THE WEST WINDSOR-PLAINSBORO
REGIONAL SCHOOL DISTRICT, NEW JERSEY
NOTICE OF $21,195,000* REFUNDING SCHOOL BOND SALE
(BOOK-ENTRY-ONLY)
(NON-CALLABLE)

SUMMARY

ISSUER:	The West Windsor-Plainsboro Regional School District, New Jersey
PAR AMOUNT:	$21,195,000*
SECURITY:	General Obligations of the School District/New Jersey School Bond Reserve
TAX EXEMPT:	Yes
RATINGS AND INSURANCE:	Rating to be Determined
TYPE OF SALE:	Electronic proposals via the Parity Electronic Bid System ("PARITY") of i-Deal LLC ("i-Deal") (See Bidding Details Item herein)
BOND SALE AGENT:	PARITY
BID/AWARD DATE:	August 14, 2012 electronic proposals until 11:00 a.m., local time, at which time they will be publicly opened, received and announced. Award by 3:30 p.m.
DATED DATE:	Date of Delivery
DELIVERY DATE:	On or about September 6, 2012
INTEREST PAYMENT DATES:	June 1 and December 1, commencing December 1, 2012
FORM:	Book-entry-only
FIRST CALL DATE:	Non-Callable
MINIMUM BID:	$21,195,000* (Par)
BID SECURITY:	**Good Faith Check or wire transfer in the amount of $425,000 received by the School District prior to bidding or Financial Surety Bond as provided in Notice, if available**
BASIS OF AWARD:	Net Interest Cost - Ascending Coupons Required in multiples of 1/8 or 1/20 of 1%
OFFERING STATEMENT:	Preliminary Official Statement available at www.i-dealprospectus.com

*Amount subject to change as set forth herein.

NOTICE

NOTICE IS HEREBY GIVEN that electronic proposals will be received by The West Windsor-Plainsboro Regional School District, New Jersey (the "School District") for the purchase of $21,195,000* original principal amount of the School District's Refunding School Bonds (the "Bonds"). **All Bids (as defined below) must be submitted in their entirety via "PARITY Electronic Bid System" (PARITY) prior to 11:00 a.m., New Jersey time on August 14, 2012. To bid, Bidders (as defined below) must have submitted a good faith check, wire or Financial Surety Bond, if available, payable to the School District, in the amount of $425,000 by no later than 10:30 a.m. on the Bid Date (see Bidding Details below).**

Preliminary and Final Official Statement

The School District's Preliminary Official Statement (the "POS") is available for viewing in electronic format on www.i-dealprospectus.com. In addition, broker dealers registered with the National Association of Securities Dealers (the "NASD") and dealer banks with The Depository Trust Company ("DTC") clearing arrangements may either: (a) print out a copy of the POS on their own printer, or (b) at any time prior to August 14, 2012, elect to receive a photocopy of the POS in the mail by calling the School District's bond counsel, McManimon & Scotland, L.L.C. ("Bond Counsel"), 1037 Raymond Boulevard, Suite 400, Newark, New Jersey 07102 to the attention of Charles Anthony Solimine, Esq. (telephone no. 973-622-4893) or Terry Anderson (telephone no. 973-622-5161). All Bidders must review the POS and certify that they have done so prior to participating in the bidding.

The POS is deemed by the School District to be final as of its date, for purposes of SEC Rule 15c2-12(b)(1) under the Securities and Exchange Act of 1934, except for the omission of information concerning the offering price(s), interest rate(s), selling compensation, aggregate principal amount of the Bonds and any other terms or provisions to be determined from the successful Bid(s) or depending on such matters, and the identity of the underwriter(s). The POS is, however, subject to such further revisions, amendments and completion in a Final Official Statement (the "Final Official Statement") as may be necessary.

The School District, at its expense, will make available to the winning Bidder a reasonable number of Final Official Statements within seven (7) business days following the date of acceptance of the Bid.

Types of Bids Allowed

Subject to the Bid requirements described below, Bids for the Bonds must be submitted on an "All-or-None" ("AON") basis for the entire amount of bonds offered for sale. While the bid calculation for low bidder will be based upon this amount, the actual par amount will be subject to adjustment as provided herein.

Insurance

All or any part of the Bonds can be insured at the option of the Bidder. The insurance premium, if any, will be paid by the Bidder.

---

*Subject to change as set forth herein

Interest Payment Dates; Description of the Bonds

The Bonds will be dated the date of delivery and will bear interest from such date payable semiannually on each June 1 and December 1, commencing on December 1, 2012.

Principal Amortization*

The Bonds will consist of serial bonds maturing on December 1 in the years 2012 through 2020, inclusive. The principal amounts of each serial maturity shall be as set forth below subject to the sizing adjustment set forth below.

The Bonds shall mature, subject to the adjustments described herein, on December 1 as set forth in the following table:

Year	Principal Amount*	Year	Principal Amount*
2012	$270,000	2017	$2,590,000
2013	2,795,000	2018	2,515,000
2014	2,805,000	2019	2,445,000
2015	2,740,000	2020	2,375,000
2016	2,660,000		

*The actual principal amount may be adjusted in $5,000 increments by the School District as necessitated to meet the sizing requirements for the escrow to be set up to refund the prior issue.

The maturity amounts listed in the table above have been calculated based on certain assumptions with respect to coupons and yields and reflect the current market trend of premium bonds. The maturities amounts are subject to change based on the actual coupons and yields and applicable SLG rates of the date of sale in order to meet an escrow requirement of $22,259,350 on 12/1/12 plus costs of issuance estimated to be $115,000 for a total amount of approximately $22,374,350.

Book-Entry-Only

The Bonds will be issued in book-entry form only, initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Individual purchases will be in the principal amount of any multiple of $1,000 (with a minimum purchase of $5,000 required). Payments of principal and interest will be made by the paying agent to DTC for subsequent disbursement to DTC participants to then be remitted to the beneficial owners of the Bonds.

Section 265 Qualification

The Bonds will not be designated as qualified under Section 265 of the Internal Revenue Code of 1986, as amended, by the School District for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

Redemption Provisions

The bonds of this issue are not subject to redemption prior to their stated maturities.

Terms of PARITY

Each electronic proposal must be submitted via PARITY. No bidder will see any other bidder's bid, nor will any bidder see the status of its bid relative to other bids (e.g., whether its bid is a leading bid). To the extent any instructions or directions set forth on PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at I-Deal at (212) 404-8102. The School District may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically via PARITY. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that: The School District may regard the electronic transmission of the bid via PARITY (including information about the purchase price of the Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity of the Bonds and any other information included in such transmission) as though the same information were submitted on the official "Proposal for Bonds" provided by the School District and executed by a duly authorized signatory of the bidder. If a bid submitted electronically via PARITY is accepted by the School District, the terms of the official "Proposal for Bonds" and this Notice of Sale and the information that is electronically transmitted via PARITY shall form a contract, and the successful bidder shall be bound by the terms of such contract.

PARITY is not an agent of the School District, and the School District shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the School District or information provided by the bidder.

The School District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m., Eastern Time, on the last business date prior to the bid date.

Once the bids are communicated electronically via PARITY to the School District, each bid will constitute an official "Proposal for Bonds" and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting all "Proposals for Bonds," whether electronically or sealed, the time as maintained on PARITY shall constitute the official time.

Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the School District nor i-Deal shall have any duty or obligation to provide or assure to any bidder, and neither the School District nor i-Deal shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The School District is using PARITY as a communication mechanism, and not as the School District's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the School District harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds:

(1) **BIDDERS MUST SUBMIT GOOD FAITH CHECK, WIRE TRANSFER OR A FINANCIAL SURETY BOND (IF AVAILABLE) IN THE AMOUNT OF $425,000 PAYABLE TO THE SCHOOL DISTRICT NO LATER THAN 10:30 A.M. ON THE DAY OF SALE. HOWEVER, BIDDERS ARE ENCOURAGED TO SUBMIT**

CHECKS ON THE DAY PRIOR TO THE SALE TO ASSURE RECEIPT OF PAYMENT BY THE SCHOOL DISTRICT AT THE FOLLOWING ADDRESS:

Larry Shanok, Assistant Superintendent for Finance/Board Secretary
West Windsor-Plainsboro Regional School District
505 Village Road West
West Windsor, NJ 08550

BIDDERS SUBMITTING GOOD FAITH CHECKS SHOULD ALSO ENCLOSE A RETURN ENVELOPE FOR USE BY THE SCHOOL DISTRICT.

(2) All Bids must be submitted via PARITY. **No telephone, telefax, telegraph or personal delivery Bids will be accepted.**

(3) All Bids for the Bonds must be submitted on an AON basis.

(4) Each proposal submitted must name the rate or rates of interest per annum to be borne by the Bonds and the rate or rates named must be multiples of 1/8 or 1/20 of 1%. Not more than one rate may be named for Bonds of the same maturity. There is no limitation on the number of rates that may be named. If more than one rate of interest is named, no interest rate named for any maturity may be less than the interest rate named for any prior maturity. Each proposal submitted must state the purchase price, which must be not less than the par amount of the Bonds to be delivered plus any premium. The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest net interest cost. Such net interest cost shall be computed, as to each bid, by adding to the total principal amount of Bonds offered for sale ($21,195,000*) the total interest cost to maturity in accordance with such bid and by deduction therefrom of the amount of premium, if any, bid. No proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest net interest cost to the School District under any legally acceptable proposal. The purchaser must also pay an amount equal to the interest on the Bonds accrued to the date of payment of the purchase price. The calculation of the low bid will not be affected by any adjustments to any maturity made after the award to meet the escrow requirements.

(5) Bidders are only permitted to submit Bids for the Bonds during the bidding period.

Definitions

"Bid" any confirmed purchase offer received by PARITY on or before the proposal submission deadline.

"Bidder" any firm registered and approved for participation in sale.

"Winning Bid" any purchase offer made by a Bidder and received by PARITY that, at the end of the bidding time period, results in the lowest NIC that is acceptable to the School District.

“Net Interest Cost” computed by adding to the total principal amount of bonds bid for, the total interest cost to maturity in accordance with such bid and by deduction therefrom of the amount of premium, if any, bid or the addition thereto of the amount of discount, if any, bid. The Net Interest Cost serves as the basis for awarding bonds to winning Bidders.

Bid Procedure and Basis of Award

Subject to the right reserved by the School District to reject any or all Bids, the Bonds will be sold to the Bidder whose Bid complies with the Notice of Sale and produces the lowest NIC for the School District based upon the maturity schedule set forth in the Notice of Sale prior to any adjustments needed to size the escrow to meet the requirements of the refunding.

Bids must remain valid until at least 3:30 p.m., prevailing time, on the date of the sale, and if accepted by the School District, prior to such time, shall be irrevocable except as otherwise provided in the Notice of Sale. Upon selection of the winning Bidder, the School District will execute an award certificate to award the Bonds and will promptly communicate with the winning Bidder by telephone, e-mail or fax.

Bid Security and Method of Payment for Bonds

A Good Faith Deposit (“Deposit”) in the form of a certified, treasurer’s or cashier’s check, wire transfer or a Financial Surety Bond, if available, in the amount of $425,000 payable to the order of the School District, is required for each Bid to be considered. Wire instructions can be obtained by contacting Larry Shanok, the Assistant Superintendent for Finance/Board Secretary, at (609) 716-5000, ext. 5020 or Terry Anderson of McManimon & Scotland, L.L.C. at (973) 622-5161, and such wire must be received and confirmed by the School District prior to the time for bids to be submitted. If a check is used, it must be a certified, treasurer’s or cashier’s check and must be provided to the School District no later than by 10:30 a.m. on the Bid Date. Each bidder accepts responsibility for delivering such check on time and the School District is not responsible for any check that is not received on time. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of New Jersey and approved by the Director of the Division of Local Government Services of New Jersey (the “Director”) and such bond must be submitted to the School District prior to the opening of the Bids at the address referred to above. At present, the Director has approved the use of Sure-Bid, a division of Financial Security Assurance Inc. Use of any other Financial Surety Bond must be approved by the Director prior to the bid and will not be accepted by the School District unless evidence of such approval is provided prior to the bid. The Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond or by wire transfer, then that purchaser (the “Purchaser”) is required to submit its Deposit to the School District by wire transfer as instructed by the School District not later than 3:30 p.m. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the School District to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the School District. Award of the Bonds to the successful Bidder or rejection of all Bids is expected to be made within two hours after opening of the bids, but such successful Bidder may not withdraw its proposal until after 3:30 p.m. of the day of receipt of such Bids and then only if such award has not been made prior to the withdrawal. The balance of the purchase price shall be paid in Federal Funds by wire transfer to the School District at closing.

Right to Reject Bids; Waive Irregularities

The School District reserves the right to reject any and all Bids and to the extent permitted by law to waive any irregularity or informality in any Bid.

Adjustment of Principal Amounts

The winning bidder will be notified of any adjustments in principal amounts of the Bonds made in accordance with this Notice of Sale not later than 12:00 noon (New Jersey Time) on the business day next succeeding the day proposals are received. The winning bidder may not withdraw the bid as a result of any adjustments made within the terms described herein.

Information Required from the Winning Bidder

By making a bid for the Bonds, the winning bidder(s) agrees: (a) to provide to the school district, in writing, immediately upon being unofficially awarded the Bonds, a written confirmation of the bid, as appropriate, which shall include the purchase price, reoffering yield(s), and other related information necessary for completion of the final Official Statement or by Bond Counsel; (b) to disseminate to all members of the underwriting syndicate copies of the Official Statement; (c) to promptly file a copy of the final Official Statement with each nationally recognized Municipal Securities Information Repository; and (d) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to alternate purchasers.

Delivery of the Bonds

The Bonds will be delivered on or about September 6, 2012 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS PUBLISHED NOT LATER THAN 2 HOURS PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS) in New York City at DTC against payment of the purchase price therefor (less the amount of the good faith deposit) in Federal funds.

There will also be furnished the usual closing papers, including (1) a certificate signed by the officials who signed the Bonds stating that no litigation of any kind is now pending or, to their knowledge, threatened to restrain or enjoin the issuance or delivery of the Bonds, or in any manner questioning the proceedings and authorization under which the Bonds are issued or affecting the validity of the Bonds and (2) a certificate signed by the Board President or Assistant Superintendent for Finance/Board Secretary relating to the Official Statement.

CUSIP Numbers

CUSIP numbers will be applied for with respect to the Bonds by the winning bidder, but the School District will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and make payment for the Bonds.

Legal Opinions

The approving opinions of McManimon & Scotland, L.L.C., Bond Counsel to the School District, will be furnished without cost to the winning Bidder.

Right to Modify or Amend

The School District reserves the right to modify or amend this Notice of Sale including but not limited to the right to adjust and change the principal amount of the Bonds being offered and the maturities provided for each year. Notification of any amendments shall be made not later than 12:00 noon on the date prior to the date set for sale and communicated on PARITY.

Postponement

The School District reserves the right to postpone, upon not less than 24 hours' notice, the date and time established for receipt of Bids. **ANY SUCH POSTPONEMENT WILL BE PUBLISHED OR POSTED BEFORE 11:00 A.M. ON THE DAY BEFORE THE SALE**. If any date fixed for the receipt of Bids and the sale of the Bonds is postponed, an alternative sale date will be announced via PARITY at least forty-eight (48) hours prior to such alternative sale date. On any such alternative sale date, any Bidder may submit a Bid for the purchase of the Bonds in conformity in all respects with the provisions of the Notice of Sale, except for the date of sale and except for the changes announced on www.-i-dealprospectus.com at the time the sale date and time are announced.

Additional Information

For further information relating to the Bonds, reference is made to the POS prepared for and authorized by the School District. The Notice of Sale and the POS may be viewed on PARITY. However, the School District makes no assurance or representation with respect to the form of the Notice of Sale and the POS on PARITY, and no investment decision should be made in reliance thereon. Printed copies of the POS and the Notice of Sale may be obtained from the Bond Counsel at the address and the phone number stated above. For additional information relating to the sale please contact PARITY at I-Deal at (212) 404-8102. Additional information relating to the financing of the School District can be obtained by contacting the School District's Financial Advisor, Municipal Capital Management, Inc. (Pamela Becker) at (415) 383-8455 or the undersigned Assistant Superintendent for Finance/Board Secretary at (609) 716-5000, ext. 5020.

. The West Windsor-Plainsboro Regional School District, New Jersey

By: Larry Shanok
Assistant Superintendent for Finance/Board Secretary

Ratings: See “Ratings” herein

This is a Preliminary Official Statement, complete with the exception of the specific information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Board has authorized distribution of this Preliminary Official Statement to prospective purchasers and others. In accordance with Rule 15c2-12, this Preliminary Official Statement is deemed final. Upon the sale of the Bonds described herein, the Board will deliver a final Official Statement within the earlier of seven business days following such sale or in order to accompany the purchaser’s confirmations that request payment for the Bonds.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 7, 2012

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming continuing compliance by the Board (as defined herein) with certain covenants described herein, interest on the Bonds (as defined herein) is not includable in gross income for federal income tax purposes under current law and is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. Interest on the Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax imposed on corporations as a result of the inclusion of interest on the Bonds in "adjusted current earnings." Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in the opinion of Bond Counsel, interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX EXEMPTION" herein.

$21,195,000* REFUNDING SCHOOL BONDS
THE WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT, NEW JERSEY
(Book-Entry-Only) (Non-Callable)

Dated: Date of Delivery Due: December 1 as shown below

The $21,195,000* Refunding School Bonds (the “Bonds”) of The West Windsor-Plainsboro Regional School District, New Jersey (the “School District”) will be issued in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as Securities Depository. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Interest on the Bonds will be payable semiannually on June 1 and December 1 in each year until maturity, commencing on December 1, 2012. Principal of and interest on the Bonds will be paid to DTC by the Board of Education of the School District (the ”Board” or “Board of Education”) or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding May 15 and November 15 (the "Record Dates" for the payment of interest on the Bonds). The Bonds are not subject to redemption prior to their stated maturities.

The Bonds are issued pursuant to: (i) Chapter 24 of Title 18A, Education of the New Jersey Statutes, as amended and supplemented (N.J.S.A. 18A:24-1 et seq.), (ii) a refunding bond ordinance finally adopted April 17, 2012 and (iii) a resolution adopted April 17, 2012. The Bonds are being issued for the purpose of: (i) currently refunding all of the outstanding callable principal amount of the originally issued $41,820,000 School Bonds of the School District dated September 15, 2002 and maturing on or after December 1, 2013 at par plus any unpaid accrued interest to December 1, 2012, the redemption date for the refunded bonds; and (ii) paying the costs of issuance with respect to the Bonds.

The Bonds are valid and legally binding obligations of the School District and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

Year	Principal Amount*	Interest Rate	Yield	Year	Principal Amount*	Interest Rate	Yield
2012	$270,000	%	%	2017	$2,590,000	%	%
2013	2,795,000			2018	2,515,000		
2014	2,805,000			2019	2,445,000		
2015	2,740,000			2020	2,375,000		
2016	2,660,000						

The Bonds are offered when, as and if issued, and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Delivery is anticipated to be at the offices of the School District’s Bond Counsel, McManimon, Scotland & Baumann, LLC, or at such other place as agreed to with the Underwriter, on or about September 6, 2012.

ELECTRONIC SUBMISSIONS WILL BE RECEIVED VIA PARITY AT
11:00 A.M. ON TUESDAY, AUGUST 14, 2012.
FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY,
VIEW THE NOTICE OF SALE POSTED AT WWW.I-DEALPROSPECTUS.COM.

* Preliminary, subject to change

THE WEST WINDSOR-PLAINSBORO
REGIONAL SCHOOL DISTRICT, NEW JERSEY

MEMBERS OF THE BOARD

Hemant Marathe, President
Robert Johnson, Vice President
Rachelle Feldman Hurwitz
Anthony Fleres
Michele Kaish
Richard Kaye
Dana Krug
Ellen Walsh
Yibao Xu

SUPERINTENDENT

Victoria Kniewel, Ed.D

ASSISTANT SUPERINTENDENT FOR FINANCE/BOARD SECRETARY

Larry Shanok

GENERAL COUNSEL

Parker McCay P.A.
Lawrenceville, New Jersey

BOARD AUDITOR

Wiss & Company, LLP
Iselin, New Jersey

FINANCIAL ADVISOR

Municipal Capital Management, Inc.
Mill Valley, California

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Board and other sources deemed reliable; however, no representation is made as to the accuracy or completeness of information from sources other than the Board. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Board during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Board or the Underwriter.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS OFFERING, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF ANY SUCH INFORMATION.

TABLE OF CONTENTS

PAGE

OFFICIAL STATEMENT
OF
THE WEST WINDSOR-PLAINSBORO
REGIONAL SCHOOL DISTRICT, NEW JERSEY

$21,195,000*
REFUNDING SCHOOL BONDS
(BOOK-ENTRY-ONLY ISSUE)
(CALLABLE)

INTRODUCTION

This Official Statement, which includes the front cover page and the appendices attached hereto, has been prepared by the Board of Education (the "Board" or "Board of Education") of The West Windsor-Plainsboro Regional School District, New Jersey (the "School District") in connection with the sale and issuance of its $21,195,000* Refunding School Bonds (the "Bonds"). This Official Statement has been executed by and on behalf of the Board by the Assistant Superintendent for Finance/Board Secretary, and its distribution and use in connection with the sale of the Bonds has been authorized by the Board.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the School District.

DESCRIPTION OF THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

Terms and Interest Payment Dates

The Bonds shall be dated the date of delivery and shall mature in each of the years and in the amounts set forth on the front cover page hereof. The Bonds shall bear interest from the date of delivery, which interest shall be payable semi-annually on the first day of June and December in each year until maturity, commencing on December 1, 2012 (each an "Interest Payment Date"), in each of the years and at the interest rates set forth on the front cover page hereof in each year until maturity by the Board or a duly appointed paying agent to the registered owners of the Bonds as of each May 15 and November 15 immediately preceding the respective Interest Payment Dates (the "Record Dates"). So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or a designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Bonds. *See* "BOOK-ENTRY-ONLY SYSTEM" herein.

---

* Preliminary, subject to change

The Bonds will be issued in fully registered book-entry-only form, without certificates. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year, and when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Bonds. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of $1,000 integrals, with a minimum purchase of $5,000, through book entries made on the books and the records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. *See* "BOOK-ENTRY-ONLY SYSTEM" herein.

Redemption

The Bonds are not subject to optional redemption prior to their stated maturities.

Security for the Bonds

The Bonds are valid and legally binding general obligations of the School District, and the Board has irrevocably pledged the full faith and credit of the School District for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable property within the School District without limitation as to rate or amount.

New Jersey School Bond Reserve Act (N.J.S.A. 18A:56-17 et seq.)

All school bonds are secured by the School Bond Reserve established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). Amendments to the Act provide that the Fund will be divided into two School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1-1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued prior to July 1, 2003 (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account equal to 1% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued on or after July 1, 2003 (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the School Bond Reserve at the required levels, the State agrees that the State Treasurer shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the district, county or municipality and shall not obligate the State to make, nor entitle the district, county or municipality to receive any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

Authorization and Purpose

The Bonds have been authorized and are being issued pursuant to Title 18A, Chapter 24 of the New Jersey Statutes (N.J.S.A. 18A:24-1 et seq.), a refunding bond ordinance finally adopted by the Board on April 17, 2012 and entitled, "Refunding Bond Ordinance of The West Windsor-Plainsboro Regional School District, New Jersey, Providing for the Refunding of All or a Portion of the Outstanding Refunding School Bonds of the School District, Dated September 15, 2002, Issued In the Original Principal Amount of $41,820,000, Appropriating Not to Exceed $23,000,000 Therefor and Authorizing the Issuance of Not to Exceed $23,000,000 Refunding School Bonds to Provide for Such Refunding," and by a resolution duly adopted by the Board on April 17, 2012 (the "Resolution"). The Local Finance Board of the Department of Community Affairs authorized endorsement of its consent to the refunding bond ordinance by virtue of a resolution adopted on April 11, 2012.

The purpose of the Bonds is to (i) currently refund all of the outstanding callable principal amount of the originally issued $41,820,000 Refunding School Bonds of the School District dated September 15, 2002 (the "2002 Bonds") and maturing on or after December 1, 2013 (the "Refunded Bonds") at par plus any unpaid accrued interest to December 1, 2012, the redemption date for the refunded bonds (the "Redemption Date"); and (ii) pay the costs of issuance of the Bonds.

A portion of the proceeds of the Bonds will be deposited upon delivery thereof in an escrow account for the Bonds with The Bank of New York Mellon, Woodland Park, New Jersey (the "Escrow Agent"), and such proceeds will be invested in direct non-callable obligations of the United States of America (the "Government Obligations"), the principal of which, together with cash and any investment earnings thereon, will be sufficient to pay, when due, the principal of, redemption premium, if any, and interest on the Refunded Bonds. The Board will give irrevocable instructions to the Escrow Agent on the delivery date to have the Refunded Bonds called for redemption on their Redemption Date.

ESTIMATED SOURCES AND USES OF FUNDS

The Board expects to use the proceeds from the sale of the Bonds as follows:

Sources of Funds:	
Principal Amount of Bonds	$____________
Original Issue Premium/Discount	________
Total Sources of Funds:	$____________
Uses of Funds:	
Amount Required to Redeem the 2002 Bonds	__________
Costs of Issuance[1]	__________
Total Uses of Funds:	$____________

BOOK-ENTRY-ONLY SYSTEM[2]

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners defined below, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Board. Accordingly, the Board does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on

[1] Includes *inter alia* credit rating, legal, accounting, financial advisory, verification services, printing and fiduciary fees and other expenses incurred in connection with the issuance of the Bonds

[2] Source: The Depository Trust Company

file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Board/Paying Agent; (ii) the transfer of any Bonds may be registered on the books maintained by the Board/Paying Agent for such purposes only upon the surrender thereof to the Board/Paying Agent together with the duly executed assignment in form satisfactory to the Board/Paying Agent; and (iii) for every exchange or registration of transfer of Bonds, the Board/Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the fifteenth (15th) day, whether or not a business day, of the calendar month next preceding an Interest Payment Date.

THE SCHOOL DISTRICT AND THE BOARD

The School District is governed by the Board of Education consisting of nine members elected to three-year terms. The purpose of the School District is to educate students in grades Pre-K through twelve (12). The Superintendent of the School District is appointed by the Board and is responsible for the administrative control of the School District.

The School District is a regional school district and provides a full range of educational services appropriate to Pre-K through grade twelve (12), including regular and special education programs. The School District is coterminous with the boundaries of the Township of West Windsor, in the County of Mercer ("West Windsor Township") and the Township of Plainsboro, in the County of Middlesex ("Plainsboro Township") (West Windsor Township and Plainsboro Township are herein referred to as the "Constituent Municipalities").

THE STATE'S ROLE IN PUBLIC EDUCATION

The constitution of the State of New Jersey provides that the legislature of the State shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all children in the State between the ages of 5 and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that have the effect of law and that are binding upon school districts.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been adopted by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner and with the advice and consent of the State Senate. The County Superintendent reports to the Commissioner or a person designated by the Commissioner. The County Superintendent is responsible for the supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63 approved April 3, 2007 (A4), the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate districts though the establishment or enlargement of regional school districts, subject to voter approval.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally categorized in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate, which board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, approves all fiscal matters;

(2) Type II, in which the registered voters in a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters, or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the district and the president of and one member of the board of education, approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters in the school district elect members of the board of education and vote upon all fiscal matters. Regional school districts may be “All Purpose Regional School Districts” or “Limited Purpose Regional School Districts”;

(4) State operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of chosen freeholders of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the county executive or the director of the board of chosen freeholders of the county, which approves all fiscal matters;

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of chosen freeholders of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of chosen freeholders and a fifth member being the freeholder-director of the board of chosen freeholders, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district.

School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II or regional district, the elected board of education develops the budget proposal and, at or after a public hearing, submits it for voter approval subject to the New Budget Election Law as defined below. If approved, the budget goes into effect. If defeated, the governing bodies of the constituent municipalities must develop the school budget by May 19 of each year. Should the governing bodies be unable to do so, the Commissioner establishes the local school budget.

The New Budget Election Law (P.L. 2011, c. 202, effective January 17, 2012) establishes procedures that allow the date of the annual school election of a Type II or regional district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the Board or the governing body of the municipality or municipalities, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least 15% of the legally qualified voters, is filed with the Board. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four years.

School districts that opt to move the annual school election to November would no longer be required to submit the budget to the voters for approval if the budget is at or below the two-percent property tax levy cap as provided for the New Cap Law. For school districts that opt to change the annual school election date to November, proposals to spend above the two-percent property tax levy cap would be presented to voters at the annual school election in November.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts that are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate on an annual cash basis budget. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the district has adequately implemented within the budget the Core Curriculum Content Standards required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (amended and partially repealed) first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitation was known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 ("QEA") (now repealed) also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by Chapter 62 of the Laws of New Jersey of 1991, and further amended by Chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 ("CEIFA"), (as amended by P.L. 2004, c.73, effective July 1, 2004), which followed

QEA, also limited the annual increase in a school district's net budget by a spending growth limitation. CEIFA limited the amount school districts could increase their annual current expenses and capital outlay budgets, defined as a school district's Spending Growth Limitation. Generally, budgets could increase by either a set percent or the consumer price index, whichever was greater. Amendments to CEIFA lowered the budget cap to 2.5% from 3%. Budgets could also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceeded $40,000 per pupil. Waivers were available from the Commissioner based on increasing enrollments and other fairly narrow grounds and increases higher than the cap could be approved by a vote of 60% at the annual school election.

P.L. 2007, c. 62, effective April 3, 2007 (Assembly Bill A1), provided additional limitations on school district spending by limiting the amount a school district could raise for school district purposes through the property tax levy by 4% over the prior budget year’s tax levy. P.L. 2007, c. 62 provided for adjustments to the cap for increases in enrollment, reductions in State aid and increased health care costs and for certain other extraordinary cost increases that required approved by the Commissioner. The bill granted discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges. The Commissioner also had the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in fiscal year 2009 through 2012.

P.L. 2007, c. 62 was deemed to supersede the prior limitations on the amount school districts could increase their annual current expenses and capital outlay budgets, known as a school district's spending growth limitation amount, created by CEIFA (as amended by P.L. 2004, c.73, effective July 1, 2004). However, Chapter 62 was in effect only through fiscal year 2012. Without an extension of Chapter 62 by the legislature, the spending growth limitations on the general fund and capital outlay budget would be in effect.

Debt service was not limited either by the Spending Growth Limitations or the 4% Cap on the tax levy increase imposed by Chapter 62.

The previous legislation has now been amended by P.L. 2010, c. 44, approved July 13, 2010 and applicable to the next local budget year following enactment. The new law will limit the school district tax levy for the general fund budget to increases of 2% over the prior budget year with exceptions only for enrollment increases, increases for certain normal and accrued liability for pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters voting at a special election. The process for obtaining waivers from the Commissioner for additional increases over the tax levy or spending limitations has been eliminated under Chapter 44.

The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund. There are no restrictions on a local school district’s ability to raise funds for debt service payable from the debt service fund, and nothing would limit the obligation of a school district to levy *ad valorem* taxes upon all taxable real property within the district to pay such debt service on such bonds or notes. However principal or interest on certain promissory notes for cash flow purposes, energy savings obligations issued under the ESIP law (see “Energy Savings Obligations” below) or lease purchase obligations, which are all payable from the general fund, are subject to the tax levy cap restrictions. The Bonds are payable from the debt service fund and do not count against the tax levy cap.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a board (and approved by a board of school estimate in a Type I school district), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Annual Audit (N.J.S.A. 18A:23-1 et seq.)

Every board is required to provide an annual audit of the school district's accounts and financial transactions. Beginning with the year ended June 30, 2010, a licensed public school accountant must complete the annual audit no later than five months (5) after the end of the fiscal year. P.L. 2010, c. 49 amended N.J.S.A. 18A:23-1 to provide an additional month for the completion of a school district’s audit. Previously the audit was required to be completed within four months. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts may not capitalize interest on temporary notes, but must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a pre-kindergarten (pre-K) through grade twelve (12) school district, the School District can borrow up to 4% of the average equalized valuation of taxable property in the School District. The School District has not exceeded its 4% debt limit. *See* “APPENDIX A – Economic and Demographic Information Relating to the School District and the Constituent Municipalities.”

Exceptions to Debt Limitation

A Type II school district, (other than a regional district), may also utilize its constituent municipality's remaining statutory borrowing power (i.e. the excess of 3.5% of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). The School District has not utilized the Constituent Municipalities’ borrowing margin. A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five years except for certain energy-saving equipment which may be leased for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 ("EFCFA"), repealed the authorization to enter into facilities leases in excess of five years. The payment of rent on an equipment lease and on a five year and under facilities lease is treated as a current expense and within the school district's Spending Growth Limitation and tax levy cap. Lease purchase payments on leases in excess of five years entered into under prior law (CEIFA) are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's Spending Growth Limitation and tax levy cap.

Energy Saving Obligations

Under P.L. 2009, c. 4, approved January 21, 2009 and effective 60 days thereafter (the "Energy Savings Improvement Program" or "ESIP" Law), districts may issue energy savings obligations without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the value of the savings will cover the cost of the measures.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State of New Jersey (the "Court") first ruled in Robinson v. Cahill that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the State Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., (P.L. 1975, c. 212) (the "Public School Education Act") (since amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P. L.1976, c. 47, since amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in Abbott v. Burke that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

Since that time there has been much litigation and many cases affecting the State's responsibilities to fund public education and many legislative attempts to distribute State aid in accordance with the court cases and the constitutional requirement. The cases addressed not only current operating fund aid but also addressed the requirement to provide facilities aid as well. The legislation has included the QEA (now repealed), CEIFA and EFCFA, which became law on July 18, 2000. For many years aid was simply determined in the State Budget, which itself is an act of the legislature, based upon amounts provided in prior years. The most current school funding formula, provided in the School Funding Reform Act of 2008, P.L. 2007, c. 260 approved January 1, 2008 (A500), removed the special status given to certain districts known as Abbott Districts after the school funding cases and instead has funding follow students with certain needs and provides aid in a way that takes into account the ability of the local district to raise local funds to support the budget in amounts deemed adequate to provide for a thorough and efficient education as required by the State constitution. This legislation was challenged in the Court, and the Court held that the State's current plan for school aid is a "constitutionally adequate scheme".

Notwithstanding over 35 years of litigation, the State provides State aid to school districts of the State in amounts provided in the State Budget each year. These now include equalization aid, educational adequacy aid, special education categorical aid, transportation aid, preschool education aid, school choice aid, security aid, adjustment aid and other aid determined in the discretion of the Commissioner.

State law requires that the State will provide aid for the construction of school facilities (Facilities Aid) in an amount equal to the greater of the district aid percentage or 40% times the eligible costs determined by the Commissioner of Education either in the form of a grant or debt service aid as determined under the Education Facilities Construction and Financing Act of 2001. The amount of the aid to which a district is entitled is established prior to the authorization of the project. Grant funding is provided by the State up front and debt service aid must be appropriated annually by the State.

The State reduced debt service aid by fifteen percent (15%) for the fiscal year 2011. As a result of the debt service aid reduction, for the 2010-2011 fiscal year, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in their 2010-2011 budget representing 15% of the school district's proportionate share of the fiscal 2011 principal and interest payments on the outstanding EDA bonds issued to fund such grants.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Elementary and Secondary Education Act, as amended and restated by the No Child Left Behind Act of 2001, 20 U.S.C.A. § 6301 et seq., is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts federal law required.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N. J. S. A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes subject to a number of exceptions. All bonds and notes issued by the Constituent Municipalities are general full faith and credit obligations.

The authorized bonded indebtedness of the Constituent Municipalities for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its average equalized valuation basis. The Constituent Municipalities have not exceeded their statutory debt limit.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The Constituent Municipalities may exceed their debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Constituent Municipalities may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Constituent Municipalities or substantially reduce the ability of the Constituent Municipalities to meet their obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Constituent Municipalities to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Constituent Municipalities may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. A local unit’s bond anticipation notes must mature within one year, but may be renewed or rolled over. Bond anticipation notes, including renewals, must mature and be paid no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. For bond ordinances adopted on or after February 3, 2003, notes may only be renewed beyond the third anniversary date of the original notes if a minimum payment equal to the first year’s required principal payment on the bonds is paid to retire a portion of the notes on or before each subsequent anniversary date from funds other than the proceeds of bonds or notes. For bond ordinances adopted prior to February 3, 2003, the governing body may elect to make such minimum principal payment only when the notes are renewed beyond the third and fourth anniversary dates.

Local Budget Law (N. J. S. A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. The Constituent Municipalities, which operate on a calendar year (January 1 to December 31), must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the director of the Division (“Director”) prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations among others, for certification.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit’s expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year’s budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as any anticipated revenue in the budget in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by the last day of that fiscal year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.*)* imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Legislation constituting P.L. 2010, c. 44, approved July 13, 2010 limits tax levy increases for local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

Neither the tax levy limitation nor the "Cap Law" limits, including the provisions of the recent legislation, would limit the obligation of the Constituent Municipalities to levy *ad valorem* taxes upon all taxable real property within the Constituent Municipalities to pay debt service on its bonds or notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income, where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Constituent Municipalities' local School District and the County, the tax rate is struck by the Middlesex County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June by the Constituent Municipalities' Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first $1,500.00 of the delinquency and 18% per annum on any amount in excess of $1,500.00. These interest and penalties are the highest permitted under New Jersey statutes. If a delinquency is in excess of $10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Constituent Municipalities must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the Middlesex County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey, for further hearing. Some State Tax Court appeals may take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission.

FINANCIAL STATEMENTS

The audited financial statements of the Board as of and for the year ended June 30, 2011 are presented in Appendix B to this Official Statement (the "Financial Statements"). The Financial Statements have been audited by Wiss & Company, LLP, Iselin, New Jersey, an independent auditor (the "Board Auditor"), as stated in its report appearing in Appendix B to this Official Statement. *See* "APPENDIX B - Financial Statements of The Board of Education of the West Windsor-Plainsboro Regional School District, New Jersey as of and for the Year Ended June 30, 2011". Such Financial Statements are included herein for informational purposes only, and the information contained in these Financial Statements should not be used to modify the description of the security for the Bonds contained herein. The Board Auditor has not participated in the preparation of this Official Statement, except to the extent as previously stated.

LITIGATION

To the knowledge of the Board Attorney, Russell Weiss, Jr., Esq. of Parker McCay P.A., Lawrenceville, New Jersey (the "Board Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Board or the School District or the title of any of the present officers. To the knowledge of the Board Attorney, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a material adverse impact on the financial condition of the Board if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the Underwriter at the closing.

TAX EXEMPTION

Applicable federal tax law provides that interest on obligations such as the Bonds is not included in gross income for federal income tax purposes only if certain requirements are met. In its Certificate (the "Tax Certificate") as to Arbitrage and Compliance with the Internal Revenue Code of 1986, as amended (the "Code") which will be delivered in connection with the issuance of the Bonds, the Board will make certain representations, certifications of fact, and statements of reasonable expectation in connection with the issuance of the Bonds and certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the Bonds from gross income under Section 103 of the Code. Failure to comply with certain requirements of the Code could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

In the opinion of McManimon, Scotland & Baumann, LLC ("Bond Counsel"), in reliance on the representations, certifications of fact, and statements of reasonable expectation made by the Board in the Tax Certificate and assuming compliance by the Board with its ongoing covenants in the Tax Certificate, under existing statutes, regulations, administrative pronouncements and judicial decisions interest on the Bonds is not included in the gross income of the owners thereof for federal income tax purposes pursuant to the Code and is not an item of tax preference to be included in calculating alternative minimum taxable income under the Code for purposes of the alternative minimum tax imposed with respect to individuals and corporations. Interest on the Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax imposed on corporations as a result of the inclusion of interest on the Bonds in "adjusted current earnings."

New Jersey Gross Income Tax

In the opinion of Bond Counsel to be delivered simultaneously with the delivery of the Bonds, under existing law, interest on the Bonds and any gain on the sale of the Bonds are not includable in gross income under the existing New Jersey Gross Income Tax Act.

Certain Federal Tax Consequences Relating to the Bonds

Although interest on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The nature and extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions and certain recipients of Social Security benefits, are advised to consult their own tax advisors as to the tax consequences of purchasing or holding the Bonds.

There can be no assurance that legislation will not be introduced or enacted after the issuance and delivery of the Bonds that will affect adversely the exclusion from gross income for federal income tax purposes of interest on the Bonds. Each purchaser of the Bonds should consult his or her own advisor regarding any changes in the status of pending or proposed federal tax legislation.

Bank Qualification

The Bonds will not be designated as "qualified tax-exempt obligations" under Section 265 of the Code by the Board for an exemption from the denial of the deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE TAX IMPLICATIONS OF OWNERSHIP OF THE BONDS.

Proposals for Legislative Change

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. Such legislation could adversely impact the marketability and market value of the Bonds and prevent certain bondholders (depending on the financial and tax circumstances of the particular bondholder) from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

MUNICIPAL BANKRUPTCY

The undertakings of the Board should be considered with reference to 11 U.S.C. 401, et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants certain priority to debt owed for services or material; and provides that the plan must be accepted in writing by or on behalf of classes of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of such class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, any such lien, other than municipal betterment assessments, shall be subject to the necessary operating expenses of such project or system. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in such Bankruptcy Code.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a local unit has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Municipal Finance Commission must be obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board.

Reference to the Bankruptcy Code or the State statute should not create any implication that the Board expects to utilize the benefits of their provisions.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the Board, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix C. Certain legal matters will be passed on for the Board by its Board Attorney.

PREPARATION OF OFFICIAL STATEMENT

The Board hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm same to the Underwriter by certificates signed by the Board President and Assistant Superintendent for Finance/Board Secretary.

All other information has been obtained from sources that the Board considers to be reliable and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

Bond Counsel has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

RATINGS

Standard & Poor’s Corp. (“S&P”)) has assigned an underlying rating of “AAA” on the Bonds. Moody’s Investors Service (“Moody’s”)) has assigned an underlying rating of “Aa1” on the Bonds.

The ratings reflect only the view of the respective rating agency and an explanation of the significance of such ratings may only be obtained from the respective rating agency. The Board furnished to Moody’s and S &P certain information and materials concerning the Bonds and the School District. There can be no assurance that the ratings will continue for any given period of time or that the ratings will not be revised downward entirely by either or both rating agencies if, in their judgment, circumstances so warrant. Any downward change in or withdrawal of such ratings may have an adverse effect on the marketability or market price of the Bonds.

FINANCIAL ADVISOR

Municipal Capital Management, Inc., Mill Valley, California, has served as Financial Advisor to the Board with respect to the issuance of the Bonds ("Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto. The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

UNDERWRITING

The Bonds have been purchased from the Board at a public sale by ___________, __________, _________ (the “Underwriter”) at a purchase price of $___________ ("Purchase Price"). The Underwriter has purchased the Bonds in accordance with the Notice of Sale. The Purchase Price of the Bonds reflects a par amount of the bonds of $____________ plus a bid premium of $___________. The Bonds are being offered for sale at the yields or prices set forth on the inside front cover page of this Official Statement, which yields or prices may be changed from time to time by the Underwriter without notice.

The Underwriter intends to offer the Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices set forth on the cover page, and such public offering prices may be changed, from time to time, by the Underwriter without prior notice.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the arithmetic computations and yield calculations supporting the conclusions that (i) the principal amounts of, and interest earned on, the Government Obligations to be acquired with a portion of the proceeds of the Bonds, are sufficient to pay, when due, interest accrued on the Refunded Bonds to the Redemption Date and the redemption price of the Refunded Bonds on the Redemption Date; and (ii) the conclusion that the Bonds will not be "arbitrage bonds" under the Code, will be independently verified by Grant Thornton, Minneapolis, Minnesota.

SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Board of Education shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to February 1 of each year, beginning February 1, 2013, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or such other repository designated by the SEC to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Board of Education consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Board of Education and certain financial information and operating data consisting of (1) Board of Education and overlapping indebtedness including a schedule of outstanding debt issued by the Board of Education; (2) the Board of Education's most current adopted budget; (3) property valuation information; and (4) tax rate, levy and collection data. The audited financial statements will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law;

(b) if any of the following material events occur regarding the Bonds, a timely notice not in excess of ten business days after the occurrence of the event sent to EMMA:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(c) Notice of failure of the Board of Education to provide required annual financial information on or before the date specified in the Resolution shall be sent in a timely manner to EMMA.

(d) If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Resolution, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

(e) The Assistant Superintendent for Finance/Board Secretary shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Board of Education prior to their offering. Such officer is hereby authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in the Resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

(f) In the event that the Board of Education fails to comply with the Rule requirements or the written contracts or undertakings specified in the Resolution, the Board of Education shall not be liable for monetary damages, remedy being hereby specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

The Board is in compliance with all existing continuing disclosure agreements in all material respects.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Larry Shanok, Assistant Superintendent for Finance/Board Secretary, at (609) 716-5000, ext. 5020.

CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT

At the time of the original delivery of the Bonds, the Board will deliver a certificate of one of its authorized officials to the effect that he has examined this Official Statement (including the Appendices) and the financial and other data concerning the School District contained herein and that, to the best of his knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Bonds there has been no material adverse change in the affairs (financial or other), financial condition or results or operations of the Board except as set forth in or contemplated by the Official Statement.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Board and the Underwriter of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

THE WEST WINDSOR-PLAINSBORO
REGIONAL SCHOOL DISTRICT, NEW JERSEY

____

Larry Shanok, Assistant Superintendent for
Finance/Board Secretary

APPENDIX A

Economic and Demographic Information Relating to the School District and the Constituent Municipalities

INTRODUCTION

All financial and other information of the School District presented herein has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the School District.

THE SCHOOL DISTRICT

General

The School District, serving the Townships of West Windsor and Plainsboro, was formed pursuant to Chapter 13 of Title 18A of New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon approval of the voters of each municipality. The voters approved the formation of the School District on April 22, 1969 and it became a functioning entity on July 1, 1969.

The School District geographically includes the Township of West Windsor, located in the central northeastern section of Mercer County, New Jersey and the Township of Plainsboro, located in the southwestern corner of Middlesex County, New Jersey. It provides a comprehensive program for students in kindergarten through grade 12.

The School District is fully accredited by the State Department of Education. The business of the School District is conducted by a nine-member Board of Education, which is composed of five members from West Windsor and four members from Plainsboro.

Facilities

The School District currently operates the following ten schools:

Name of School	Pupil Capacity
Dutch Neck Elementary School - Grades K-3	836
Maurice Hawk Elementary School - Grades K-3	840
Town Center Elementary School at Plainsboro - Grades K-3	732
John V.B. Wicoff Elementary School - Grades K-3	430
Village School-Grades 4-5	704
Millstone River School - Grades 4-5	1,260
Community Middle School - Grades 6-8	1,300
Thomas R. Grover Middle School - Grades 6-8	1,300
West Windsor-Plainsboro High School South - Grades 9-12	1,610
West Windsor-Plainsboro High School North - Grades 9-12	1,875
TOTAL	10,887

Staff

The staffing for the School District consists of a Superintendent, a Deputy Superintendent, two Assistant Superintendents, a Comptroller, a Director of Human Resources, a Public Information Officer, ten Principals, 13 Assistant Principals, a Supervisor of Special Services, two Assistant Supervisors of Special Services, a Director of Guidance, a Director of Technology, a Director of Community Education, and eight Instructional Supervisors. There is a staff of approximately 850 full-time teachers (which includes 12 librarians, 13 nurses and 29 guidance counselors), 135 instructional assistants and 35 part-time teachers, serving a total resident enrollment of 9,895 students, as of October 15, 2011, including 135 special education students sent out of the District. In addition to the teaching staff, the School District employs a Director, Building and Grounds and an assistant director, a transportation coordinator and assistant transportation coordinator, 23 bus drivers and 119 other support staff.

Pupil Enrollments

The following table presents the actual historical pupil enrollments for the School District's academic years 2001/02 through 2011/12.

Pupil Enrollments(1)

School Year	Enrollment (as of October 15)
2001-02	8,586
2002-03	8,785
2003-04	9,043
2004-05	9,121
2005-06	9,300
2006-07	9,537
2007-08	9,712
2008-09	9,760
2009-10	9,822
2010-11	9,812
2011-12	9,895

(1) Does not include special education students enrolled out of the District.

Projected Future Enrollments(1)

School Year	Projected Enrollments
2012-2013	9,900

(1) Does not include special education students enrolled out of the District.

Labor Relations

The School District currently has contracts with the following bargaining units:

Bargaining Unit	Contract Expiration Date
West Windsor-Plainsboro Education Association	June 30, 2013
West Windsor-Plainsboro Administrators Association	June 30, 2015
West Windsor-Plainsboro Service Association	June 30, 2012(1)

(1) Under negotiation.

Pensions

Substantially all of the School District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund ("TPAF") or the Public Employees' Retirement System ("PERS"). These systems are sponsored and administered by the State of New Jersey. The TPAF retirement system is considered a cost-sharing multi-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the School District and the system's other related non-contributing employers. The PERS is considered a cost sharing multiple-employer plan.

Financial Operations

The Townships of West Windsor and Plainsboro collect taxes on behalf of the School District. The Townships remit the School District's portion of taxes on a periodic basis that is based on school needs throughout the year. The Townships are responsible for collecting the entire levy and must remit 100% of the tax levy to the School District, regardless of whether the Townships are able to collect the full levy. Thus, the Townships bear the effect of delinquencies for the payments due the School District.

The following table summarizes information on changes in fund balances, Governmental Funds (modified accrual basis of accounting) for fiscal years ending June 30, 2007 through 2012. This summary should be used in conjunction with the tables from which it is derived. See the attached audited financial statements for additional information.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
Fiscal Year Ending June 30

	2007	2008	2009	2010	2011	2012[1]
Tax Levy	$126,455,250	$130,099,540	$134,070,787	$134,786,328	$143,541,857	$146,613,048
Tuition Charges	726,294	480,269	497,567	374,964	203,146	315,571
Interest Earnings	1,745,268	1,760,901	499,440	85,902	56,381	101,274
Miscellaneous	527,119	754,574	661,337	503,320	599,824	4,340,785
State Sources	21,408,126	21,655,358	21,088,291	19,790,227	15,318,400	19,234,565
Federal Sources	1,979,665	2,093,532	2,921,546	3,057,496	2,824,403	2,633,753
Total Revenues	152,841,722	156,844,174	159,738,968	158,598,237	162,504,011	173,238,996
Expenditures						
Instruction	58,332,449	60,625,293	64,788,179	65,376,523	64,851,278	70,917,308
Support Services	78,143,070	78,948,548	78,940,541	82,304,018	79,206,266	74,159,941
Special Schools	8,570	10,428	9,286	1,304	2,362	955
Charter Schools	-	69,569	9,693	10,088	-	16,663
Capital Outlay	8,359,937	4,742,343	6,643,055	3,573,031	1,329,878	9,459,700
Total Debt Service	10,190,900	10,594,901	10,288,703	10,595,926	10,352,032	9,736,204
Total Expenditures	155,034,926	168,499,456	160,679,567	161,861,617	155,741,816	164,290,771
Excess (Deficiency) of Revenues over (under) Expenditures	(2,193,204)	(11,655,282)	(940,599)	(3,263,380)	6,762,195	8,948,225
Total Other Financing Sources	$ 17,470,902	$ 9,995,991	$ -	$ -	$ -	$ -
Net Change in Fund Balances	$ 15,277,698	$ (1,659,291)	$ (940,599)	$ (3,263,380)	$ 6,762,195	$ 8,948,225

Source: Comprehensive Annual Financial Reports and the School District.
[1] Unaudited.

Fiscal 2012 Budget

The School District's budget for the fiscal year 2011-12 was presented to the voters on April 27, 2011 and was defeated. This was the first time the budget had been defeated by the voters for 12 years. The School District was then required to send budget documents to each municipality within its jurisdiction to approve cuts to the proposed budget and a final tax levy. The total certified budget was $162,189,590, which included a General Current Expense budget of $144,092,958. In addition to the General Current Expense budget, expenditures included $9,736,204 for debt service, $1,142,000 for capital outlay, $2,120,754 for special revenue funds and $9,286 for special schools. The sources of revenues for the fiscal 2011-12 budget included $147,346,414 from the local tax levy and other local sources, $5,158,779 from State sources, $2,344,312 from Federal sources and $3,202,925 of budgeted fund balance. The cuts approved by the municipalities amounted to a $503,000 reduction to the General Fund and was spread between the General Current Expense and Capital Outlay.

Fiscal 2013 Budget

The School District's budget for the fiscal year 2012-13 was approved by the voters on April 17, 2012 with 2,093 voting YES and 943 voting NO. The total adopted budget is $165,153,122, which includes a General Current Expense budget of $147,278,314. In addition to the General Current Expense budget, expenditures include $9,567,540 for debt service, $1,500,000 for capital outlay, $1,829,076 for special revenue funds and $9,286 for special schools. The sources of budgeted revenues for the fiscal 2011-12 budget include $145,848,361 from the local tax levy and other local sources, $7,801,616 from State sources, $1,723,457 from Federal sources and $5,677,110 of budgeted fund balance.

School Debt

The following schedule shows the debt service on the existing long-term bonds of the School District, as of July 31, 2012:

Fiscal Year	Outstanding Debt		Total
Ending June 30	Principal	Interest	Debt Service
2013	6,165,000.00	3,402,540.02	9,567,450.02
2014	6,475,000.00	3,126,140.02	9,601,140.02
2015	6,605,000.00	2,838,365.02	9,443,365.02
2016	6,640,000.00	2,541,240.02	9,181,240.02
2017	6,670,000.00	2,254,108.76	8,324,108.76
2018	6,645,000.00	1,978,927.52	8,623,927.52
2019	6,825,000.00	1,702,090.02	8,527,090.02
2020	7,105,000.00	1,418,540.02	8,523,540.02
2021	7,085,000.00	1,126,315.01	8,211,315.01
2022	4,505,000.00	888,365.02	5,393,365.02
2023	4,525,000.00	704,377.52	5,229,377.52
2024	4,550,000.00	521,077.52	5,071,077.52
2025	4,590,000.00	338,186.26	4,928,186.26
2026	2,187,000.00	201,310.63	2,388,310.63
2027	2,260,000.00	111,856.25	2,371,856.25
2028	720,000	28,800.00	748,800.00
Total	$83,552,000.00	$23,182,239.61	$106,734,239.61

Debt Limit of the School District

The debt limitations of the School District are established by statute (N.J.S.A. 18A:24-19). The School District is permitted to incur debt up to 4% of the average equalized valuations of its constituent municipalities before requiring approval by state regulatory authorities. The following is a summation of the School District's available borrowing power as of June 30, 2012 (unaudited).

Average Equalized Valuation of Real Property for 2010, 2011 and 2012[1]	$10,046,108,460
Permitted Debt Limitation (4%)	$401,844,338
Less: Gross Bonded School Debt Issued & Auth. But Unissued	$ 83,552,420
Remaining Limitation of Indebtedness	$318,291,918
Percentage of Net School Debt to Average Equalized Valuation	0.82%

[1] Represents combined averages of equalized valuation basis of real property for the years 2010, 2011 and 2012 for West Windsor Township and Plainsboro Township.

Short-Term Debt

The School District currently has no short-term debt outstanding.

Lease Obligations

The School District currently has no lease-purchase financing transactions outstanding.

Future Borrowing Plans

The School District held a referendum on January 24, 2006, comprised of two parts totaling approximately $27.5 million for renovations and improvements to schools throughout the School District (the "2006 Project"). The referendum was approved by the voters. The Board issued $17,507,000 of bonds in February, 2007. The Board of Education issued the remaining authorization, totaling $9,995,000, through the issuance of bonds in March 2008. There are no current plans to pursue a new referendum or to issue new debt, apart from refinancing as opportunities may arise.

INFORMATION ON WEST WINDSOR AND PLAINSBORO TOWNSHIPS

The land area of the Township of West Windsor is approximately 26 square miles. The land area of the Township of Plainsboro is approximately 11.8 square miles.

The Township of West Windsor is located in the central northeastern section of Mercer County. The Township of Plainsboro is located in the southwestern corner of Middlesex County. The Townships are bordered by the Townships of South Brunswick and Cranbury in Middlesex County and the Townships of East Windsor, Princeton, Lawrence, Hamilton and Washington in Mercer County. The two Townships are located midway between New York City and Philadelphia and are served by a network of roads, including easy access to the New Jersey Turnpike and Route 1. Township residents also have direct Amtrak and N.J. Transit rail line access to Newark, New York City and Trenton from the Princeton Junction train station, which is located in the Township of West Windsor.

The Newark and Philadelphia airports are both within one hour of the Townships. In addition, Mercer County Airport, a major regional facility, provides direct daily commuter service.

The Townships are within close proximity of Princeton University, Rider University and The College of New Jersey. Rutgers, the State University is within easy commuting distance. There are several major corporate and university office and research facilities located in West Windsor and Plainsboro, as well as commercial, office/research and residential development. The following material presents certain economic and demographic information on the Township of West Windsor, County of Mercer, and the Township of Plainsboro, County of Middlesex.

Employment and Unemployment Comparisons

	Labor Force	**Employment**	**Unemployment**	**Unemployment Rate**
West Windsor Township*				
2011	15,564	14,847	717	4.6%
2010*	15,474	14,722	752	4.9%
2009*	15,076	14,331	745	4.9%
Plainsboro Township*				
2011	13,569	12,951	619	4.6%
2010*	13,557	12,915	642	4.7%
2009*	13,385	12,775	610	4.6%
State of New Jersey*				
2011	4,556,200	4,131,800	424,400	9.3%
2010*	4,554,100	4,116,600	437,400	9.6%
2009*	4,546,400	4,138,400	408,000	9.0%

*Revised; 2011 Benchmark. Numbers may not add due to rounding.
Source: New Jersey Department of Labor and Work Force Development, Bureau of Labor and Market Information-Local Area Unemployment Statistics.

Income Statistics (2010 Estimates)

	Median Household Income
Mercer County	$71,716
West Windsor Township	$129,206
Middlesex County	$76,355
Plainsboro Township	$87,171

Source: U.S. Census Bureau, 2008-2010 American Community Survey

Population

	2010[1]	2000	1990	1980	1970	1960
West Windsor	26,745	21,907	16,021	8,542	6,431	4,016
Plainsboro	22,765	20,215	14,213	5,605	1,648	1,171
Mercer County	365,432	350,761	325,824	307,863	304,116	266,392
Middlesex County	805,127	750,162	671,780	595,893	583,813	433,856
State of New Jersey	8,756,104	8,414,350	7,730,188	7,364,823	7,171,112	6,066,782

Source: U.S. Census Bureau.
[1] 2008-2010 American Community Survey..

THE TOWNSHIP OF WEST WINDSOR

The following material presents certain financial information on the Township of West Windsor.

Governmental Structure

The Township is governed by a Mayor and a five member Township Council, all non-partisan. The Mayor and members of Council are elected at large for four year staggered terms. Its professional staff is headed by an appointed, non-partisan Township Administrator, a position established by ordinance and recognized by the International City Management Association.

The Township's has a significant number of active volunteer boards, committees and commissions with over 113 members serving the Township's interests without salary. These working bodies have been instrumental in, among other things, developing and implementing land use policies and promoting the Township and related events.

Major Employers

The ten largest employers in the Township of West Windsor, based upon their estimate of full time employees as of December 31, 2011, are listed below.

Company or Organization	Type of Industry	Employees
Mercer County Community College	Education	1,394
West Windsor-Plainsboro Reg. School Dist.	Education	1,171 (1)
Covance, Inc.	Pharmaceutical	1,000
Bristol Meyers Squibb	Pharmaceutical	900
URS (formerly The Washington Group)	Engineering & Construction	850
Wegmans	Grocery	515
Sam’s Club/Wal-Mart	Retail	458
Sarnoff	Research & Development	425
Mathmatica Policy Research	Public Policy Research	407
GE Healthcare	Pharmaceutical	385

(1) Includes employees in both West Windsor and Plainsboro Townships.
Source: West Windsor Township.

Largest Taxpayers

The ten largest taxpayers in West Windsor, along with their respective 2011 assessed valuations, are listed below:

Name of Taxpayer	Principal Use	2011 Taxable Assessed Valuation
Boston Properties, Ltd.	Office Buildings	$352,055,700
Hilton Real Estate (various partnerships)	Offices, Apartments & Retail	76,070,800
Princeton Junction Apartments LP	Apartments	72,712,604
Nassau Pavilion Associates	Kohls, Dick's & Wegman's	63,959,000
Avalon Properties	Apartments	58,000,000
West Windsor Developers & Plaza Assoc.	Retail Stores & Apartments	57,872,000
WW Commons-Roszel Road Investors	Office Buildings	57,476,100
Mack-Cali Real Estate Investment Trust	Office Buildings	57,439,700
Teachers Insurance & Annuity Assoc.	Marketfair Mall	56,633,000
W.W. Property Investors	Wal-Mart & Sam's Club	45,000,000

Source: West Windsor Township.

Building Permits

A five year history of residential building permits and construction valuation is shown below.

Annual New Privately-Owned Residential Building Permits

	Residential Housing Units.		Construction
Year	SFD	Multi	Valuation
2011	28	55	$8,374,415
2010	42	280	32,659,634
2009	16	0	4,563,713
2008	18	0	8,496,686
2007	62	0	11,014,117

Sources: U.S. Census Bureau, Construction Statistics Division.

Tax Rates and Assessed Valuations

Tax Rates Per $100

	2007	2008	2009	2010	2011
Apportionment of tax rate:					
Municipal	$ .280	$ .314	$ .331	$ .345	$ .369
Municipal Open Space	.030	.030	.030	.030	.030
County[1]	.471	.506	.525	.573	.576
Regional School	1.201	1.252	1.304	1.341	1.426
Total tax rate	$1.982	$2.102	$2.190	$2.289	$2.401

Source: West Windsor Township

Comparisons of Tax Levies and Collections Currently

Year	Tax Levy	Cash Collection	Percentage of Collection
2011[1]	$144,827,486	$143,794,116	99.29%
2010	140,343,474	139,404,307	99.33
2009	138,013,250	137,113,807	99.34
2008	133,474,279	132,512,184	98.28
2007	128,116,540	127,430,468	99.46

[1] Unaudited.
Source: West Windsor Township.

Comparative Schedule of Fund Balances (Current Fund)

Year	Balance December 31	Utilized in Budget of Succeeding Year
2011	$ 7,054,421	$ 4,435,000
2010	6,845,561	4,435,000
2009	7,343,137	4,400,000
2008	7,817,832	4,200,000
2007	8,251,379	4,200,000

Source: West Windsor Township.

Township of West Windsor
Assessed and True Valuations
2007 - 2012

Year	Aggregate Assessed Valuation of Real Property	Ratio of Assessed to True Value of Property	Aggregate True Value of Real Property [1]
2012	$5,939,288,253	[2]	[2]
2011	5,954,491,353	96.18%	$6,190,987,059
2010	6,072,326,353	97.30	6,240,828,729
2009	6,199,020,253	97.27	6,373,003,241
2008	6,223,235,653	100.47	6,194,123,274
2007[3]	6,287,299,113	101.34	6,204,163,324

[1] Exclusive of Class II Railroad Property and Personal Property.
[2] Not available.
[3] Not certified by the New Jersey Tax Court.
Source: New Jersey Department of the Treasury, Division of Taxation, Certified Tables of Equalized Valuations for 2007 – 2011 and West Windsor Township for 2012.

Township Indebtedness

Following is the debt statement of all of West Windsor's direct debt. Direct debt consists of general obligation bonds and bond anticipation notes issued by West Windsor. Also included in the debt statement is the overlapping debt of entities that have direct and indirect taxing consequences for West Windsor. These are the School District, Mercer County, the West Windsor Parking

Authority and the Stony Brook Regional Sewerage Authority. The Mercer County Improvement Authority's outstanding debt is revenue bonds secured by the revenue of the financed projects. West Windsor's share of the principal of the overlapping authorized and issued debt for the County is based on the Township's percentage of total equalized valuation in the County and for the School District is based on the Township's aggregate true value of real property for the last three years.

Direct Debt as of December 31, 2011:

Total Statutory Net Direct Debt	$39,062,559.67
Average Equalized Valuation Basis (2009, 2010, 2011)	$5,752,085,413
Percentage of Net Debt to Average Equalized Valuation	0.62%

Statement of Overlapping Debt
as of December 31, 2011

	Total Debt	Percentage	Debt
County of Mercer	$655,726,239	13.98%	$ 91,670,528
Mercer County Impr. Auth.	393,795,860	13.59%	53,516,857
West Windsor-Plainsboro Reg. School District	85,027,000	61.55%	52,334,118
Stony Brook Reg. Sewer Auth.	28,922,428	21.495%	6,216,875
West Windsor Parking Auth.	460,000	100.00%	460,000 [1]
Total Overlapping Debt			$ 197,981,503

[1] Does not include $4,720,000 Parking Revenue Bonds issued by the West Windsor Parking Authority in April 2012.
Source: West Windsor Township and District.

THE TOWNSHIP OF PLAINSBORO

The following material presents certain financial information on the Township of Plainsboro.

Governmental Structure

The Township of Plainsboro is governed by a Township Committee whose five members are elected at large for staggered three-year terms. A mayor and deputy mayor are selected annually by the Township Committee from their membership.

The professional staff is headed by an appointed Township Administrator, a position established by ordinance and recognized by the International City Management Association. The Township has six departments: Administration, Community Development, Finance, Human Services, Public Safety, and Public Works and Public Property (each headed by a director). Many of the Township's operations, i.e., planning board, zoning board of adjustment and other advisory committees, are conducted by volunteers with over 125 members serving the Township's interests. Autonomous fire district and rescue squad organizations provide volunteer fire fighting and emergency-medical transportation services.

Major Employers

The largest employers in Plainsboro are listed below.

Company or Organization	Type of Industry	Employees
Bristol-Myers Squibb Co.	Pharmaceuticals	1,550
Munich Re-Insurance	Insurance	980
Firmenich	Flavor/Fragrance Manufacturing	810
Nova Nordisk	Pharmaceuticals	780
PPPL (formerly Princeton Plasma Physics)	Research	404
Integra Life Sciences	Pharmaceuticals	320
Bloomberg	Communications	230
Robert Wood Johnson Foundation	Philanthropy	200
Princeton eCom	Telecom	200
State Street Corp.	Financial Services	50

Source: Township of Plainsboro.

Largest Taxpayers

The ten largest taxpayers in Plainsboro, along with their respective 2011 real property assessed valuations are listed below:

Name of Taxpayer	Principal Use	2011 Taxable Assessed Valuation
Bell Scudders LLC (ER Squibb)	Office Buildings	$ 150,598,500
AG-Candlebrook	Apartments	118,656,000
Firmenich, Inc.	Manufacturing & Offices	99,500,000
800 Scudders Holdings, LLC	Office Building	90,000,000
HP Ravens Crest II, LLC	Apartments	85,184,000
Munich Re-Insurance	Corporate Offices	77,417,000
Hunters Glenn XII	Apartments	77,100,000
College Road Associates	Office Rental	70,000,000
AG/VP Fox Run Onwer LLC	Apartments	64,447,800
Princeton Owner Corp.	Office Rentals	51,687,000

Source: Township of Plainsboro.

Building Permits

A five year history of residential building permits and construction valuation is shown below.

Annual New Privately-Owned Residential Building Permits

	Residential Housing Units.		Construction
Year	SFD	Multi	Valuation
2011	0	0	$0
2010	5	0	791,800
2009	7	0	1,228,508
2008	26	0	1,998,900
2007	11	0	1,349,700

Sources: U.S. Census Bureau, Construction Statistics Division.

.

Tax Rates and Assessed Valuations

Analysis of Tax Rates Per $100

	2007	2008	2009	2010	2011
Apportionment of tax rate:					
Municipal	$ .299	$ .316	$ .334	$ .343	$ .349
Municipal Open Space	.011	.009	.010	.010	.010
County [1]	.311	.299	.308	.314	.356
Regional School	1.439	1.354	1.446	1.549	1.622
Fire District	.048	.051	.050	.050	.050
Total tax rate	$2.108	$2.029	$2.148	$2.266	$2.387

[1] Includes County Open Space.
Source: District CAFR.

Comparisons of Tax Levies and Collections Currently

Year	Tax Levy	Cash Collections	Percentage of Collections
2011	$ 89,269,188.62	$ 89,111,019.45	99.82%
2010	85,277,577.93	85,014,525.99	99.69%
2009	81,203,869.55	80,897,938.03	99.62%
2008	75,905,056.54	75,643,780.10	99.66%
2007	78,394,334.80	78,188,681.30	99.74%

Source: Township of Plainsboro

Comparative Schedule of Fund Balances (Current Fund)

Year	Balance December 31	Utilized in Budget of Succeeding Year
2011	$ 6,346,831.67	$5,140,000
2010	4,690,260.26	4,000,000
2009	5,242,706.84	4,475,000
2008	4,031,935.05	3,275,000
2007	4,622,766.00	3,275,000

Source: Plainsboro Township.

Township of Plainsboro
Assessed and True Valuations
2007 - 2011

Year	Aggregate Assessed Valuation of Real Property	Ratio of Assessed to True Value of Property	Aggregate True Value of Real Property (1)
2011	$3,693,814,875	95.51%	$3,867,464,009
2010	3,718,402,786	97.10	3,829,457,040
2009	3,698,278,800	97.06	3,810,301,669
2008	3,674,769,100	97.92	3,752,827,921
2007(2)	3,674,557,500	97.29	3,776,911,810

(1) Exclusive of Class II Railroad Property and Personal Property.
(2) Not certified by the New Jersey Tax Court.
Source: New Jersey Department of the Treasury, Division of Taxation, Certified Tables of Equalized Valuations.

Township Indebtedness

Following is the debt statement of all of Plainsboro's direct debt currently outstanding. Direct debt consists of general obligation bonds issued by Plainsboro. Also included in the debt statement is the overlapping debt, which has direct and indirect taxing consequences for Plainsboro. Plainsboro's share of the principal of the overlapping net debt for Middlesex County and for the School District is apportioned in relation to the aggregate true value for real property for 2004, 2005 and 2006.

Direct Debt as of December 31, 2011:

Total Statutory Net Direct Debt	$50,911,782.48
Average Equalized Valuation Basis (2009, 2010, 2011)	$3,835,740,906
Percentage of Net Debt to Average Equalized Valuation	1.327%

Statement of Overlapping Debt
December 31, 2011

Overlapping Debt	Principal Amount	Township Share Percent	Township Share Amount
Middlesex County Net Debt	$ 639,968,209	3.43%	$ 21,991,228
School District Gross Direct Debt	85,027,000	38.45%	32,692,882
Total Net Overlapping Debt	$ 724,995,209		$ 54,684,110

Sources: Township of Plainsboro and District.

APPENDIX B

Financial Statements of The West Windsor-Plainsboro Regional School District, New Jersey as of and For the Year Ended June 30, 2011

West Windsor-Plainsboro Regional School District

West Windsor-Plainsboro Regional School District
West Windsor
Mercer County, New Jersey

Comprehensive Annual Financial Report
For the Year Ended June 30, 2011

Table of Contents (continued)

Financial Section

WISS
ACCOUNTANTS
CONSULTANTS

Independent Auditors' Report

Honorable President and
Members of the Board of Education
West Windsor-Plainsboro Regional School District
County of Mercer, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the West Windsor-Plainsboro Regional School District, County of Mercer, New Jersey (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2011 and the respective changes in financial position, and cash flows where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and budgetary comparison as found in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Scott A. Clelland

Scott A. Clelland
Licensed Public School Accountant
No. 1049

Wiss & Company

WISS & COMPANY, LLP

October 25, 2011
Iselin, New Jersey

Required Supplementary Information
Part I

Management's Discussion and Analysis

West Windsor-Plainsboro Regional School District
West Windsor, New Jersey
Management's Discussion and Analysis
Year ended June 30, 2011
(Unaudited)

The discussion and analysis of West Windsor-Plainsboro Regional School District's ("WW-P") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at WW-P's financial performance as a whole; readers also should review the financial statements, notes, and additional information in the transmittal letter to enhance their understanding of WW-P's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal 2011 are as follows:

- Total net assets are $78,145,436. It is composed of both current and capital assets less current and outstanding long-term liabilities (Schedule A-1).

- General revenues accounted for $159,048,513 of total revenue or 94.5 percent of all revenues. Program specific revenues in the form of charges for services, grants, aid, and contributions accounted for $9,250,029 or 5.5 percent of total revenues of $168,298,542 (Schedule A-2).

- The District had $154,023,842 in governmental activities expenses. Of that amount, the General Fund expenditures totaled $141,492,334 including $9,177,521 in State TPAF pension and social security contributions. Grant-related expenditures totaled $3,104,161 in the special revenue fund. Business-type activities expenses were $5,102,436.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the West Windsor-Plainsboro Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The three components that comprise the District's basic financial statements are: government-wide financial statements; fund financial statements; and notes to the basic financial statements. The CAFR also contains required and other supplementary information in addition to the basic financial statements themselves.

Reporting the School District as a Whole

Government-wide Statements

The Statement of Net Assets and Statement of Activities provide information about the activities of the entire District, and are designed to provide readers with a broad overview of the District's finances in a manner similar to private-sector business. These government-wide statements found at A-1 and A-2 are not intended to drive budgetary decisions of the Board of Education. Instead, the fund statements found at B-1 through B-8 as well as the supplementary budgetary comparison at C-1 should be utilized, as in the past, for the decision making of the Board of Education. The fund financial statements are explained later in this MD&A.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Governmental activities – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of facilities, pupil transportation, and extracurricular activities.

- Business-type activities – Programs reported here are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods and services be financed through user charges. The Food Service Enterprise Fund is reported as a business-type activity, as is Community Education (Student Care and Adult Education Programs).

The government-wide financial statements are Schedules A-1 and A-2.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements are utilized for District financial decision making.

Governmental Funds

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

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund, and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements are Schedules B-1, B-2 and B-3.

Enterprise Fund

The District maintains two enterprise funds, which are proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses enterprise funds to account for the operations of its food service program and community education program, both of which are considered to be major funds of the District.

The basic enterprise fund financial statements are Schedules B-4, B-5 and B-6.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs. The District uses trust funds to account for the activity in its private-purpose scholarship fund and unemployment compensation trust fund. The District uses agency funds to account for resources held for student activities and groups, and payroll-related liabilities. The basic fiduciary fund financial statements are Schedules B-7 and B-8.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23 through 50 of this report.

The School District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may serve as an indicator of a government's financial position. However, as noted earlier, net assets are not the primary basis for decision making for each budget cycle. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of WW-P's net assets relating to the District's governmental and business-type activities over the past two years.

Net Assets

June 30, 2011 and 2010

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 33,592,399	$ 29,684,171	$5,757,455	$ 5,401,017	$ 39,349,854	$ 35,085,188
Capital assets, net	135,927,733	140,333,031	166,274	162,205	136,094,007	140,495,236
Total assets	169,520,132	170,017,202	5,923,729	5,563,222	175,443,861	175,580,424
Current liabilities and other	10,439,806	13,309,632	129,158	480,375	10,568,964	13,790,007
Long-term liabilities	86,709,832	92,817,245	19,629		86,729,461	92,817,245
Total liabilities	97,149,638	106,126,877	148,787	480,375	97,298,425	106,607,252
Net assets:						
Invested in capital assets, net of related debt	46,951,444	45,082,595	134,439	133,990	47,085,883	45,216,585
Restricted	23,091,604	17,757,994			23,091,604	17,757,994
Unrestricted	2,327,446	1,049,736	5,640,503	4,948,857	7,967,949	5,998,593
Total net assets	$ 72,370,494	$ 63,890,325	$ 5,774,942	$ 5,082,847	$ 78,145,436	$ 68,973,172

The largest portion of WW-P's net assets is its investment in capital assets, e.g. land, construction in progress, buildings and improvements, and furniture and equipment, net of accumulated depreciation, less any related debt (general obligation bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The decrease in the District's current liabilities primarily resulted from a large decrease in outstanding insurance and employee benefit payments at fiscal year end.

A portion of the District's net assets represent a balance of restricted net assets. This balance reflects the net assets in the debt service fund and other reserve accounts, including capital reserve, maintenance reserve, emergency reserve and excess fund balance designated for subsequent years expenditures. The increase primarily resulted from an increase in the District's current year excess surplus generated, which is an increase of $6.2 million from prior year's excess surplus. This was primarily caused by the reduction in staff and a reduction in expenditures related to a change in the student population. The remaining balance of unrestricted net assets may be used to meet the District's ongoing obligations to citizens and creditors.

Total net assets increased by approximately $9.2 million, as a result of a combination of an increase of the excess surplus – current year by $6.2 million and a $1.9 million increase in the investment in capital assets, net of related debt.

The following table presents changes in net assets for the fiscal years ended June 30, 2011 and 2010.

Changes in Net Assets
(000's)

	Governmental Activities		Business-type Activities		Total	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**
Revenues:						
Program revenues:						
Charges for services	$ 203	$ 375	$ 5,343	$ 5,411	$ 5,546	$ 5,786
Operating grants and contributions	3,104	3,043	451	513	3,555	3,556
Capital grants/contributions	148	442			148	442
General revenues:						
Property taxes	143,542	134,786			143,542	134,786
Federal and state aid not restricted to specific purposes	15,131	19,448			15,131	19,448
Earnings on investments	56	86			56	86
Miscellaneous	320	418			320	418
Total revenues	162,504	158,598	5,794	5,924	168,298	164,522
Expenses:						
Instructional services	97,493	98,010	2,117	2,652	99,610	100,662
Support services	52,417	54,537	2,985	3,036	55,402	57,573
Special schools	2	1			2	1
Charter schools		10				10
Interest on long-term liabilities	4,112	4,414			4,112	4,414
Total expenses	154,024	156,972	5,102	5,688	159,126	162,660
Increase in net assets	8,480	1,626	692	236	9,172	1,862
Net assets – beginning	63,890	62,264	5,083	4,847	68,973	67,111
Net assets – ending	$ 72,370	$ 63,890	$ 5,775	$ 5,083	$78,145	$ 68,973

Net assets increased by approximately $9.2 million. The increase in net assets was higher than prior year's increase primarily due to an overall decrease of $3.9 million in general fund expenditures, an increase of general fund tax levy of $5.2 million, a decrease in state general fund sources of revenue $4.8 million and a $1.9 million increase in the investment in capital assets, net of related debt.

Financial Analysis of the District's Funds

Governmental Funds (Schedules B-1 and B-2)

Governmental funds are accounted for using the modified accrual basis of accounting. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is essential in assessing the District's financing requirements.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility of sound financial management. The following schedules represent revenues and expenditures from a New Jersey budgetary viewpoint. The first schedule presents a summary of the revenues of the General Fund, Special Revenue Fund and Debt Service Fund for the fiscal year ended June 30, 2011, an increase and the amount and percentage of increases and (decreases) in relation to prior year revenues.

Revenues

Year Ended June 30, 2011

Revenue	Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Local sources	$ 144,312,050	88.9%	$8,574,102	6.3%
State sources	15,170,209	9.3	(4,177,584)	(21.6)%
Federal sources	2,824,403	1.8	(233,093)	(7.6)%
Total	$ 162,306,662	100.0%	$4,163,425	2.6%

The increase in the local sources was primarily as a result of the general fund and debt service fund tax levy by approximately $8.7 million. The reduction in the state sources was mainly attributable to the reduction in state aid. Federal sources decreased due to a decrease of the utilization of federal grant revenue relating to the Title I program by approximately $56,000, the I.D.E.I.A. program by approximately $136,000 and the Adult Basic Education program by $22,000.

Expenditures

Year Ended June 30, 2011

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the year ended June 30, 2011, and the percentage of increases and (decreases) in relation to prior year amounts.

Expenditures	Amount	Percent of Total	(Decrease) Increase From 2010	Percent of (Decrease) Increase
Current:				
Instruction	$ 69,220,219	44.7%	$ (1,596,040)	(2.3)%
Undistributed expenditures	74,837,325	48.3	(2,027,684)	(2.6)
Capital outlay	536,589	0.3	(132,418)	(19.8)
Special schools	2,362	0.1	1,058	81.1
Debt Service:				
Principal	6,370,000	4.1	55,000	0.9
Interest	3,982,032	2.5	(298,894)	(7.0)
Total	$ 154,948,527	100%	$ (3,998,978)	(2.5)%

The decrease is mainly the result of reduction of staff at various levels, a change in the needs of the student population, and a reduction in student transportation costs. Capital outlay expenditures reflect the current spending level.

Debt Service reported higher principal expenditures, reflecting the current year's principal repayment schedule and a decrease in interest expense due to the decreased level of outstanding principal as a result of the District's principal payments.

General Fund Budgeting Highlights (Schedule C-1)

The District's budget is prepared according to New Jersey law. The most significant budgeted fund is the General Fund.

The largest difference to the budget on the revenue side was due to the reduction in state and federal aid.

Fiscal discipline freed up funds in some budget areas, allowing selected budgetary transfers to be made between budgetary line items and approved by the Board for various reasons including:

- Undistributed expenditures – required maintenance for school facilities - salaries – a decrease of $1,491,472. With the transfer, $363,466 was expended on salaries, 80% lower than prior year.

- Undistributed expenditures – required maintenance for school facilities – cleaning, repair and maintenance services – an increase of $2,160,930. With the transfer, $2,229,458 was expended on cleaning, repair and maintenance services, 180% higher than prior year.

- Undistributed expenditures – custodial services – salaries – a decrease of $2,851,803. With the transfer, $273,282 was expended on salaries, 91.2% lower than prior year.

- Undistributed expenditures – custodial services – cleaning, repair and maintenance services – an increase of $2,747,289. With the transfer, $3,062,526 was expended on cleaning, repair and maintenance services, 6,209% higher than prior year.

- Undistributed expenditures – personal services – employee benefits – health benefits – a decrease of $858,506. With the transfer, $17,994,442 was expended on health benefits, 2.3% lower than prior year.

The above bullet points reflect the impact of the first year of the privatization of buildings and grounds services.

The District also experienced significant variations between the final amended budget and the actual expenditures for various reasons including:

- Undistributed expenditures – instruction – tuition to private schools for the disabled within state – a remaining balance of $849,372. Similarly, a balance of $419,035 represents tuition to private schools for the disabled out of the state. This was due to a reduction in the student population needing related services.

- Undistributed expenditures – support service - general administration – other purchased professional services – a remaining balance of $439,762. Transfers of $520,040 were primarily in support of the sizeable construction program. The remaining balance is largely due to architectural/engineering fees incurred ran lower than anticipated, as well as a moderate level of legal expenditures in 2010-11.

- Undistributed expenditures – support service - school administration – purchased professional and technical services – a remaining balance of $445,337. Funds that typically are budgeted in support of technology were not utilized. Technology spending was down for the year.

- Undistributed expenditures – required maintenance for school facilities – cleaning, repair and maintenance services – a remaining balance of $423,290. Large transfers to cover the outsourcing of these activities combined with the original budget to exceed the total outside costs incurred for these services.

- Undistributed expenditures – custodial services – energy – a remaining balance of $642,243. While utility costs escalated by 22% overall, the economic downturn slowed the rate of growth resulting in the unspent balance compared to budget.

Once again the District operated prudently. Total revenues increased 2.6%. Total expenditures decreased 2.5% in the face of increasing individual labor and benefit costs. Labor costs met contractual expectations. Spending on utilities increased 21.6%. Spending on capital outlay declined 19.8%. With this overall favorable outcome for the year, the district funded both tax relief and additions to state allowed capital reserve accounts.

Capital Assets

At June 30, 2011 and 2010, the District had a net investment of $136,094,007 and $140,495,236, respectively, in land, construction in progress, site improvements, building and building improvements, and machinery, equipment and vehicles.

	Capital Assets (Net of Depreciation)			
	Governmental Activities		Business-type Activities	
	2011	2010	2011	2010
Land	$ 7,722,907	$ 7,722,907		
Construction in progress		27,803,940		
Site improvements	4,495,456	4,563,052		
Building and building improvements	120,712,390	96,740,477		
Machinery and equipment	2,996,980	3,502,655	$ 166,274	$ 162,205
Total	$135,927,733	$140,333,031	$ 166,274	$ 162,205

The decrease in capital assets is due to the current year depreciation of capital assets. For more detailed information, please refer to Note 4 to the basic financial statements.

Debt Administration

At June 30, 2011, the District had $93,273,978 of outstanding long-term liabilities, including debt. Of this amount, $4,297,689 is for compensated absences; $528,184 is for the unamortized premium of bonds payable; $(1,163,895) is for unamortized deferred interest costs; and $89,612,000 of principal on serial bonds.

For more detailed information, please refer to Note 5 to the basic financial statements.

At June 30, 2011, the School District's overall gross bonded debt was $89,612,000, compared to total capital assets of $243,990,694. The remaining unutilized school borrowing margin is $310,378,107. For more detailed information, refer to J-13 (statistical section) of this report.

Enterprise Funds

Food service operating revenues and expenses were in line with the prior year's results. The positive change in net assets was smaller than a year ago due to a decline in value from the federal food donation program.

Community Education's focus on the key operating expenses (salaries, benefits and purchased services) generated a favorable level in the change in net assets. It is at a level experienced in former good years. The return of the above expenses to the lower levels of former years was key to this result.

For the Future

The West Windsor-Plainsboro Regional School District is in a strong financial condition. The District is proud of the community's support of the public schools. A major concern is the continued growth of salary/benefit costs to the District and the reliance on local property taxes. However, future finances are not without challenges. The State has reduced funding and taxpayers are increasingly reluctant to fund education at much more than at the rate of inflation. Legislation by the State of New Jersey continues to constrain the educational and financial flexibility of the District. However, the State aid did restore a portion of the State aid in the 2011-2012 fiscal year.

In conclusion, the West Windsor-Plainsboro Regional School District has committed itself to sound financial practices. The School District plans to continue to improve its fiscal management to meet the challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Larry Shanok, Assistant Superintendent for Finance/Board Secretary at West Windsor-Plainsboro Regional Board of Education, Administration Building, 505 Village Road West, Princeton Junction, New Jersey 08550. Please visit our web site at www.ww-p.org.

Basic Financial Statements

West Windsor-Plainsboro Regional School District

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 20,434,776	$ 5,673,037	$ 26,107,813
Internal balances	(3,239)	3,239	-
Accounts receivable	4,547,921	81,179	4,629,100
Deferred charges	747,987		747,987
Restricted assets:			
Cash and cash equivalents	7,864,954		7,864,954
Capital assets, non-depreciable	7,722,907		7,722,907
Capital assets, depreciable, net	128,204,826	166,274	128,371,100
Total assets	169,520,132	5,923,729	175,443,861
Liabilities			
Accounts payable	2,416,479	20,053	2,436,532
Accrued interest payable	842,659		842,659
Intergovernmental payables:			
State	14,711		14,711
Unearned revenue	601,811	96,899	698,710
Current portion of long-term obligations	6,564,146	12,206	6,576,352
Noncurrent portion of long-term obligations	86,709,832	19,629	86,729,461
Total liabilities	97,149,638	148,787	97,298,425
Net assets			
Invested in capital assets, net of related debt	46,951,444	134,439	47,085,883
Restricted for:			
Capital Projects	4,803,692		4,803,692
Debt service	24,707		24,707
Other purposes	18,263,205		18,263,205
Unrestricted	2,327,446	5,640,503	7,967,949
Total net assets	$ 72,370,494	$ 5,774,942	$ 78,145,436

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District

Statement of Activities

Year ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Total
Governmental activities							
Instruction	$ 97,493,075	$ 203,146	$ 2,528,421		$ (94,761,508)		$ (94,761,508)
Support services:							
Health services	1,814,219				(1,814,219)		(1,814,219)
Support services	11,800,805		575,740		(11,225,065)		(11,225,065)
Improvement of instruction	2,279,901				(2,279,901)		(2,279,901)
School library	2,638,337				(2,638,337)		(2,638,337)
Instructional staff training	490,314				(490,314)		(490,314)
General administration	1,955,843				(1,955,843)		(1,955,843)
School administration	7,813,543				(7,813,543)		(7,813,543)
Central admin. and inform. technology	2,593,038				(2,593,038)		(2,593,038)
Required maintenance of plant services	3,055,727			$ 148,191	(2,907,536)		(2,907,536)
Operation of plant	9,409,710				(9,409,710)		(9,409,710)
Student transportation	8,564,942				(8,564,942)		(8,564,942)
Special Schools	2,362				(2,362)		(2,362)
Interest on long term obligations	4,112,026				(4,112,026)		(4,112,026)
Total governmental activities	154,023,842	203,146	3,104,161	148,191	(150,568,344)		(150,568,344)
Business-type activities							
Food service	2,985,409	2,541,672	451,030			$ 7,293	7,293
Community education	2,117,027	2,801,829				684,802	684,802
Total business-type activities	5,102,436	5,343,501	451,030			692,095	692,095
Total primary government	$ 159,126,278	$ 5,546,647	$ 3,555,191	$ 148,191	(150,568,344)	692,095	(149,876,249)
General revenues							
Taxes:							
Property taxes, levied for general purposes					136,924,700		136,924,700
Property taxes, levied for debt service					6,617,157		6,617,157
State and federal sources					15,130,594		15,130,594
Investment earnings					56,381		56,381
Miscellaneous income					319,681		319,681
Total general revenues					159,048,513		159,048,513
Change in net assets					8,480,169	692,095	9,172,264
Net assets—beginning					63,890,325	5,082,847	68,973,172
Net assets—ending					$ 72,370,494	$ 5,774,942	$ 78,145,436

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District
Governmental Funds

Balance Sheet

June 30, 2011

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 17,174,781		$ 3,247,446	$ 12,549	$ 20,434,776
Accounts receivable:					
State	1,597,791		1,568,404		3,166,195
Federal		$ 821,003			821,003
Other	8,165	28,000			36,165
Interfund	804,880	87,532		12,158	904,570
Restricted cash and cash equivalents	7,864,954				7,864,954
Total assets	$ 27,450,571	$ 936,535	$ 4,815,850	$ 24,707	$ 33,227,663
Liabilities and fund balances					
Liabilities:					
Accounts payable	$ 2,376,788	$ 39,691			$ 2,416,479
Intergovernmental payables:					
State		14,711			14,711
Interfunds payable	90,771	280,322	$ 12,158		383,251
Deferred revenue		601,811			601,811
Total liabilities	2,467,559	936,535	12,158		3,416,252
Fund balances:					
Restricted for:					
Excess Surplus - current year	8,294,883				8,294,883
Excess Surplus - prior year - designated subsequent year's expenditures	2,103,369				2,103,369
Emergency reserve	999,033				999,033
Maintenance reserve	503,634				503,634
Capital reserve	6,362,286				6,362,286
Debt service				$ 12,159	12,159
Capital projects			4,487,592		4,487,592
Assigned to:					
Designated by the BOE for subsequent year's expenditures	1,087,008			12,548	1,099,556
Other purposes	1,459,223		316,100		1,775,323
Unassigned:					
General fund	4,173,576				4,173,576
Total fund balances	24,983,012		4,803,692	24,707	29,811,411
Total liabilities and fund balances	$ 27,450,571	$ 936,535	$ 4,815,850	$ 24,707	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:	
Capital assets used in govenmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $243,990,694 and the accumulated depreciation is $108,062,961.	135,927,733
Accrued interest on long-term debt is not due and payable in the curent period and therefore is not reported as a liability in the funds.	(842,659)
Unamortized portion of debt issuance costs is not reported as an asset in the funds.	747,987
Long-term liabilities, including bonds payable, net, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(93,273,978)
Net assets of governmental activities (A-1)	$ 72,370,494

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2011

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources:					
Local tax levy	$ 136,924,700			$ 6,617,157	$ 143,541,857
Tuition	203,146				203,146
Interest on capital reserve	649				649
Interest on investments	43,574		$ 12,158		55,732
Miscellaneous	282,681	$ 240,143	37,000		559,824
Total local sources	137,454,750	240,143	49,158	6,617,157	144,361,208
State sources	14,645,640	72,523	148,191	452,046	15,318,400
Federal sources	32,908	2,791,495			2,824,403
Total revenues	152,133,298	3,104,161	197,349	7,069,203	162,504,011
Expenditures					
Current:					
Instruction	62,322,857	2,528,421			64,851,278
Undistributed-current:					
Instruction	4,368,941				4,368,941
Health services	1,313,820				1,313,820
Support services	8,172,407	566,897			8,739,304
Improvement of instruction	1,800,630				1,800,630
School library	1,940,054				1,940,054
Instructional staff training	472,278				472,278
General administration	1,840,380				1,840,380
School administration	5,829,776				5,829,776
Central services and information technology	1,904,691				1,904,691
Required maintenance of plant services	2,910,993				2,910,993
Operation of plant	8,602,949				8,602,949
Student transportation	7,552,050				7,552,050
Unallocated benefits	22,752,879				22,752,879
On-behalf pension contributions	4,591,765				4,591,765
Reimbursed TPAF social security contributions	4,585,756				4,585,756
Capital outlay	527,746	8,843	793,289		1,329,878
Special schools - current	2,362				2,362
Debt Service:					
Principal				6,370,000	6,370,000
Interest				3,982,032	3,982,032
Total expenditures	141,492,334	3,104,161	793,289	10,352,032	155,741,816
Excess (deficiency) of revenues over (under) expenditures	10,640,964	-	(595,940)	(3,282,829)	6,762,195
Other financing sources (uses):					
Transfers in			2,289,724	3,177,337	5,467,061
Transfers out	(5,454,903)		(12,158)		(5,467,061)
Total other financing sources (uses)	(5,454,903)		2,277,566	3,177,337	-
Net change in fund balances	5,186,061	-	1,681,626	(105,492)	6,762,195
Fund balances, beginning	19,796,951	-	3,122,066	130,199	23,049,216
Fund balances, ending	$ 24,983,012	-	$ 4,803,692	$ 24,707	$ 29,811,411

The reconciliation of the fund balances of governmental funds to the net assets of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2011

Total net change in fund balances - governmental funds (from B-2)			$ 6,762,195
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital additions in the period.			
	Capital additions	$ 1,616,643	
	Depreciation expense	(6,021,941)	(4,405,298)
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.			37,979
The issuance or of long-term debt (e.g. bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			6,202,027
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).			(116,734)
Change in net assets of governmental activities (A-2)			$ 8,480,169

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District
Proprietary Funds

Statement of Net Assets

June 30, 2011

	Major Enterprise Funds		
	Food Service	**Community Education**	**Totals**
Assets			
Current assets:			
Cash and cash equivalents	$ 303,464	$ 5,369,573	$ 5,673,037
Accounts receivable:			
Local	81,179		81,179
Interfund receivable	3,239		3,239
Total current assets	387,882	5,369,573	5,757,455
Capital assets:			
Equipment	1,279,468		1,279,468
Accumulated depreciation	(1,113,194)		(1,113,194)
Total capital assets, net	166,274		166,274
Total assets	554,156	5,369,573	5,923,729
Liabilities			
Current liabilities:			
Accounts payable		20,053	20,053
Unearned revenue	83,764	13,135	96,899
Purchase agreement payable - current portion	12,206		12,206
Total current liabilities	95,970	33,188	129,158
Noncurrent liabilities:			
Purchase agreement payable	19,629		19,629
Total noncurrent liabilities	19,629		19,629
Total liabilities	115,599		148,787
Net assets			
Invested in capital assets, net of related debt	134,439		134,439
Unrestricted	304,118	5,336,385	5,640,503
Total net assets	$ 438,557	$ 5,336,385	$ 5,774,942

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2011

	Major Enterprise Funds		
	Food Service	**Community Education**	**Totals**
Operating revenues:			
Local sources:			
Daily sales reimbursable programs	$ 1,334,692		$ 1,334,692
Daily sales non-reimbursable programs	1,028,867		1,028,867
Special functions	96,934		96,934
Miscellaneous	81,179		81,179
Community service activities		$ 2,801,829	2,801,829
Total operating revenues	2,541,672	2,801,829	5,343,501
Operating expenses:			
Salaries	950,923	1,293,911	2,244,834
Employee benefits	252,193	354,135	606,328
Purchased professional - educational services		247,016	247,016
Other purchased services	274,809	20,045	294,854
Supplies and materials	187,408	129,671	317,079
Depreciation	69,356		69,356
Cost of sales	1,236,575		1,236,575
Miscellaneous	14,145	72,249	86,394
Total operating expenses	2,985,409	2,117,027	5,102,436
Operating (loss) income	(443,737)	684,802	241,065
Nonoperating revenues:			
State sources:			
State school lunch program	25,083		25,083
Federal sources:			
National school lunch program	293,247		293,247
Special milk program	3,422		3,422
Food donation program	129,278		129,278
Total nonoperating revenues	451,030		451,030
Change in net assets	7,293	684,802	692,095
Total net assets, beginning of year	431,264	4,651,583	5,082,847
Total net assets, end of year	$ 438,557	$ 5,336,385	$ 5,774,942

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2011

	Major Enterprise Funds: Food Service	Major Enterprise Funds: Community Education	Totals
Cash flows from operating activities			
Receipts from customers	$ 2,544,816	$ 2,708,848	$ 5,253,664
Payments to employees	(950,923)	(1,293,911)	(2,244,834)
Payments for employee benefits	(252,193)	(354,135)	(606,328)
Payments to suppliers	(1,924,561)	(494,793)	(2,419,354)
Net cash (used in) provided by operating activities	(582,861)	566,009	(16,852)
Cash flows from noncapital financing activities			
Cash received from state and federal reimbursements	453,021		453,021
Net cash provided by noncapital financing activities	453,021		453,021
Cash flows from capital and related financing activites			
Increase in purchase agreement payable	31,621		31,621
Payment of purchase agreement payable	(28,001)		(28,001)
Purchase of capital assets - Equipment	(73,425)		(73,425)
Net cash (used in) capital and related financing activities	(69,805)		(69,805)
Net (decrease) increase in cash and cash equivalents	(199,645)	566,009	366,364
Cash and cash equivalents, beginning of year	503,109	4,803,564	5,306,673
Cash and cash equivalents, end of year	$ 303,464	$ 5,369,573	$ 5,673,037
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities			
Operating (loss) income	$ (443,737)	$ 684,802	$ 241,065
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:			
Depreciation	69,356		69,356
Change in assets and liabilities:			
(Increase) in accounts receivable	(11,916)		(11,916)
(Decrease) in accounts payable	(211,624)	(25,812)	(237,436)
Increase (Decrease) in unearned revenue	15,060	(92,981)	(77,921)
Net cash (used in) provided by operating activities	$ (582,861)	$ 566,009	$ (16,852)

Noncash noncapital financing activities
The District received $129,278 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2011.

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District
Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2011

	Private-Purpose Scholarship Fund	Unemployment Compensation Trust Fund	Agency Fund
Assets			
Cash and cash equivalents	$ 121,436	$ 786,840	$ 2,018,738
Total assets	121,436	786,840	$ 2,018,738
Liabilities			
Accounts payable		$ 31,725	
Payroll deductions and withholdings payable			$ 803,320
Interfund payable		524,558	
Due to student groups			1,215,418
Total liabilities		556,283	$ 2,018,738
Net assets			
Held in trust for unemployment claims		$ 230,557	
Held in trust for scholarships	$ 121,436		

See independent auditors' report and accompanying notes to the basic financial statements.

West Windsor-Plainsboro Regional School District
Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2011

	Private-Purpose Scholarship Trust Fund	Unemployment Compensation Trust Fund
Additions		
Interest income		$ 3,652
Contributions/donations	$ 19,785	335,559
Total additions	19,785	339,211
Deductions		
Scholarship payments	18,574	
Unemployment benefit payments		1,008,767
Total deductions	18,574	1,008,767
Change in net assets	1,211	(669,556)
Net assets-beginning of the year	120,225	900,113
Net assets-end of the year	$ 121,436	$ 230,557

See independent auditors' report and accompanying notes to the basic financial statements.

1. Summary of Significant Accounting Policies

The financial statements of the West Windsor-Plainsboro Regional School District (the "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 District's accounting policies are described below.

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the West Windsor-Plainsboro Regional School District in West Windsor, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires all funds be reported as major to promote consistency among the school districts in the State of New Jersey.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

1. Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues, except property taxes, to be available if they are collected within six months of the end of the current fiscal year. Property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, interest, and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the capital outlay subfund.

Special Revenue Fund: The District maintains one special revenue fund which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid that 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 accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

1. Summary of Significant Accounting Policies (continued)

The District reports the following major proprietary funds:

Food Service and Community Education Enterprise Funds: The food service and community education funds account for all revenues and expenses pertaining to cafeteria and community education program operations and account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation) of providing goods or services to the students and others on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund types:

Fiduciary Funds: Fiduciary funds of the District include the unemployment compensation and private purpose scholarship trust funds and agency funds. The trust funds are reported using the economic resources measurement focus. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

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

Agency Funds (Payroll and Student Activity Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

1. Summary of Significant Accounting Policies (continued)

In its accounting and financial reporting, the District follows the pronouncements of the GASB and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's business-type activities and enterprise funds have elected not to apply the standards issued by the FASB after November 30, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) fees charged to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Enterprise funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a enterprise fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food and tuition. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets, if applicable. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports deferred / unearned revenue on its balance sheet and statements of net assets. Deferred / unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred / unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred / unearned revenue is removed from the combined balance sheet and statements of net assets and revenue is recognized.

1. Summary of Significant Accounting Policies (continued)

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

The County Board of Taxation is responsible for the assessment of properties, and the Municipal Tax Collectors are responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution and certain other matters require approval by the County Superintendant of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines.

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

1. Summary of Significant Accounting Policies (continued)

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

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, amounts on deposit, and money market accounts.

F. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. The consumable inventory is the property of the District's food service vendor.

At June 30, 2011, there were no unused Food Donation Program commodities owned by the District.

H. Capital Assets

Capital assets, which include land, property, plant and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures. Donated capital assets are valued at their estimated fair value on the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

1. Summary of Significant Accounting Policies (continued)

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	Years
Machinery and equipment	2-20
Buildings	50
Building improvements	20-40
Vehicles	5-10

I. Compensated Absences

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 employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies and collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with Districts agreements with the various employee unions. Under terms of association agreements, employees earn vacation and sick leave in amounts varying with tenure and classification by the District for the unused sick leave in accordance with Districts agreements with the various employee unions.

The liability for vested compensated absences of the District is recorded in the district-wide financial statements and includes salary related payments.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, a liability existed for compensated absences in the district-wide financial statements in the amount of $4,297,689 and no liability existed for compensated absences in the proprietary fund types.

1. Summary of Significant Accounting Policies (continued)

J. Deferred Revenue/Unearned Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned and outstanding encumbrances. Unearned revenue in the enterprise fund represents cash receipts from students for future meals that have been received in advance and tuition fees for community education programs received in advance of the program offering.

K. Long-Term Obligations

In the government-wide financial statements and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the applicable bonds premium of discount and unamortized loss on a refunding. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing used. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as either capital projects fund or debt service fund expenditures in the year of issuance.

1. Summary of Significant Accounting Policies (continued)

L. Fund Balances

In February 2009, the GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). GASB 54 is effective for periods beginning after June 15, 2010 and establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3) Committed - includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5) Unassigned - includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the $24,983,012 of fund balances in the General Fund, $1,459,223 of encumbrances is assigned to other purposes, $8,294,883 has been restricted for excess surplus-current year, $2,103,369 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, $6,362,286 has been restricted for the capital reserve, $999,033 has been restricted for emergency reserve, $503,634 has been restricted for the

1. Summary of Significant Accounting Policies (continued)

L. Fund Balances (continued)

maintenance reserve, $1,087,008 has been classified as assigned fund balance designated for subsequent years expenditures and $4,173,576 is classified as unassigned.

M. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve 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, 2011 was $8,294,883, which will be utilized in the 2012-13 budget.

N. Net Assets

Net assets represent the difference between assets and liabilities in the district-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

O. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement pension and medical contributions for certified teacher and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

1. Summary of Significant Accounting Policies (continued)

Q. Reclassification

Certain prior year amounts have been reclassified to conform with the current fiscal year presentation. Such reclassifications had no impact on the net assets or fund balances.

R. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2011 and October 25, 2011, the date that the financial statements were issued for possible disclosure and recognition in the financial statement, and no items have come to the attention of the District that would require disclosure.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The details of this $93,273,978 difference are as follows:

Bonds payable	$89,612,000
Unamortized deferred interest costs	(1,163,895)
Unamortized premium on bonds	528,184
Compensated absences	4,297,689
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets – governmental activities	$93,273,978

3. Deposits and Investments

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

3. Deposits and Investments (continued)

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

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 Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, 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.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund, M.B.I.A. Class and the New Jersey Arbitrage Rebate Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

> The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.
>
> In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

3. Deposits and Investments (continued)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which a government's deposits and investments are exposed to custodial credit risk. Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash and money market accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2011, the carrying amount of the District's deposits for all funds was $21,899,814 and the bank balance was $26,643,912. Of the bank balance, $754,222 of the District's cash deposits on June 30, 2011 were secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the remaining bank balance of $25,889,690.

Custodial Credit Risk-Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits, in the form of certificates of deposit, money market accounts and checking accounts, may not be returned to it. The District does not have a deposit policy for custodial credit risk.

3. Deposits and Investments (continued)

Investments

New Jersey statutes permit the District to purchase the following types of securities:

a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
c. New Jersey Cash Management Fund, New Jersey Arbitrage Rebate Management Fund and MBIA CLASS.

The District did not hold any investments at June 30, 2011 other than funds held in the cash management fund.

New Jersey Cash Management Fund

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The fair value of the District's portion in the pool is the same as the fair value of the pool shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2011, the District's balance was $14,999,968 and is classified as cash equivalents due to its short-term nature.

All investments in the Fund are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

3. Deposits and Investments (continued)

Custodial Credit Risk: The District does not have any investments that are exposed to custodial credit risk and does not have a policy for custodial credit risk.

Credit Risk: The District does not have any investments exposed to credit risk and does not have an investment policy regarding the management of credit risk.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer and does not have a policy for limiting the concentration of investments. At June 30, 2011, all of the District's investments were invested in the NJCMF.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2011:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 7,722,907			$ 7,722,907
Construction in progress	27,803,940	$ 793,289	$(28,597,229)	-
Total capital assets, not being depreciated	35,526,847	793,289	(28,597,229)	7,722,907
Capital assets, being depreciated:				
Site improvements	9,571,337	16,166	318,006	9,905,509
Buildings, and building improvements	153,894,789	570,839	28,279,223	182,744,851
Machinery, equipment and vehicles	43,435,245	236,349	(54,167)	43,617,427
Total capital assets being depreciated	206,901,371	823,354	28,543,062	236,267,787
Less accumulated depreciation for:				
Site improvements	5,008,285	401,768		5,410,053
Buildings and building improvements	57,154,312	4,878,149		62,032,461
Machinery, equipment and vehicles	39,932,590	742,024	(54,167)	40,620,447
Total accumulated depreciation	102,095,187	6,021,941	(54,167)	108,062,961
Total capital assets, being depreciated, net	104,806,184	(5,198,587)	28,597,229	128,204,826
Governmental activities capital assets, net	$140,333,031	$(4,405,298)	$ -	$135,927,733

4. Capital Assets (continued)

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

Instruction	$4,713,896
General administration	133,773
Operation of plant	625,330
Student transportation	548,942
Total depreciation expense – governmental activities	$6,021,941

The following is a summary of enterprise fund changes in capital assets for the year ended June 30, 2011.

	Beginning Balance	Increases	Ending Balance
Business-type activities:			
Capital assets, being depreciated:			
Machinery and equipment	$ 1,206,043	$ 73,425	$ 1,279,468
Less accumulated depreciation for:			
Machinery and equipment	1,043,838	69,356	1,113,194
Total accumulated depreciation	1,043,838	69,356	1,113,194
Total business-type activities capital assets, net	$ 162,205	$ 4,069	$ 166,274

5. Long-Term Liabilities

During the year ended June 30, 2011, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	$ 4,180,955	$ 775,679	$ (658,945)	$ 4,297,689	$ 600,000
Bonds payable	95,982,000		(6,370,000)	89,612,000	6,060,000
Deferred interest costs	(1,294,427)		130,532	(1,163,895)	(130,532)
Premium on bonds	562,862		(34,678)	528,184	34,678
Total governmental activity long-term liabilities	$99,431,390	$ 775,679	$ (6,933,091)	$ 93,273,978	$ 6,564,146
Business-Type activities:					
Purchase agreement payable	$ 28,215	$ 31,621	$ (28,001)	$ 31,835	$ 12,206
Total business-type activity long-term liabilities	$ 28,215	$ 31,621	$ (28,001)	$ 31,835	$ 12,206

The District expects to liquidate the compensated absences with payments made from the District's general fund. Bonds payable are expected to be liquidated by expenditures charged to the debt service fund. The District expects to liquidate the purchase agreement payable with payments made from the District's food service enterprise fund.

Bonds Payable

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

In December 2005, the District issued $10,000,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. $9,615,000 of defeased debt was redeemed on September 15, 2010.

In February 2006, the District issued $10,000,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. $9,620,000 of defeased debt was redeemed on September 15, 2010.

5. Long-Term Liabilities (continued)

Bonds Payable (continued)

In January 2007, the District issued $17,500,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2011, $5,860,000 of defeased debt remains outstanding, which is scheduled to be redeemed on June 1, 2012 and $11,465,000 of defeased debt was redeemed on September 15, 2010.

Principal and interest due on all bonds outstanding is as follows:

	Principal	Interest	Total
Year ending June 30:			
2012	$ 6,060,000	$ 3,676,204	$ 9,736,204
2013	6,165,000	3,402,540	9,567,540
2014	6,475,000	3,126,141	9,601,141
2015	6,605,000	2,838,366	9,443,366
2016	6,640,000	2,541,241	9,181,241
2017-2021	34,330,000	8,479,983	42,809,983
2022-2026	20,357,000	2,653,320	23,010,320
2027-2028	2,980,000	140,656	3,120,656
	$ 89,612,000	$ 26,858,448	$ 116,470,448

Purchase Agreement Payable – Enterprise Fund

During the fiscal year ended June 30, 2009, the District contracted with Sodexo, a third-party food management company, to operate the District's food service program. As part of the contract, Sodexo agreed to expend up to $65,000 for facility renovations and food service equipment to be used on the District's premises. After completion of the purchase of the renovations and equipment, the District is required to reimburse Sodexo on a straight line monthly basis for a term of five years interest free.

The following is a schedule of payments due related to the purchase agreement:

Fiscal Year Ended June 30,	Remaining Payments
2012	$ 12,206
2013	10,802
2014	8,827
	$ 31,835

6. Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage.

Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Early retirement is available for these systems to those employees under age 55 participating in TPAF or PERS with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system.

6. Pension Plans (continued)

Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available for these systems to those employees under age 55 participating in TPAF or PERS with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2011, the State of New Jersey contributed $4,591,765 to the TPAF for on-behalf medical and pension contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District $4,585,756 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide and fund financial statements. The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2011, 2010, and 2009 were $1,774,146, $1,433,743 and $1,248,540, respectively, equal to the required contributions for each year.

6. Pension Plans (continued)

Post Retirement Benefits

Plan Description

The School District contributes to the New Jersey School Employees Health Benefits Program (the "SEHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SEHBP 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. 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 and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy

P.L. 1987, chapter 384 and P.L. 1990, Chapter 6 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees As of June 30, 2010, there were 87,288 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 the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

6. Pension Plans (continued)

Post Retirement Benefits (continued)

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 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 contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2011, 2010 and 2009 were $4,385,301, $4,203,254 and $3,983,722 respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

7. Interfund Receivables and Payables

New Jersey statute requires that interest earned on the investments in the capital projects fund be credited to the general or debt service fund. The total interfund accounts receivable and payable for the District amounted to $907,809 analyzed as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 804,880	$ 90,771
Special Revenue Fund	87,532	280,322
Capital Projects Fund		12,158
Debt Service Fund	12,158	
Food Service Enterprise Fund	3,239	
Fiduciary Fund-Unemployment		524,558
	$ 907,809	$ 907,809

The general fund interfund receivable is comprised of two interfunds. The $524,558 represents general fund expenditures paid out as unemployment compensation but has not yet been reimbursed by the fiduciary fund. The second interfund represents a loan to the special revenue fund in the amount of $280,322 to eliminate a pooled cash deficit.

7. Interfund Receivables and Payables (continued)

The interfund payable in the general fund is offset with an interfund of $87,532 in the special revenue fund, which represents a reimbursement to the general fund in excess of the amount payable, and an interfund of $3,239 in the food service enterprise fund, which represents food service funds received by the general fund and not transferred to the food service enterprise fund by June 30. The interfund between the capital projects fund and debt service fund represents interest earned in the capital projects fund that has not been turned over at June 30, 2011. All interfunds are expected to be liquidated within one year.

8. Economic Dependency

The District receives support from federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

9. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2011 may be impaired. In addition, the District is receiving funding in the form of grants from the New Jersey Schools Development Authority, (NJSDA), in connection with capital projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2011 may be impaired. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing other federal and state grants grants; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

9. Contingent Liabilities (continued)

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

10. Risk Management

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

During the 2011 fiscal year, the District was covered by a joint insurance fund as well as commercial insurance.

Property and Liability Insurance

The Board is a member of the School Alliance Insurance Fund (SAIF), a public entity risk pool currently operating as a common risk management and insurance program. The SAIF is a School District Joint Self Insurance Fund comprised of Boards of Education.

The Board pays an actuarial determined annual assessment to SAIF for its insurance coverage. Supplemental assessments may be levied to supplement the fund. The Board has not been notified of any supplemental assessments. The coverage provided by SAIF is partially self-insured retention and partially excess coverage provided by commercial insurance. The self-insured retention coverage for crime is $50,000, and $10,000 for theft, disappearance and destruction.

The District continues to carry commercial insurance for all other risks of loss, including employee health, accident insurance and public officials bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years and there have been no significant decreases in insurance coverage from the prior year.

New Jersey Unemployment Compensation Insurance

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

10. Risk Management (continued)

New Jersey Unemployment Compensation Insurance (continued)

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the past three years:

Fiscal Year	Interest on Investments	Contributions	Amount Paid	Ending Balance
2010-11	$ 3,652	$ 335,559	$ 1,008,767	$230,557
2009-10	15,233	268,436	386,018	900,113
2008-09	17,837	178,631	131,132	1,002,462

11. Deferred Compensation

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by various insurance companies, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. Participants' rights under the plan are equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The District has no liability for losses under the plan. Since the District does not hold the assets in a trustee capacity, the related assets are not included in the District's Fiduciary Fund Financial Statements.

12. Capital Reserve Account – Restricted Assets

A capital reserve account was established by the District by inclusion of $228,986 in June of 2002 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfers by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriation amounts, or both.

12. Capital Reserve Account – Restricted Assets (continued)

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

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	$ 6,318,301
Interest earnings	649
Deposits:	
2010-2011 Budgeted Deposit	3,165,179
Approved in June 2011 Board Resolution	1,750,000
Withdrawals:	
Transfer to capital projects fund	1,706,664
Transfer to debt service fund	3,165,179
Ending balance, June 30, 2011	$ 6,362,286

At June 30, 2011, the amount deposited in the capital reserve account does not exceed the District's local share reported in its Long-Range Facility Plan.

13. Deferred Charges

The deferred charges recorded in the government-wide statement of net assets represent debt issuance costs that are being amortized using the straight-line method over the life of the related bonds. The unamortized costs associated with the issues of the various bonds amounted to $747,987 at June 30, 2011. The amortization expense for the year ended June 30, 2011 amounted to $72,119. In governmental funds, debt issuance costs are recognized in the current period.

14. Transfers – Reconciliation

The following presents a reconciliation of transfers during the 2011 fiscal year:

	Transfers In	Transfers Out
General Fund		$5,454,903
Capital Projects Fund	$2,289,724	12,158
Debt Service Fund	3,177,337	
	$5,467,061	$5,467,061

The transfer of $2,289,724 from the general fund to the capital projects fund represents the transfer of funds from the capital reserve account and capital outlay for use for the ongoing capital projects. The transfer of $3,165,179 from the general fund to the debt service fund represents the transfer of funds from the capital reserve account for use in the District's debt service fund. The transfer of $12,158 from the capital projects fund to the debt service fund represents the transfer of interest earned for use in the District's debt service fund.

15. Referendum and Commitments

The District has contractual commitments at June 30, 2011 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of $1,459,223.

There were $316,100 of contractual commitments at June 30, 2011 to vendors related to the ongoing construction projects recorded as assigned to other purposes in the capital projects fund.

Required Supplementary Information
Part II

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	$ 136,924,700		$ 136,924,700	$ 136,924,700	
Tuition	346,620		346,620	203,146	$ (143,474)
Interest on investments	55,607		55,607	44,223	(11,384)
Miscellaneous	206,100		206,100	282,681	76,581
Total revenues - local sources	137,533,027		137,533,027	137,454,750	(78,277)
State sources:					
Categorical Special Education Aid	2,310,108	$ 817,382	3,127,490	3,127,490	
Equalization Aid	817,382	(817,382)			
Extraordinary Aid				1,545,681	1,545,681
Other state aids				52,329	52,329
On behalf TPAF pension contribution (non-budgeted)				4,591,765	4,591,765
Reimbursed TPAF social security contributions (non-budgeted)				4,585,756	4,585,756
Total - state sources	3,127,490	-	3,127,490	13,903,021	10,775,531
Federal sources:					
Federal Emergency Management Agency				22,213	22,213
Medicare Assistance	27,426		27,426	10,695	(16,731)
Total - federal sources	27,426		27,426	32,908	5,482
Total revenues	140,687,943	-	140,687,943	151,390,679	10,702,736
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	1,217,411	65,835	1,283,246	1,281,735	1,511
Grades 1-5	15,026,573	47,198	15,073,771	14,862,581	211,190
Grades 6-8	13,048,506	(93,495)	12,955,011	12,919,408	35,603
Grades 9-12	14,123,837	(127,116)	13,996,721	13,944,521	52,200
Home Instruction	70,000		70,000		70,000
Undistributed Instruction:					
Other salaries for instruction	266,587	9,354	275,941	234,714	41,227
Purchased professional-educational services	1,000	20	1,020	850	170
Other purchased services	402,750	(166,443)	236,307	223,140	13,167
General supplies	1,341,728	438,698	1,780,426	1,613,941	166,485
Textbooks	404,917	66,040	470,957	454,635	16,322
Other objects	9,161	(4,790)	4,371	3,351	1,020
Total instruction - regular programs	45,912,470	235,301	46,147,771	45,538,876	608,895

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special Education:					
Learning and/or language disabilities:					
Salaries of teachers	$ 690,600	$ 36,899	$ 727,499	$ 726,855	$ 644
Other salaries for instruction	599,576	(4,550)	595,026	593,491	1,535
Other purchased services	1,620	(1,370)	250		250
General supplies	6,525	5,797	12,322	8,719	3,603
Textbooks	500		500	166	334
Total learning and/or language disabilities	1,298,821	36,776	1,335,597	1,329,231	6,366
Behavioral disabilities:					
Salaries of teachers	282,016	6,470	288,486	288,438	48
Other salaries for instruction	71,917	5,250	77,167	75,651	1,516
Other purchased services	540	(440)	100		100
General supplies	2,130	1,900	4,030	1,302	2,728
Textbooks	250		250		250
Total behavioral disabilities	356,853	13,180	370,033	365,391	4,642
Multiple disabilities:					
Salaries of teachers	1,095,398	12,112	1,107,510	1,104,631	2,879
Other salaries for instruction	825,340	53,240	878,580	878,187	393
Other purchased services	4,340	(2,090)	2,250	136	2,114
General supplies	23,067	2,250	25,317	22,134	3,183
Textbooks	300		300		300
Total multiple disabilities	1,948,445	65,512	2,013,957	2,005,088	8,869
Resource room/center:					
Salaries of teachers	5,585,459	57,013	5,642,472	5,641,846	626
Other salaries for instruction	1,277,612	(24,752)	1,252,860	1,241,164	11,696
Other purchased services	14,220	(13,920)	300		300
General supplies	37,375	(96)	37,279	27,132	10,147
Textbooks	1,250		1,250	370	880
Total resource room/center	6,915,916	18,245	6,934,161	6,910,512	23,649

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special Education (continued):					
Preschool Disabilities Part-time:					
Salaries of teachers	$ 394,003	$ 34,222	$ 428,225	$ 428,125	$ 100
Other salaries for instruction	316,736	(10,466)	306,270	119,460	186,810
Other purchased services	1,260		1,260		1,260
General supplies	4,825	7,897	12,722	6,193	6,529
Total Preschool Disabilities Part-time	716,824	31,653	748,477	553,778	194,699
Home instruction:					
Salaries of teachers	70,000	8,967	78,967	78,967	
Other purchased services		95,000	95,000	95,000	
Total home instruction	70,000	103,967	173,967	173,967	
Total special education	11,306,859	269,333	11,576,192	11,337,967	238,225
Bilingual education:					
Salaries of teachers	1,291,140	(9,200)	1,281,940	1,264,707	17,233
Other purchased services	2,363	(1,893)	470		470
General supplies	9,149	(5,058)	4,091	2,691	1,400
Textbooks	1,000	(179)	821	820	1
Total bilingual education	1,303,652	(16,330)	1,287,322	1,268,218	19,104
Basic skills/remedial instruction:					
Salaries of teachers	2,128,483	(295,160)	1,833,323	1,830,756	2,567
Other salaries for instruction	63,211	(6,350)	56,861	52,851	4,010
Other purchased services	1,350	(1,350)			
General supplies	7,517	(4,700)	2,817	1,522	1,295
Textbooks	1,250	(988)	262	252	10
Other objects	450		450		450
Total Basic skills/remedial instruction	2,202,261	(308,548)	1,893,713	1,885,381	8,332
School - sponsored cocurricular activities:					
Salaries	553,847	75	553,922	552,889	1,033
Purchased services	43,113	(13,291)	29,822	26,393	3,429
Supplies and materials	79,542	(4,759)	74,783	64,408	10,375
Other objects	7,000	18,655	25,655	24,581	1,074
Total school - sponsored cocurricular activities	683,502	680	684,182	668,271	15,911
School - sponsored athletics - instruction:					
Salaries	1,237,964		1,237,964	1,094,769	143,195
Purchased services	305,420	(69,549)	235,871	210,274	25,597
Supplies and materials	177,832	105,595	283,427	253,104	30,323

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School - sponsored athletics - instruction (continued):					
Other objects	$ 26,408	$ 42,370	$ 68,778	$ 65,997	$ 2,781
Total school - sponsored athletics - instruction	1,747,624	78,416	1,826,040	1,624,144	201,896
Total instruction	63,156,368	258,852	63,415,220	62,322,857	1,092,363
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-regular	120,848	(15,000)	105,848		105,848
Tuition to other LEAs within the state-special	449,773	1,650	451,423	113,432	337,991
Tuition to Co. Voc school Dist.- regular		2,555	2,555	2,500	55
Tuition to CSSD and regional day schools	1,271,550	(2,555)	1,268,995	1,081,622	187,373
Tuition to priv school for the disabled - w/in state	3,696,290	(3,634)	3,692,656	2,843,284	849,372
Tuition to priv school for the disabled-out of state	721,338	25,800	747,138	328,103	419,035
Tuition - state facilities	40,000		40,000		40,000
Total undistributed instruction	6,299,799	8,816	6,308,615	4,368,941	1,939,674
Health services:					
Salaries	1,312,629	49,700	1,362,329	1,256,637	105,692
Purchased professional and technical services	26,000		26,000	26,000	
Other purchased services	4,203	(2,372)	1,831	1,781	50
Supplies and materials	20,500	1,936	22,436	21,843	593
Other objects	7,400	1,936	9,336	7,559	1,777
Total health services	1,370,732	51,200	1,421,932	1,313,820	108,112
Speech, OT, PT and related services:					
Salaries	1,673,336	46,717	1,720,053	1,707,055	12,998
Travel	4,320	(3,365)	955	185	770
Supplies and materials	29,298	4,946	34,244	32,771	1,473
Total other support services - students -related services	1,706,954	48,298	1,755,252	1,740,011	15,241
Other support services - students - extra services:					
Purchased professional educational services	383,000	5,045	388,045	339,236	48,809
Total other support services - students -extra services	383,000	5,045	388,045	339,236	48,809
Other support services - guidance:					
Salaries of other professional staff	2,730,509	(174,565)	2,555,944	2,479,263	76,681
Salaries of secretarial and clerical assistants	306,777	12,000	318,777	294,987	23,790
Purchased professional educational services	12,500	(1,604)	10,896	10,796	100
Other purchased services	24,698	(20,345)	4,353	1,718	2,635
Supplies and materials	26,474	7,815	34,289	27,169	7,120
Other objects	11,890	(2,155)	9,735	710	9,025
Total other support services - guidance	3,112,848	(178,854)	2,933,994	2,814,643	119,351
Other support services - child study teams:					
Salaries of other professional staff	3,030,705	(96,454)	2,934,251	2,909,455	24,796
Salaries of secretarial and clerical assistants	310,752	24,320	335,072	297,493	37,579

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Undistributed expenditures (continued):					
Other support services - child study teams (continued):					
Miscellaneous purchased serv.	$ 18,940	$ 7,685	$ 26,625	$ 13,383	$ 13,242
Supplies and materials	55,720	8,641	64,361	55,301	9,060
Other objects	17,880	(10,700)	7,180	2,885	4,295
Total other support services - child study teams	3,433,997	(66,508)	3,367,489	3,278,517	88,972
Improvement of instructional services:					
Salaries of supervisors of instruction	1,082,167	(37,992)	1,044,175	1,039,337	4,838
Salaries of other professional staff	170,395	(44,796)	125,599	103,807	21,792
Salaries of secretarial and clerical assistants	58,334	7,060	65,394	60,435	4,959
Other salaries	601,551	(34,604)	566,947	560,017	6,930
Salaries facilitators, math, literacy coaches	11,200	941	12,141	12,141	
Purchased Professional -Educational Services	40,000	(29,000)	11,000	10,652	348
Other purch services	5,500	4,500	10,000	5,484	4,516
Other objects	9,000	4,027	13,027	8,757	4,270
Total improvement of instructional services	1,978,147	(129,864)	1,848,283	1,800,630	47,653
Educational media services/school library:					
Salaries	1,283,761	499,712	1,783,473	1,753,578	29,895
Other purchased services	10,300	(386)	9,914	9,162	752
Supplies and materials	258,109	(79,455)	178,654	176,239	2,415
Other objects	1,561	(372)	1,189	1,075	114
Total educational media services/school library	1,553,731	419,499	1,973,230	1,940,054	33,176
Instructional staff training services:					
Salaries of other professional staff	25,000	30,471	55,471	45,292	10,179
Other salaries	700		700		700
Purchased professional - educational services	70,000	(18,500)	51,500	49,350	2,150
Other purchased services	446,469	334,887	781,356	370,929	410,427
Supplies and materials	3,000		3,000	2,989	11
Other objects	400	4,600	5,000	3,718	1,282
Total instructional staff training services	545,569	351,458	897,027	472,278	424,749
Support services-general administration:					
Salaries	684,163		684,163	674,164	9,999
Other purchased professional services	771,057	520,040	1,291,097	851,335	439,762
Communications/telephone	272,460	(60,105)	212,355	209,925	2,430
Other purchased services	93,275	(37,348)	55,927	49,797	6,130
General supplies	36,650	5,104	41,754	12,605	29,149

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Undistributed expenditures (continued):					
Support services-general administration (continued):					
Miscellaneous expenditures	$ 37,650	$ (15,390)	$ 22,260	$ 12,646	$ 9,614
BOE membership dues and fees	31,044	100	31,144	29,908	1,236
Total support services-general administration	1,926,299	412,401	2,338,700	1,840,380	498,320
Support services-school administration:					
Salaries of principals/ assistant principals	3,106,006	(249,249)	2,856,757	2,849,122	7,635
Salaries of other professional staff	528,341	219	528,560	528,558	2
Salaries of secretarial and clerical assistants	1,664,967	172,393	1,837,360	1,604,094	233,266
Purchased professional and technical services	902,934	(29,505)	873,429	428,092	445,337
Other purchased services	230,700	(129,272)	101,428	80,047	21,381
Supplies and materials	323,563	95,097	418,660	303,634	115,026
Other objects	68,828	(21,646)	47,182	36,229	10,953
Total support services-school administration	6,825,339	(161,963)	6,663,376	5,829,776	833,600
Central services:					
Salaries	1,333,143	(20,823)	1,312,320	1,264,676	47,644
Purchased technical services	25,000		25,000	23,650	1,350
Miscellaneous purchased services	138,900	11,074	149,974	46,012	103,962
Supplies and materials	229,000	(21,308)	207,692	99,267	108,425
Miscellaneous expenditures	20,000	(190)	19,810	7,136	12,674
Total central services	1,746,043	(31,247)	1,714,796	1,440,741	274,055
Administrative information technology:					
Salaries	484,412	110	484,522	463,950	20,572
Supplies and materials	200,000	4,169	204,169		204,169
Total administrative information technology	684,412	4,279	688,691	463,950	224,741
Required maintenance for school facilities:					
Salaries	1,855,288	(1,491,472)	363,816	363,466	350
Cleaning, repair and maintenance services	491,818	2,160,930	2,652,748	2,229,458	423,290
General supplies	251,550	82,280	333,830	303,733	30,097
Other objects		23,407	23,407	14,336	9,071
Total required maintenance for school facilities	2,598,656	775,145	3,373,801	2,910,993	462,808
Custodial services:					
Salaries	3,172,496	(2,851,803)	320,693	273,282	47,411
Cleaning, repair and maintenance services	316,670	2,747,289	3,063,959	3,062,526	1,433
Rental of land and buildings other than lease	31,950	(5,220)	26,730	26,191	539
Other purchased property services	275,000	(12,557)	262,443	256,638	5,805
Insurance	478,050		478,050	448,206	29,844
Travel	7,500	(7,366)	134	134	
General supplies	300,640	103,774	404,414	400,442	3,972
Energy	4,430,120	(210,000)	4,220,120	3,577,877	642,243
Other objects	6,000	(5,700)	300	200	100
Total custodial services	9,018,426	(241,583)	8,776,843	8,045,496	731,347

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Undistributed expenditures (continued):					
Care and upkeep of grounds:					
Salaries	$ 532,854	$ (532,854)			
Cleaning, Repair & Maintenance Services		340,324	$ 340,324	$ 340,324	
General Supplies		34,796	34,796	34,788	$ 8
Total care and upkeep of grounds	532,854	(157,734)	375,120	375,112	8
Security:					
Salaries	192,465	3,080	195,545	182,341	13,204
Total security	192,465	3,080	195,545	182,341	13,204
Student transportation services:					
Salaries for pupil transportation:					
Salaries of non-instructional aides	83,685		83,685	63,560	20,125
Between home and school - regular	965,178		965,178	919,500	45,678
Between home and school - special	191,165	23,700	214,865	123,054	91,811
Other than bet home and school	162,687	(98,700)	63,987	58,987	5,000
Purchased professional and technical services	10,345	805	11,150	10,907	243
Rental Payments - School Buses		9,425	9,425	8,220	1,205
Cleaning repair and maint. services	61,200	83,219	144,419	70,195	74,224
Contracted services:					
Bet. Home & Sch. - vendors	3,981,163	(68,810)	3,912,353	3,453,095	459,258
Other than bet home & sch - vendors	660,221	166,156	826,377	428,347	398,030
Special Ed Stds- vendors	1,689,200	7,223	1,696,423	1,549,078	147,345
Special Ed Stds- joint agreements	52,000	(25,000)	27,000	16,324	10,676
Special Ed Stds- ESC's AND CTSA's	661,440	(50,000)	611,440	471,612	139,828
Aid in lieu of payments	226,719	(20,000)	206,719	162,164	44,555
Travel	1,000		1,000	610	390
Miscellaneous purchased services	44,015	(3,102)	40,913	1,284	39,629
General supplies	274,000	31,985	305,985	213,680	92,305
Other objects	13,000	(10,000)	3,000	1,433	1,567
Total student transportation services	9,077,018	46,901	9,123,919	7,552,050	1,571,869
Personal Services - Employee benefits:					
Social security contributions	1,800,000	(329,748)	1,470,252	1,325,701	144,551
Other retirement contrib. - regular	1,649,000	129,541	1,778,541	1,774,146	4,395
Workmen's compensation	1,014,000		1,014,000	783,126	230,874
Health benefits	20,577,195	(858,506)	19,718,689	17,994,442	1,724,247
Other employee benefits	459,400	416,540	875,940	875,464	476
Total unallocated benefits	25,499,595	(642,173)	24,857,422	22,752,879	2,104,543
On-behalf payments:					
On-behalf TPAF pension contribution (non-budgeted)				4,591,765	(4,591,765)
Reimbursed TPAF social security contributions (non-budgeted)				4,585,756	(4,585,756)
Total on-behalf payments				9,177,521	(9,177,521)
Total undistributed expenditures	78,485,884	516,196	79,002,080	78,639,369	362,711
Total expenditures - current	141,642,252	775,048	142,417,300	140,962,226	1,455,074

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Undistributed expenditures (continued):					
Capital outlay:					
Increase in capital reserve	$ 500	$ (500)			
Total increase in capital reserve	500	(500)			
Equipment:					
Regular programs - instruction:					
Grades 9-12	61,361	(28,950)	$ 32,411		$ 32,411
Undistributed expenditures:					
Support services-students-regular		28,950	28,950	$ 28,950	
Total equipment	61,361	-	61,361	28,950	32,411
Facilities acquisition and construction services:					
Purchased professional and technical services		484,767	484,767	382,042	102,725
Construction services		199,928	199,928	67,006	132,922
Supplies and materials	49,748		49,748	49,748	
Total facilities and construction services	49,748	684,695	734,443	498,796	235,647
Total expenditures - capital outlay	111,609	684,195	795,804	527,746	268,058
Special schools:					
Adult education - local support services:					
Supplies and materials	9,286		9,286	2,362	6,924
Total adult education	9,286		9,286	2,362	6,924
Total special schools	9,286		9,286	2,362	6,924
Transfer of funds to charter schools	396,784		396,784		396,784
Total expenditures	142,159,931	1,459,243	143,619,174	141,492,334	2,126,840
Excess (deficiency) of revenues over (under) expenditures	(1,471,988)	(1,459,243)	(2,931,231)	9,898,345	12,829,576

West Windsor-Plainsboro Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing (uses):					
Capital reserve transfer to debt service - transfer out	$ (3,165,179)		$ (3,165,179)	$ (3,165,179)	
Capital reserve transfer to capital projects fund	(1,750,000)		(1,750,000)	(1,706,664)	$ (43,336)
Capital outlay transfer to capital projects fund	(1,138,891)	$ 554,986	(583,905)	(583,060)	(845)
Total other financing (uses)	(6,054,070)	554,986	(5,499,084)	(5,454,903)	(44,181)
(Deficiency) excess of revenues (under) over expenditures and other financing (uses)	(7,526,058)	(904,257)	(8,430,315)	4,443,442	12,873,757
Fund balances, July 1	20,655,876		20,655,876	20,655,876	
Fund balances, June 30	$ 13,129,818	$ (904,257)	$ 12,225,561	$ 25,099,318	$ 12,873,757
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing (uses)					
Budgeted fund balance	$ (5,776,058)		$ (5,776,058)	$ 7,054,363	$ 12,830,421
Budgeted withdrawal from capital reserve	(4,915,179)		(4,915,179)	(4,871,843)	43,336
Increase in capital reserve	3,165,179		3,165,179	3,165,179	
Adjustment for prior year encumbrances		$ (904,257)	(904,257)	(904,257)	
Total	$ (7,526,058)	$ (904,257)	$ (8,430,315)	$ 4,443,442	$ 12,873,757

Recapitulation of fund balance:	
Restricted Fund Balance:	
Reserved - excess surplus restricted for subsequent years expenditures	$ 2,103,369
Reserved - excess surplus - current year	8,294,883
Capital reserve	6,362,286
Maintenance reserve	503,634
Emergency reserve	999,033
Assigned to:	
Designated for subsequent years expenditures	1,087,008
Year end encumbrances	1,459,223
Unassigned fund balance	4,289,882
	25,099,318
Reconciliation to Government Funds Statements (GAAP):	
Last state aid payments not recognized on GAAP basis	(116,306)
Fund balance per Governmental Funds (GAAP)	$ 24,983,012

West Windsor-Plainsboro Regional School District
Special Revenue Fund

Budgetary Comparison Schedule
Budgetary-Basis

Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	$ 36,483	$ 52,038	$ 88,521	$ 72,523	$ (15,998)
Federal sources	2,054,804	2,545,393	4,600,197	2,841,160	(1,759,037)
Other sources	133,625	519,845	653,470	241,345	(412,125)
Total revenues	2,224,912	3,117,276	5,342,188	3,155,028	(2,187,160)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	113,347	102,767	216,114	131,935	84,179
Other salaries for instruction	56,000	1,248	57,248	55,733	1,515
Purchased professional and technical services		91,064	91,064	37,424	53,640
Purchased professional - educational services		25,000	25,000	9,300	15,700
Other purchased services		929,416	929,416	663,602	265,814
Tuition	1,685,382	765,595	2,450,977	1,359,022	1,091,955
Travel		19,800	19,800	8,242	11,558
General supplies	122,013	570,772	692,785	263,672	429,113
Textbooks	8,640	6,349	14,989	10,904	4,085
Other objects	1,000	5,203	6,203		6,203
Total instruction	1,986,382	2,517,214	4,503,596	2,539,834	1,963,762
Support services:					
Salaries of other professional staff	71,320	(24,939)	46,381	38,660	7,721
Other salaries		1,711	1,711	1,261	450
Employee benefits	21,962	8,786	30,748	7,000	23,748
Purchased professional and technical services	112,542	278,846	391,388	315,915	75,473
Purchased professional-educational services		122,777	122,777	81,830	40,947
Other purchased professional services	29,843	17,027	46,870	31,589	15,281
Other purchased services	1,613	44,200	45,813	33,229	12,584
Travel		3,000	3,000	2,376	624
Supplies and materials	1,250	124,998	126,248	86,363	39,885
Other objects		14,756	14,756	8,127	6,629
Total support services	238,530	591,162	829,692	606,350	223,342
Capital outlay:					
Facilities acquisition and construction services:					
Non-instructional equipment		8,900	8,900	8,844	56
Total facilities acquisition and construction services		8,900	8,900	8,844	56
Total expenditures	2,224,912	3,117,276	5,342,188	3,155,028	2,187,160
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -	$ -

West Windsor-Plainsboro Regional School District

Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2011

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	$ 151,390,679	$3,155,028
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		(99,927)
Prior year		49,060
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP statements in the current fiscal year.	858,925	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.	(116,306)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	$152,133,298	$3,104,161
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	$ 141,492,334	$ 3,155,028
Differences - budget to GAAP:		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(50,867)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	$141,492,334	$3,104,161

APPENDIX C

Form of Approving Legal Opinion

MS&B McMANIMON • SCOTLAND • BAUMANN

75 Livingston Avenue, Roseland, NJ 07068 (973) 622-1800

_____________, 2012

The Board of Education of the
West Windsor-Plainsboro Regional
School District, New Jersey

Dear Board Members:

We have acted as bond counsel to The West Windsor-Plainsboro Regional School District, New Jersey (the "School District") in connection with the issuance by the School District of $21,195,000* Refunding School Bonds, dated the date hereof (the "Bonds"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us, as we have deemed necessary.

The Bonds are issued pursuant to (i) Title 18A, Education, Chapter 24 of the New Jersey Statutes, (ii) a refunding bond ordinance finally adopted April 17, 2012 by the Board of Education of the School District (the "Board of Education") entitled, "Refunding Bond Ordinance of The West Windsor-Plainsboro Regional School District, New Jersey, Providing for the Refunding of All or a Portion of the Outstanding Refunding School Bonds of the School District, Dated September 15, 2002, Issued In the Original Principal Amount of $41,820,000, Appropriating Not to Exceed $23,000,000 Therefor and Authorizing the Issuance of Not to Exceed $23,000,000 Refunding School Bonds to Provide for Such Refunding," and (iii) a resolution duly adopted by the Board of Education on April 17, 2012. The Bonds are secured under the provisions of the New Jersey School Bond Reserve Act, *N.J.S.A.* 18A:56-17 *et seq*. (P.L. 1980, c.72 , approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003).

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding general obligations of the School District, and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the School District without limitation as to rate or amount.

McManimon, Scotland & Baumann, LLC
Newark - Roseland - Trenton

---

* Preliminary, subject to change

The Board of Education has covenanted to comply with continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve tax exemption under the Internal Revenue Code of 1986, as amended (the "Code"). Failure to comply with certain requirements of the Code may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Board of Education continuously complies with its covenant and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Board of Education, it is our opinion that interest on the Bonds is not includable in gross income for federal income tax purposes under current law and is not an item of tax preference, for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. Interest on the Bonds held by a corporate taxpayer is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Bonds in “adjusted current earnings.” We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,