

SCHOOL DISTRICT
OF
**WESTAMPTON
TOWNSHIP**



Westampton Township Board of Education
Westampton, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

**Comprehensive Annual
Financial Report**

of the

Westampton Township Board of Education

Westampton, New Jersey

For the Fiscal Year Ended June 30, 2013

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

September 23, 2013

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, 2013 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 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and 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.

Overview

The School District is a Type II district located in the County of Burlington (“County”), State of New Jersey. As a Type II school district, the School District functions independently through the Board. The Board is comprised of nine (9) members elected to three (3) staggered year terms. The purpose of the School District is to educate students in grades K-8.

Administration

The administration of the School District is the responsibility of the Superintendent of Schools. The Business Administrator and Board Secretary oversee the business functions and reports through the Superintendent to the Board.

Pupil Enrollment

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 2012-2013 fiscal year with an enrollment of 1,003 students, which is 16 students above 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>
2012-2013	1003	(7)	(.07)
2011-2012	1010	16	1.6
2010-2011	994	37	3.7
2009-2010	957	41	4.5
2008-2009	916	(15)	(1.6)
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

Facilities and Capacity

The following table outlines the facility of the School District and capacity thereof:

<u>Name of School</u>	<u>Date Constructed</u>	<u>Date of Last Major Renovations/ Additions</u>	<u>Grade Level</u>	<u>Capacity</u>
Holly Hills School	1967	1988	K-4	447
Westampton School	1955	1995	5-8	521

Employment

The following table provided the number of the instruction and non-instructional personnel employed by the School District from school year 2003-2004 through school year 2012-2013:

<u>School Year</u>	<u>Certified – Full Time</u>	<u>Non-Certified – Full Time</u>
2003-2004	93	22
2004-2005	86	23
2005-2006	88	22
2006-2007	87	22
2007-2008	88	24
2008-2009	91	21
2009-2010	91	28
2010-2011	80	24
2011-2012	83	28
2012-2013	83	28

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 real estate turnover rate has slowed with conditions throughout the country and particularly the Northeast.

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 537 students in grades K to 4, while the Westampton Middle School has an enrollment of 473 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.

Location and Character

The Township of Westampton (“Township”) is a municipal corporation which was incorporated in 1850. The Township covers a land area of approximately 11.2 square miles in the northeastern section of the County, approximately 65 miles northwest of Atlantic City, 80 miles southwest of New York and 22 miles northeast of Philadelphia. The Township is readily accessible to these metropolitan areas on Route 295, the New Jersey Turnpike and the Atlantic City Expressway.

Utilities

Water and sewer service within the Township is provided by Mount Holly Water Company, Mount Holly Sewer Authority, and Willingboro Municipal Utilities Authority. All three entities bill its users directly for water and sewer service on a quarterly basis.

Public Services

The Township is protected by an approximately 21 member police force, with a 24-hour police dispatching network. One volunteer fire company provides fire protection. The Township provides once-a-week garbage collection to all residential and commercial properties. Communication services are provided by Verizon and AT&T. Natural gas and electric service is provided by Public Service and Gas Company.

Population

The following table outlines the population of the Township, the County and the State:

<u>Year</u>	<u>Township</u>	<u>County</u>	<u>State</u>
2000 Federal Census	7,217	423,394	8,414,350
1990 Federal Census	6,004	395,066	7,730,188
1980 Federal Census	3,383	362,542	7,365,001
1970 Federal Census	2,680	323,132	7,171,112

Health Care Facilities

The only hospital located in the Township is Hampton Hospital, which is a mental health care facility. The closest hospital to service the Township is located in the adjoining Township of Mount Holly. Virtual Health Memorial Hospital is a 369 bed facility. The hospital is part of the Virtua health system which includes West Jersey - Voorhees, West Jersey - Berlin, West Jersey - Marlton, and West Jersey – Camden, making up the state’s largest multi-hospital group. Memorial Hospital has intensive care and progressive care units as well as a 24-hour emergency room.

Transportation

The major highways serving the Township are US Route 295, which runs from Trenton to the Delaware Memorial Bridge and the New Jersey Turnpike which runs North to South the entire length of New Jersey. Burlington – Mount Holly Road (Route 541) which bisects the Township runs in a north-south direction from Burlington County to Mount Holly, then continues via a by-pass through Lumberton, Medford Township and Tabernacle to intersect with Route 206 which connects with the Atlantic City Expressway in Hammonton.

A private bus service, Academy Lines, Inc., services the Township with several bus routes. The major routes provide access to Atlantic City and New York City.

Labor Force

The following table outlines employment information for the Township, the County and the State as of 2009:

	<u>Unemployment Rate</u>	<u>Total Labor Force</u>	<u>Total Employed</u>	<u>Total Unemployment</u>
Township	7.6%	4,230	3,910	320
County	8.5	241,797	221,132	20,665
State	9.6	4,551,307	4,113,111	438,196

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 ensure that each and every child is provided 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 2012-2013 school year included the following:

- The District concluded 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. The District implemented a full-day Kindergarten and pre-K services program.

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. 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, 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.

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, 2013.

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 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of 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,

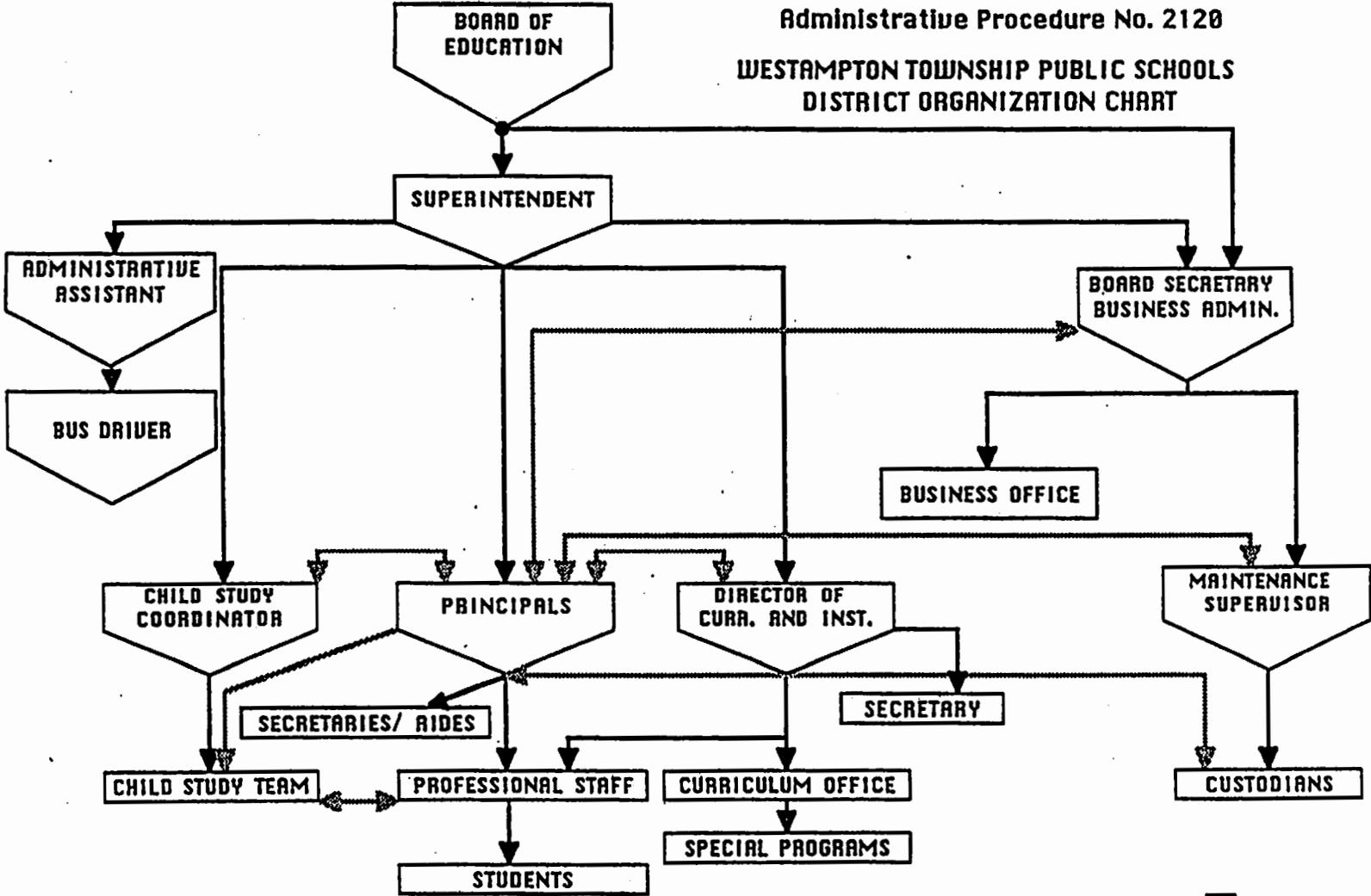


Virginia M. Grossman
Chief School Administrator



Tracy L. McGuire
Board Secretary

**Administrative Procedure No. 2120
WESTAMPTON TOWNSHIP PUBLIC SCHOOLS
DISTRICT ORGANIZATION CHART**



Direct Line Relationship ———> □
 Staff Relationship <---> □

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

**ROSTER OF OFFICIALS
JUNE 30, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Daniel Dole, President	2015
Christina Daily, Vice President	2013
Suzanne Applegate	2015
Russell Hansel	2013
Melanie Logan	2014
Morgan Merrill	2015
Latoya Myers	2014
Vanessa L. Nichols	2013
Linda Hynes	2013

Other Officials

Virginia Grossman, Superintendent
Tracy L. McGuire, Board Secretary
Craig Wilkie, Interim School Business Administrator
Frank Farr of MS Accounting Firm, Treasurer
Frank Cavallo, Parker McCay, Solicitor

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

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Marlton, NJ 08053

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Architect

Garrison Architect
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Broker of Record

EJA & Associates
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Official Depository

Beneficial Bank
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Westampton, NJ 08046

Financial Section

INVERSO & STEWART, LLC
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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

Report on the Financial Statements

I 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 Westampton Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Westampton Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

My 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 combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 27, 2013 on my consideration of the Westampton Township School District's internal control over financial reporting and my 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 my 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* in considering the Westampton Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 27, 2013

INVERSO & STEWART, LLC
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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**

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Westampton Township School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated September 27, 2013.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 27, 2013

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, 2013**

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, 2013. 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 \$7,459,735 (*net position*).
- Governmental activities have an unrestricted net position deficit balance of \$776,728. The accounting treatments in the governmental funds for compensated absences payable, accrued interest payable and the June state aid payments plus 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 position of the School District increased by \$729,871 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 and the payment of long-term debt.
- Fund balance of the School District's governmental funds increased by \$376,452 resulting in an ending fund balance of \$1,279,638. The majority of this increase is the result of the reduction in the budget expenditures.
- Business-type activities have unrestricted net position of \$95,266 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (food services).
- The School District's long-term obligations decreased by \$856,410 which constitutes the annual payment of existing debt obligations (\$875,224) and an increase in the compensated absences balance of \$18,814.

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 position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position 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 position of the School District changed during the current fiscal year. Changes in net position 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 one enterprise funds (Food Service Fund) is listed individually and is considered to be a major fund.

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 2013. 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 2013.

The assets of the primary government activities exceeded liabilities by \$7,354,451 with an unrestricted deficit balance of \$776,728. As mentioned earlier, deficit unrestricted net position are primarily due to the accounting treatment for compensated absences payable, capital lease payable, accrued interest expense and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The net position of the primary government does not include internal balances.

A net investment of \$6,808,793 in land, improvements, buildings and equipment which provide the services to the School District's 1,003 public school students, represents 92.58% of the School District's net position.

Net position of \$1,322,386 have been restricted as follows:

Restricted for Future Budget Appropriations	\$ 535,762
Restricted for Future Debt Service Costs	1,124
Restricted for Future Capital Projects	-
Restricted for Subsequent Year's Budget	<u>785,500</u>
Total	<u><u>\$ 1,322,386</u></u>

**Comparative Summary of Net Position
As of June 30, 2013 and 2012**

	Governmental Activities		Business-Type Activities		District-Wide	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current assets	\$ 1,321,872	\$ 1,029,588	\$ 116,076	\$ 90,505	\$ 1,437,948	\$ 1,120,093
Capital assets	13,173,016	13,702,681	10,018	11,373	13,183,034	13,714,054
Total assets	<u>14,494,888</u>	<u>14,732,269</u>	<u>126,094</u>	<u>101,878</u>	<u>14,620,982</u>	<u>14,834,147</u>
LIABILITIES						
Current liabilities	1,026,160	1,000,246	20,810	15,171	1,046,970	1,015,417
Noncurrent liabilities	6,114,277	7,000,685			6,114,277	7,000,685
Total liabilities	<u>7,140,437</u>	<u>8,000,931</u>	<u>20,810</u>	<u>15,171</u>	<u>7,161,247</u>	<u>8,016,102</u>
Net Position	<u>\$ 7,354,451</u>	<u>\$ 6,731,338</u>	<u>\$ 105,284</u>	<u>\$ 86,707</u>	<u>\$ 7,459,735</u>	<u>\$ 6,818,045</u>
Net Position Consist of:						
Net investment in capital assets	\$ 6,808,793	\$ 6,463,235	\$ 10,018	\$ 11,373	\$ 6,818,811	\$ 6,474,608
Restricted Assets	1,322,386	899,997			1,322,386	899,997
Unrestricted Assets	<u>(776,728)</u>	<u>(631,894)</u>	<u>95,266</u>	<u>75,334</u>	<u>(681,462)</u>	<u>(556,560)</u>
Net Position	<u>\$ 7,354,451</u>	<u>\$ 6,731,338</u>	<u>\$ 105,284</u>	<u>\$ 86,707</u>	<u>\$ 7,459,735</u>	<u>\$ 6,818,045</u>

Westampton Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Charges for services			\$ 262,551	\$ 262,119	\$ 262,551	\$ 262,119
Operating grants and contributions	\$ 1,770,572	\$ 1,564,747	127,898	123,078	1,898,470	1,687,825
Property taxes	9,573,192	9,402,058			9,573,192	9,402,058
State aid - unrestricted	3,660,840	3,587,078			3,660,840	3,587,078
Other revenues	52,671	13,655	49	22	52,720	13,677
Total Revenues	<u>15,057,275</u>	<u>14,567,538</u>	<u>390,498</u>	<u>385,219</u>	<u>15,447,773</u>	<u>14,952,757</u>
Expenses:						
Governmental Activities:						
Instruction	6,144,276	5,991,909			6,144,276	5,991,909
Tuition	446,928	502,230			446,928	502,230
Related services	1,221,665	1,088,607			1,221,665	1,088,607
Administrative services	988,122	944,975			988,122	944,975
Operations and Maintenance	1,329,430	1,142,949			1,329,430	1,142,949
Transportation	708,340	696,813			708,340	696,813
Employee benefits	3,150,558	2,967,519			3,150,558	2,967,519
Interest on debt	258,826	274,161			258,826	274,161
Other	97,836	121,220			97,836	121,220
Loss on disposal of capital assets		43,377			-	43,377
Business-Type Activities:						
Food Service			371,921	369,481	371,921	369,481
Total Expenses	<u>14,345,981</u>	<u>13,773,760</u>	<u>371,921</u>	<u>369,481</u>	<u>14,717,902</u>	<u>14,143,241</u>
Increase (Decrease) in Net Position before transfers	711,294	793,778	18,577	15,738	729,871	809,516
Transfers						
Change in Net Position	<u>711,294</u>	<u>793,778</u>	<u>18,577</u>	<u>15,738</u>	<u>729,871</u>	<u>809,516</u>
Net Position, July 1, Restated	6,643,157	5,937,560	86,707	70,969	6,729,864	6,008,529
Net Position, June 30	<u>\$ 7,354,451</u>	<u>\$ 6,731,338</u>	<u>\$ 105,284</u>	<u>\$ 86,707</u>	<u>\$ 7,459,735</u>	<u>\$ 6,818,045</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$711,294 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- The tax levy increased by \$171,134.
- State Aid increased by \$279,587.
- 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 increased the School District's net position by \$18,577. Key elements of the increase in net position for business-type activities are as follows:

- The Food Service program had a net profit in operations of \$18,577.

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 \$1,279,638, an increase of \$376,452 in comparison with the prior year. The majority of the increase is due to the increase in state aid and moderate spending.

The unassigned deficit fund balance of (\$42,722) for the School District at the end of the fiscal year represents the unassigned fund balance in the General Fund of (\$42,748) and Debt Service of \$26. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed, as follows: 1) restricted for future appropriation in accordance with state statutes (\$535,762), 2) appropriated as a revenue source in the subsequent year's budget (\$786,598).

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

Special revenue fund revenues are generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

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, unassigned fund balance (budgetary basis) of the general fund was \$288,681, while total fund balance (budgetary basis) was \$1,609,943. As a measure of the general fund's liquidity, it may be useful to compare both unassigned 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 \$13,085,458. Unassigned fund balance (budgetary basis) represents 2.21% of expenditures while total fund balance (budgetary basis) represents 12.30% of that same amount

Capital Assets and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totaled \$13,183,034 (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 \$531,020, or a 3.87% decrease. The decrease is due to current year depreciation.

Capital Assets (net of accumulated depreciation) June 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		District-Wide	
	2013	2012	2013	2012	2013	2012
Land	\$ 12,455	\$ 12,455			\$ 12,455	\$ 12,455
Const. in Progress					-	-
Site Improvements	168,613	197,030			168,613	197,030
Building and Building Improvements	12,756,169	13,222,365			12,756,169	13,222,365
Vehicles	27,632	35,307			27,632	35,307
Equipment	208,147	235,524	\$ 10,018	\$ 11,373	218,165	246,897
Total	\$ 13,173,016	\$ 13,702,681	\$ 10,018	\$ 11,373	\$ 13,183,034	\$ 13,714,054

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, 2013, the School District had total bonded debt outstanding of \$6,364,223 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for compensated absences in the amount of \$655,277.

General obligation bonds decreased \$875,224 in accordance with the annual payments due.

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 \$34,765,745 and the legal debt margin was \$28,401,522.

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 2013-14 fiscal years.

- State aid has diminished 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 did not bring aid up to the level of the previous years. 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 continues to put a significant burden on property taxpayers to come up with additional funds to maintain facilities and to cover fixed costs. This has resulted in our drawing down of existing fund balances in order to minimize the impact on local property owners. The School District is working toward building an adequate fund balance. For the last number of years the state has postponed the final aid payment. The restrictions on surplus create further financial issues for the District.
- The per pupil regular spending remains as one of the lowest in Burlington County. The administrative cost per pupil remains lower than the regional or District's approved budgeted per pupil cost. In excess of 85% of every dollar spent in the District goes directly to the schools for Instruction and student services. This leaves less than 15% to conduct all of the remaining necessary 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

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,173,550	\$ 80,644	\$ 1,254,194
Receivables, net	163,912	13,656	177,568
Internal balances	(15,590)	15,590	
Inventory		6,186	6,186
Capital Assets - Net (Note 4)	<u>13,173,016</u>	<u>10,018</u>	<u>13,183,034</u>
Total Assets	<u>14,494,888</u>	<u>126,094</u>	<u>14,620,982</u>
LIABILITIES:			
Intergovernmental payable:			
State	17,786		17,786
Accounts payable		20,810	20,810
Other liability	7,703		7,703
Accrued Interest Payable	78,703		78,703
Unearned Revenue	16,745		16,745
Noncurrent Liabilities (Note 6):			
Due within one year	905,223		905,223
Due beyond one year	<u>6,114,277</u>		<u>6,114,277</u>
Total Liabilities	<u>7,140,437</u>	<u>20,810</u>	<u>7,161,247</u>
NET POSITION:			
Net investment in Capital Assets	6,808,793	10,018	6,818,811
Restricted for:			
Capital Projects			
Debt Service Funds	1,124		1,124
Other Purposes	1,321,262		1,321,262
Unrestricted (Deficit)	<u>(776,728)</u>	<u>95,266</u>	<u>(681,462)</u>
Total Net Position	<u>\$ 7,354,451</u>	<u>\$ 105,284</u>	<u>\$ 7,459,735</u>

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

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,098,631				\$ (4,098,631)		\$ (4,098,631)
Special Education	1,728,674		\$ 222,746		(1,505,928)		(1,505,928)
Other instruction	316,971				(316,971)		(316,971)
Support Services:							
Tuition	446,928				(446,928)		(446,928)
Student & instruction related services	1,221,665		172,650		(1,049,015)		(1,049,015)
General administrative services	606,602				(606,602)		(606,602)
School administrative services	381,520				(381,520)		(381,520)
Plant operations and maintenance	1,329,430				(1,329,430)		(1,329,430)
Pupil transportation	708,340				(708,340)		(708,340)
Unallocated benefits	3,150,558		1,176,250		(1,974,308)		(1,974,308)
Interest on long-term debt	258,826		198,926		(59,900)		(59,900)
Unallocated depreciation and amortization	97,836				(97,836)		(97,836)
Total Governmental Activities	14,345,981		1,770,572		(12,575,409)		(12,575,409)
Business-Type Activities:							
Food service	371,921	\$ 262,551	127,898			\$ 18,528	18,528
Total Business-Type Activities	371,921	262,551	127,898			18,528	18,528
Total Primary Government	\$ 14,717,902	\$ 262,551	\$ 1,898,470	\$ -	(12,575,409)	18,528	(12,556,881)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					8,666,114		8,666,114
Taxes levied for debt service					907,078		907,078
Federal and State aid not restricted					3,660,840		3,660,840
Investment Earnings					1,768	49	1,817
Miscellaneous Income					50,903		50,903
Special Item:							
Loss on disposal of assets						49	
Total general revenues, special items, extraordinary items and transfers					13,286,703	49	13,286,752
Change in Net Position					711,294	18,577	729,871
Net Position - July 1, 2012 - Restated					6,643,157	86,707	6,729,864
Net Position - June 30, 2013					\$ 7,354,451	\$ 105,284	\$ 7,459,735

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

Fund Financial Statements

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2013

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,172,426			\$ 1,124	\$1,173,550
Receivables, net					
State aid	59,361				59,361
Federal		\$ 104,551			104,551
Interfund	70,020				70,020
Total Assets	\$ 1,301,807	\$ 104,551	\$ -	\$ 1,124	\$ 1,407,482
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Intergovernmental payable:					
State		\$ 17,786			\$ 17,786
Interfund	\$ 23,293	70,020			93,313
Unearned revenues		16,745			16,745
Total Liabilities	23,293	104,551	-	1,124	127,844
 Fund Balances:					
Restricted for:					
Excess surplus designated for subsequent year	504,934				504,934
Excess surplus	535,762				535,762
Assigned to:					
Subsequent year's budget	280,566			\$ 1,098	281,664
Unassigned	(42,748)			26	(42,722)
Total Fund Balances	1,278,514	-	-	1,124	1,279,638
Total Liabilities and Fund Balances	\$ 1,301,807	\$ 104,551	\$ -	\$ 1,124	

Amounts reported for governmental activities in the statement of net position (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 \$21,751,529 and the accumulated depreciation is \$8,578,513. 13,173,016

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	\$ (6,364,223)	
Accrued Interest Payable	(78,703)	
Compensated Absences Payable	(655,277)	
		(7,098,203)

Net position of governmental activities **\$ 7,354,451**

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, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 8,666,114			\$ 907,078	\$ 9,573,192
Miscellaneous	52,645		\$ 26		52,671
Total local sources	8,718,759		26	907,078	9,625,863
State sources	4,825,895	\$ 50,708		198,926	5,075,529
Federal sources	11,195	344,688			355,883
Total Revenues	13,555,849	395,396	26	1,106,004	15,057,275
EXPENDITURES:					
Current expense:					
Regular instruction	3,709,051				3,709,051
Special education instruction	1,505,928	222,746			1,728,674
Other instruction	316,971				316,971
Support services and undistributed costs:					
Tuition	446,928				446,928
Student & instruction related services	1,049,015	172,650			1,221,665
General administrative services	350,165				350,165
School administrative services	355,037				355,037
Central services	229,954				229,954
Plant operations and maintenance	1,234,642				1,234,642
Pupil transportation	708,340				708,340
Unallocated employee benefits	3,150,558				3,150,558
Capital outlay	28,869		65,919		94,788
Debt service:					
Principal				875,224	875,224
Interest and other charges				258,826	258,826
Total Expenditures	13,085,458	395,396	65,919	1,134,050	14,680,823
Excess (Deficiency) of Revenues over (under) Expenditures	470,391		(65,893)	(28,046)	376,452
Other Financing Sources (Uses):					
Transfers in				26	26
Transfers out			(26)		(26)
Total Other Financing Sources (Uses)			(26)	26	
Net Change in Fund Balances	470,391		(65,919)	(28,020)	376,452
Fund Balances - July 1, 2012	808,123		65,919	29,144	903,186
Fund Balances - June 30, 2013	\$ 1,278,514	\$ -	\$ -	\$ 1,124	\$ 1,279,638

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, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	376,452
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (529,665)	
Fixed asset additions		(529,665)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		875,224
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		8,097
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		(18,814)
Change in Net Position of Governmental Activities	\$	711,294

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

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2013

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 80,644
Accounts receivable:	
State	267
Federal	8,130
Other	5,259
Interfund	15,590
Inventories	<u>6,186</u>
Total Current Assets	<u>116,076</u>
Noncurrent Assets:	
Equipment	185,389
Less - accumulated depreciation	<u>(175,371)</u>
Total Noncurrent Assets	<u>10,018</u>
Total Assets	<u>126,094</u>
 LIABILITIES:	
Current Liabilities:	
Accounts payable	<u>20,810</u>
Total Current Liabilities	<u>20,810</u>
 NET POSITION:	
Net investment in capital assets	10,018
Unrestricted	<u>95,266</u>
Total Net Position	<u>\$ 105,284</u>

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

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 111,581
Daily sales non-reimbursable programs:	
Adult and a la carte sales	59,309
Sales to other districts	84,207
Other	<u>7,454</u>
Total Operating Revenues	<u>262,551</u>
OPERATING EXPENSES:	
Salaries and fringe benefits	171,170
Management fee	22,135
Supplies and materials	13,733
Repairs and maintenance	5,858
Other costs	12,982
Depreciation	1,355
Cost of sales	<u>144,688</u>
Total Operating Expenses	<u>371,921</u>
Operating Income (Loss)	<u>(109,370)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	3,533
Federal sources:	
National school lunch program	99,055
National school breakfast program	5,680
Food distribution program	19,630
Local sources:	
Interest earned	<u>49</u>
Total Non-Operating Revenues	<u>127,947</u>
Income (Loss) before Contributions and Transfers	18,577
Operating Transfer out	<u> </u>
Change in Net Position	18,577
Net Position - July 1, 2012	<u>86,707</u>
Net Position - June 30, 2013	<u><u>\$ 105,284</u></u>

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

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 262,710
Cash payments to employees for services	(159,892)
Cash payments to suppliers for goods and services	<u>(206,215)</u>
Net cash provided by (used for) operating activities	<u>(103,397)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	3,450
Cash received from federal sources	120,950
Operating transfer out	<u> </u>
Net cash provided by noncapital financing activities	<u>124,400</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>49</u>
Net increase (decrease) in cash and cash equivalents	21,052
Cash and cash equivalents - July 1, 2012	<u>59,592</u>
Cash and cash equivalents - June 30, 2013	<u>\$ 80,644</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (109,370)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	1,355
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	159
(Increase) decrease in inventories	(1,180)
Increase (decrease) in accounts payable	<u>5,639</u>
Net cash provided by (used for) operating activities	<u>\$ (103,397)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$19,630 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 Position
Fiduciary Funds
June 30, 2013

	Trust Funds		
	Unemployment Compensation Insurance Trust	Private Purpose Scholarship Fund	Agency Funds
ASSETS:			
Cash and cash equivalents	\$ 250	\$ 7,120	\$ 1,312
Interfund receivable			7,703
Other receivable			14,240
Total Assets	\$ 250	\$ 7,120	\$ 23,255
 LIABILITIES:			
Payroll deductions and withholdings			\$ 331
Due to student groups			22,924
Total Liabilities			\$ 23,255
 NET POSITION:			
Held in trust for unemployment claims and other purposes	\$ 250		
Reserved for scholarships		\$ 7,120	

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 Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Unemployment Compensation Insurance Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS:		
Contributions:		
Employee	\$ 17,689	
Employer	11,895	
Total contributions	<u>29,584</u>	<u> </u>
Investment earnings:		
Interest	2	\$ 7
Net investment earnings	<u>2</u>	<u>7</u>
Total Additions	<u>29,586</u>	<u>7</u>
DEDUCTIONS:		
Unemployment claims	30,453	
Scholarships awarded		700
Total Deductions	<u>30,453</u>	<u>700</u>
Change in Net Position	(867)	(693)
Net position - July 1, 2012	<u>1,117</u>	<u>7,813</u>
Net position - June 30, 2013	<u>\$ 250</u>	<u>\$ 7,120</u>

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, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Westampton Township School District ("School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12 attend the Rancocas Valley Regional High School District. The Westampton School District has an approximate enrollment at June 30, 2013 of 1,003 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (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.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The 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 position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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

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

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 non-instructional equipment classified in the capital outlay sub-fund.

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

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

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the period from the September 30, 2010 through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2013 is considered to be attributable to Ed Jobs. Ed Jobs expenditures are included as a component of overall general fund expenditures, and are also included in general fund expenditures for purposes of the excess surplus calculation.

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

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

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

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

Enterprise Funds - The enterprise 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 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 enterprise funds are:

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

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued) - 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 position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

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

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: 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 private purpose scholarship fund, a student activity fund, and a payroll fund.

Measurement Focus

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

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. 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. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On 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 that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transactions (Continued) - Non-exchange 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 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned 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 for their approval. 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at 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 one or more June state aid payments.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial 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.

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, 2013 and 2012 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

In the governmental fund 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 (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position 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 government-wide statement of net position and the proprietary fund statement of net position.

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

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

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

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

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

For governmental 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.

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

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2012.

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

Committed - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned - This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

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

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

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

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.

New Accounting Standards Adopted - During the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Government Accounting Standards Board (GASB):

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. This Statement also identifies net position as the residual of all other elements presented in a statement of financial position and amends the net asset reporting requirements in Statement No. 34, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by naming that measure as net position, rather than net assets.

This statement only impacted financial terminology as opposed to financial statement reporting for the fiscal year ended June 30, 2013.

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as limiting the use of the term deferred in financial statement presentations.

Implementation of this statement affected the financial statements as noted in Note 19.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$1,674,426 as of June 30, 2013, \$250,000 was insured under FDIC and the remaining balance of \$1,424,426 was collateralized under GUDPA.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

3. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2013 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
State	\$ 59,361		\$ 267	\$ 59,628
Federal		\$ 104,551	8,130	112,681
Other			5,259	5,259
Total	\$ 59,361	\$ 104,551	\$ 13,656	\$ 177,568

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Governmental Activities:				
Land	\$ 12,455			\$ 12,455
Construction in Progress				-
Total Capital Assets not being Depreciated	12,455	-	-	12,455
Land Improvements	562,342			562,342
Building and Improvements	19,534,707			19,534,707
Vehicles	161,192			161,192
Equipment	1,480,833			1,480,833
Total Historical Cost	21,751,529	-	-	21,751,529
Less Accumulated Depreciation:				
Land Improvements	(365,312)	(28,417)		(393,729)
Building and Improvements	(6,312,342)	(466,196)		(6,778,538)
Vehicles	(125,885)	(7,675)		(133,560)
Equipment	(1,245,309)	(27,377)		(1,272,686)
Total Accumulated Depreciation	(8,048,848)	(529,665)	-	(8,578,513)
Governmental Activities Capital Assets, Net	\$ 13,702,681	\$ (529,665)	\$ -	\$ 13,173,016
Business-Type Activities:				
Equipment	185,389			185,389
Less - Accumulated Depreciation	(174,016)	(1,355)		(175,371)
Business-Type Activities Capital Assets, Net	11,373	(1,355)	-	10,018

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

4. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$529,665 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 370,766
General Administration	26,483
School Administration	26,483
Unallocated	<u>105,933</u>
Total depreciation expense	<u>\$ 529,665</u>

5. INVENTORY

Inventory in the food service fund at June 30, 2013 consisted of the following:

Food	\$ 5,122
Supplies	<u>1,064</u>
	<u>\$ 6,186</u>

6. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 636,463	\$ 18,814		\$ 655,277	
General Obligation Bonds	<u>7,239,446</u>		<u>\$ 875,223</u>	<u>6,364,223</u>	<u>\$ 905,223</u>
	<u>\$ 7,875,909</u>	<u>\$ 18,814</u>	<u>\$ 875,223</u>	<u>\$ 7,019,500</u>	<u>\$ 905,223</u>

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:

2012 Refunding Bonds dated March 1, 2012 in the amount of \$935,000 due in annual installments through March 1, 2015, bearing interest rate of 2.25% to 3.25%.

1993 Safe School Loan dated August 18, 1993 in the amount of \$140,223 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 \$5,289,000 due in annual installments through March 1, 2025, bearing interest rate of 3.75% to 3.95%.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

6. LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2013, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 905,223	\$ 234,008	\$ 1,139,231
2015	930,000	209,490	1,139,490
2016	450,000	177,540	627,540
2017	450,000	159,990	609,990
2018	450,000	142,441	592,441
2019-2023	2,270,000	477,555	2,747,555
2024-2025	909,000	53,838	962,838
	<u>\$ 6,364,223</u>	<u>\$ 1,454,862</u>	<u>\$ 7,819,085</u>

As of June 30, 2013 the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

7. OPERATING LEASES

At June 30, 2013, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$23,892 for the fiscal year ended June 30, 2013. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 8,826
2015	1,526
2016	1,526
2017	890
	<u>\$ 12,768</u>

8. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). 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.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer 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 by the School District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System 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. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2013	\$ 43,766	\$ 104,646	\$ 8,833	\$ 157,245
2012	49,455	98,911	9,453	157,819
2011	57,508	91,635	11,327	160,470

Defined Contribution Retirement Program (DCRP)

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

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

8. PENSION PLANS (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the School District's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Employee Contribution</u>	<u>Paid by School District</u>
2013	\$ 9,226	\$ 5,970	\$ 3,256
2012	3,292	2,130	1,162
2011	1,706	602	1,104

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

9. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012 there were 97,661 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.

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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2013 was \$399,917, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

10. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures \$353,675 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$422,658 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

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, student accident 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 School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. 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 necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained by writing to: Burlington County Insurance Pool JIF. P.O. Box 449, Marlton, NJ 08053

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 fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 11,897	\$ 17,689	\$ 30,453	\$ 250
2012	14,002	14,410	28,477	1,117
2011	44,930	24,295	68,838	1,182

12. 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, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

13. COMPENSATED ABSENCES

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

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

13. COMPENSATED ABSENCES (Continued)

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. 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 employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2013, the liability for compensated absences in the governmental activities was \$655,277.

14. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2013, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2014. The following interfund balances were recorded on the various balance sheets as of June 30, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 70,020	\$ 23,293
Special Revenue		70,020
Proprietary	15,590	
Fiduciary	7,703	
Total	<u>\$ 93,313</u>	<u>\$ 93,313</u>

16. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$42,748 in the General Fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District can not recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$42,748 is equal to or less than the June state aid payment.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

17. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2013, a deficit of \$776,728 existed in the Unrestricted Net position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net position reported on Exhibited A-1 as follows:

Balances, June 30, 2013:	
Fund Balance - Unassigned	\$ (42,748)
Liabilities:	
Accrued Interest Payable	(78,703)
Compensated Absences	<u>(655,277)</u>
Unrestricted Net Position (Deficit)	<u><u>\$ (776,728)</u></u>

18. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$535,762 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$504,934 of excess fund balance generated during the 2011-2012 fiscal year has been restricted and designated for utilization in the 2013-2014 budget.

Debt Service Fund – As of June 30, 2013, the restricted fund balance amount was \$1,124 of which \$1,098 has been designated for utilization in the 2013-2014 budget and \$26 is restricted for future debt service expenditures.

ASSIGNED

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

General Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014, \$280,566 of general fund balance at June 30, 2013.

UNASSIGNED

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

General Fund – As of June 30, 2013, a deficit \$42,748 of general fund balance was unassigned.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

19. RESTATEMENT OF NET POSITION

As a result of the implementation of *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, net position of governmental funds as of June 30, 2012 has been restated as follows:

Net Position, June 30, 2012	\$ 6,731,338
Expense of Bond Issuance Costs (1)	<u>(88,181)</u>
Net Position, June 30, 2012 (Restated)	\$ <u>6,643,157</u>

(1) Formerly reported as a deferred asset and amortized over the life of the related debt.

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, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 8,666,114	\$ -	\$ 8,666,114	\$ 8,666,114	\$ -
Tuition	86,400	-	86,400	52,645	(86,400)
Unrestricted misc. revenues	15,000	-	15,000	52,645	37,645
Total local sources	8,767,514	-	8,767,514	8,718,759	(48,755)
State sources:					
Categorical special education aid	541,932	-	541,932	541,932	-
Equalization aid	2,864,876	-	2,864,876	2,864,876	-
Security aid	89,037	-	89,037	89,037	-
Transportation aid	162,118	-	162,118	162,118	-
Extraordinary aid	-	-	-	26,850	26,850
Nonpublic transportation aid	-	-	-	11,831	11,831
On-behalf TPAF post retirement med., (non-budgeted)	-	-	-	399,917	399,917
On-behalf TPAF pension contrib., (non-budgeted)	-	-	-	353,675	353,675
Reimbursed TPAF social security contribution (non-budgeted)	-	-	-	422,658	422,658
Total state sources	3,657,963	-	3,657,963	4,872,894	1,214,931
Federal sources:					
Education Jobs Fund	-	11,195	11,195	11,195	-
Total federal sources	-	11,195	11,195	11,195	-
TOTAL REVENUES	12,425,477	11,195	12,436,672	13,602,848	1,166,176
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers	-	-	-	-	-
Preschool/Kindergarten	397,089	(353)	396,736	339,721	57,015
Grades 1-5	1,704,611	(2,414)	1,702,197	1,692,863	9,334
Grades 6-8	1,514,227	(15,546)	1,498,681	1,398,289	100,392
Regular Programs - Home Instruction:					
Salaries of teachers	6,500	353	6,853	6,853	-
Regular Programs - Undistributed Instruction:					
Other purchased services	25,367	(756)	24,611	17,852	6,759
General supplies	200,913	7,564	208,477	208,268	209
Textbooks	38,000	(2,000)	36,000	35,342	658
Other objects	5,450	4,414	9,864	9,863	1
Total - Regular Programs - Instruction	3,892,157	(6,738)	3,883,419	3,709,051	174,368
Special Education Instruction:					
Cognitive - Moderate:					
Salaries of teachers	222,684	(23,601)	199,083	199,083	-
Other salaries for instruction	68,445	23,909	92,354	92,354	-
General supplies	2,000	-	2,000	-	2,000
Total cognitive - moderate	293,129	308	293,437	291,437	2,000
Learning and/or Language Disabilities:					
Salaries of teachers	309,589	5,922	315,511	315,510	1
Other salaries for instruction	362,685	24,909	387,594	387,593	1
General supplies	4,040	(320)	3,720	2,519	1,201
Total learning and/or language disab.	676,314	30,511	706,825	705,622	1,203

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, 2013

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Resource room/resource center:					
Salaries of teachers	\$ 519,692	\$ (10,823)	\$ 508,869	\$ 508,869	\$ -
Total resource room/resource center	<u>519,692</u>	<u>(10,823)</u>	<u>508,869</u>	<u>508,869</u>	<u>-</u>
Total Special Education - Instruction	<u>1,489,135</u>	<u>19,996</u>	<u>1,509,131</u>	<u>1,505,928</u>	<u>3,203</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	229,360	15,428	244,788	244,788	-
General supplies	<u>1,800</u>	<u>(428)</u>	<u>1,372</u>	<u>940</u>	<u>432</u>
Total basic skills/remedial - instruction	<u>231,160</u>	<u>15,000</u>	<u>246,160</u>	<u>245,728</u>	<u>432</u>
Bilingual Education - Instruction					
Salaries of teachers	21,836	3,000	24,836	24,667	169
General supplies	<u>800</u>	<u>-</u>	<u>800</u>	<u>705</u>	<u>95</u>
Total bilingual education - instruction	<u>22,636</u>	<u>3,000</u>	<u>25,636</u>	<u>25,372</u>	<u>264</u>
School-Sponsored Cocurricular Act - Instruction:					
Salaries	26,452	746	27,198	27,198	-
Purchased services	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total school-sponsored cocurr. act. - instruct.	<u>26,952</u>	<u>746</u>	<u>27,698</u>	<u>27,198</u>	<u>500</u>
School-Sponsored Athletics - Instruction:					
Salaries	18,670	(746)	17,924	15,018	2,906
Purchased services	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>3,655</u>	<u>2,345</u>
Total school-sponsored athletics - instruct.	<u>24,670</u>	<u>(746)</u>	<u>23,924</u>	<u>18,673</u>	<u>5,251</u>
Total Instruction	<u>5,686,710</u>	<u>29,258</u>	<u>5,715,968</u>	<u>5,538,479</u>	<u>177,489</u>
Undistributed Expenditures - Instruction					
Tuition to CSSD & Reg. Day Schools	385,355	-	385,355	272,755	112,600
Tuition to priv. sch. for the disabled in state	<u>193,984</u>	<u>(10,000)</u>	<u>183,984</u>	<u>174,173</u>	<u>9,811</u>
Total undistributed expenditures - instruction	<u>579,339</u>	<u>(10,000)</u>	<u>569,339</u>	<u>446,928</u>	<u>122,411</u>
Attendance and Social Work Services:					
Salaries	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
Total attendance and social work services	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</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, 2013

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health Services:					
Salaries	\$ 111,494	\$ 2,641	\$ 114,135	\$ 114,134	\$ 1
Purchased professional and technical services	6,500	-	6,500		6,500
Other purchased services	9,630	(2,641)	6,989	6,850	139
Supplies and materials	4,000	1,738	5,738	3,977	1,761
Total health services	131,624	1,738	133,362	124,961	8,401
Speech, OT, PT & Related Services:					
Purchased professional & educational services	70,000	(14,058)	55,942	31,242	24,700
Total speech, ot, pt & related services	70,000	(14,058)	55,942	31,242	24,700
Other Support Services Student - Extra. Serv.					
Salaries	128,532	18,062	146,594	146,594	-
Supplies and materials	1,139	-	1,139	868	271
Total other support services student - extra. serv.	129,671	18,062	147,733	147,462	271
Guidance:					
Salaries of other professional staff	149,813	-	149,813	149,813	-
Supplies and materials	1,800	-	1,800	509	1,291
Total guidance	151,613	-	151,613	150,322	1,291
Child Study Teams:					
Salaries of other professional staff	177,647	45,067	222,714	222,713	1
Salaries of secretarial and clerical assistants	36,678	309	36,987	36,987	-
Purchased professional - educational services	1,200	-	1,200	517	683
Other purchased prof. and technical services	8,000	-	8,000	7,760	240
Miscellaneous purchased services	4,020	(309)	3,711	1,749	1,962
Supplies and materials	4,550	-	4,550	2,901	1,649
Total child study teams	232,095	45,067	277,162	272,627	4,535
Improvement of Instruction Services:					
Salaries of supervisors of instruction	25,000	51,800	76,800	66,813	9,987
Salaries of secretarial and clerical assistants	36,630	-	36,630	36,621	9
Other purchased services	5,800	-	5,800	4,351	1,449
Supplies and materials	2,200	(1,800)	400	373	27
Other objects	300	-	300	75	225
Total improvement of instructional services	69,930	50,000	119,930	108,233	11,697
Educational Media Services/School Library:					
Salaries	125,863	1,319	127,182	127,181	1
Salaries of technology coordinator	76,795	477	77,272	77,272	-
Other purchased services (400-500 series)	7,200	(6,080)	1,120		1,120
Supplies and materials	15,500	(1,783)	13,717	9,715	4,002
Total educational media services/school library	225,358	(6,067)	219,291	214,168	5,123

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, 2013

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Salaries	\$ 197,413	\$ -	\$ 197,413	\$ 196,038	\$ 1,375
Legal services	10,000	9,692	19,692	18,271	1,421
Audit fee	38,375	(12,810)	23,565	23,400	165
Other purchased professional services		28,000	28,000	27,999	1
Communications / telephone	55,500	-	55,500	55,407	93
Other purchased services	13,200	(8,182)	5,018	3,718	1,300
General Supplies	9,800	(1,621)	8,179	2,763	5,416
Miscellaneous expenditures	19,500	4,621	24,121	22,569	1,552
Total support services - general administration	341,788	19,700	361,488	350,165	11,323
Support Services - School Administration:					
Salaries of principals/assist. principals	223,952	(1,257)	222,695	220,077	2,618
Salaries of secretarial and clerical assistants	114,952	1,257	116,209	116,207	2
Other purchased services	13,100	4,460	17,560	12,176	5,384
Supplies and materials	14,560	(4,460)	10,100	6,288	3,812
Other objects	2,572	-	2,572	289	2,283
Total support services - school administration	369,136	-	369,136	355,037	14,099
Support Services - Central Services:					
Salaries	210,181	3,155	213,336	200,393	12,943
Purchased professional services		23,075	23,075	23,074	1
Purchased technical services	17,250	(15,905)	1,345		1,345
Misc. purchased services	8,450	(2,733)	5,717	5,290	427
Sale/Lease-back payments		1,758	1,758		1,758
Supplies and materials	5,962	-	5,962	878	5,084
Misc. expenditures	1,085	650	1,735	319	1,416
Total support services - central services	242,928	10,000	252,928	229,954	22,974
Required Maintenance School Facilities:					
Salaries	68,279	5,301	73,580	72,880	700
Cleaning, repair and maintenance services	96,672	72,519	169,191	162,774	6,417
General supplies	44,100	(28,250)	15,850	13,507	2,343
Total required maintenance school facilities	209,051	49,570	258,621	249,161	9,460
Custodial Services:					
Salaries	586,452	(92,976)	493,476	486,256	7,220
Purchased professional and technical services	12,000	1,205	13,205	13,205	-
Cleaning, repair and maintenance services		12,214	12,214	12,213	1
Other purchased property services		20,241	20,241	17,715	2,526
Insurance	18,800	67,200	86,000	84,928	1,072
Misc. purchased services	86,000	(81,500)	4,500	1,000	3,500
General supplies	4,500	21,513	26,013	25,938	75
Energy (natural gas)		100,000	100,000	62,167	37,833
Energy (electricity)	350,000	(116,334)	233,666	186,643	47,023
Total custodial services	1,057,752	(68,437)	989,315	890,065	99,250
Care & Upkeep of Grounds:					
General supplies		2,533	2,533	2,237	296
Other objects	97,000	-	97,000	93,179	3,821
Total care & upkeep of grounds	97,000	2,533	99,533	95,416	4,117
Total operation & maint. of plant services	1,363,803	(16,334)	1,347,469	1,234,642	112,827

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, 2013

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student Transportation Services:					
Salaries of non-instructional aides	\$ 13,000	\$ (13,000)			\$ -
Contr. serv. (between home & school) - vendor	384,860	(15,000)	\$ 369,860	\$ 356,645	13,215
Contr. serv. (not between home & sch) - vendor	20,000	28,000	48,000	47,216	784
Contr. Serv. (Spl. Ed. Students) - vendor	276,000	16,334	292,334	292,334	-
Contr. Serv. (Spl. Ed. Students) - joint agree.	8,000	-	8,000	7,004	996
Supplies and materials	8,500	-	8,500	5,141	3,359
Total student transportation services	710,360	16,334	726,694	708,340	18,354
Unallocated Benefits - Employee Benefits:					
Social security contributions	225,000	(32,443)	192,557	146,501	46,056
Other Retirement contributions	172,000	(10,000)	162,000	157,245	4,755
Health benefits	2,023,822	(118,931)	1,904,891	1,670,562	234,329
Total unallocated benefits - employee benefits	2,420,822	(161,374)	2,259,448	1,974,308	285,140
On-behalf TPAF post retirement med., (non-budgeted)		-		399,917	(399,917)
On-behalf TPAF pension contr. (non-budgeted)		-		353,675	(353,675)
Reimbursed TPAF social security contr. (non-budgeted)		-		422,658	(422,658)
Total Undistributed Expenditures	7,038,767	(46,932)	6,991,835	7,524,639	(532,804)
Total General Current Expense	12,725,477	(17,674)	12,707,803	13,056,589	(348,786)
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA funding		28,869	28,869	28,869	-
Total Capital Outlay	-	28,869	28,869	28,869	-
TOTAL EXPENDITURES	12,725,477	11,195	12,736,672	13,085,458	(348,786)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(300,000)	-	(300,000)	517,390	817,390
Fund Balance - July 1, 2012	1,092,553		1,092,553	1,092,553	
Fund Balance - June 30, 2013	\$ 792,553	\$ -	\$ 792,553	\$ 1,609,943	\$ 817,390
Recapitulation:					
Restricted Fund Balance:					
Excess surplus - designated for subsequent year's expenditures				\$ 504,934	
Excess surplus				535,762	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				280,566	
Unassigned Fund Balance				288,681	
				1,609,943	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(331,429)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,278,514	

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

WESTAMPTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Education Jobs Funds
General Fund
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal sources					
Education Jobs Fund	\$ 11,195	\$ -	\$ 11,195	\$ 11,195	\$ -
Total Revenues	<u>11,195</u>		<u>11,195</u>	<u>11,195</u>	
EXPENDITURES:					
CURRENT EXPENSE:					
Special Education - Instruction:					
Cognitive - Moderate					
Salaries of teachers	11,195	-	11,195	11,195	-
Total - special education	<u>11,195</u>		<u>11,195</u>	<u>11,195</u>	
Undistributed Expenditures:					
Unallocated benefits					
Social security contributions					-
Health benefits					
Total - undistributed expenditures					
Total Expenditures	<u>11,195</u>		<u>11,195</u>	<u>11,195</u>	
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 65,549	\$ -	\$ 65,549	\$ 50,708	\$ (14,841)
Federal sources	336,935	13,204	350,139	344,688	(5,451)
Total Revenues	402,484	13,204	415,688	395,396	(20,292)
EXPENDITURES:					
Instruction:					
Salaries of teachers	84,779	(32,995)	51,784	47,289	4,495
Purchased professional - educ. services		2,569	2,569	2,569	-
Tuition	250,000	(120,000)	130,000	130,000	-
General supplies	4,469	39,501	43,970	37,834	6,136
Textbooks	7,979	-	7,979	5,054	2,925
Total Instruction	347,227	(110,925)	236,302	222,746	13,556
Support Services:					
Salaries of other professional staff	11,074	-	11,074	7,209	3,865
Personal services - employee benefits	-	6,000	6,000	6,000	-
Purchased professional - educ. services	32,994	118,129	151,123	149,210	1,913
Other purchased services	11,189	-	11,189	10,231	958
Total Support Services	55,257	124,129	179,386	172,650	6,736
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Total Facilities Acq. and Const. Services	-	-	-	-	-
Total Expenditures	402,484	13,204	415,688	395,396	20,292
Total Outflows	402,484	13,204	415,688	395,396	20,292
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	---	---	---	---	---

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, 2013

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 13,602,848	\$ 395,396
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.	284,430	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(331,429)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 13,555,849	\$ 395,396
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 13,085,458	\$ 395,396
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	\$ 13,085,458	\$ 395,396

Other Supplementary Information

Special Revenue Fund

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Carryforward From Exh. E-1A</u>	<u>Total</u>
REVENUES:					
State sources				\$ 50,708	\$ 50,708
Federal sources	\$76,456	\$ 8,397	\$ 6,529	253,306	344,688
Total Revenues	<u>76,456</u>	<u>8,397</u>	<u>6,529</u>	<u>304,014</u>	<u>395,396</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	38,964		6,529	1,796	47,289
Purchased professional technical services	2,569				2,569
Tuition				130,000	130,000
General supplies	28,923	1,000		7,911	37,834
Textbooks				5,054	5,054
Total Instruction	<u>70,456</u>	<u>1,000</u>	<u>6,529</u>	<u>144,761</u>	<u>222,746</u>
Support Services:					
Salaries				7,209	7,209
Personal services-employee benefits	6,000				6,000
Purchased prof. educational services		6,397		142,813	149,210
Other purchased services		1,000		9,231	10,231
Total support Services	<u>6,000</u>	<u>7,397</u>		<u>159,253</u>	<u>172,650</u>
Facilities Acquisition and Const. Serv.:					
Building improvements					
Instructional equipment					
Total Facilities Acq. and Const. Serv.					
Total Expenditures	<u>76,456</u>	<u>8,397</u>	<u>6,529</u>	<u>304,014</u>	<u>395,396</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<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, 2013

	IDEA Part B Basic	IDEA Part B Preschool	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Nonpublic Comp Education	Nonpublic Exam & Classification	Nonpublic Corrective Speech	Nonpublic Suppl. Instruction	Total
REVENUES:									
State sources			\$5,054	\$7,209	\$ 26,585	\$ 9,231	\$ 1,796	\$ 833	\$ 50,708
Federal sources	\$247,535	\$ 5,771							253,306
Total Revenues	247,535	5,771	5,054	7,209	26,585	9,231	1,796	833	304,014
EXPENDITURES:									
Instruction:									
Salaries of teachers							1,796		1,796
Purchased professional technical services									
Tuition	130,000								130,000
General supplies	7,078							833	7,911
Textbooks			5,054						5,054
Total Instruction	137,078		5,054				1,796	833	144,761
Support Services:									
Salaries				7,209					7,209
Personal services-employee benefits									
Purchased prof. educ. services	110,457	5,771			26,585				142,813
Other purchased services						9,231			9,231
Total Support Services	110,457	5,771		7,209	26,585	9,231			159,253
Facilities Acquisition and Const. Serv.:									
Instructional equipment									
Total Facilities Acq. and Const. Serv.									
Total Expenditures	247,535	5,771	5,054	7,209	26,585	9,231	1,796	833	304,014
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---

Capital Projects Fund

**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, 2013**

Revenues and Other Financing Sources:	
Interest earned on investments	\$ 26
Total revenues and other financing sources	<u>26</u>
Expenditures and Other Financing (Uses):	
Purchased professional services	
Construction services	65,919
Transfer to debt service for interest earned	26
Total expenditures and other financing (uses)	<u>65,945</u>
Excess (deficiency) or revenues over (under) expenditures	(65,919)
Fund Balance - July 1, 2012	<u>65,919</u>
Fund Balance - June 30, 2013	<u>\$ -</u>

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, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 2,018,594		\$ 2,018,594	\$ 2,018,594
Bond proceeds	4,068,906	\$ 9,917	4,078,823	4,078,823
Total revenues	<u>6,087,500</u>	<u>9,917</u>	<u>6,097,417</u>	<u>6,097,417</u>
Expenditures and Other Financing Uses:				
Purchased professional services	1,015,331		1,015,331	1,015,331
Construction services	5,016,167	65,919	5,082,086	5,082,086
	<u>6,031,498</u>	<u>65,919</u>	<u>6,097,417</u>	<u>6,097,417</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 56,002</u>	<u>\$ (56,002)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	5720-020-05-1000			
Grant Date	06/15/05			
Bond Authorization Date	02/01/06			
Bonds Authorized	\$ 4,068,906			
Bonds Issued	\$ 4,078,823			
Original Authorized Cost	\$ 6,087,500			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 6,097,417			
Percentage Increase over Original Authorized Cost	0.16%			
Percentage Completion	100.00%			
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, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
State sources - SDA Grant	\$ 1,317,874		\$ 1,317,874	\$ 1,317,874
Bond proceeds	2,475,099	\$ (9,917)	2,465,182	2,465,182
Total revenues	3,792,973	(9,917)	3,783,056	3,783,056
 Expenditures and Other Financing Uses:				
Purchased professional services	651,824		651,824	651,824
Construction services	3,131,232		3,131,232	3,131,232
	3,783,056		3,783,056	3,783,056
 Excess (deficiency) or revenues over (under) expenditures	\$ 9,917	\$ (9,917)	\$ -	\$ -
 Additional project information:				
Project Number	5720-020-05-1000			
Grant Date	06/15/05			
Bond Authorization Date	02/01/06			
Bonds Authorized	\$ 2,475,099			
Bonds Issued	\$ 2,465,182			
Original Authorized Cost	\$ 3,792,973			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 3,783,056			
 Percentage Increase over Original				
Authorized Cost	-0.26%			
Percentage Completion	100.00%			
Original target completion date	12/31/07			
Revised target completion date	12/31/08			

Proprietary Funds

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2013

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 80,644
Accounts receivable:	
State	267
Federal	8,130
Other	5,259
Interfund	15,590
Inventories	<u>6,186</u>
Total Current Assets	<u>116,076</u>
Noncurrent Assets:	
Equipment	185,389
Less - accumulated depreciation	<u>(175,371)</u>
Total Noncurrent Assets	<u>10,018</u>
Total Assets	<u>126,094</u>
 LIABILITIES:	
Current Liabilities:	
Accounts payable	20,810
Total Current Liabilities	<u>20,810</u>
 NET POSITION:	
Net investment in capital assets	10,018
Unrestricted	<u>95,266</u>
Total Net Position	<u>\$ 105,284</u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 111,581
Daily sales non-reimbursable programs:	
Adult and a la carte sales	59,309
Other	<u>91,661</u>
Total Operating Revenues	<u>262,551</u>
OPERATING EXPENSES:	
Salaries and fringe benefits	171,170
Management fee	22,135
Supplies and materials	13,733
Repairs and maintenance	5,858
Other costs	12,982
Depreciation	1,355
Cost of sales	<u>144,688</u>
Total Operating Expenses	<u>371,921</u>
Operating Income (Loss)	<u>(109,370)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	3,533
Federal sources:	
National school lunch program	99,055
National school breakfast program	5,680
Food distribution program	19,630
Local sources:	
Interest earned	<u>49</u>
Total Non-Operating Revenues	<u>127,947</u>
Income (Loss) before Contributions and Transfers	18,577
Operating Transfer out	<u> </u>
Change in Net Position	18,577
Net Position - July 1, 2012	<u>86,707</u>
Net Position - June 30, 2013	<u><u>\$ 105,284</u></u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 262,710
Cash payments to employees for services	(159,892)
Cash payments to suppliers for goods and services	<u>(206,215)</u>
Net cash provided by (used for) operating activities	<u>(103,397)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	3,450
Cash received from federal sources	120,950
Operating transfer out	<u> </u>
Net cash provided by noncapital financing activities	<u>124,400</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>49</u>
Net increase (decrease) in cash and cash equivalents	21,052
Cash and cash equivalents - July 1, 2012	<u>59,592</u>
Cash and cash equivalents - June 30, 2013	<u>\$ 80,644</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (109,370)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	1,355
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	159
(Increase) decrease in inventories	(1,180)
Increase (decrease) in accounts payable	<u>5,639</u>
Net cash provided by (used for) operating activities	<u>\$ (103,397)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$19,630 of food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2013

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Insurance</u>	<u>Scholarship Funds</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:					
Cash and cash equivalents	\$ 250	\$ 7,120	\$ 22,924		\$ 30,294
Interfund receivable				\$ 7,703	7,703
Other receivable				14,240	14,240
Total Assets	<u>\$ 250</u>	<u>\$ 7,120</u>	<u>\$ 22,924</u>	<u>\$ 21,943</u>	<u>\$ 52,237</u>
LIABILITIES:					
Liabilities:					
Cash overdraft				21,612	21,612
Payroll deductions payable				331	331
Due to student groups			22,924		22,924
Total Liabilities			<u>\$ 22,924</u>	<u>\$ 21,943</u>	<u>44,867</u>
NET POSITION:					
Held in trust for unemployment claims	250				250
Held in trust for scholarsips		7,120			7,120
Total Net Position	<u>\$ 250</u>	<u>\$ 7,120</u>			<u>\$ 7,370</u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Years Ended June 30, 2013

	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Interest on investments	\$ 7	\$ 2	\$ 9
Employer contributions		11,895	11,895
Employee withholdings		17,689	17,689
Total Additions	<u>7</u>	<u>29,586</u>	<u>29,593</u>
Deductions:			
Unemployment compensation insurance claims		30,453	30,453
Scholarships	700		700
Total Deductions	<u>700</u>	<u>30,453</u>	<u>31,153</u>
Change in Net Position	(693)	(867)	(1,560)
Net Position - July 1, 2012	<u>7,813</u>	<u>1,117</u>	<u>8,930</u>
Net Position - June 30, 2013	<u>\$ 7,120</u>	<u>\$ 250</u>	<u>\$ 7,370</u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2013

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2013</u>
Middle School	\$ 9,659	\$ 48,300	\$ 41,776		\$ 16,183
Elementary School	<u>7,446</u>	<u>17,892</u>	<u>18,597</u>		<u>6,741</u>
Total all schools	<u>\$ 17,105</u>	<u>\$ 66,192</u>	<u>\$ 60,373</u>	<u>\$ -</u>	<u>\$ 22,924</u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and cash equivalents	\$ 49,316	\$ 8,373,118	\$ 8,422,434	\$ -
Interfund receivable		7,703		7,703
Other receivable		14,240		14,240
Total Assets	<u>\$ 49,316</u>	<u>\$ 8,395,061</u>	<u>\$ 8,422,434</u>	<u>\$ 21,943</u>
 LIABILITIES:				
Cash overdraft		\$ 21,612		\$ 21,612
Net payroll		4,435,818	\$ 4,435,818	
Payroll deductions and withholdings	\$ 49,316	3,893,745	3,942,730	331
Total Liabilities	<u>\$ 49,316</u>	<u>\$ 8,351,175</u>	<u>\$ 8,378,548</u>	<u>\$ 21,943</u>

Long-Term Debt Schedules

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
Refunding Bonds of 2009	03/01/09	\$ 2,505,000	03/01/14 03/01/15	\$ 455,000 480,000	2.50% 3.00%	\$ 1,360,000		\$ 425,000	\$ 935,000
Renovations and Improvements to various school buildings (EDA Loan)	08/18/93	2,664,250	07/15/13	140,223	1.50%	280,446		140,223	140,223
Construction of Board Office	02/21/06	6,544,000	03/01/14 03/01/15-19 03/01/20-24 03/01/25	310,000 450,000 455,000 454,000	3.90% 3.95% 3.95% 3.95%	5,599,000		310,000	5,289,000
						\$ 7,239,446	\$ -	\$ 875,223	\$ 6,364,223

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 907,078		\$ 907,078	\$ 907,078	
State sources:					
Debt Service Aid Type II	198,926		198,926	198,926	
Total Revenues	<u>1,106,004</u>		<u>1,106,004</u>	<u>1,106,004</u>	
EXPENDITURES:					
Regular debt service:					
Interest	258,826		258,826	258,826	\$ -
Redemption of principal	875,224		875,224	875,224	
Total Expenditures	<u>1,134,050</u>		<u>1,134,050</u>	<u>1,134,050</u>	
Excess (Deficiency) of revenues over (under) expenditures	<u>(28,046)</u>		<u>(28,046)</u>	<u>(28,046)</u>	
Other Financing Sources:					
Operating Transfer In				26	26
Total Other Financing Sources				<u>26</u>	<u>26</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(28,046)</u>		<u>(28,046)</u>	<u>(28,020)</u>	26
Fund Balance - July 1, 2012	<u>29,144</u>		<u>29,144</u>	<u>29,144</u>	
Fund Balance - June 30, 2013	<u>\$ 1,098</u>	<u>\$ -</u>	<u>\$ 1,098</u>	<u>\$ 1,124</u>	<u>\$ 26</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Undesignated	<u>\$ (28,046)</u>	<u>\$ -</u>	<u>\$ (28,046)</u>	<u>\$ (28,046)</u>	<u>\$ -</u>

Statistical Section

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

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	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	\$ 2,606,437	\$ 2,928,215	\$ 3,273,923	\$ 4,401,631	\$ 4,813,771	\$ 6,063,662	\$ 5,807,948	\$ 6,129,929	\$ 6,463,235	\$ 6,808,793
Restricted for:										
Capital projects	56	56	1,728,502	1,124,013	893,074	419,268	364,368	109,298	65,919	-
Debt service			116,557	234,852	169,882	60,489	29,376	48,520	29,144	1,124
Other purposes	655,971	677,585	702,039	471,947	520,535	450,000	300,000	386,408	804,934	1,321,262
Unrestricted	(54,813)	(356,780)	(435,204)	(1,545,238)	(1,654,679)	(1,986,373)	(967,881)	(736,593)	(631,894)	(776,728)
Total governmental activities net assets	\$ 3,207,851	\$ 3,249,076	\$ 5,383,817	\$ 4,687,205	\$ 4,742,583	\$ 5,007,046	\$ 5,533,811	\$ 5,937,560	\$ 6,731,338	\$ 7,354,451
Business-type activities:										
Net investment in capital assets	\$ 34,828	\$ 22,562	\$ 11,885	\$ 29,225	\$ 23,288	\$ 20,431	\$ 15,799	\$ 13,585	\$ 11,373	\$ 10,018
Unrestricted	99,798	102,148	102,418	59,389	48,077	37,785	50,732	57,384	75,334	85,266
Total business-type activities net assets	\$ 134,626	\$ 124,708	\$ 114,303	\$ 88,614	\$ 71,365	\$ 58,196	\$ 66,531	\$ 70,969	\$ 86,707	\$ 105,284
District-wide:										
Net investment in capital assets	\$ 2,841,265	\$ 2,950,777	\$ 3,285,808	\$ 4,430,856	\$ 4,837,059	\$ 6,084,093	\$ 5,823,747	\$ 6,143,514	\$ 6,474,608	\$ 6,818,811
Restricted:										
Capital projects	56	56	1,726,502	1,124,013	893,074	419,268	364,368	109,298	65,919	-
Debt service			116,557	234,852	169,882	60,489	29,376	48,520	29,144	1,124
Other purposes	655,971	677,585	702,039	471,947	520,535	450,000	300,000	386,408	804,934	1,321,262
Unrestricted	44,985	(254,634)	(332,788)	(1,485,849)	(1,606,602)	(1,948,608)	(917,148)	(679,209)	(556,560)	(681,462)
Total district net position	\$ 3,342,277	\$ 3,373,784	\$ 5,468,120	\$ 4,775,819	\$ 4,813,948	\$ 5,065,242	\$ 5,600,342	\$ 6,009,529	\$ 6,818,045	\$ 7,459,735

District was not required to follow GASB 34 reporting format until fiscal year 2004.

Westampton Township School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 4,431,311	\$ 4,873,884	\$ 4,429,268	\$ 5,559,829	\$ 4,305,790	\$ 4,597,809	\$ 4,090,056	\$ 4,225,938	\$ 3,911,706	\$ 4,098,631
Special education	1,236,708	1,205,093	973,641	1,032,091	1,330,981	995,160	991,371	1,150,010	1,770,905	1,728,674
Other instruction	417,651	502,989	412,670	454,407	449,759	472,222	494,602	312,757	309,298	316,971
Support Services:										
Tuition	232,701	191,185	342,015	149,958	172,242	289,851	458,160	369,032	502,230	448,928
Student & instruction related services	1,450,906	1,197,372	991,693	1,047,465	1,048,537	1,083,599	1,179,351	1,146,572	1,088,607	1,221,665
School administrative services	676,671	731,037	819,070	810,133	639,539	615,223	491,908	458,076	487,505	606,602
General and business administrative services	398,281	725,753	365,746	658,085	607,461	654,385	687,087	572,062	477,470	381,520
Plant operations and maintenance	896,122	989,291	863,365	951,623	922,149	1,004,940	1,268,480	1,424,141	1,142,949	1,329,430
Pupil transportation	564,167	545,240	644,855	651,426	646,810	680,618	617,065	597,504	696,813	708,340
Business and other support services	282,507									
Unallocated employee benefits			2,197,751	2,707,102	2,623,297	2,601,951	2,665,852	2,881,562	2,967,519	3,150,558
Interest on long-term debt	295,719	335,366	326,010	469,272	424,245	370,026	318,646	299,485	274,161	258,626
Unallocated depreciation	100,557	100,557	198,094	140,925	140,926	113,402	233,097	122,442	121,220	87,836
Total governmental activities expenses	<u>10,983,301</u>	<u>11,397,767</u>	<u>12,564,178</u>	<u>14,430,416</u>	<u>13,511,738</u>	<u>13,479,186</u>	<u>13,493,675</u>	<u>13,559,601</u>	<u>13,730,383</u>	<u>14,345,981</u>
Business-type activities:										
Food service	289,720	318,232	300,425	305,225	355,686	337,267	340,281	297,130	369,481	371,921
After School Program					9,655	5,001				
Substitute service program	17,641	18,224	25,465	26,202	26,997	27,845				
Total business-type activities expense	<u>307,361</u>	<u>336,456</u>	<u>325,890</u>	<u>331,427</u>	<u>392,338</u>	<u>370,113</u>	<u>340,281</u>	<u>297,130</u>	<u>369,481</u>	<u>371,921</u>
Total district expenses	<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>	<u>\$ 13,849,299</u>	<u>\$ 13,833,956</u>	<u>\$ 13,856,731</u>	<u>\$ 14,099,864</u>	<u>\$ 14,717,902</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	1,208,352	1,062,127	1,334,763	1,732,196	1,757,338	1,482,890	1,597,001	1,395,050	1,564,747	1,770,572
Total governmental activities program revenues	<u>1,208,352</u>	<u>1,062,127</u>	<u>1,334,763</u>	<u>1,732,196</u>	<u>1,757,338</u>	<u>1,482,890</u>	<u>1,597,001</u>	<u>1,395,050</u>	<u>1,564,747</u>	<u>1,770,572</u>

(Continued)

Westampton Township School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

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	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Food service	\$ 225,288	\$ 249,709	\$ 227,320	\$ 216,379	\$ 265,703	\$ 254,183	\$ 252,199	\$ 203,689	\$ 262,119	\$ 262,551
After School Program					10,111	4,545				
Substitute service program	11,537	19,022	25,495	28,041	26,998	27,845				
Operating grants and contributions	54,732	48,509	51,474	58,748	71,223	77,009	96,134	97,341	123,078	127,898
Capital grants and contributions										
Total business-type activities program revenues	<u>291,557</u>	<u>317,240</u>	<u>304,289</u>	<u>303,168</u>	<u>374,035</u>	<u>363,582</u>	<u>348,333</u>	<u>301,230</u>	<u>385,197</u>	<u>390,449</u>
Total district program revenues	<u>\$ 1,499,609</u>	<u>\$ 1,379,367</u>	<u>\$ 1,639,042</u>	<u>\$ 2,035,364</u>	<u>\$ 2,131,373</u>	<u>\$ 1,826,472</u>	<u>\$ 1,945,334</u>	<u>\$ 1,696,280</u>	<u>\$ 1,949,944</u>	<u>\$ 2,161,021</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (9,774,949)	\$ (10,335,640)	\$ (11,229,425)	\$ (12,638,220)	\$ (11,754,398)	\$ (12,016,296)	\$ (11,896,674)	\$ (12,164,551)	\$ (12,165,636)	\$ (12,575,409)
Business-type activities	(15,804)	(19,216)	(21,601)	(28,259)	(18,303)	(6,531)	8,052	4,100	15,716	18,528
Total district-wide net expense	<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>	<u>\$ (12,022,827)</u>	<u>\$ (11,888,622)</u>	<u>\$ (12,160,451)</u>	<u>\$ (12,149,920)</u>	<u>\$ (12,556,881)</u>
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,646,881	\$ 6,046,918	\$ 6,480,378	\$ 6,859,335	\$ 7,139,593	\$ 7,370,164	\$ 7,664,970	\$ 8,306,970	\$ 8,473,109	\$ 8,666,114
Taxes levied for debt service	622,817	636,741	592,675	882,417	735,768	717,420	870,869	938,439	928,949	907,078
Unrestricted grants and contributions	3,494,717	3,641,953	3,638,519	3,614,259	3,710,821	3,616,520	3,846,440	3,274,145	3,587,078	3,660,840
State aid restricted for capital projects			2,437,547	451,235	104,383	315,871				
Investment earnings			116,501	112,535	51,587	3,904			48	1,768
Miscellaneous income	29,072	59,154	106,437	114,701	67,604	26,204	41,160	48,746	13,609	50,903
Loss on disposal of capital assets				(32,874)					(43,377)	-
Transfers	(4,214)	(7,701)	(7,891)			6,922				
Total governmental activities	<u>9,789,273</u>	<u>10,377,065</u>	<u>13,364,166</u>	<u>12,001,608</u>	<u>11,809,778</u>	<u>12,057,005</u>	<u>12,423,439</u>	<u>12,568,300</u>	<u>12,959,414</u>	<u>13,286,703</u>
Business-type activities:										
Investment earnings	636	1,597	3,305	2,570	1,054	284	283	338	22	49
Transfers	4,214	7,701	7,891			(6,922)				
Total business-type activities	<u>4,850</u>	<u>9,298</u>	<u>11,196</u>	<u>2,570</u>	<u>1,054</u>	<u>(6,638)</u>	<u>283</u>	<u>338</u>	<u>22</u>	<u>49</u>
Total district-wide	<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>	<u>\$ 12,050,367</u>	<u>\$ 12,423,722</u>	<u>\$ 12,568,638</u>	<u>\$ 12,959,436</u>	<u>\$ 13,286,752</u>
Change in Net Position:										
Governmental activities	\$ 14,324	\$ 41,425	\$ 2,134,741	\$ (696,612)	\$ 55,378	\$ 40,709	\$ 526,765	\$ 403,749	\$ 793,778	\$ 711,294
Business-type activities	(10,954)	(9,918)	(10,405)	(25,689)	(17,249)	(13,169)	8,335	4,438	15,738	18,577
Total district-wide	<u>\$ 3,370</u>	<u>\$ 31,507</u>	<u>\$ 2,124,336</u>	<u>\$ (722,301)</u>	<u>\$ 38,129</u>	<u>\$ 27,540</u>	<u>\$ 535,100</u>	<u>\$ 408,187</u>	<u>\$ 809,516</u>	<u>\$ 729,871</u>

District was not required to follow GASB 34 reporting format until fiscal year 2004.

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

Fiscal Year Ending June 30,

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Restricted for:										
Excess surplus	\$ 192,501	\$ 277,585	\$ 186,970	\$ 71,947				\$ 86,408	\$ 504,934	\$ 535,762
Assigned for:										
Year-end Encumbrances			115,069							
Excess surplus - Designated for subsequent year										504,934
Designated for subsequent year's budget	463,470	400,000	400,000	400,000	\$ 520,535	\$ 450,000	\$ 300,000	300,000	300,000	280,566
Unassigned	111,211	27,347	33,873	96,735	(3,552)	(327,463)	(208,145)	9,853	3,189	(42,748)
Total general fund	\$ 767,182	\$ 704,932	\$ 735,912	\$ 568,682	\$ 516,983	\$ 122,537	\$ 91,855	\$ 396,261	\$ 808,123	\$ 1,278,514
All Other Governmental Funds										
Assigned For:										
Capital projects fund	\$ 56	\$ 56	\$ 1,726,502	\$ 1,124,013	\$ 893,074	\$ 419,268	\$ 364,368	\$ 109,296	\$ 65,919	\$ -
Debt service fund			116,557	234,852	169,882	60,489	29,376	48,520	29,144	1,124
Total all other governmental funds	\$ 56	\$ 56	\$ 1,843,059	\$ 1,358,865	\$ 1,062,956	\$ 479,757	\$ 393,744	\$ 157,816	\$ 95,063	\$ 1,124

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax levy	\$ 6,269,698	\$ 6,683,659	\$ 7,073,053	\$ 7,741,752	\$ 7,875,381	\$ 8,087,584	\$ 8,535,839	\$ 9,245,409	\$ 9,402,058	\$ 9,573,102
Tuition charges										
Interest earnings			116,501	112,535	51,587					
Miscellaneous	29,072	59,154	106,437	114,701	67,604	30,108	41,160	48,746	13,655	52,671
State sources	4,430,951	4,428,026	7,129,097	5,506,869	5,284,450	5,086,789	4,506,293	4,277,316	4,682,514	5,075,529
Federal sources	272,118	276,054	281,722	290,821	288,082	308,492	937,148	391,879	489,311	355,883
Total revenue	11,001,839	11,448,893	14,708,810	13,766,878	13,567,114	13,512,973	14,020,440	13,963,350	14,567,538	15,057,275
Expenditures										
Instruction										
Regular instruction	3,250,498	3,604,667	3,735,937	3,963,278	3,824,353	4,197,182	4,232,296	3,856,551	3,657,369	3,709,051
Special education instruction	956,154	930,331	973,641	1,032,091	1,330,981	995,160	991,371	1,150,010	1,770,905	1,728,674
Other instruction	326,830	389,458	412,670	454,407	449,759	472,222	494,602	312,757	309,288	316,971
Support Services:										
Tuition	232,701	191,185	342,015	149,958	172,242	289,851	456,150	369,032	502,230	448,928
Student & instruction related services	1,213,638	967,074	991,693	1,047,465	1,048,537	1,083,599	1,179,351	1,146,572	1,088,607	1,221,665
General and business admin. services	520,037	549,663	316,223	623,164	574,541	632,197	632,589	545,160	450,874	580,119
School administrative services	528,678	565,260	789,548	577,213	606,619	593,035	437,410	431,174	440,909	355,037
Plant operations and maintenance	779,364	844,763	890,924	963,985	932,014	1,015,692	1,197,451	1,186,058	1,142,949	1,234,642
Pupil transportation	556,343	538,429	644,855	651,426	646,810	680,618	617,085	597,504	696,813	708,340
Other support services	1,832,563	1,861,683	2,120,233	2,707,102	2,823,297	2,601,951	2,665,852	2,881,582	2,967,519	3,150,558
Capital outlay	59,211	106,633	7,258,220	1,053,724	335,322	789,677	106,347	289,673	43,377	94,788
Debt service:										
Principal	650,224	694,224	675,224	709,224	735,224	741,224	810,224	820,224	865,223	875,224
Interest and other charges	295,719	263,072	234,760	485,065	435,023	405,132	316,427	308,575	282,356	258,826
Total expenditures	11,201,960	11,504,442	19,365,941	14,418,102	13,914,722	14,497,540	14,137,135	13,894,872	14,218,429	14,680,823
Excess (Deficiency) of revenues over (under) expenditures	(200,121)	(57,549)	(4,659,131)	(651,424)	(347,608)	(984,567)	(116,695)	68,478	349,109	378,452
Other Financing sources (uses)										
Proceeds from borrowing			6,544,005							
Transfers in			116,557	112,535	51,587	10,826	1,916	28,047	48	26
Transfers out	(4,214)	(7,701)	(124,448)	(112,535)	(51,587)	(3,904)	(1,916)	(28,047)	(46)	(26)
Total other financing sources (uses)	(4,214)	(7,701)	6,536,114	-	-	6,922	-	-	-	-
Net change in fund balances	\$ (204,335)	\$ (65,250)	\$ 1,876,983	\$ (651,424)	\$ (347,608)	\$ (977,645)	\$ (116,695)	\$ 68,478	\$ 349,109	\$ 378,452
Debt service as a percentage of noncapital expenditures	8.49%	8.40%	7.52%	8.94%	8.62%	8.36%	8.03%	8.30%	8.10%	7.77%

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)

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<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Community Service</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	\$ 12,872	\$ 8,496	\$ 6,569	\$ 1,135			\$ 29,072
2005	33,836	9,958	13,841	432		\$ 1,087	59,154
2006	176,900	9,695	34,779	645		919	222,938
2007	195,421	7,270	23,126			1,419	227,236
2008	98,978				\$ 9,786	10,427	119,191
2009	16,470	6,548	4,998			2,092	30,108
2010	15,937	22,970				2,253	41,160
2011	45,110		3,636				48,746
2012	570		13,085				13,655
2013	1,742		49,962	360		581	52,645
	<u>\$ 597,836</u>	<u>\$ 64,937</u>	<u>\$ 149,996</u>	<u>\$ 2,572</u>	<u>\$ 9,786</u>	<u>\$ 18,778</u>	<u>\$ 843,905</u>

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Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
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	448,894,400	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	11,186,200	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	1,235,266,586
2009	9,594,800	471,418,100	3,393,900	1,335,000	197,854,500	11,261,400	694,857,700	1,398,525	696,256,225	118,686,000	1.225	1,258,699,814
2010	5,765,300	476,102,200	3,393,900	1,332,100	205,709,800	11,261,400	703,564,700	1,413,756	704,978,456	118,994,700	1.311	1,248,552,779
2011	R 11,867,200	762,879,400	5,198,300	1,309,800	194,915,400	192,508,100	1,168,678,200	2,084,423	1,170,762,623	203,366,800	0.804	1,168,604,406
2012	8,922,800	762,261,200	4,775,300	1,301,000	202,520,500	191,228,900	1,171,009,700	2,037,190	1,173,046,890	204,178,000	0.816	1,152,400,819
2013	8,525,300	762,429,600	4,775,300	1,301,000	203,919,100	191,228,900	1,172,179,200	1,830,441	1,174,009,641	204,196,300	0.831	1,175,796,516

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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 of assessed valuation.

R Revaluation

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

Fiscal Year Ended June 30,	Westampton Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Westampton	Regional School	Burlington County	
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
2009	1.100	0.125	1.225	0.631	0.645	0.688	3.189
2010	1.178	0.133	1.311	0.748	0.624	0.665	3.348
2011 R	0.742	0.062	0.804	0.498	0.358	0.379	2.039
2012	0.754	0.062	0.816	0.522	0.356	0.373	2.067
2013	0.752	0.079	0.831	0.545	0.364	0.381	2.121

Source: Municipal Tax Collector

R Revaluation

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

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Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
IKEA Wholesale	\$ 36,250,000	3.09%
Bre/Ex Properties, LLC	18,138,400	1.55%
Prologis-MacQuarie	17,508,400	1.49%
Rowan Technologies	17,702,800	1.51%
Shri Sai Dev., LLC	17,569,300	1.50%
Home Depot	12,981,800	1.11%
100 Highland LLC	11,886,400	1.01%
Edgewood Partners LLC	10,498,900	0.90%
Ruchi/SSN Westampton LLC	9,401,000	0.80%
UHS of Hampton, Inc	9,379,500	0.80%
Total	\$ 161,316,500	13.75%

Taxpayer	2004	
	Taxable Assessed Value	% of Total District Net Assessed Value
IKEA Wholesale	\$ 30,408,800	5.17%
RPE Ventures II, LLC	10,988,800	1.87%
Prologis-Macquarie	10,029,800	1.71%
H.A.T. Inc	9,178,000	1.56%
Rowan Technologies	9,073,700	1.54%
Home Depot	7,338,600	1.25%
UHS of Hampton, Inc	5,858,000	1.00%
Brandywine Realty Trust	5,091,900	0.87%
Kohl's Department Store	5,053,800	0.86%
Jenicky, LLC	4,775,700	0.81%
Total	\$ 97,797,100	16.64%

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^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2009	8,087,584	8,087,584	100.00%	-
2010	8,535,839	8,535,839	100.00%	-
2011	9,245,409	9,245,409	100.00%	-
2012	9,402,058	9,402,058	100.00%	-
2013	9,573,192	9,573,192	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 Statutes, 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**

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases	Total District		
2004	\$ 6,685,237	\$ -	\$ -	\$ 6,685,237	2.03%	\$ 801
2005	5,991,013	-	-	5,991,013	1.72%	700
2006	11,859,790	56,041	-	11,915,831	3.17%	1,372
2007	11,150,566	43,680	-	11,194,246	2.87%	1,303
2008	10,415,342	38,815	-	10,454,157	2.55%	1,214
2009	9,735,118	23,063	-	9,758,181	2.42%	1,127
2010	8,924,894	11,800	-	8,936,694	2.14%	1,013
2011	8,104,670	-	-	8,104,670	1.88%	918
2012	7,239,446	-	-	7,239,446	d	823
2013	6,364,223	-	-	6,364,223	d	d

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable.

**Westampton Township School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years**

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2004	\$ 6,685,237	\$ -	\$ 6,685,237	1.14%	801
2005	5,991,013	-	5,991,013	0.96%	700
2006	11,859,790	-	11,859,790	1.80%	1,366
2007	11,150,566	-	11,150,566	1.65%	1,298
2008	10,415,342	-	10,415,342	1.51%	1,210
2009	9,735,118	-	9,735,118	1.40%	1,124
2010	9,735,118	-	9,735,118	1.38%	1,104
2011	8,924,894	-	8,924,894	0.76%	1,011
2012	7,239,446	-	7,239,446	0.62%	823
2013	6,364,223	-	6,364,223	0.54%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable.

**Westampton Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2012**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>		<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:				
Township of Westampton	\$ 3,007,258	(1)	100.000%	\$ 3,007,258
Burlington County General Obligation Debt	345,173,192	(1)	2.390% (2)	8,249,639
Rancocas Valley Regional School District	19,493,000	(1)	25.362% (3)	4,943,862
Subtotal, overlapping debt				16,200,759
Westampton Township School District Direct Debt				<u>7,099,222</u>
Total direct and overlapping debt				<u>\$ 23,299,981</u>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Township's share of the 2012 Equalized Valuation. The source for this computation was the 2012 County Abstract of Ratables, provided by the County Board of Taxation.
- (3) The debt for this entity was apportioned by dividing the Township's 2012 average equalized value by the total 2012 average equalized value for the entire Regional School District.

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized valuation basis (1)
	2012 \$ 1,170,658,502
	2011 1,145,875,282
	2010 1,160,040,725
	<u>\$ 3,476,574,509</u>
Average equalized valuation of taxable property	<u>\$ 1,158,858,170</u>
Debt limit (3% of average equalized valuation) (2)	34,765,745
Net bonded school debt (3)	<u>6,364,223</u>
Legal debt margin	<u>\$ 28,401,522</u>

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	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 17,312,505	\$ 20,338,066	\$ 24,232,735	\$ 28,508,460	\$ 32,388,427	\$ 35,439,525	\$ 36,753,998	\$ 36,349,698	\$ 35,351,000	\$ 34,765,745
Total net debt applicable to limit (3)	<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>	<u>9,735,118</u>	<u>8,924,894</u>	<u>8,104,670</u>	<u>7,239,446</u>	<u>6,364,223</u>
Legal debt margin	<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>	<u>\$ 25,704,407</u>	<u>\$ 27,829,102</u>	<u>\$ 28,245,028</u>	<u>\$ 28,111,554</u>	<u>\$ 28,401,522</u>
Total net debt applicable to the limit as a percentage of debt limit	38.62%	29.46%	48.94%	39.11%	32.16%	27.47%	24.28%	22.30%	20.48%	18.31%

Sources:

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

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

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Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2004	8,349	\$ 329,919,084	\$ 39,516	3.0%
2005	8,562	348,353,532	40,686	3.5%
2006	8,682	376,494,930	43,365	3.3%
2007	8,590	390,157,800	45,420	3.2%
2008	8,609	410,416,857	47,673	4.4%
2009	8,661	402,701,856	46,496	7.6%
2010	8,821	418,036,011	47,391	8.1%
2011	8,830	429,968,020	48,694	8.1%
2012	8,801	e	e	8.1%
2013	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	58	60	60	60	60	60	60	58	60	60
Special education	41	39	40	40	41	41	41	41	42	42
Other special education	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student & instruction related services	14	14	14	14	14	14	14	12	12	12
School administrative services	14	14	14	14	14	14	14	9	9	9
General and business administrative services	3	2	3	3	3	3	3	2	2	2
Plant operations and maintenance	11	11	11	10	9	9	9	9	9	9
Pupil transportation	1	1	1	1	1	1	2	2	2	2
Business and other support services	3	3	3	3	3	3	3	3	3	3
Total	146	145	147	146	146	146	147	137	140	140

Source:
District Personnel Records

Westampton Township School District
 Operating Statistics,
 Last Ten Fiscal Years

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Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Westampton Middle School	Holly Hills Elementary				
2004	965	\$ 10,196,806	\$ 10,567	19.07%	97	1:11	1:11	974.7	929.9	-3.23%	95.40%
2005	997	10,440,513	10,471.93	-0.90%	94	1:11	1:12	993.1	946.7	1.89%	95.33%
2006	962	11,197,737	11,640.06	11.15%	87	1:11	1:12	960.5	920.7	-3.28%	95.86%
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%
2009	916	12,581,507	13,713.44	2.89%	87	1:10	1:13	926.7	885.1	-0.33%	95.51%
2010	957	12,904,137	13,483.95	-1.67%	87	1:10	1:13	953.2	908.5	2.86%	95.31%
2011	994	12,476,400	12,551.71	-6.91%	91	1:10	1:11	960.5	910.3	0.77%	94.77%
2012	1,010	13,027,473	12,898.49	2.76%	89	1:10	1:13	1,006.2	965.4	4.76%	95.95%
2013	1,003	13,458,514	13,418.26	4.03%	89	1:10	1:13	1,003.2	955.8	-0.30%	95.28%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Building</u>										
<u>Elementary</u>										
Holly Hills Elementary (1956)										
Square Feet	61,000	61,000	61,000	61,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (students)	521	521	521	521	521	521	521	521	521	521
Enrollment	482	482	494	486	495	488	451	514	574	540
<u>Middle School</u>										
Westampton Middle (1956)										
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	485	516	468	452	436	428	506	480	436	463

Number of Schools at June 30, 2013

Elementary = 1

Middle School = 1

Senior High School = 0

Other = 0

Source: District Facilities Office

Westampton Township School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
* School Facilities											
Holly Hills School	\$ 13,275	\$ 6,165	\$ 9,600	\$ 9,600	\$ 9,600	\$ 9,600	\$ 13,112	\$ 9,600	\$ 9,600	\$ 9,600	\$ 99,752
Westampton School	18,427	10,142	20,700	20,700	20,700	20,700	21,000	12,700	12,700	12,700	170,469
Other Facilities	187,862	207,414	229,400	198,015	218,850	250,558	247,000	210,310	217,530	226,861	2,193,800
Total School Facilities	\$ 219,564	\$ 223,721	\$ 259,700	\$ 228,315	\$ 249,150	\$ 280,858	\$ 281,112	\$ 232,610	\$ 239,830	\$ 249,161	\$ 2,464,021

* 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, 2013**

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	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 150,000,000		\$ 500
General liability	10,000,000		
Automobile Liability	10,000,000		
Workers' Compensation	Statutory		
Crime Coverage	500,000		500
Student Accident Insurance	500,000		
Surety Bonds (2)			
Treasurer	200,000		
Board Secretary	110,000		
Interim Business Administrator	150,000		
(1)	Burlington County Insurance Pool - Joint Insurance Fund		
(2)	Selective Insurance Company		

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

Certified Public Accountants

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

I have audited Westampton Township School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2013. The 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.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major State programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey OMB's Circular 04-04 require that I 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 School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major State Program

In my opinion, the Westampton Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

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

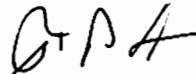
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 27, 2013

WESTAMPTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance June 30, 2012			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2013		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
General Fund:														
Education Jobs Fund	84.410A	N/A	\$129,654	7/1/11 - 6/30/12	\$ (19,980)	\$ 11,195		\$ 19,980	\$ (11,195)					
Special Revenue Fund														
Title I														
Fiscal Year 2013	84.010A	NCLB-5720-13	76,497	9/1/12 - 8/31/13				56,008	(76,456)		\$ (20,450)			
Fiscal Year 2012	84.010A	NCLB-5720-12	72,227	9/1/11 - 8/31/12	(16,850)			16,850						
Title II A														
Fiscal Year 2013	84.387	NCLB-5720-13	8,406	9/1/12 - 8/31/13					(8,397)		(8,397)			
Fiscal Year 2012	84.387	NCLB-5720-12	9,060	9/1/11 - 8/31/12	(6,300)			6,300						
Title III														
Fiscal Year 2013	84.365A	NCLB-5720-13	6,529	9/1/12 - 8/31/13				6,529	(6,529)					
IDEA - Part B - Basic:														
Fiscal Year 2013	84.027	FT-5720-13	249,326	9/1/12 - 8/31/13				177,602	(247,535)		(69,933)			
Fiscal Year 2012	84.027	FT-5720-12	249,571	9/1/11 - 8/31/12	(38,228)	88	\$ (88)	(38,228)						
Fiscal Year 2011	84.027	FT-5720-11	241,192	9/1/10 - 8/31/11		16,745							\$ 16,745	
IDEA - Part B - Preschool:														
Fiscal Year 2013	84.027	PS-5720-13	9,381	9/1/12 - 8/31/13					(5,771)		(5,771)			
Fiscal Year 2012	84.027	PS-5720-12	9,387	9/1/11 - 8/31/12	(451)			451						
Total Department of Education					(81,809)	28,028	(88)	245,490	(355,883)		(104,551)		16,745	
U.S. Department of Agriculture														
Enterprise Fund														
Food Distribution Program	10.550	N/A	19,630	7/1/12 - 6/30/13				19,630	(19,630)					
National School Breakfast Program														
Fiscal Year 2013	10.553	N/A	5,680	7/1/12 - 6/30/13				5,141	(5,680)		(539)			
National School Lunch Program														
Fiscal Year 2013	10.555	N/A	99,055	7/1/12 - 6/30/13				91,484	(99,055)		(7,591)			
Fiscal Year 2012	10.555	N/A	94,716	7/1/11 - 6/30/12	(4,715)			4,715						
Total Enterprise Fund					(4,715)			120,950	(124,365)		(8,130)			
Total Federal Awards					\$ (86,524)	\$ 28,028	\$ -	\$ (88)	\$ 366,440	\$ (480,248)	\$ -	\$ (112,681)	\$ 16,745	\$ -

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

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2013

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2012			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2013		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	13-495-034-5120-078	\$ 2,884,876	7/1/12- 6/30/13				\$ 2,605,306	\$ (2,864,876)		\$ (259,571)		
Equalization Aid	12-495-034-5120-078	2,725,815	7/1/11- 6/30/12	\$ (284,430)			284,430					
Special Education Categorical Aid	13-495-034-5120-089	541,932	7/1/12- 6/30/13				492,630	(541,932)		(49,102)		
Security Aid	13-495-034-5120-084	89,037	7/1/12- 6/30/13				80,970	(89,037)		(8,067)		
Transportation Aid	13-495-034-5120-014	162,118	7/1/12- 6/30/13				147,429	(162,118)		(14,689)		
Extraordinary Special Education Costs Aid	13-100-034-5120-473	26,850	7/1/12- 6/30/13					(26,850)		(26,850)		
Extraordinary Special Education Costs Aid	12-100-034-5120-473	24,481	7/1/11- 6/30/12	(24,481)			24,481					
Nonpublic Transportation Aid	13-495-034-5120-014	11,831	7/1/12- 6/30/13					(11,831)		(11,831)		
Nonpublic Transportation Aid	12-495-034-5120-014	24,338	7/1/11- 6/30/12	(13,138)			13,138					
On-behalf TPAF Post Retirement Medical	13-100-034-5095-001	399,917	7/1/12- 6/30/13				399,917	(399,917)				
On-behalf TPAF Pension Contribution	13-100-034-5095-006	353,675	7/1/12- 6/30/13				353,675	(353,675)				
Reimbursed TPAF Social Security Contr.	13-100-034-5095-002	422,658	7/1/12- 6/30/13				401,978	(422,658)		(20,680)		
Reimbursed TPAF Social Security Contr.	12-100-034-5095-002	418,792	7/1/11- 6/30/12	(21,285)			21,285					
Total General Fund				<u>(343,334)</u>	<u>-</u>	<u>-</u>	<u>4,825,438</u>	<u>(4,872,894)</u>	<u>-</u>	<u>(330,790)</u>	<u>-</u>	<u>-</u>
Special Revenue Fund:												
NJ Nonpublic Aid:												
Textbook Aid	13-100-034-5120-064	7,979	7/1/12- 6/30/13				7,979	(5,054)				\$ 2,925
Nursing Aid	13-100-034-5120-070	11,074	7/1/12- 6/30/13				11,074	(7,209)				3,865
Nursing Aid	12-100-034-5120-070	10,613	7/1/11- 6/30/12			\$ 5,362			\$ 5,362			
Technology Initiative	13-100-034-5120-373	2,945	7/1/12- 6/30/13				2,945					2,945
Auxiliary Services:												
Compensatory Education	13-100-034-5120-067	26,588	7/1/12- 6/30/13				26,588	(26,585)				3
Compensatory Education	12-100-034-5120-067	27,050	7/1/11- 6/30/12			3,551			3,551			
Handicapped Services:												
Supplemental Instruction	13-100-034-5120-066	3,469	7/1/12- 6/30/13				3,469	(833)				2,636
Supplemental Instruction	12-100-034-5120-066	4,209	7/1/11- 6/30/12			3,508			3,508			
Examination & Classification	13-100-034-5120-066	10,189	7/1/12- 6/30/13				10,189	(9,231)				958
Examination & Classification	12-100-034-5120-066	3,867	7/1/11- 6/30/12			2,253			2,253			
Corrective Speech	13-100-034-5120-066	6,250	7/1/12- 6/30/13				6,250	(1,796)				4,454
Corrective Speech	12-100-034-5120-066	7,699	7/1/11- 6/30/12			6,714			6,714			
Total Special Revenue Fund				<u>-</u>	<u>-</u>	<u>21,388</u>	<u>68,494</u>	<u>(50,708)</u>	<u>21,388</u>	<u>-</u>	<u>-</u>	<u>17,788</u>
Debt Service Fund:												
Debt Service Aid Type II	13-495-034-5120-125	198,926	7/1/12- 6/30/13				198,926	(198,926)				
Total Debt Service Fund				<u>-</u>	<u>-</u>	<u>-</u>	<u>198,926</u>	<u>(198,926)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
State Department of Agriculture												
Enterprise Fund:												
National School Lunch Program (State Share)												
Fiscal Year 2013	13-100-010-3350-023	3,533	7/1/12- 6/30/13				3,266	(3,533)		(267)		
Fiscal Year 2012	12-100-010-3350-023	3,854	7/1/11- 6/30/12	(184)			184					
Total Enterprise Fund				<u>(184)</u>	<u>-</u>	<u>-</u>	<u>3,450</u>	<u>(3,533)</u>	<u>-</u>	<u>(267)</u>	<u>-</u>	<u>-</u>
Total State Financial Assistance				<u>\$ (343,518)</u>	<u>\$ -</u>	<u>\$ 21,388</u>	<u>\$ 5,096,308</u>	<u>\$ (5,126,061)</u>	<u>\$ 21,388</u>	<u>\$ (391,057)</u>	<u>\$ -</u>	<u>\$ 17,786</u>

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, 2013**

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$46,999) for the general fund and \$0.00 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 expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 11,195	\$ 4,825,895	\$ 4,837,090
Special Revenue	344,688	50,708	395,396
Debt Service		198,926	198,926
Food Service	124,365	3,533	127,898
Total	<u>\$ 480,248</u>	<u>\$ 5,079,062</u>	<u>\$ 5,559,310</u>

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.

**Westampton Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2013
(Continued)**

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Pension Contributions represents the amount paid by the State on behalf of the School District for the year ended June 30, 2013. 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, 2013.

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:

	<u>Federal</u>
Prior Year Expenditures	<u>\$ (88)</u>
	<u>\$ (88)</u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section 1 – Summary of Auditor's Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

Material weaknesses identified? yes X no

Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>13-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>13-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>13-100-034-5095-002</u>	<u>TPAF Reimbursed Social Security</u>
<u>13-100-010-3350-023</u>	<u>National School Lunch Program (State Share)</u>
<u> </u>	<u> </u>

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section 2 – Schedule of Financial Statement Findings

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

None

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

No findings and/or questioned costs identified.

**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, 2013**

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

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.