</u>	<u>\$ 33,815</u>

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 735,788		\$ 735,788	\$ 735,788	
State sources:					
Debt Service Aid Type II	317,902		317,902	317,902	
<b>Total Revenues</b>	<b>1,053,690</b>		<b>1,053,690</b>	<b>1,053,690</b>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	435,023		435,023	435,023	
Redemption of principal	735,224		735,224	735,224	
<b>Total Expenditures</b>	<b>1,170,247</b>		<b>1,170,247</b>	<b>1,170,247</b>	
Excess (Deficiency) of revenues over (under) expenditures	(116,557)		(116,557)	(116,557)	
Other Financing Sources:					
Operating Transfer In				51,587	51,587
<b>Total Other Financing Sources</b>				<b>51,587</b>	<b>51,587</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(116,557)		(116,557)	(64,970)	51,587
Fund Balance - July 1, 2007	234,852		234,852	234,852	
Fund Balance - June 30, 2008	<u>\$ 118,295</u>	<u>\$ -</u>	<u>\$ 118,295</u>	<u>\$ 169,882</u>	<u>\$ 51,587</u>
<b>Recapitulation of Excess (Deficiency) or revenues over (under) expenditures</b>					
Undesignated	<u>\$ (116,557)</u>	<u>\$ -</u>	<u>\$ (116,557)</u>	<u>\$ (116,557)</u>	<u>\$ -</u>

**Statistical Section**

**Westampton Township School District**  
**Net Assets by Component,**  
**Last Five Fiscal Years**  
*(accrual basis of accounting)*

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	Fiscal Year Ending June 30,				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 2,606,437	\$ 2,928,215	\$ 3,273,923	\$ 4,401,631	\$ 4,813,771
Restricted for:					
Capital projects	56	56	1,726,502	1,124,013	893,074
Debt service			116,557	234,852	169,882
Other purposes	655,971	677,585	702,039	471,947	520,535
Unrestricted	<u>(54,813)</u>	<u>(356,780)</u>	<u>(435,204)</u>	<u>(1,545,238)</u>	<u>(1,654,679)</u>
<b>Total governmental activities net assets</b>	<b><u>\$ 3,207,651</u></b>	<b><u>\$ 3,249,076</u></b>	<b><u>\$ 5,383,817</u></b>	<b><u>\$ 4,667,205</u></b>	<b><u>\$ 4,742,583</u></b>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt	\$ 34,828	\$ 22,562	\$ 11,885	\$ 29,225	\$ 23,288
Unrestricted	99,798	102,146	102,418	59,389	48,077
<b>Total business-type activities net assets</b>	<b><u>\$ 134,626</u></b>	<b><u>\$ 124,708</u></b>	<b><u>\$ 114,303</u></b>	<b><u>\$ 88,614</u></b>	<b><u>\$ 71,365</u></b>
<b>District-wide:</b>					
Invested in capital assets, net of related debt	\$ 2,641,265	\$ 2,950,777	\$ 3,285,808	\$ 4,430,856	\$ 4,837,059
Restricted:					
Capital projects	56	56	1,726,502	1,124,013	893,074
Debt service	-	-	116,557	234,852	169,882
Other purposes	655,971	677,585	702,039	471,947	520,535
Unrestricted	<u>44,985</u>	<u>(254,634)</u>	<u>(332,786)</u>	<u>(1,485,849)</u>	<u>(1,606,602)</u>
<b>Total district net assets</b>	<b><u>\$ 3,342,277</u></b>	<b><u>\$ 3,373,784</u></b>	<b><u>\$ 5,498,120</u></b>	<b><u>\$ 4,775,819</u></b>	<b><u>\$ 4,813,948</u></b>

**Westampton Township School District**  
**Changes in Net Assets, Last Five Fiscal Years**  
*(accrual basis of accounting)*

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	Fiscal Year Ending June 30,				
	2004	2005	2006	2007	2008
<b>Expenses:</b>					
<b>Governmental activities:</b>					
<b>Instruction:</b>					
Regular	\$ 4,431,311	\$ 4,873,884	\$ 4,429,268	\$ 5,559,929	\$ 4,305,790
Special education	1,236,708	1,205,093	973,641	1,032,091	1,330,981
Other instruction	417,651	502,989	412,670	454,407	449,759
<b>Support Services:</b>					
Tuition	232,701	191,185	342,015	149,958	172,242
Student & instruction related services	1,450,906	1,197,372	991,693	1,047,465	1,048,537
School administrative services	676,671	731,037	819,070	610,133	639,539
General and business administrative services	398,281	725,753	365,746	656,085	607,461
Plant operations and maintenance	896,122	989,291	863,365	951,623	922,149
Pupil transportation	564,167	545,240	644,855	651,426	646,810
Business and other support services	282,507				
Unallocated employee benefits			2,197,751	2,707,102	2,823,297
Interest on long-term debt	295,719	335,366	326,010	469,272	424,245
Unallocated depreciation	100,557	100,557	198,094	140,925	140,926
<b>Total governmental activities expenses</b>	<u>10,983,301</u>	<u>11,397,767</u>	<u>12,564,178</u>	<u>14,430,416</u>	<u>13,511,736</u>
<b>Business-type activities:</b>					
Food service	289,720	318,232	300,425	305,225	355,686
After School Program					9,655
Substitute service program	17,641	18,224	25,465	26,202	26,997
<b>Total business-type activities expense</b>	<u>307,361</u>	<u>336,456</u>	<u>325,890</u>	<u>331,427</u>	<u>392,338</u>
<b>Total district expenses</b>	<u>\$ 11,290,662</u>	<u>\$ 11,734,223</u>	<u>\$ 12,890,068</u>	<u>\$ 14,761,843</u>	<u>\$ 13,904,074</u>
<b>Program Revenues:</b>					
<b>Governmental activities:</b>					
Operating grants and contributions	1,208,352	1,062,127	1,334,753	1,732,196	1,757,338
<b>Total governmental activities program revenues</b>	<u>1,208,352</u>	<u>1,062,127</u>	<u>1,334,753</u>	<u>1,732,196</u>	<u>1,757,338</u>

(Continued)

**Westampton Township School District**  
**Changes in Net Assets, Last Five Fiscal Years**  
*(accrual basis of accounting)*

J-2

	Fiscal Year Ending June 30,				
	2004	2005	2006	2007	2008
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Food service	\$ 225,288	\$ 249,709	\$ 227,320	\$ 216,379	\$ 265,703
After School Program					10,111
Substitute service program	11,537	19,022	25,495	28,041	26,998
Operating grants and contributions	54,732	48,509	51,474	58,748	71,223
Capital grants and contributions					
<b>Total business type activities program revenues</b>	<u>291,557</u>	<u>317,240</u>	<u>304,289</u>	<u>303,168</u>	<u>374,035</u>
<b>Total district program revenues</b>	<u>\$ 1,499,909</u>	<u>\$ 1,379,367</u>	<u>\$ 1,639,042</u>	<u>\$ 2,035,364</u>	<u>\$ 2,131,373</u>
<b>Net (Expense)/Revenue:</b>					
Governmental activities	\$ (9,774,949)	\$ (10,335,640)	\$ (11,229,425)	\$ (12,698,220)	\$ (11,754,398)
Business-type activities	(15,804)	(19,216)	(21,601)	(28,259)	(18,303)
<b>Total district-wide net expense</b>	<u>\$ (9,790,753)</u>	<u>\$ (10,354,856)</u>	<u>\$ (11,251,026)</u>	<u>\$ (12,726,479)</u>	<u>\$ (11,772,701)</u>
<b>General Revenues and Other Changes in Net Assets:</b>					
<b>Governmental activities:</b>					
Property taxes levied for general purposes, net	\$ 5,646,881	\$ 6,046,918	\$ 6,480,378	\$ 6,859,335	\$ 7,139,593
Taxes levied for debt service	622,817	636,741	592,675	882,417	735,788
Unrestricted grants and contributions	3,494,717	3,641,953	3,638,519	3,614,259	3,710,821
State aid restricted for capital projects			2,437,547	451,235	104,383
Investment earnings			116,501	112,535	51,587
Miscellaneous income	29,072	59,154	106,437	114,701	67,604
Loss on disposal of capital assets				(32,874)	
Transfers	(4,214)	(7,701)	(7,891)		
<b>Total governmental activities</b>	<u>9,789,273</u>	<u>10,377,065</u>	<u>13,364,166</u>	<u>12,001,608</u>	<u>11,809,776</u>
<b>Business-type activities:</b>					
Investment earnings	636	1,597	3,305	2,570	1,054
Transfers	4,214	7,701	7,891		
<b>Total business-type activities</b>	<u>4,850</u>	<u>9,298</u>	<u>11,196</u>	<u>2,570</u>	<u>1,054</u>
<b>Total district-wide</b>	<u>\$ 9,794,123</u>	<u>\$ 10,386,363</u>	<u>\$ 13,375,362</u>	<u>\$ 12,004,178</u>	<u>\$ 11,810,830</u>
<b>Change in Net Assets:</b>					
Governmental activities	\$ 14,324	\$ 41,425	\$ 2,134,741	\$ (696,612)	\$ 55,378
Business-type activities	(10,954)	(9,918)	(10,405)	(25,689)	(17,249)
<b>Total district-wide</b>	<u>\$ 3,370</u>	<u>\$ 31,507</u>	<u>\$ 2,124,336</u>	<u>\$ (722,301)</u>	<u>\$ 38,129</u>

**Westampton Township School District  
Fund Balances, Governmental Funds,  
Last Five Fiscal Years**  
*(modified accrual basis of accounting)*

J-3

	Fiscal Year Ending June 30,				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund:</b>					
Reserved for:					
Encumbrances			\$ 115,069		
Excess surplus	\$ 192,501	\$ 277,585	186,970	\$ 71,947	
Unreserved					
Undesignated	111,211	27,347	33,873	96,735	\$ (3,552)
Designated for subsequent year's budget	463,470	400,000	400,000	400,000	520,535
<b>Total general fund</b>	<u>\$ 767,182</u>	<u>\$ 704,932</u>	<u>\$ 735,912</u>	<u>\$ 568,682</u>	<u>\$ 516,983</u>
<b>All Other Governmental Funds</b>					
Unreserved, reported in:					
Capital projects fund	\$ 56	\$ 56	\$ 1,726,502	\$ 1,124,013	\$ 893,074
Debt service fund			116,557	234,852	169,882
<b>Total all other governmental funds</b>	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 1,843,059</u>	<u>\$ 1,358,865</u>	<u>\$ 1,062,956</u>

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

J-4

	Fiscal Year Ending June 30.									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Tax levy	\$ 4,094,567	\$ 4,336,455	\$ 4,478,481	\$ 5,130,218	\$ 5,551,668	\$ 6,269,698	\$ 6,683,859	\$ 7,073,053	\$ 7,741,752	\$ 7,875,381
Tuition charges					60,407					
Interest earnings	124,726	102,524	32,571	6,218				116,501	112,535	51,587
Miscellaneous	33,141	80,599	92,839	48,563	106,673	29,072	59,154	108,437	114,701	67,604
State sources	3,664,394	4,181,021	4,558,514	3,618,193	4,091,769	4,430,951	4,428,026	7,129,097	5,506,869	5,284,450
Federal sources	168,885	176,855	178,518	208,624	245,231	272,118	276,054	281,722	290,821	288,092
<b>Total revenue</b>	<b>8,085,713</b>	<b>8,877,454</b>	<b>9,340,903</b>	<b>9,011,816</b>	<b>10,055,748</b>	<b>11,001,839</b>	<b>11,446,893</b>	<b>14,706,810</b>	<b>13,766,678</b>	<b>13,567,114</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,546,096	2,760,654	2,833,267	3,020,507	3,170,640	3,250,498	3,604,667	3,735,937	3,963,278	3,824,353
Special education instruction	457,267	505,541	544,816	610,363	834,600	956,154	930,331	873,641	1,032,091	1,330,981
Other instruction	183,843	278,711	318,979	291,669	359,049	326,830	389,458	412,670	454,407	449,759
<b>Support Services:</b>										
Tuition	345,658	387,894	179,789	258,130	329,312	232,701	191,185	342,015	149,958	172,242
Student & instruction related services	602,023	759,876	794,172	812,760	916,995	1,213,638	967,074	991,693	1,047,465	1,048,537
School administrative services	364,900	413,744	565,444	443,789	488,120	528,678	565,280	769,546	577,213	606,619
General and business admin. services	369,769	381,169	410,781	428,887	498,510	520,037	549,663	316,223	623,164	574,541
Plant operations and maintenance	571,851	579,102	692,544	693,016	757,287	779,364	844,763	890,924	963,985	932,014
Pupil transportation	342,724	373,328	412,416	421,866	483,983	556,343	536,429	644,855	651,426	646,810
Other support services	1,145,727	1,123,813	1,096,447	1,297,458	1,508,103	1,832,563	1,861,683	2,120,233	2,707,102	2,823,297
<b>Special Schools</b>		9,204								
Charter Schools			6,324							
Capital outlay	3,845,312	542,925	471,147	171,328	177,370	59,211	106,633	7,258,220	1,053,724	335,322
<b>Debt service:</b>										
Principal	570,224	575,223	704,224	580,224	595,224	650,224	694,224	675,224	709,224	735,224
Interest and other charges	261,915	420,485	387,631	354,336	325,372	295,719	263,072	234,760	485,065	435,023
<b>Total expenditures</b>	<b>11,607,309</b>	<b>9,111,669</b>	<b>9,415,981</b>	<b>9,384,333</b>	<b>10,442,565</b>	<b>11,201,960</b>	<b>11,504,442</b>	<b>19,365,941</b>	<b>14,418,102</b>	<b>13,914,722</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(3,521,596)</b>	<b>(234,215)</b>	<b>(75,078)</b>	<b>(372,517)</b>	<b>(386,817)</b>	<b>(200,121)</b>	<b>(57,549)</b>	<b>(4,659,131)</b>	<b>(651,424)</b>	<b>(347,608)</b>
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	4,244,000	-	-	-	-	-	-	6,544,005	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Transfers in	57,607	102,524	225,571	146,218	-	-	-	116,557	112,535	51,587
Transfers out	(60,631)	(106,217)	(229,921)	(153,220)	(7,659)	(4,214)	(7,701)	(124,448)	(112,535)	(51,587)
<b>Total other financing sources (uses)</b>	<b>4,240,976</b>	<b>(3,693)</b>	<b>(4,350)</b>	<b>(7,002)</b>	<b>(7,659)</b>	<b>(4,214)</b>	<b>(7,701)</b>	<b>6,536,114</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 719,380</b>	<b>\$ (237,908)</b>	<b>\$ (79,428)</b>	<b>\$ (379,519)</b>	<b>\$ (394,476)</b>	<b>\$ (204,335)</b>	<b>\$ (65,250)</b>	<b>\$ 1,876,983</b>	<b>\$ (651,424)</b>	<b>\$ (347,608)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>10.72%</b>	<b>11.62%</b>	<b>12.21%</b>	<b>10.14%</b>	<b>8.97%</b>	<b>8.49%</b>	<b>8.40%</b>	<b>7.52%</b>	<b>8.94%</b>	<b>8.62%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

J-5

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Prior Year Refunds	Rentals	Community Service	Sale of Used Equipment	Miscellaneous	Total
1999	\$ 67,119		\$ 24,802	\$ 7,500			\$ 839	\$ 100,260
2000	73,800	\$ 500	1,973	678		\$ 3,000	648	80,599
2001	79,918		4,369	7,908			644	92,839
2002	31,270	5,592	3,175	7,500			1,026	48,563
2003	32,328	60,407	72,841	1,504				167,080
2004	12,872	8,496	6,569	1,135				29,072
2005	33,636	9,958	13,841	432			1,087	58,154
2006	176,900	9,695	34,779	645			919	222,938
2007	195,421	7,270	23,126		\$ 9,786		1,419	227,236
2008	98,978						10,427	119,191
	<u>\$ 802,442</u>	<u>\$ 101,918</u>	<u>\$ 185,475</u>	<u>\$ 27,302</u>	<u>\$ 9,786</u>	<u>\$ 3,000</u>	<u>\$ 17,009</u>	<u>\$ 1,146,932</u>

Source: District records

**Westampton Township School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Reg.</b>	<b>Qfarm</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Total Assessed Value</b>	<b>Public Utilities a</b>	<b>Net Valuation Taxable</b>	<b>Tax-Exempt Property</b>	<b>Total Direct School Tax Rate b</b>	<b>Estimated Actual (County Equalized) Value</b>
1999	\$ 10,117,800	\$ 288,493,700	\$ 4,015,200	\$ 1,379,950	\$ 109,411,100	\$ 11,261,400	\$ 424,679,150	\$ 2,699,257	\$ 427,378,407	\$ 74,772,200	\$ 1.015	\$ 424,186,477
2000	8,853,700	297,307,400	4,531,300	1,372,150	117,854,000	11,261,400	441,179,950	2,108,991	443,288,941	104,394,500	1.011	449,627,174
2001	11,436,500	308,632,600	4,467,100	1,360,750	142,301,400	11,261,400	479,459,750	2,614,480	482,074,230	104,490,200	1.065	489,162,032
2002	21,099,100	318,667,600	4,311,900	1,311,950	144,453,600	11,261,400	501,105,550	2,150,414	503,255,964	104,756,500	1.103	537,168,766
2003	21,696,200	348,376,700	4,245,600	1,283,750	159,655,500	11,261,400	546,519,150	2,131,007	548,650,157	104,917,600	1.143	604,915,541
2004	22,842,600	386,642,400	4,220,700	1,276,350	159,631,500	11,261,400	585,874,950	1,953,759	587,828,709	105,081,600	1.137	722,248,415
2005	13,891,500	417,541,700	4,220,700	1,094,650	172,621,100	11,261,400	620,631,050	1,675,960	622,307,010	107,922,800	1.137	864,337,817
2006	12,721,100	446,894,400	4,117,400	1,048,950	180,183,900	11,261,400	656,227,150	1,447,205	657,674,355	109,805,100	1.177	998,224,187
2007	11,196,200	456,815,600	4,214,100	1,043,250	187,973,100	11,261,400	672,503,650	1,342,566	673,846,216	110,583,600	1.169	1,128,558,828
2008	10,919,600	463,505,000	4,013,700	996,650	199,197,200	11,261,400	689,893,550	1,313,152	691,206,702	113,479,900	1.170	Not available

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Source: Municipal Tax Assessor

**Note:**

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

J-7

Fiscal Year Ended June 30,	Westampton Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Westampton	Regional School	Burlington County	
1999	\$ 0.905	\$ 0.110	\$ 1.015	\$ 0.464	\$ 0.326	\$ 0.564	\$ 2.369
2000	0.884	0.127	1.011	0.480	0.328	0.575	2.394
2001	0.944	0.121	1.065	0.474	0.331	0.566	2.436
2002	1.000	0.103	1.103	0.484	0.386	0.573	2.546
2003	1.037	0.106	1.143	0.484	0.461	0.562	2.650
2004	1.031	0.106	1.137	0.495	0.570	0.577	2.779
2005	1.035	0.102	1.137	0.504	0.576	0.635	2.852
2006	1.043	0.134	1.177	0.544	0.643	0.670	3.034
2007	1.060	0.109	1.169	0.554	0.664	0.703	3.090
2008	1.064	0.106	1.170	0.621	0.617	0.696	3.104

Source: Municipal Tax Collector

**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 components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b Rates for debt service are based on each year's requirements.

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

J-8

§

Taxpayer	2007-2008		Taxpayer	1998-1999	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
IKEA Wholesale	\$ 30,562,800	4.42%	IKEA Wholesale	\$ 13,699,200	3.21%
Brandywine Industrial, LLC	15,400,500	2.23%	The Dolan Group	13,391,700	3.13%
RPE Ventures II, LLC	10,988,800	1.59%	Inductotherm Industries	11,529,450	2.70%
Prologis-MacQuarie	10,029,800	1.45%	Brandywine Realty Trust	11,357,200	2.66%
Rowan Technologies	9,332,950	1.35%	Hampton Hospital	5,550,000	1.30%
Shri Sai Dev., LLC	9,186,700	1.33%	New Jersey Bell Telephone	3,265,082	0.76%
Home Depot	7,338,600	1.06%	Woodlane Associates	2,984,600	0.70%
100 Highland LLC	6,781,800	0.98%	Trans Continental Pipeline	2,547,600	0.60%
Jenicky, LLC	5,834,700	0.84%	Burlington Country Club	2,289,500	0.54%
RPE Ventures III, LLC	5,697,700	0.82%	Howard Johnson Motel	2,250,000	0.53%
<b>Total</b>	<b>\$ 111,154,350</b>	<b>16.08%</b>		<b>\$ 68,864,332</b>	<b>16.11%</b>

Source: Municipal Tax Assessor

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

J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	\$ 4,094,567	\$ 4,094,567	100.00%	-
2000	4,336,455	4,336,455	100.00%	-
2001	4,478,461	4,478,461	100.00%	-
2002	5,130,218	5,130,218	100.00%	-
2003	5,551,668	5,551,668	100.00%	-
2004	6,269,698	6,269,698	100.00%	-
2005	6,683,659	6,683,659	100.00%	-
2006	7,073,053	7,073,053	100.00%	-
2007	7,741,752	7,741,752	100.00%	-
2008	7,875,381	7,875,381	100.00%	-

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

- a** School taxes are collected by the Municipal Tax Collector. Under New Jersey State 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.

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

J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
1999	\$ 9,790,355	\$ 139,442	\$ -	\$ -	\$ 9,929,797	4.37%	\$ 1,409
2000	9,215,132	100,776	-	-	9,315,908	3.68%	1,291
2001	8,510,908	62,295	-	-	8,573,203	3.26%	1,177
2002	7,930,684	27,587	-	-	7,958,271	2.90%	1,056
2003	7,335,460	13,615	-	-	7,349,075	2.49%	924
2004	6,685,237	-	-	-	6,685,237	2.06%	799
2005	5,991,013	-	-	-	5,991,013	1.74%	698
2006	11,859,790	56,041	-	-	11,915,831	3.23%	1,368
2007	11,150,566	43,680	-	-	11,194,246	c	1,299
2008	10,415,342	38,815	-	-	10,454,157	c	c

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

- a Personal Income data can be found in Exhibit J-14.
- b Population data can be found in Exhibit J-14.
- c Not available

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

J-11

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
1999	\$ 9,790,355	\$ -	\$ 9,790,355	2.29%	\$ 1,409
2000	9,215,132	-	9,215,132	2.08%	1,291
2001	8,510,908	-	8,510,908	1.99%	1,177
2002	7,930,684	-	7,930,684	1.58%	1,056
2003	7,335,460	-	7,335,460	1.34%	924
2004	6,685,237	-	6,685,237	1.14%	799
2005	5,991,013	-	5,991,013	0.96%	698
2006	11,859,790	-	11,859,790	1.80%	1,368
2007	11,150,566	-	11,150,566	1.65%	1,299
2008	10,415,342	-	10,415,342	1.51%	c

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

- a See Exhibit J-6 for property tax data.
- b Population data can be found in Exhibit J-14.
- c Not available

**Westampton Township School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of December 31, 2007**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Westampton	\$ 3,317,095	100.000%	\$ 3,317,095
Burlington County General Obligation Debt	330,377,102	0.232%	766,475
Rancocas Valley Regional School District	21,590,000	24.863%	5,367,922
			<hr/>
Subtotal, overlapping debt			9,451,492
<b>Westampton Township School District Direct Debt</b>			<u>10,454,157</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 19,905,649</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

Debt outstanding data provided by each governmental unit.

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

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

J-13

Legal Debt Margin Calculation for Fiscal Year 2008

	Equalized valuation basis	
	2007	\$ 1,200,470,635
	2006	1,097,736,952
	2005	940,635,117
	[A]	<u>\$ 3,238,842,704</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,079,614,235
Debt limit (3% of average equalized valuation)	[B]	32,388,427 <sup>a</sup>
Net bonded school debt	[C]	<u>10,415,342</u>
Legal debt margin	[B-C]	<u>\$ 21,973,085</u>

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	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 11,263,302	\$ 11,993,818	\$ 12,680,527	\$ 13,846,491	\$ 15,070,378	\$ 17,312,505	\$ 20,336,066	\$ 24,232,735	\$ 28,508,460	\$ 32,388,427
Total net debt applicable to limit	<u>9,790,355</u>	<u>9,215,132</u>	<u>8,510,908</u>	<u>7,930,684</u>	<u>7,335,460</u>	<u>6,685,237</u>	<u>5,991,013</u>	<u>11,859,790</u>	<u>11,150,566</u>	<u>10,415,342</u>
Legal debt margin	<u>\$ 1,472,947</u>	<u>\$ 2,778,686</u>	<u>\$ 4,169,619</u>	<u>\$ 5,915,807</u>	<u>\$ 7,734,916</u>	<u>\$ 10,627,268</u>	<u>\$ 14,345,053</u>	<u>\$ 12,372,945</u>	<u>\$ 17,357,894</u>	<u>\$ 21,973,085</u>
Total net debt applicable to the limit as a percentage of debt limit	86.92%	76.83%	67.12%	57.28%	48.67%	38.62%	29.46%	48.94%	39.11%	32.16%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,  
 Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 8 district.

**Westampton Township School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
1999	7,046	\$ 227,282,822	\$ 32,257	2.8%
2000	7,217	253,020,803	35,059	2.4%
2001	7,282	262,596,202	36,061	2.6%
2002	7,533	274,223,799	36,403	3.8%
2003	7,957	295,196,743	37,099	3.9%
2004	8,371	325,179,866	38,846	3.5%
2005	8,589	344,418,900	40,100	3.0%
2006	8,710	369,286,580	42,398	3.5%
2007	8,618	e	e	3.3%
2008	e	e	e	3.2%

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income has been established based upon the municipal population and per capita personal income presented.
- <sup>c</sup> Per Capita personal income by municipality is estimated based upon the 2000 Census published by the US Bureau of Economic Analysis, U.S. Dept. of Commerce.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development
- <sup>e</sup> Information not available

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

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<u>Function/Program</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Instruction										
Regular	45	45	55	55	54	58	60	60	60	60
Special education	23	24	30	30	31	41	39	40	40	41
Other special education	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student & instruction related services	12	12	12	12	14	14	14	14	14	14
School administrative services	15	16	15	15	14	14	14	14	14	14
General and business administrative services	5	5	5	5	3	3	2	3	3	3
Plant operations and maintenance	9	9	11	11	11	11	11	11	10	9
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business and other support services	-	-	-	-	3	3	3	3	3	3
<b>Total</b>	<b>111</b>	<b>113</b>	<b>130</b>	<b>130</b>	<b>132</b>	<b>146</b>	<b>145</b>	<b>147</b>	<b>146</b>	<b>146</b>

Source: District Personnel Records

Westampton Township School District  
 Operating Statistics,  
 Last Ten Fiscal Years

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Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Westampton Middle School	Holly Hills Elementary				
1999	980	6,929,858	7,071.28	4.88%	78	1:16	1:14	964.3	921.2	-0.71%	95.53%
2000	967	7,573,036	7,831.47	10.75%	81	1:16	1:12	956.4	918.1	5.07%	96.00%
2001	964	7,852,979	8,146.24	4.02%	88	1:12	1:12	955.5	916.7	-2.41%	95.94%
2002	989	8,278,445	8,370.52	2.75%	91	1:12	1:12	960.0	920.7	5.24%	95.91%
2003	1,053	9,344,599	8,874.26	6.02%	93	1:11	1:11	1,007.2	958.0	21.11%	95.12%
2004	985	10,196,806	10,566.64	19.07%	97	1:11	1:11	974.7	929.9	-3.27%	95.40%
2005	997	10,440,513	10,471.93	-0.90%	94	1:11	1:12	993.1	946.7	1.88%	95.33%
2006	962	11,197,737	11,640.06	11.15%	87	1:11	1:12	960.5	920.7	-3.28%	95.88%
2007	938	12,170,089	12,974.51	11.46%	88	1:10	1:13	938.1	896.3	-2.33%	95.54%
2008	931	12,409,153	13,328.84	2.73%	87	1:10	1:13	929.8	888.2	-0.88%	95.53%

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Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures from Exhibit J-4 less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Westampton Township School District  
 School Building Information  
 Last Ten Fiscal Years**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b>Westampton Elementary (1956)</b>										
Square Feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	64,000
Capacity (students)	521	521	521	521	521	521	521	521	521	521
Enrollment	427	411	411	437	495	482	482	494	486	495
<b><u>Middle School</u></b>										
<b>Holly Hills (1956)</b>										
Square Feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity (students)	447	447	447	447	447	447	447	447	447	447
Enrollment	553	556	553	552	558	485	516	468	452	436

**Number of Schools at June 30, 2008**

- Elementary = 1
- Middle School = 1
- Senior High School = 0
- Other = 0

**Source:** District Facilities Office

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

**Westampton Township School District  
 Schedule of Required Maintenance  
 Last Seven Fiscal Years**

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

	2002	2003	2004	2005	2006	2007	2008	Total
* School Facilities								
Holly Hills School	\$ 80,725	\$ 18,462	\$ 13,275	\$ 6,165	\$ 9,600	\$ 9,600	\$ 9,600	\$ 147,427
Westampton School	115,478	25,411	18,427	10,142	20,700	20,700	20,700	1,896,679
Other Facilities	305,281	318,299	187,862	207,414	229,400	198,015	218,850	1,665,121
Project # (s)								
<b>Total School Facilities</b>	<b>\$ 501,484</b>	<b>\$ 362,172</b>	<b>\$ 219,564</b>	<b>\$ 223,721</b>	<b>\$ 259,700</b>	<b>\$ 228,315</b>	<b>\$ 249,150</b>	<b>\$ 3,709,227</b>

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

**Source: District records**

**Westampton Township School District  
Insurance Schedule  
June 30, 2008**

**J-20**

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
<b>School Package Policy (1)</b>			
<b>Building and Contents (All Locations)</b>			
Limits of liability per occurrence	\$ 2,500,000,000		\$ 1,000
General liability	5,000,000		
Automobile Liability	5,000,000		250
Workers' Compensation	Statutory		
Crime Coverage	100,000		500
Commercial Umbrella	5,000,000	\$ 10,000	
School Leaders Errors & Omissions (3)	2,000,000		5,000
<b>Surety Bonds (2)</b>			
Treasurer	200,000		
Board Secretary	90,000		

- (1) School Alliance Insurance Fund
- (2) Selective Insurance Company
- (3) EJA & Associates

**Source: District records**

**Single Audit Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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

## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and Members  
of the Board of Education  
Westampton Township School District  
County of Burlington  
Westampton, New Jersey

### **Compliance**

We have audited the compliance of the Board of Education of the Westampton Township School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2008. Westampton Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Westampton Township School District's management. Our responsibility is to express an opinion on the Westampton Township School District's compliance based on our audit.

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

In our opinion, the Board of Education of the Westampton Township School District, in the County of Burlington, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2008. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, that is required to be reported in accordance with New Jersey OMB's Circular 04-04, and which is described in the accompanying schedule of findings and questioned costs as item # 2008-1.

### Internal Control Over Compliance

The management of the Westampton Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Westampton Township School District's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Westampton Township School District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

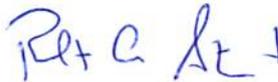
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

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

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

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert A. Stewart  
Public School Accountant

Marlton, New Jersey  
August 22, 2008



WESTAMPTON SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2008

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance June 30, 2007			Adjustment	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2008			
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	
<b>State Department of Education</b>															
<b>General Fund</b>															
Core Curriculum Standards Aid	08-495-034-5120-022	\$ 1,974,282	7/1/07 - 6/30/08					\$ 1,799,652		\$ (1,974,282)		\$ (174,630)			
Core Curriculum Standards Aid	07-495-034-5120-022	1,974,282	7/1/06 - 6/30/07	\$ (171,347)				171,347							
Supplemental Core Curriculum Stds. Aid	08-495-034-5120-023	126,192	7/1/07 - 6/30/08					126,192	(126,192)						
Transportation Aid	08-495-034-5120-014	295,866	7/1/07 - 6/30/08					295,866	(295,866)						
Special Education Aid	08-495-034-5120-011	469,455	7/1/07 - 6/30/08					469,455	(469,455)						
Stabilization Aid	08-495-034-5120-030	524,591	7/1/07 - 6/30/08					524,591	(524,591)						
Consolidated Aid	08-495-034-5120-057	109,210	7/1/07 - 6/30/08					109,210	(109,210)						
Additional Formula Aid	08-495-034-5120-058	205,901	7/1/07 - 6/30/08					205,901	(205,901)						
Extraordinary Aid	08-495-034-5120-044	8,266	7/1/07 - 6/30/08					8,266	(8,266)			(8,266)			
Extraordinary Aid	07-495-034-5120-044	8,686	7/1/06 - 6/30/07	(8,686)											
Teacher Mentoring Aid	08-495-034-5120-014	341	7/1/07 - 6/30/08					341	(341)						
Nonpublic Transportation Aid	07-495-034-5120-014	9,396	7/1/06 - 6/30/07	(9,396)				9,396							
On-behalf TPAF Pension Contribution	08-100-034-5095-050	680,912	7/1/07 - 6/30/08					680,912	(680,912)						
Reimbursed TPAF Social Security Contr.	08-100-034-5095-051	400,549	7/1/07 - 6/30/08					381,038	(400,549)			(19,461)			
Reimbursed TPAF Social Security Contr.	07-100-034-5095-051	398,051	7/1/06 - 6/30/07	(19,202)				19,202							
<b>Total General Fund</b>				<b>(208,631)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,801,839</b>	<b>(4,795,565)</b>	<b>-</b>	<b>-</b>	<b>(202,357)</b>	<b>-</b>	<b>-</b>	
<b>Special Revenue Fund</b>															
Character Education Aid	08-100-034-5120-418	4,000	7/1/07 - 6/30/08		\$ 329		\$ (329)								
<b>N.J. Nonpublic Aid:</b>															
Textbook Aid	08-100-034-5120-064	12,743	7/1/07 - 6/30/08					12,743	(12,088)				\$ 655		
Textbook Aid	07-100-034-5120-064	8,762	7/1/06 - 6/30/07			\$ 3,284				\$ (3,284)					
Nursing Aid	08-100-034-5120-070	17,602	7/1/07 - 6/30/08					17,602	(17,602)						
Technology Initiative	08-100-034-5120-373	9,120	7/1/07 - 6/30/08					9,120	(9,120)						
<b>Auxiliary Services:</b>															
Compensatory Education	08-100-034-5120-067	11,745	7/1/07 - 6/30/08					11,745	(10,650)					1,095	
Compensatory Education	07-100-034-5120-067	10,360	7/1/06 - 6/30/07			91					(91)				
<b>Handicapped Services:</b>															
Exam. and Classification	08-100-034-5120-066	6,639	7/1/07 - 6/30/08					6,639	(6,259)					380	
Exam. and Classification	07-100-034-5120-066	11,700	7/1/06 - 6/30/07			6,125				(6,125)					
Supplementary Instruction	08-100-034-5120-066	4,959	7/1/07 - 6/30/08					4,956	(4,213)					743	
Supplementary Instruction	07-100-034-5120-066	4,956	7/1/06 - 6/30/07			1,652				(1,652)					
Corrective Speech	08-100-034-5120-066	12,090	7/1/07 - 6/30/08					12,090	(9,951)					2,139	
Corrective Speech	07-100-034-5120-066	12,090	7/1/06 - 6/30/07			2,883				(2,883)					
Corrective Speech	06-100-034-5120-066	16,182	7/1/05 - 6/30/06			5,022				(5,022)					
<b>Total Special Revenue Fund</b>				<b>-</b>	<b>329</b>	<b>19,057</b>	<b>(329)</b>	<b>-</b>	<b>74,895</b>	<b>(69,883)</b>	<b>(19,057)</b>	<b>-</b>	<b>-</b>	<b>5,012</b>	
<b>Debt Service Fund</b>															
Debt Service Aid Type II	08-495-034-5120-125	317,902	7/1/07 - 6/30/08					317,902	(317,902)						
<b>Total Debt Service Fund</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,902</b>	<b>(317,902)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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(Continued)

WESTAMPTON SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2008

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance June 30, 2007			Adjustment	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2008		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>NJ Economic Development Authority:</b>														
<b>Capital Projects Fund:</b>														
EDA Educational Facilities Construction and Financing Act - Section 15:														
Addition Westampton Middle School	5720-050-05-1000	\$ 2,018,594	7/1/05 - 6/30/08	\$ (393,626)	\$ 324,531					\$ (39,017)		\$ (393,626)	\$ 285,514	
Addition Holly Hills School	5720-050-05-1000	1,569,954	7/1/05 - 6/30/08	(306,141)	375,236					(65,366)		(306,141)	309,870	
<b>Total Capital Projects Fund</b>				<b>(699,767)</b>	<b>699,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(104,383)</b>	<b>-</b>	<b>(699,767)</b>	<b>595,384</b>	<b>-</b>
<b>State Department of Agriculture</b>														
<b>Enterprise Fund:</b>														
State School Lunch Program	08-100-010-3360-067	4,214	7/1/07 - 6/30/08					\$ 3,941		(4,214)		(273)		
State School Lunch Program	07-100-010-3360-067	4,016	7/1/06 - 6/30/07	(410)				410						
<b>Total Enterprise Fund</b>				<b>(410)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,351</b>	<b>(4,214)</b>	<b>-</b>	<b>-</b>	<b>(273)</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance</b>				<b>\$ (903,608)</b>	<b>\$ 700,096</b>	<b>\$ 19,057</b>	<b>\$ (329)</b>	<b>\$ -</b>	<b>\$ 5,198,987</b>	<b>\$ (5,291,947)</b>	<b>\$ (19,057)</b>	<b>\$ (902,397)</b>	<b>\$ 595,384</b>	<b>\$ 5,012</b>

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

**Westampton Township School District  
Notes to Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2008**

**I. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on 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 Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,283) for the general fund and \$0 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. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
<b>General Fund</b>		\$ 4,792,282	\$ 4,792,282
<b>Special Revenue Fund</b>	\$ 288,092	69,883	357,975
<b>Capital Projects Fund</b>		104,383	104,383
<b>Debt Service Fund</b>		317,902	317,902
<b>Food Service Fund</b>	<u>67,009</u>	<u>4,214</u>	<u>71,223</u>
<b>Total Awards &amp; Financial Assistance</b>	<u>\$ 355,101</u>	<u>\$ 5,288,664</u>	<u>\$ 5,643,765</u>

**Westampton Township School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2008  
(Continued)**

**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.

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2008. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2008.

**6. MAJOR PROGRAMS**

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

**7. ADJUSTMENTS**

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

	<b>Federal</b>	<b>State</b>
Prior Year Balances Canceled		\$ 329
Prior Year Encumbrances Canceled	\$ 63	





**WESTAMPTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

***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 paragraph 5.18 through 5.20 of *Government Auditing Standards* and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

No findings identified.

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

**FEDERAL AWARDS**

A Federal single audit was not required.

**STATE AWARDS**

***Finding #2008-1***

**Information on the state program:**

Core Curriculum Standards Aid; GMIS No. 08-495-034-5120-022; State Department of Education.

**Criteria or specific requirement:**

N.J.S.A. 18A:23-2.1 requires that documentation prepared for income tax related purposes complies fully with the requirements of federal and state laws and regulations.

**Condition:**

The Superintendent and Business Administrator received a travel allowance during the year which did not meet established tests for an accountable plan under IRS 62(a)(2) and 62(c). This allowance was not processed through the payroll system and therefore was not subjected to employment taxes as required by the IRS regulations.

**Questioned Costs:**

The Superintendent received \$7,200 and the Business Administrator received \$3,600 in travel allowance which was not subjected to employment taxes.

**Context:**

The payroll department did not realize that this amount was taxable.

**Effect:**

Violation of the Internal Revenue Service Code.

**Cause:**

Oversight on part of the payroll clerk..

**Recommendation:**

The District should establish controls to ensure that all compensation is properly recorded and reported, including taxable fringe benefits. The District should also send corrected reporting to the applicable taxing authorities.

**Management's response:**

Management agrees with the above finding and will perform procedures to ascertain that all compensation is properly recorded and reported.

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENED JUNE 30, 2008**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

**FINANCIAL STATEMENT FINDINGS**

There were no prior year audit findings.

**FEDERAL AWARDS**

A Federal single audit was not required.

**STATE AWARDS**

There were no prior year audit findings.