

**SUSSEX-WANTAGE REGIONAL  
SCHOOL DISTRICT**

**Sussex-Wantage Regional School District  
Sussex, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010**

**Comprehensive Annual  
Financial Report**

**of the**

**Sussex-Wantage Regional School District  
Board of Education**

**Sussex, New Jersey**

**For the Fiscal Year Ended June 30, 2010**

**Prepared by**

**Sussex-Wantage Regional School District  
Board Office**

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INTRODUCTORY SECTION

Board of Education  
**Sussex-Wantage Regional Schools**  
27 Bank Street  
Sussex, NJ 07461

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Superintendent  
(973) 875-3175  
Email: [eizbicki@swregional.org](mailto:eizbicki@swregional.org)

Christina M. Riker  
Business Administrator  
(973) 875-2634  
Email: [criker@swregional.org](mailto:criker@swregional.org)

Brenda Vanwarner  
Administrative Assistant

Sandra Jones  
Administrative Assistant

November 12, 2010

The Honorable President and Members of  
the Board of Education  
Sussex-Wantage Regional School District  
County of Sussex  
Sussex, New Jersey

Dear Honorable President and Board Members:

The comprehensive annual financial report of the Sussex-Wantage Regional School District for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Sussex-Wantage Regional School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes The Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** The Sussex-Wantage Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB No. 14. All funds of the District are included in this report. The Sussex-Wantage Regional Board of Education and its schools constitute the District's reporting entity.

The Honorable President and Members of  
the Board of Education  
Sussex-Wantage Regional School District  
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The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2009-2010 fiscal year with an average daily enrollment of 1,531 students, an increase of 18 students from the previous year's enrollment. The table on the following page details the changes in the student enrollment of the District over the last six years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2009-2010	1,531	1.19%
2008-2009	1,513	-5.50%
2007-2008	1,601	-2.14%
2006-2007	1,636	-2.79%
2005-2006	1,683	-1.81%
2004-2005	1,714	2.33%

(2) ECONOMIC CONDITION AND OUTLOOK: The economic condition of the municipalities comprising the District continues to be influenced by the slow population growth. Wantage Township is experiencing a steady ratable growth annually, while Sussex Borough experienced a decline last year. The percent of commercial ratables to the total is considerably less than most areas of New Jersey. There is no prospect of change neither in this fact nor in the DE rating of the District. The two communities went through a consolidation study in the past year. In the November 2009 election, the voters of the two communities did not come out in favor of the consolidation.

(3) MAJOR INITIATIVES: The total value of State Aid for the 2009-2010 school year remained flat at the 2008-2009 level of funding. Despite this, the District was able to make necessary repairs and improvements utilizing funds available through cost savings initiatives within the facilities management and ARRA (American Recovery Reinvestment Act) Funds. These include: Partial roof replacements at Sussex Middle School and Wantage Elementary School, parking lot repairs at Sussex Middle School, Wantage Elementary School and Lawrence Elementary School, continuation of the building management system at Sussex Middle School and Wantage Elementary School, floor tile replacement at Sussex Middle School, playground upgrades at Wantage Elementary School, window replacements at Wantage Elementary School and Lawrence Elementary School, and auditorium improvements at Sussex Middle School. The total cost of the above listed items was approximately \$300,000.

The District has also maintained the budget for technology and the approved Technology Plan. The focus continues to be the integration of technology into the curriculum and use in the classroom instruction. Major technology purchases included: phase two of the voice over IP phone system which integrated all three schools into the Bank Street phone system, purchase and installation of 10 smartboard units and projectors, and an addition of an email archiver to the network. Charged with the task of managing obsolete technology, the District also replaced outdated computers throughout all three schools as necessary. The total cost of the technology items listed above was approximately \$110,000.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Honorable President and Members of  
the Board of Education  
Sussex-Wantage Regional School District  
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As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

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

7) DEBT ADMINISTRATION: At June 30, 2010, the District has \$249,187 of capital leases.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The School Alliance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members.

The Honorable President and Members of  
the Board of Education  
Sussex-Wantage Regional School District  
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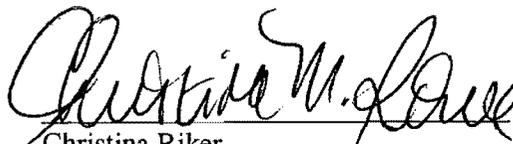
10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia & Company LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Sussex-Wantage Regional School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

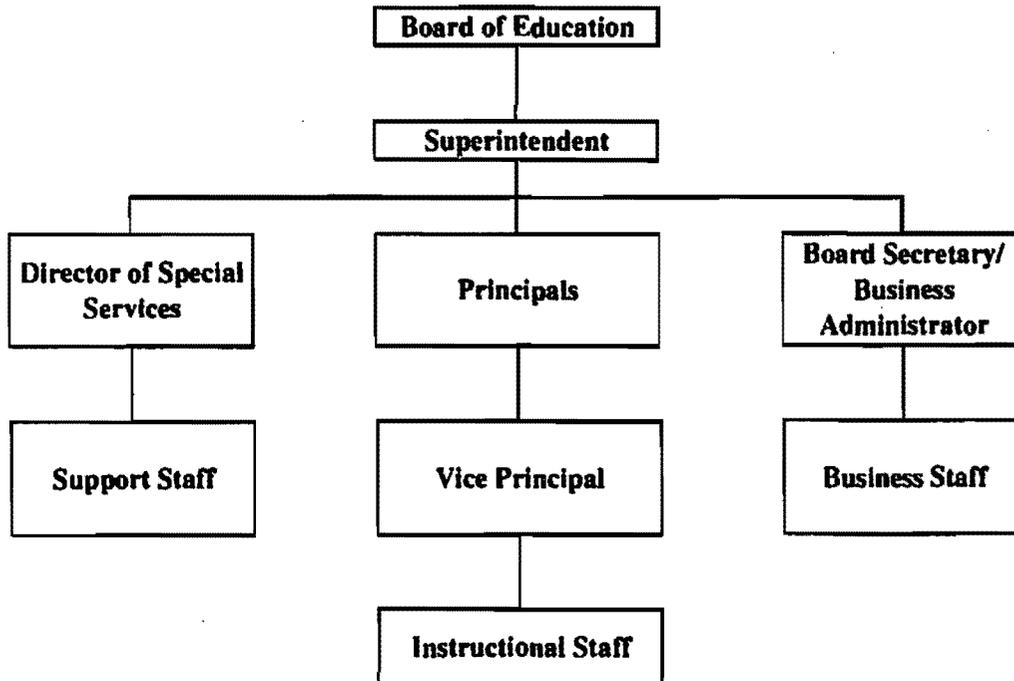


Edward F. Izbicki, Sr., Ed.D.  
Superintendent of Schools



Christina Riker  
Business Administrator/Board Secretary

**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
Organizational Chart  
(Unit Control)**



**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2010**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Thomas Card, President	2011
Kathryn Compa, Vice President	2011
Marina Krynicky	2013
Walter Krynicky	2013
Alba E. Martinez	2013
John C. Coykendall	2012
Lisa A. Frisbie	2012
Theresa Pastore	2012
Robert Heiden	2011

<u>Other Officers</u>	<u>Title</u>
Edward F. Izbicki, Sr., Ed.D.	Superintendent
Christina Riker	Business Administrator/Board Secretary
Grant W. Rome, Treasurer	Treasurer

# **SUSSEX-WANTAGE BOARD OF EDUCATION**

Consultants and Advisors

## **Audit Firm**

Nisivoccia & Company LLP, CPAs  
Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, NJ 07856-1320

and

Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

## **Attorney**

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Lyndhurst, NJ 07071-0790

## **Official Depositories**

Lakeland Bancorp Inc  
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FINANCIAL SECTION



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 Mount Arlington, NJ 07856-1320  
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Lawrence Business Park  
 11 Lawrence Road  
 Newton, NJ 07860  
 Phone: 973-383-6699  
 Fax: 973-383-6555

### Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Sussex-Wantage Regional School District  
 County of Sussex, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Sussex-Wantage Regional School District (the "District") in the County of Sussex as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education'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, the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Sussex-Wantage School District in the County of Sussex as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2010 on our consideration of the Board of Education of the Sussex-Wantage Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

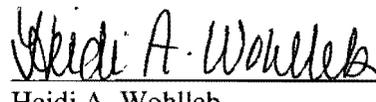
The Honorable President and Members  
of the Board of Education  
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The Management's Discussion and Analysis and Budgetary Comparison Information listed on Exhibits C-1 to C-3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Sussex-Wantage Regional School District's basic financial statements. The accompanying introductory section, other supplementary information such as the combining and individual fund financial statements and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The other supplementary information such as the combining and individual fund financial statements, supplementary schedules and schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

November 12, 2010  
Mount Arlington, New Jersey

NISIVOCCIA & COMPANY LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
(Unaudited)**

This section of the Sussex-Wantage Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Financial Highlights**

- The District's financial status on a district-wide basis remained relatively stable.
- Overall revenue was \$26.01 million.
- Enrollment in the District increased slightly in the current year.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds statements* offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1  
Organization of the School District's Financial Report**

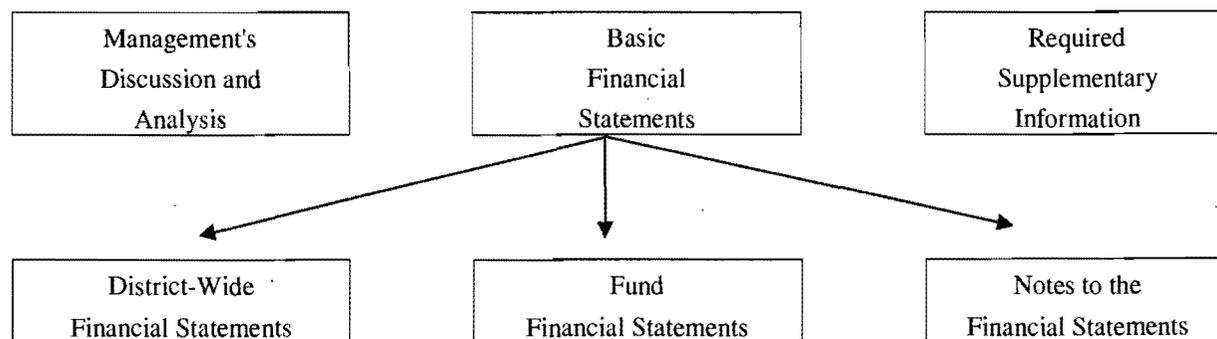


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Figure A-2**

*Major Features of the District-Wide and Fund Financial Statements*

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and the Care Program	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenue, expenses, and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

### ***District-wide Statements***

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and Care Program are included here.

### ***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

### Financial Analysis of the District as a Whole

*Net Assets.* The District's combined net assets decreased by \$142,828. Net assets from governmental activities decreased by \$175,628 and net assets from business-type activities increased by \$32,800. Net assets invested in capital assets increased by \$320,925, restricted net assets decreased by \$208,736, and unrestricted net assets decreased by \$255,017.

Figure A-3

	Condensed Statement of Net Assets						Percentage Change 2010
	Governmental Activities		Business-Type Activities		Total School District		
	2010	2009, Restated	2010	2009	2010	2009, Restated	
Current and							
Other Assets	\$ 444,236	\$ 433,540	\$ 329,911	\$ 226,169	\$ 774,147	\$ 659,709	17.35%
Capital Assets	4,349,780	4,020,510	10,103	19,451	4,359,883	4,039,961	7.92%
Total Assets	<u>4,794,016</u>	<u>4,454,050</u>	<u>340,014</u>	<u>245,620</u>	<u>5,134,030</u>	<u>4,699,670</u>	9.24%
Long-Term Debt							
Outstanding	1,005,675	968,357			1,005,675	968,357	3.85%
Other Liabilities	662,142	182,706	69,011	7,417	731,153	190,123	284.57%
Total Liabilities	<u>1,667,817</u>	<u>1,151,063</u>	<u>69,011</u>	<u>7,417</u>	<u>1,736,828</u>	<u>1,158,480</u>	49.92%
Net Assets:							
Invested in Capital							
Assets, Net of							
Related Debt	4,100,593	3,770,320	10,103	19,451	4,110,696	3,789,771	8.47%
Restricted	295,451	504,187			295,451	504,187	-41.40%
Unrestricted/(Deficit)	<u>(1,268,685)</u>	<u>(971,520)</u>	<u>260,900</u>	<u>218,752</u>	<u>(1,007,785)</u>	<u>(752,768)</u>	-33.88%
Total Net Assets	<u>\$ 3,127,359</u>	<u>\$ 3,302,987</u>	<u>\$ 271,003</u>	<u>\$ 238,203</u>	<u>\$ 3,398,362</u>	<u>\$ 3,541,190</u>	-4.03%

*Changes in Net Assets.* The District's combined net assets were \$3,398,362 on June 30, 2010, a decrease of \$142,828 or 4.03% less than they were the year before (See Figure A-3). Net Assets Invested in Capital Assets increased by \$320,925 due to the \$158,409 retirement of capital leases and current year capital assets additions of \$679,691 offset by the \$157,406 of capital leases issued and the \$359,769 of depreciation expense. Restricted net assets decreased by \$208,736 entirely due to a decrease in General Fund encumbrances. The unrestricted net assets decreased by \$255,017 and was primarily due to the \$38,321 increase in compensated absences payable and the \$132,970 deficit in General Fund revenue offset by \$422,654 of unexpended budget appropriations in the General Fund.

Figure A-4

Changes in Net Assets from Operating Results							
	Governmental	Business-	Governmental	Business-	Total	Total	Percentage
	Activities	Type	Activities	Type	School	School	Change
		Activities	Activities	Activities	District	District	
			2009				2009
	2010	2010	Restated	2009	2010	Restated	2010
<b>Revenue:</b>							
<b>Program Revenue:</b>							
Charges for Services	\$ 89,441	\$ 419,995	\$ 81,398	\$ 465,882	\$ 509,436	\$ 547,280	-6.91%
Operating Grants and Contributions	5,143,102	156,154	3,897,240	146,524	5,299,256	4,043,764	31.05%
<b>General Revenue:</b>							
Property Taxes	14,223,504		13,929,033		14,223,504	13,929,033	2.11%
State and Federal Aid	5,908,799		6,434,132		5,908,799	6,434,132	-8.16%
Other	66,855	5,664	103,057	414	72,519	103,471	-29.91%
<b>Total Revenue</b>	<b>25,431,701</b>	<b>581,813</b>	<b>24,444,860</b>	<b>612,820</b>	<b>26,013,514</b>	<b>25,057,680</b>	<b>3.81%</b>
<b>Expenses:</b>							
Instruction	15,746,895		14,680,078		15,746,895	14,680,078	7.27%
Pupil and Instruction Services	3,376,486		3,396,165		3,376,486	3,396,165	-0.58%
Administrative and Business	1,881,621		2,270,765		1,881,621	2,270,765	-17.14%
Maintenance and Operations	2,050,404		1,966,154		2,050,404	1,966,154	4.29%
Transportation	1,977,677		1,887,345		1,977,677	1,887,345	4.79%
Other	574,246	549,013	403,625	558,900	1,123,259	962,525	16.70%
<b>Total Expenses</b>	<b>25,607,329</b>	<b>549,013</b>	<b>24,604,132</b>	<b>558,900</b>	<b>26,156,342</b>	<b>25,163,032</b>	<b>3.95%</b>
<b>Increase/(Decrease) in Net Assets</b>							
Assets	\$ (175,628)	\$ 32,800	\$ (159,272)	\$ 53,920	\$ (142,828)	\$ (105,352)	-35.57%

**Revenue Sources.** The District's total revenue for the 2009/2010 school year was \$26,013,514. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$14,223,504 of the total, or 54.67 percent. (See Figure A-5). Another 43.09 percent came from state and federal aid and the remainder from tuition, miscellaneous sources and charges for services.

Figure A-5

## Sources of Revenue for Fiscal Year 2010

	Amount	Percentage
<b>Sources of Income:</b>		
State Formula Aid	\$ 7,370,982	28.34%
Property Taxes	14,223,504	54.67%
Federal and State Categorical Grants	3,837,073	14.75%
Charges for Services	509,436	1.96%
Other	72,519	0.28%
	<b>\$ 26,013,514</b>	<b>100.00%</b>

The total cost of all programs and services was \$26,156,342. The District's expenses are predominantly related to instruction, pupil and instruction services and transportation services for students (80.68 percent). (See Figure A-6). The District's administrative and business activities accounted for 7.19 percent of total costs. It is important to note that depreciation is included in expenses for the year; expenses therefore include \$359,769 in depreciation.

Figure A-6

## Expenses for Fiscal Year 2010

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 15,746,895	60.21%
Pupil and Instruction Services	3,376,486	12.91%
Administrative and Business	1,881,621	7.19%
Maintenance and Operations	2,050,404	7.84%
Transportation	1,977,677	7.56%
Other	1,123,259	4.29%
	<u>\$ 26,156,342</u>	<u>100.00%</u>

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District remains relatively stable. Maintaining existing programs for regular pupil enrollment and the provision of special programs and services for disabled pupils place great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health.

It is crucial that the District examine its expenditures carefully. Staff, parental and student demands for salary increases, new activities and programs must be evaluated thoroughly. District resources are at their tightest level in a decade.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-7

	<b>Net Cost of Governmental Activities</b>			
	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>
	<u>2009/2010</u>	<u>2009/2010</u>	<u>2008/2009</u>	<u>2008/2009</u>
Instruction	\$ 15,746,895	\$ 11,607,759	\$ 14,680,078	\$ 11,675,527
Pupil and Instruction Services	3,376,486	3,097,683	3,396,165	3,140,595
Administrative and Business	1,881,621	1,828,902	2,270,765	2,211,094
Maintenance and Operations	2,050,404	2,050,404	1,966,154	1,926,083
Transportation	1,977,677	1,215,792	1,887,345	1,268,570
Other	574,246	574,246	403,625	403,625
	<u>\$ 25,607,329</u>	<u>\$ 20,374,786</u>	<u>\$ 24,604,132</u>	<u>\$ 20,625,494</u>

- The cost of all governmental activities this year was \$25.61 million.
- The federal and state governments subsidized certain programs with grants and contributions was \$11.05 million.
- Approximately \$14.22 million of the District's costs were financed by District taxpayers.
- The remainder of the funding came from tuition charges, miscellaneous revenue and investment earnings.

### Business-Type Activities

Net assets from the District's business-type activities increased by \$32,800. The increase is due primarily to an operating profit in the food service fund of \$41,285 and the cancellation of \$5,181 of prior year interfunds offset by depreciation expense of \$9,348.

### Financial Analysis of the District's Funds

The District's financial position decreased significantly due to the use of prior year encumbrances and fund balance which was not regenerated with unexpended budget appropriations as well as a deficit in General Fund revenue. As the number of low-income students rises, so do the expenses related to meeting their additional needs. Difficult economic times have had a direct impact upon the District's revenue sources.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

### General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The budget was amended for transfers to prevent over-expenditures of specific line item accounts.

### Capital Asset and Debt Administration

Figure A-8

	Capital Assets (Net of Depreciation)						Percentage Change 2010
	Government Activities		Business-Type Activities		Total School District		
	2010	2009, Restated	2010	2009	2010	2009, Restated	
Buildings and Building Improvements	\$ 3,864,829	\$ 3,606,780			\$ 3,864,829	\$ 3,606,780	7.15%
Site Improvements	80,216	83,435			80,216	83,435	-3.86%
Machinery and Equipment	404,735	330,295	\$ 10,103	\$ 19,451	414,838	349,746	18.61%
Total Capital Assets (Net of Depreciation)	<u>\$ 4,349,780</u>	<u>\$ 4,020,510</u>	<u>\$ 10,103</u>	<u>\$ 19,451</u>	<u>\$ 4,359,883</u>	<u>\$ 4,039,961</u>	7.92%

During the current fiscal year, the District had capital additions of \$679,691 and depreciated \$359,769 of its capital assets.

### Long-term Debt

At year-end, the District had \$1,005,675 in long term debt outstanding – an increase of \$37,318 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

Figure A-9

	Outstanding Long-Term Debt		Percentage Change
	Total School District		
	2010	2009, Restated	
Other Long-Term Liabilities	<u>\$ 1,005,675</u>	<u>\$ 968,357</u>	3.85%

The District continued to pay down its debt, which included retiring \$158,409 capital lease obligations. The District entered into lease agreements in the amount of \$157,406 for the purchase of copiers. There was also a net increase of \$38,321 in compensated absences payable.

**Factors Bearing on the District's Future Revenue/Expense Changes**

Sussex-Wantage Regional School District remains financially stable even with continued uncertainty in State funding. If the District cannot maintain its State Aid and tax revenues, then programs will have to be cut and class size increased. If the economy, state aid, and current increase in costs continue, the Administration and Board of Education will be faced with challenges in order to keep the School District solvent.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the money it receives. Questions about this report or additional financial information needs should be directed to Christina Riker, School Business Administrator, Sussex-Wantage Regional Board of Education, 27 Bank Street, Sussex, New Jersey.

**BASIC FINANCIAL STATEMENTS**

DISTRICT-WIDE FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,802	\$ 118,982	\$ 123,784
Receivables from State Government	142,221	1,459	143,680
Receivables from Federal Government	344,777	23,094	367,871
Receivables from Other Governments	18,590		18,590
Other Receivables	669	4,502	5,171
Interfund Receivable	108,500		108,500
Internal Balances	(175,323)	175,323	
Inventories		6,551	6,551
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	4,349,780	10,103	4,359,883
Total Assets	<u>4,794,016</u>	<u>340,014</u>	<u>5,134,030</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable - Vendors	602,197	62,997	665,194
Interfund Payable	56		56
Payable to State Government	30,822		30,822
Payable to Federal Government	12,180		12,180
Deferred Revenue	15,727	6,014	21,741
Noncurrent Liabilities:			
Due Within One Year	138,087		138,087
Due Beyond One Year	867,588		867,588
Total Liabilities	<u>1,666,657</u>	<u>69,011</u>	<u>1,735,668</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	4,100,593	10,103	4,110,696
Restricted for:			
Other Purposes	295,451		295,451
Unrestricted/(Deficit)	(1,268,685)	260,900	(1,007,785)
Total Net Assets	<u>\$ 3,127,359</u>	<u>\$ 271,003</u>	<u>\$ 3,398,362</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 9,282,440		\$ 1,932,514		\$ (7,349,926)		\$ (7,349,926)
Special Education	5,619,874	\$ 89,441	2,037,943		(3,492,490)		(3,492,490)
Other Special Instruction	405,347		38,548		(366,799)		(366,799)
Other Instruction	439,234		40,690		(398,544)		(398,544)
<b>Support Services:</b>							
Tuition	152,192				(152,192)		(152,192)
Student and Instruction Related Services	3,224,294		278,803		(2,945,491)		(2,945,491)
General Administrative Services	369,281				(369,281)		(369,281)
School Administrative Services	925,112		52,719		(872,393)		(872,393)
Central Services	403,258				(403,258)		(403,258)
Administrative Information Technology	183,970				(183,970)		(183,970)
Plant Operations and Maintenance	2,050,404				(2,050,404)		(2,050,404)
Pupil Transportation	1,977,677		761,885		(1,215,792)		(1,215,792)
Unallocated Depreciation	208,287				(208,287)		(208,287)
Transfer of Funds to Charter School	365,959				(365,959)		(365,959)
<b>Total Governmental Activities</b>	<b>25,607,329</b>	<b>89,441</b>	<b>5,143,102</b>		<b>(20,374,786)</b>		<b>(20,374,786)</b>
<b>Business-Type Activities:</b>							
Food Service	404,179	273,174	156,154			\$ 25,149	25,149
Care Program	144,834	146,821				1,987	1,987
<b>Total Business-Type Activities</b>	<b>549,013</b>	<b>419,995</b>	<b>156,154</b>			<b>27,136</b>	<b>27,136</b>
<b>Total Primary Government</b>	<b>\$ 26,156,342</b>	<b>\$ 509,436</b>	<b>\$ 5,299,256</b>	<b>\$ -0-</b>	<b>(20,374,786)</b>	<b>27,136</b>	<b>(20,347,650)</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
	General Revenues:						
	Property Taxes, Levied for General Purposes, Net				\$ 14,223,504		\$ 14,223,504
	Federal, State and Local Aid not Restricted				5,908,799		5,908,799
	Interest Earnings					\$ 483	483
	Miscellaneous Income				66,855		66,855
	Prior Year Interfund Payable Cancelled					5,181	5,181
	Total General Revenues, Special Items, and Transfers				<u>20,199,158</u>	<u>5,664</u>	<u>20,204,822</u>
	Change in Net Assets Before Other Adjustments				(175,628)	32,800	(142,828)
	Change in Net Assets				(175,628)	32,800	(142,828)
	Net Assets - Beginning - Restated				<u>3,302,987</u>	<u>238,203</u>	<u>3,541,190</u>
	Net Assets - Ending				<u>\$ 3,127,359</u>	<u>\$ 271,003</u>	<u>\$ 3,398,362</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,802		\$ 4,802
Receivables From State Government	137,481	\$ 4,740	142,221
Receivables From Federal Government		344,777	344,777
Receivables From Other Governments	17,348	1,242	18,590
Other Accounts Receivable	669		669
Interfund Receivable	335,233		335,233
<b>Total Assets</b>	<b><u>\$ 495,533</u></b>	<b><u>\$ 350,759</u></b>	<b><u>\$ 846,292</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable - Vendors	\$ 536,900	\$ 65,297	\$ 602,197
Interfund Payable	175,379	226,733	402,112
Payable to Federal Government		12,180	12,180
Payable to State Government		30,822	30,822
Deferred Revenue		15,727	15,727
<b>Total Liabilities</b>	<b><u>712,279</u></b>	<b><u>350,759</u></b>	<b><u>1,063,038</u></b>
<b>Fund Balances:</b>			
<b>Reserved for:</b>			
Encumbrances	295,451		295,451
<b>Unreserved/(Deficit), Reported in:</b>			
General Fund	(512,197)		(512,197)
<b>Total Fund Balances</b>	<b><u>(216,746)</u></b>		<b><u>(216,746)</u></b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	General Fund	Special Revenue Fund	Total Governmental Funds
Total Liabilities and Fund Balances	\$ 495,533	\$ 350,759	
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Assets (A-1) are Different Because:			
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. The Cost of the Assets is \$9,243,616 and the Accumulated Depreciation is \$4,893,836.			4,349,780
Long-Term Liabilities, Including Loans Payable, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.			(1,005,675)
Net Assets of Governmental Activities			\$ 3,127,359

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>			
Local Sources:			
Local Tax Levy	\$ 14,223,504		\$ 14,223,504
Tuition	89,441		89,441
Miscellaneous	66,855	\$ 325	67,180
Total - Local Sources	<u>14,379,800</u>	<u>325</u>	<u>14,380,125</u>
State Sources	9,088,760	80,954	9,169,714
Federal Sources	<u>924,012</u>	<u>957,850</u>	<u>1,881,862</u>
Total Revenues	<u>24,392,572</u>	<u>1,039,129</u>	<u>25,431,701</u>
<b>EXPENDITURES:</b>			
Current:			
Regular Instruction	6,443,432	180,609	6,624,041
Special Education Instruction	3,449,824	678,374	4,128,198
Other Special Instruction	283,916		283,916
School-Sponsored/Other Instruction	311,056		311,056
Support Services and Undistributed Costs:			
Tuition	152,192		152,192
Student and Other Instruction Related Services	2,309,291	80,154	2,389,445
General Administrative Services	481,386		481,386
School Administrative Services	666,175		666,175
Central Services	315,373		315,373
Administrative Information Technology	163,826		163,826
Plant Operations and Maintenance	1,770,727		1,770,727
Student Transportation	1,801,061		1,801,061

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Unallocated Benefits	\$ 5,942,120		\$ 5,942,120
Capital Outlay	561,220	\$ 99,992	661,212
Transfer of Funds to Charter School	365,959		365,959
<b>Total Expenditures</b>	<b>25,017,558</b>	<b>1,039,129</b>	<b>26,056,687</b>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(624,986)		(624,986)
<b>Other Financing Sources:</b>			
Capital Leases (Non-budgeted)	157,406		157,406
<b>Total Other Financing Sources</b>	<b>157,406</b>		<b>157,406</b>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(467,580)		(467,580)
Fund Balance - July 1	250,834		250,834
Fund Balance/(Deficit) - June 30	\$ (216,746)	\$ -0-	\$ (216,746)

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ (467,580)
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation Expense	\$ (350,421)
	Capital Outlays	<u>679,691</u>
		329,270
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		158,409
Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.		(157,406)
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(38,321)</u>
Change in net assets of governmental activities		<u>\$ (175,628)</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010

	<u>Non Major Business-type Activities - Enterprise Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 118,982
Intergovernmental Accounts Receivable:	
State	1,459
Federal	23,094
Other Accounts Receivable	4,502
Interfund Receivable - General Fund	175,323
Inventories	6,551
	329,911
Total Current Assets	329,911
Non-Current Assets:	
Capital Assets	145,494
Less: Accumulated Depreciation	(135,391)
	10,103
Total Non-Current Assets	10,103
Total Assets	340,014
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	62,997
Deferred Revenue	6,014
	69,011
Total Current Liabilities	69,011
<u>NET ASSETS:</u>	
Investment in Capital Assets Net of Related Debt	10,103
Unrestricted	260,900
	271,003
Total Net Assets	\$ 271,003

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Non Major Business-type Activities - Enterprise Funds</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 190,199
Daily Sales - Non-Reimbursable Programs	80,898
Child Care Fees	146,821
Rebates	2,077
	419,995
Total Operating Revenue	419,995
Operating Expenses:	
Cost of Goods Sold	197,298
Salaries	263,578
Payroll Taxes and Employee Benefits	36,075
Purchased Services	17,331
Supplies and Materials	20,177
Depreciation Expense	9,348
Other	5,206
	549,013
Total Operating Expenses	549,013
Operating Loss	(129,018)
Non-Operating Income:	
Local Sources:	
Interest Income	483
State Sources:	
State School Lunch Program	6,922
State School Breakfast Program	1,364
Federal Sources:	
National School Lunch Program	115,766
School Breakfast Program	14,530
Special Milk Program	648
Food Distribution Program	16,924
	156,637
Total Non-Operating Income	156,637
Change in Net Assets Before Adjustments	27,619
Prior Year Interfund Payable Cancelled	5,181
	32,800
Change in Net Assets	32,800
Net Assets - Beginning of Year	238,203
Net Assets - End of Year	\$ 271,003

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Non Major Business-type Activities - Enterprise Funds</u>
Cash Flows for Operating Activities:	
Receipts from Customers	\$ 415,301
Payments for Salaries, Payroll Taxes and Benefits	(263,578)
Payments for Supplies and Food	<u>(197,061)</u>
Net Cash Used for Operating Activities	<u>(45,338)</u>
Cash Flows from Financing Activities:	
Interest Income	<u>483</u>
Net Cash Provided by Financing Activities	<u>483</u>
Cash Flows for Noncapital Financing Activities:	
Interfund with General Fund	(140,786)
Federal and State Sources	<u>87,906</u>
Net Cash Used for Noncapital Financing Activities	<u>(52,880)</u>
Net Decrease in Cash and Cash Equivalents	(97,735)
Cash and Cash Equivalents, July 1	<u>216,717</u>
Cash and Cash Equivalents, June 30	<u>\$ 118,982</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (129,018)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	9,348
Food Distribution Program	16,924
Changes in Assets and Liabilities:	
Decrease in Inventory	316
(Increase) in Other Accounts Receivable	(4,502)
Increase in Accounts Payable	62,245
(Decrease) in Deferred Revenue	<u>(651)</u>
Net Cash Used for Operating Activities	<u>\$ (45,338)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$16,388 and utilized commodities valued at \$16,924 for the fiscal year ended June 30, 2010.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010

<u>ASSETS:</u>	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
Cash and Cash Equivalents	\$ 644,558	\$ 84,427
Intergovernmental Receivable - State		58,387
Interfund Receivable - General Fund	56	
Total Assets	<u>644,614</u>	<u>142,814</u>
 <u>LIABILITIES:</u>		
Payroll Deductions and Withholdings	110,331	
Interfund Payable - General Fund	25,840	82,660
Accrued Salaries and Wages	446,903	
Due to Student Groups	61,060	
Accounts Payable - Vendors	480	
Total Liabilities	<u>644,614</u>	<u>82,660</u>
 <u>NET ASSETS:</u>		
Held in Trust for Unemployment Claims		<u>60,154</u>
Total Net Assets	<u>\$ -0-</u>	<u>\$ 60,154</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Budget Appropriation	\$ 20,000
Employee Contributions	58,387
Total Contributions	<u>78,387</u>
Investment Earnings:	
Interest	499
Net Investment Earnings	<u>499</u>
Total Additions	<u>78,886</u>
<b>DEDUCTIONS:</b>	
Quarterly Contribution Reports/Unemployment Claims	112,419
Total Deductions	<u>112,419</u>
Change in Net Assets	(33,533)
Net Assets - Beginning of the Year	<u>93,687</u>
Net Assets - End of the Year	<u>\$ 60,154</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include two elementary schools and a middle school located in the Borough of Sussex and the Township of Wantage. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net assets and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds 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 is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

SUSSEX-WANTAGÉ REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 20102010  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

Enterprise Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations and its Care Program. These two Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and the Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net assets may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

Reports for the District's Food Service Fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 24,395,699	\$ 1,039,129
Differences - Budget to GAAP:		
State Aid Payment Recognized for GAAP Purposes, not Recognized for Budgetary Statements	790,477	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(793,604)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 24,392,572</u>	<u>\$ 1,039,129</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 25,017,558</u>	<u>\$ 1,039,129</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 25,017,558</u>	<u>\$ 1,039,129</u>

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

New Jersey school districts are limited as to the type 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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	40 years
Site Improvements	20 years
Furniture and Equipment	10 to 12 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Fixed assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond issuance costs as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2010, the amount earned by these employees but not disbursed was \$446,903.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Compensated Absences

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

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

In the district-wide *Statement of Net Assets*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the (\$216,746) General Fund fund balance at June 30, 2010, \$295,451 is reserved for encumbrances; and \$512,197 is a deficit in unreserved and undesignated fund balance which is \$793,604 less than the calculated maximum unreserved fund balance, on a GAAP Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2011.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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 year's budget. The District has no excess surplus.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Deficit Fund Balances/Net Assets

The District has a deficit in Unreserved/Undesignated General Fund fund balance of \$512,197 as of June 30, 2010 as reported in the fund financial statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The deficit in the General Fund fund balance at June 30, 2010 is due to the last two state aid payments as identified above.

There is also a deficit in unrestricted governmental activities net assets in the amount of \$1,268,685. The deficit is due to a deficit in unreserved/undesignated General Fund fund balance of \$512,197 as well as compensated absences payable of \$756,488. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Assets:

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

S. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, as defined by State law.

T. Revenue - Exchange and Nonexchange Transactions:

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and Care Program fees. Operating expenses are necessary costs incurred to provide the service that are the primary activities of the Enterprise Funds.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. 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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which 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.

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, and

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%.

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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; and
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2010, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	\$ 847,967
Money Market Accounts	4,802
	\$ 852,769

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2010, was \$852,769 and the bank balance was \$1,186,383.

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2010, the District transferred a total amount of \$125,300 to the capital outlay accounts. The entire transfer was to the line item for construction services.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2010 were as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 6,837,308	\$ 463,117		\$ 7,300,425
Site Improvements	128,771			128,771
Machinery and Equipment	1,767,688	216,574	\$ (169,842)	1,814,420
Total Capital Assets Being Depreciated	<u>8,733,767</u>	<u>679,691</u>	<u>(169,842)</u>	<u>9,243,616</u>
Governmental Activities Capital Assets	<u>8,733,767</u>	<u>679,691</u>	<u>(169,842)</u>	<u>9,243,616</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(3,230,528)	(205,068)		(3,435,596)
Site Improvements	(45,336)	(3,219)		(48,555)
Machinery and Equipment	(1,437,393)	(142,134)	169,842	(1,409,685)
	<u>(4,713,257)</u>	<u>(350,421)</u>	<u>169,842</u>	<u>(4,893,836)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,020,510</u>	<u>\$ 329,270</u>	<u>\$ -0-</u>	<u>\$ 4,349,780</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 145,494			\$ 145,494
Less Accumulated Depreciation	(126,043)	\$ (9,348)		(135,391)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,451</u>	<u>\$ (9,348)</u>	<u>\$ -0-</u>	<u>\$ 10,103</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 6,164
Student and Other Instruction Related Services	9,336
General Administration	3,724
School Administration	34,600
Central Services	4,877
Operations and Maintenance of Plant	11,127
Student Transportation	72,306
Unallocated	<u>208,287</u>
	<u>\$ 350,421</u>

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2010, the following changes occurred in liabilities reported in the district-wide financial statements:

	Restated Balance <u>6/30/2009</u>	<u>Accrued</u>	Retired/ Cancelled	Balance <u>6/30/2010</u>
Compensated Absences Payable	\$ 718,167	\$ 94,882	\$ 56,561	\$ 756,488
Capital Leases	<u>250,190</u>	<u>157,406</u>	<u>158,409</u>	<u>249,187</u>
	<u>\$ 968,357</u>	<u>\$ 252,288</u>	<u>\$ 214,970</u>	<u>\$ 1,005,675</u>

A. Bonds Authorized But Not Issued / Bonds Payable:

As of June 30, 2010, the District has no bonds authorized but not issued or bonded debt outstanding.

B. Capital Leases Payable:

The District has entered into capital lease agreements for the purchase of buses and copiers. The leases are for terms of 5 years.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

B. Capital Leases Payable: (Cont'd)

The future minimum lease obligations as of June 30, 2010 were as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2011	\$ 88,725
June 30, 2012	74,748
June 30, 2013	70,089
June 30, 2014	35,628
June 30, 2015	<u>2,969</u>
Total future minimum lease payments	272,159
Less: amount representing interest	<u>22,972</u>
Present value of minimum representing interest	<u>\$ 249,187</u>

The current portion of the capital leases payable is \$78,057 and the long-term portion is \$171,130.

The General Fund will be used to liquidate the Capital Leases Payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is \$756,488. The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of compensated absences is \$60,030 and the long-term portion is \$696,458.

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, 2010, no liability existed for compensated absences in the Food Service Fund.

The General Fund will be used to liquidate the Compensated Absences Payable.

NOTE 7. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. These systems are sponsored and administered by the State of New Jersey. The TPAF 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 noncontribution employers. The PERS is also considered a cost-sharing, multiple employer program.

Employees who are members of TPAF or PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Vesting occurs after 8 to 10 years of service.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

Three-Year Trend for TPAF (Paid on-behalf of District)

<u>Year Ending</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2010	\$ -0-	100.00%	\$ -0-
2009	\$ -0-	100.00%	\$ -0-
2008	814,144	100.00%	814,144

Three-Year Trend for PERS

<u>Year Ending</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2010	\$ 212,894	100.00%	\$ 212,894
2009	186,320	100.00%	186,320
2008	175,235	80.00%	140,188

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PERS for local employers for State fiscal years 2005-2008. The local employer PERS normal and accrued liability contributions required for State fiscal years 2005-2008 are as follows:

- 20% for payments due in State fiscal year 2005
- Not more than 40% for payments due in State fiscal year 2006
- Not more than 60% for payments due in State fiscal year 2007
- Not more than 80% for payments due in State fiscal year 2008

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 8. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through 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, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62 of Public Law 1994. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

The State's on-behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$712,853, \$676,087, and \$737,167 for 2010, 2009, and 2008, respectively.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health benefits are provided through Horizon Blue Cross/Blue Shield of NJ.

Property and Liability Insurance

The Sussex-Wantage Regional School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Selected, summarized financial information for the Fund as of June 30, 2009 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 33,659,794
Net Assets	\$ 14,417,326
Total Revenue	\$ 28,042,089
Total Expenses	\$ 25,015,943
Change in Net Assets	\$ 3,026,146
Net Assets Distribution to Participating Members	\$ 3,005,614

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services  
51 Everett Drive  
Suite B-40  
West Windsor, NJ 08550  
(609) 275-1155

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$ 20,000	\$ 499	\$ 58,387	\$ 112,419	\$ 60,154
2008-2009	-0-	469	29,356	43,260	93,687
2007-2008	-0-	1,105	32,758	45,841	107,122

NOTE 10. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 335,233	\$ 175,379
Special Revenue Fund		226,733
Enterprise Funds	175,323	
Fiduciary Fund	<u>56</u>	<u>108,500</u>
	<u>\$ 510,612</u>	<u>\$ 510,612</u>

The interfund receivable in the General Fund due from the Special Revenue Fund is the amount of the cash deficit in the Special Revenue Fund due to a timing lag in the reimbursement of federal grant funds from the State.

The interfund receivable in the General Fund due from the Fiduciary Fund relates to interest earnings and unallocated balances in the payroll accounts as well as the employer share of unemployment contributions due to the General Fund from the Unemployment Trust fund.

The interfund receivable in the Fiduciary Fund due from the General Fund is for dues withheld on an employee not turned over to payroll.

The Enterprise Funds interfund receivable is comprised of \$34,537 of federal and state subsidies received by the General Fund due to the Food Service Enterprise Fund, a \$100,000 interfund loan due to the Food Service Fund and the \$40,786 cash deficit in the General Fund due to the Care Program Enterprise Fund due to a timing lag in the receipt of the final two state aid payments.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

Variable Annuity Life (VALIC)	Lincoln Investment Planning
Equitable Life Assurance	Lincoln National Life
Metropolitan Life Insurance Company	Oppenheimer
Vanguard	New York Life
Metropolitan Life Annuity	Syracuse Benefit Plan

Equitable Life Assurance is the plan administrator for the District's Internal Revenue Code Section 457 plan.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 13. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the local school district on predetermined mutually agreed-upon schedules.

NOTE 14. CONTINGENT LIABILITIES

Grant Programs

The school district participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from any additional litigation and not covered by insurance would not materially affect the financial statements of the District.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 15. RESTATEMENT OF PRIOR YEAR BALANCES

Governmental Net Assets, Capital Assets, and Long-Term Liabilities were restated to include two capital leases for purchases of school buses that were not recorded in the fiscal year ending June 30, 2009. Note 6 – Capital Assets was also restated to reallocate assets from site improvements to buildings and building improvements.

	Balance 6/30/09 as Previously Reported	Retroactive Adjustments	Balance 6/30/09 as Restated
<u>Statement of Net Assets:</u>			
<u>Governmental Activities:</u>			
Assets:			
Capital Assets, Net:			
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	\$ 3,861,261	\$ 159,249	\$ 4,020,510
Liabilities:			
Noncurrent Liabilities:			
Due Within One Year	76,782	29,345	106,127
Due Beyond One Year	766,786	95,444	862,230
Net Assets:			
Invested in Capital Assets, net of Related Debt	3,735,860	34,460	3,770,320
Net Assets - Ending	3,268,527	34,460	3,302,987

BUDGETARY COMPARISON SCHEDULES

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 14,223,504		\$ 14,223,504	\$ 14,223,504	
Tuition	154,643		154,643	89,441	\$ (65,202)
Unrestricted Miscellaneous Revenues	175,000		175,000	66,855	(108,145)
<b>Total - Local Sources</b>	<b>14,553,147</b>		<b>14,553,147</b>	<b>14,379,800</b>	<b>(173,347)</b>
<b>State Sources:</b>					
Extraordinary Aid	20,000		20,000	75,937	55,937
Categorical Special Education Aid	720,289		720,289	720,289	
Equalization Aid	5,046,020	\$ (915,581)	4,130,439	4,130,439	
Categorical Security Aid	126,399		126,399	126,399	
Adjustment Aid	1,651,716		1,651,716	1,630,422	(21,294)
Categorical Transportation Aid	766,560		766,560	766,560	
Additional Non-public Transportation Aid				15,776	15,776
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				37,955	37,955
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				712,853	712,853
Reimbursed TPAF Social Security Contributions (non-budgeted)				875,257	875,257
<b>Total State Sources</b>	<b>8,330,984</b>	<b>(915,581)</b>	<b>7,415,403</b>	<b>9,091,887</b>	<b>1,676,484</b>
<b>Federal Sources:</b>					
Medicaid Reimbursement	18,473		18,473	8,431	(10,042)
Equalization Aid - ARRA ESF		881,458	881,458	881,458	
Equalization Aid - ARRA GSF		34,123	34,123	34,123	
<b>Total Federal Sources</b>	<b>18,473</b>	<b>915,581</b>	<b>934,054</b>	<b>924,012</b>	<b>(10,042)</b>
<b>TOTAL REVENUES</b>	<b>22,902,604</b>		<b>22,902,604</b>	<b>24,395,699</b>	<b>1,493,095</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	292,267	177	292,444	292,444	
Grades 1-5 - Salaries of Teachers	3,353,975	82,238	3,436,213	3,436,213	
Grades 6-8 - Salaries of Teachers	2,078,743	57,405	2,136,148	2,136,148	

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Home Instruction (Cont'd):					
Salaries of Teachers	\$ 10,000	\$ 2,313	\$ 12,313	\$ 12,313	
Other Objects	4,000	130	4,130	4,130	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	122,436	43,398	165,834	165,834	
Purchased Professional - Educational Services		7,955	7,955	7,955	
Purchased Technical Services	15,958	(15,181)	777	777	
Other Purchased Services (400-500 Series)	10,000	(435)	9,565	9,565	
General Supplies	187,974	(5,648)	182,326	182,326	
Textbooks	165,080	(1,124)	163,956	163,956	
Other Objects	35,145	(3,374)	31,771	31,771	
Total Regular Programs - Instruction	<u>6,275,578</u>	<u>167,854</u>	<u>6,443,432</u>	<u>6,443,432</u>	
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	357,057		357,057	356,384	\$ 673
Other Salaries for Instruction	174,808		174,808	172,792	2,016
General Supplies	6,625		6,625	4,407	2,218
Total Learning and/or Language Disabilities	<u>538,490</u>		<u>538,490</u>	<u>533,583</u>	<u>4,907</u>
Behavioral Disabilities:					
Salaries of Teachers	93,674		93,674	93,674	
Other Salaries for Instruction	132,204		132,204	131,060	1,144
General Supplies	2,475		2,475	2,238	237
Total Behavioral Disabilities	<u>228,353</u>		<u>228,353</u>	<u>226,972</u>	<u>1,381</u>
Multiple Disabilities:					
Salaries of Teachers	81,310		81,310	81,310	
Other Salaries for Instruction	122,129	(51,967)	70,162	66,301	3,861
General Supplies	4,100		4,100	2,456	1,644
Total Multiple Disabilities	<u>207,539</u>	<u>(51,967)</u>	<u>155,572</u>	<u>150,067</u>	<u>5,505</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,915,165	\$ 20,824	\$ 1,935,989	\$ 1,935,989	
Other Salaries for Instruction	76,515	2,515	79,030	79,030	
General Supplies	25,251	(1,133)	24,118	24,118	
Textbooks	1,200	(830)	370	370	
Total Resource Room/Resource Center	<u>2,018,131</u>	<u>21,376</u>	<u>2,039,507</u>	<u>2,039,507</u>	
Autism:					
Salaries of Teachers	58,350		58,350	58,350	
Other Salaries for Instruction	102,496		102,496	97,968	\$ 4,528
General Supplies	2,581		2,581	2,079	502
Total Autism	<u>163,427</u>		<u>163,427</u>	<u>158,397</u>	<u>5,030</u>
Preschool Handicapped - Part Time:					
Salaries of Teachers	204,215		204,215	204,215	
Other Salaries for Instruction	148,220	(2,000)	146,220	135,779	10,441
General Supplies	1,500		1,500	1,304	196
Total Preschool Handicapped - Part Time	<u>353,935</u>	<u>(2,000)</u>	<u>351,935</u>	<u>341,298</u>	<u>10,637</u>
Home Instruction:					
Salaries of Teachers	2,000	(2,000)			
Total Home Instruction	<u>2,000</u>	<u>(2,000)</u>			
Total Special Education Instruction	<u>3,511,875</u>	<u>(34,591)</u>	<u>3,477,284</u>	<u>3,449,824</u>	<u>27,460</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	231,512	49,860	281,372	281,372	
General Supplies	3,900	(1,356)	2,544	2,544	
Total Basic Skills/Remedial - Instruction	<u>235,412</u>	<u>48,504</u>	<u>283,916</u>	<u>283,916</u>	

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 69,254	\$ 19,863	\$ 89,117	\$ 89,117	
Purchased Services (300-500 Series)	10,000	2,000	12,000	11,755	\$ 245
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>79,254</b>	<b>21,863</b>	<b>101,117</b>	<b>100,872</b>	<b>245</b>
Other Instructional Programs - Instruction:					
Salaries	216,484	(6,950)	209,534	207,890	1,644
Supplies and Materials	3,800	(50)	3,750	2,294	1,456
<b>Total Other Instructional Programs - Instruction</b>	<b>220,284</b>	<b>(7,000)</b>	<b>213,284</b>	<b>210,184</b>	<b>3,100</b>
<b>Total Instruction</b>	<b>10,322,403</b>	<b>196,630</b>	<b>10,519,033</b>	<b>10,488,228</b>	<b>30,805</b>
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Handicapped - Within State	203,400	(51,208)	152,192	152,192	
<b>Total Undistributed Expenditures - Instruction:</b>	<b>203,400</b>	<b>(51,208)</b>	<b>152,192</b>	<b>152,192</b>	
Attendance and Social Work:					
Other Purchased Services (400-500 Series)	2,200		2,200	925	1,275
<b>Total Attendance and Social Work</b>	<b>2,200</b>		<b>2,200</b>	<b>925</b>	<b>1,275</b>
Health Services:					
Salaries	219,830	309	220,139	220,139	
Other Purchased Services (400-500 Series)	5,000		5,000	5,000	
Supplies and Materials	6,450		6,450	5,488	962
Other Objects	3,350	(309)	3,041	2,835	206
<b>Total Health Services</b>	<b>234,630</b>	<b>(309)</b>	<b>234,321</b>	<b>233,462</b>	<b>859</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	\$ 519,976		\$ 519,976	\$ 519,976	
Purchased Professional - Educational Services	110,000	\$ 4,385	114,385	114,385	
Supplies and Materials	6,500	(1,324)	5,176	5,058	\$ 118
<b>Total Other Support Services - Speech, OT, PT and Related Services</b>	<b>636,476</b>	<b>3,061</b>	<b>639,537</b>	<b>639,419</b>	<b>118</b>
Other Support Services - Guidance:					
Salaries of Other Professional Staff	260,160	(6,069)	254,091	253,490	601
<b>Total Other Support Services - Guidance</b>	<b>260,160</b>	<b>(6,069)</b>	<b>254,091</b>	<b>253,490</b>	<b>601</b>
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	663,928	12,579	676,507	676,507	
Salaries of Secretarial and Clerical Assistants	103,859	306	104,165	104,165	
Purchased Professional - Educational Services	3,000	7,726	10,726	476	10,250
<b>Total Other Support Services - Child Study Team</b>	<b>770,787</b>	<b>20,611</b>	<b>791,398</b>	<b>781,148</b>	<b>10,250</b>
Educational Media Services/School Library:					
Salaries	231,953	1,333	233,286	233,286	
Supplies and Materials	49,150	(11,345)	37,805	37,512	293
<b>Total Educational Media Services/School Library</b>	<b>281,103</b>	<b>(10,012)</b>	<b>271,091</b>	<b>270,798</b>	<b>293</b>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	105,500		105,500	105,500	
Salaries of Secretarial and Clerical Assistants	12,801	1,304	14,105	14,105	
Purchased Professional - Educational Services	13,548	(4,576)	8,972	8,251	721
Other Purchased Professional and Technical Services	1,700	(50)	1,650	1,165	485
Supplies and Materials	1,000	50	1,050	1,028	22
<b>Total Instructional Staff Training Services</b>	<b>134,549</b>	<b>(3,272)</b>	<b>131,277</b>	<b>130,049</b>	<b>1,228</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - General Administration:					
Salaries	\$ 203,903	\$ 298	\$ 204,201	\$ 204,055	\$ 146
Legal Services	80,763	(15,155)	65,608	65,608	
Audit Fees	60,000	(1,040)	58,960	30,648	28,312
Architectural/Engineering Services	18,405	(18,405)			
Other Purchased Professional Services	26,458	1,416	27,874	27,874	
Purchased Technical Services	19,170	13,000	32,170	23,169	9,001
Communications/Telephone	88,872	(23,639)	65,233	65,233	
Other Purchased Services (400-500 Series)	30,516	(5,000)	25,516	24,696	820
General Supplies	6,000		6,000	4,830	1,170
BOE In-house Training/Meeting Supplies	500		500	170	330
Miscellaneous Expenditures	29,666	(6,624)	23,042	23,042	
BOE Membership Dues and Fees	13,000		13,000	12,061	939
<b>Total Support Services - General Administration</b>	<b>577,253</b>	<b>(55,149)</b>	<b>522,104</b>	<b>481,386</b>	<b>40,718</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	421,405	(36,596)	384,809	384,809	
Salaries of Secretarial and Clerical Assistants	233,125	4,920	238,045	238,004	41
Purchased Professional and Technical Services		300	300	300	
Supplies and Materials	35,400	(8,813)	26,587	26,408	179
Other Objects	30,314	(13,598)	16,716	16,654	62
<b>Total Support Services - School Administration</b>	<b>720,244</b>	<b>(53,787)</b>	<b>666,457</b>	<b>666,175</b>	<b>282</b>
Central Services:					
Salaries	281,799	(1)	281,798	281,798	
Purchased Professional Services	14,250	318	14,568	14,568	
Supplies and Materials	7,500		7,500	6,389	1,111
Interest on Lease Purchase Agreements		7,736	7,736	7,736	
Miscellaneous Expenditures	7,000	(318)	6,682	4,882	1,800
<b>Total Central Services</b>	<b>310,549</b>	<b>7,735</b>	<b>318,284</b>	<b>315,373</b>	<b>2,911</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Administrative Information Technology:					
Salaries	\$ 80,550	\$ (12,163)	\$ 68,387	\$ 68,387	
Purchased Professional Services	61,459	(9,054)	52,405	42,155	\$ 10,250
Supplies and Materials	68,011	(16,625)	51,386	51,386	
Other Objects	31,249	(29,351)	1,898	1,898	
<b>Total Administrative Information Technology</b>	<b>241,269</b>	<b>(67,193)</b>	<b>174,076</b>	<b>163,826</b>	<b>10,250</b>
Required Maintenance of School Facilities:					
Salaries	377,673	(914)	376,759	376,759	
Cleaning, Repair and Maintenance Services	123,103	(14,645)	108,458	104,349	4,109
General Supplies	46,198	32,998	79,196	69,585	9,611
<b>Total Required Maintenance of School Facilities</b>	<b>546,974</b>	<b>17,439</b>	<b>564,413</b>	<b>550,693</b>	<b>13,720</b>
Custodial Services:					
Salaries	535,203	(93,269)	441,934	441,934	
Salaries of Non-Instructional Aides		73,985	73,985	73,985	
Cleaning, Repair and Maintenance Services	77,571	2,822	80,393	78,126	2,267
Other Purchased Property Services	31,400	9,598	40,998	40,998	
Insurance	79,306		79,306	79,306	
Miscellaneous Purchased Services	98,800	(2,197)	96,603	89,414	7,189
General Supplies	45,584	5,479	51,063	51,063	
Energy (Electricity)	175,000	3,301	178,301	178,301	
Other Objects	14,000	402	14,402	14,402	
Energy (Natural Gas)	35,000	(1,000)	34,000	31,596	2,404
Energy (Oil)	158,143	(17,234)	140,909	140,909	
<b>Total Custodial Services</b>	<b>1,250,007</b>	<b>(18,113)</b>	<b>1,231,894</b>	<b>1,220,034</b>	<b>11,860</b>
Student Transportation Services:					
Salaries of Non-Instructional Aides		99,767	99,767	99,767	
Salary for Pupil Transportation (Between Home & School) - Regular	438,806	(118,322)	320,484	320,484	
Management Fee - ESC & CTSA Transportation Program	36,000		36,000	36,000	
Other Purchased Professional and Technical Services	4,000		4,000	695	3,305
Cleaning, Repair and Maintenance Services	37,800	6,495	44,295	44,295	

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Student Transportation Services (Cont'd):					
Rental Payments - School Buses	\$ 7,500		\$ 7,500	\$ 1,693	\$ 5,807
Lease Purchase Payments - School Buses	94,714	\$ (11,922)	82,792	79,729	3,063
Contracted Services:					
Between Home and School - Vendors	853,099		853,099	853,099	
Other Between Home and School - Vendors	64,762	(3,268)	61,494	58,761	2,733
Special Education Students - Joint Agreements	210,831	2,551	213,382	213,382	
Aid in Lieu Payments - Nonpublic School	7,312		7,312	2,652	4,660
Miscellaneous Purchased Services - Transportation	150		150		150
Transportation Supplies	105,000	(24,234)	80,766	80,766	
Miscellaneous Expenditures	16,408	(1)	16,407	9,738	6,669
<b>Total Student Transportation Services</b>	<b>1,876,382</b>	<b>(48,934)</b>	<b>1,827,448</b>	<b>1,801,061</b>	<b>26,387</b>
Unallocated Benefits:					
Social Security Contributions	330,000	(3,879)	326,121	280,072	46,049
Other Retirement Contribution - Regular	228,622	(15,728)	212,894	212,894	
Unemployment Compensation	20,000		20,000	20,000	
Workmen's Compensation	149,074		149,074	149,074	
Health Benefits	3,605,447	(6,428)	3,599,019	3,599,019	
Tuition Reimbursement	36,000		36,000	36,000	
Other Employee Benefits	50,000	(31,004)	18,996	18,996	
<b>Total Unallocated Benefits</b>	<b>4,419,143</b>	<b>(57,039)</b>	<b>4,362,104</b>	<b>4,316,055</b>	<b>46,049</b>
On behalf Contributions:					
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				37,955	(37,955)
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				712,853	(712,853)
Reimbursed TPAF Social Security Contributions (non-budgeted)				875,257	(875,257)
<b>Total On-behalf Contributions</b>				<b>1,626,065</b>	<b>(1,626,065)</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Total Undistributed Expenses	\$ 12,465,126	\$ (321,930)	\$ 12,143,196	\$ 13,602,151	\$ (1,458,955)
TOTAL CURRENT EXPENSE	<u>22,787,529</u>	<u>(125,300)</u>	<u>22,662,229</u>	<u>24,090,379</u>	<u>(1,428,150)</u>
CAPITAL OUTLAY:					
Equipment:					
Undistributed Instruction	3,856		3,856	3,856	
Support Services - Students - Regular	440		440	440	
Administrative Information Technology	23,989		23,989	23,989	
Required Maintenance for School Facilities	14,328		14,328	14,279	49
Total Equipment	<u>42,613</u>		<u>42,613</u>	<u>42,564</u>	<u>49</u>
Facilities Acquisition and Constuction Services:					
Construction Services	460,640	125,300	585,940	361,250	224,690
Total Facilities Acquisition and Constuction Services	<u>460,640</u>	<u>125,300</u>	<u>585,940</u>	<u>361,250</u>	<u>224,690</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
School Administration				157,406	(157,406)
Total Assets Acquired Under Capital Leases (non-budgeted)				<u>157,406</u>	<u>(157,406)</u>
TOTAL CAPITAL OUTLAY	<u>503,253</u>	<u>125,300</u>	<u>628,553</u>	<u>561,220</u>	<u>67,333</u>
Transfer of Funds to Charter Schools	<u>365,959</u>		<u>365,959</u>	<u>365,959</u>	
TOTAL EXPENDITURES	<u>23,656,741</u>		<u>23,656,741</u>	<u>25,017,558</u>	<u>(1,360,817)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(754,137)</u>		<u>(754,137)</u>	<u>(621,859)</u>	<u>132,278</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources:					
Capital Leases (non-budgeted)				\$ 157,406	\$ 157,406
Total Other Financing Sources				157,406	157,406
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ (754,137)		\$ (754,137)	(464,453)	289,684
Fund Balance, July 1	1,041,311		1,041,311	1,041,311	
Fund Balance, June 30	<u>287,174</u>	<u>\$ -0-</u>	<u>\$ 287,174</u>	<u>\$ 576,858</u>	<u>\$ 289,684</u>
 <u>Recapitulation:</u>					
Reserve for Encumbrances				\$ 295,451	
Unreserved/Undesignated				281,407	
				<u>576,858</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(793,604)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ (216,746)</u>	

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 9,703	\$ 9,703	\$ 325	\$ (9,378)
State Sources	\$ 101,232	10,544	111,776	80,954	(30,822)
Federal Sources	668,299	662,697	1,330,996	957,850	(373,146)
<b>Total Revenues</b>	<b>769,531</b>	<b>682,944</b>	<b>1,452,475</b>	<b>1,039,129</b>	<b>(413,346)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	128,503	(25,166)	103,337	103,337	
Purchased Professional - Educational Services	473,543	(145,208)	328,335	149,373	178,962
Other Purchased Services	101,232	351,349	452,581	451,581	1,000
General Supplies	66,253	(7,621)	58,632	41,674	16,958
Textbooks		9,570	9,570	3,931	5,639
<b>Total Instruction</b>	<b>769,531</b>	<b>182,924</b>	<b>952,455</b>	<b>749,896</b>	<b>202,559</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff		66,692	66,692	37,371	29,321
Personal Services - Employee Benefits		33,426	33,426	18,635	14,791
Purchased Professional and Technical Services		234,261	234,261	131,251	103,010
Other Purchased Services		8,496	8,496	1,984	6,512
<b>Total Support Services</b>		<b>342,875</b>	<b>342,875</b>	<b>189,241</b>	<b>153,634</b>
<b>Facilities Acquisition and Construction Services:</b>					
Construction		86,890	86,890	60,422	26,468
Instructional Equipment		66,559	66,559	36,675	29,884
Non-Instructional Equipment		3,696	3,696	2,895	801
<b>Total Facilities Acquisition and Construction Services</b>		<b>157,145</b>	<b>157,145</b>	<b>99,992</b>	<b>57,153</b>
<b>Total Expenditures</b>	<b>\$ 769,531</b>	<b>\$ 682,944</b>	<b>\$ 1,452,475</b>	<b>\$ 1,039,129</b>	<b>\$ 413,346</b>

Exhibit C-3

1 of 2

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 24,395,699	\$ 1,039,129
Difference - Budget to GAAP:		
State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	790,477	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(793,604)	
	\$ 24,392,572	\$ 1,039,129
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 24,392,572	\$ 1,039,129
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 25,017,558	\$ 1,039,129
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 25,017,558	\$ 1,039,129

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	No Child Left Behind						Nonpublic Textbook Aid	Nonpublic Nursing Aid
	Title I	Fiscal Year 2008 - Title I Carryover	Fiscal Year 2009 - Title I	Title I ARRA	Title II Part A	Title IV		
<b>REVENUE:</b>								
Local Sources								
State Sources							\$ 3,931	\$ 11,348
Federal Sources	\$ 82,254	\$ 7,753	\$ 1,911	\$ 26,419	\$ 57,559	\$ 3,588		
<b>Total Revenue</b>	<u>82,254</u>	<u>7,753</u>	<u>1,911</u>	<u>26,419</u>	<u>57,559</u>	<u>3,588</u>	<u>3,931</u>	<u>11,348</u>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	52,315				50,222			
Purchased Professional - Educational Services		418						
Other Purchased Services								
General Supplies	1,887	41		20,351				
Textbooks							3,931	
<b>Total Instruction</b>	<u>54,202</u>	<u>459</u>		<u>20,351</u>	<u>50,222</u>		<u>3,931</u>	
Support Services:								
Salaries of Other Professional Staff	18,950			6,068				
Personal Services - Employee Benefits	5,638	5,660			7,337			
Purchased Professional and Technical Services	1,480	1,634	1,911			3,588		11,348
Other Purchased Services	1,984							
<b>Total Support Services</b>	<u>28,052</u>	<u>7,294</u>	<u>1,911</u>	<u>6,068</u>	<u>7,337</u>	<u>3,588</u>		<u>11,348</u>
Facilities Acquisition:								
Construction Services								
Instructional Equipment								
Non Instructional Equipment								
<b>Total Facilities Acquisition</b>								
<b>Total Expenditures</b>	<u>\$ 82,254</u>	<u>\$ 7,753</u>	<u>\$ 1,911</u>	<u>\$ 26,419</u>	<u>\$ 57,559</u>	<u>\$ 3,588</u>	<u>\$ 3,931</u>	<u>\$ 11,348</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	IDEA Part B						Chapter 193 - Nonpublic Handicapped Services	
	Basic	Fiscal Year 2009 - Basic	Fiscal Year 2008 - Basic Carryover	Preschool	Basic ARRA	Preschool ARRA	Exam and Classification	Supplementary Instruction
REVENUE:								
Local Sources								
State Sources								
Federal Sources	\$ 332,780	\$ 85,182	\$ 19,203	\$ 11,224	\$ 317,624	\$ 12,353	\$ 11,881	\$ 6,360
Total Revenue	<u>332,780</u>	<u>85,182</u>	<u>19,203</u>	<u>11,224</u>	<u>317,624</u>	<u>12,353</u>	<u>11,881</u>	<u>6,360</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Purchased Professional - Educational Services		65,101	19,203		6,136		11,881	
Other Purchased Services	238,675				212,906			
General Supplies		4,593		724	14,078			
Textbooks								
Total Instruction	<u>238,675</u>	<u>69,694</u>	<u>19,203</u>	<u>724</u>	<u>233,120</u>		<u>11,881</u>	
Support Services:								
Salaries of Other Professional Staff						12,353		
Personal Services - Employee Benefits								
Purchased Professional and Technical Services	94,105			10,500				6,360
Other Purchased Services								
Total Support Services	<u>94,105</u>			<u>10,500</u>		<u>12,353</u>		<u>6,360</u>
Facilities Acquisition:								
Construction Services					60,422			
Instructional Equipment		12,593			24,082			
Non Instructional Equipment		2,895						
Total Facilities Acquisition		<u>15,488</u>			<u>84,504</u>			
Total Expenditures	<u>\$ 332,780</u>	<u>\$ 85,182</u>	<u>\$ 19,203</u>	<u>\$ 11,224</u>	<u>\$ 317,624</u>	<u>\$ 12,353</u>	<u>\$ 11,881</u>	<u>\$ 6,360</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Chapter 193 Nonpublic Handicapped Services Corrective Speech</u>	<u>Chapter 192 Nonpublic Auxiliary Services Compensatory Education</u>	<u>Municipal Alliance Grant</u>	<u>Public Alliance Grant</u>	<u>Totals</u>
REVENUE:					
Local Sources				\$ 325	\$ 325
State Sources	\$ 11,997	\$ 34,637	\$ 800		80,954
Federal Sources					957,850
<b>Total Revenue</b>	<u>11,997</u>	<u>34,637</u>	<u>800</u>	<u>325</u>	<u>1,039,129</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers			800		103,337
Purchased Professional - Educational Services	11,997	34,637			149,373
Other Purchased Services					451,581
General Supplies					41,674
Textbooks					3,931
<b>Total Instruction</b>	<u>11,997</u>	<u>34,637</u>	<u>800</u>		<u>749,896</u>
Support Services:					
Salaries of Other Professional Staff					37,371
Personal Services - Employee Benefits					18,635
Purchased Professional and Technical Services				325	131,251
Other Purchased Services					1,984
<b>Total Support Services</b>				<u>325</u>	<u>189,241</u>
Facilities Acquisition:					
Construction Services					60,422
Instructional Equipment					36,675
Non Instructional Equipment					2,895
<b>Total Facilities Acquisition</b>					<u>99,992</u>
<b>Total Expenditures</b>	<u>\$ 11,997</u>	<u>\$ 34,637</u>	<u>\$ 800</u>	<u>\$ 325</u>	<u>\$ 1,039,129</u>

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2010

	Business-Type Activities: Enterprise Funds		
	Food Service	Care Program	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 7,222	\$ 111,760	\$ 118,982
Accounts Receivable:			
State	1,459		1,459
Federal	23,094		23,094
Other Accounts Receivable	2,000	2,502	4,502
Interfund Receivable	134,537	40,786	175,323
Inventories	6,551		6,551
Total Current Assets	<u>174,863</u>	<u>155,048</u>	<u>329,911</u>
Non-Current Assets:			
Equipment	145,494		145,494
Accumulated depreciation	(135,391)		(135,391)
Total Non-Current Assets	<u>10,103</u>		<u>10,103</u>
Total Assets	<u>184,966</u>	<u>155,048</u>	<u>340,014</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable - Vendors	62,997		62,997
Deferred Revenue	3,069	2,945	6,014
Total Current Liabilities	<u>66,066</u>	<u>2,945</u>	<u>69,011</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	10,103		10,103
Unrestricted	108,797	152,103	260,900
Total Net Assets	<u>\$ 118,900</u>	<u>\$ 152,103</u>	<u>\$ 271,003</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities: Enterprise Funds		
	Food Service	Care Program	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 190,199		\$ 190,199
Daily Sales - Non Reimbursable Programs	80,898		80,898
Rebates	2,077		2,077
Child Care Fees		\$ 146,821	146,821
Total Operating Revenue	273,174	146,821	419,995
Operating Expenses:			
Cost of Goods Sold	197,298		197,298
Salaries	120,022	143,556	263,578
Employee Benefits and Payroll Taxes	36,075		36,075
Purchased Services	17,331		17,331
Supplies and Materials	19,081	1,096	20,177
Depreciation	9,348		9,348
Other	5,024	182	5,206
Total Operating Expenses	404,179	144,834	549,013
Operating Income/(Loss)	(131,005)	1,987	(129,018)
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	6,922		6,922
State School Breakfast Program	1,364		1,364
Federal Sources:			
National School Lunch Program	115,766		115,766
School Breakfast Program	14,530		14,530
Special Milk Program	648		648
Food Distribution Program	16,924		16,924
Local Sources:			
Interest Revenue	483		483
Total Non-Operating Revenue	156,637		156,637
Change in Net Assets Before Other Adjustments	25,632	1,987	27,619
Prior Year Interfund Cancelled	5,215	(34)	5,181
Change in Net Assets	30,847	1,953	32,800
Net Assets - Beginning of Year	88,053	150,150	238,203
Net Assets - End of Year	\$ 118,900	\$ 152,103	\$ 271,003

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities: Enterprise Funds		
	Food Service	Care Program	Total
Cash Flows for Operating Activities:			
Receipts from Customers	\$ 271,097	\$ 144,204	\$ 415,301
Payments for Employees and Benefits	(120,022)	(143,556)	(263,578)
Payments to Suppliers	(195,528)	(1,533)	(197,061)
Net Used for Operating Activities	(44,453)	(885)	(45,338)
Cash Flows for Noncapital Financing Activities:			
Interfund Loan with General Fund	(100,000)	(40,786)	(140,786)
Federal and State Sources	87,906		87,906
Net Cash Used for Noncapital Financing Activities	(12,094)	(40,786)	(52,880)
Cash Flows from Investing Activities:			
Interest on Investments	483		483
Net Cash Provided by Investing Activities	483		483
Net Decrease in Cash and Cash Equivalents	(56,064)	(41,671)	(97,735)
Cash and Cash Equivalents, July 1	63,286	153,431	216,717
Cash and Cash Equivalents, June 30	\$ 7,222	\$ 111,760	\$ 118,982
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/ (Used for) Operating Activities:			
Operating Income/(Loss)	\$ (131,005)	\$ 1,987	\$ (129,018)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities			
Depreciation	9,348		9,348
Food Distribution Program	16,924		16,924
Changes in Assets and Liabilities:			
Decrease in Inventory	316		316
(Increase) in Other Accounts Receivable	(2,000)	(2,502)	(4,502)
Increase/(Decrease) in Accounts Payable	62,500	(255)	62,245
(Decrease) in Deferred Revenue	(536)	(115)	(651)
Net Cash Provided by/(Used for) Operating Activities	\$ (44,453)	\$ (885)	\$ (45,338)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$16,388 and utilized commodities valued at \$16,924 for the fiscal year ended June 30, 2010.

FIDUCIARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2010

	<u>Payroll</u>	<u>Student Activity</u>	<u>Total Agency Funds</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 583,018	\$ 61,540	\$ 644,558	\$ 84,427 ✓
Intergovernmental Accounts Receivable - State				58,387
Interfund Receivable - General Fund	56		56	
<b>Total Assets</b>	<u>583,074</u>	<u>61,540</u>	<u>644,614</u>	<u>142,814</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	110,331		110,331	
Interfund Payable - General Fund	25,840		25,840	82,660
Accrued Salaries and Wages	446,903		446,903	
Due to Student Groups		61,060	61,060	
Accounts Payable - Vendors		480	480	
<b>Total Liabilities</b>	<u>583,074</u>	<u>61,540</u>	<u>644,614</u>	
<u>NET ASSETS:</u>				
Held in Trust for Unemployment Claims				<u>60,154</u>
<b>Total Net Assets</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 60,154</u>

Exhibit H-2

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Budget Appropriation	\$          20,000
Employee Contributions	58,387
Total Contributions	<u>78,387</u>
Investment Earnings:	
Interest	499
Net Investment Earnings	<u>499</u>
Total Additions	<u>78,886</u>
<b>DEDUCTIONS:</b>	
Quarterly Contribution Reports/Unemployment Claims	112,419
Total Deductions	<u>112,419</u>
Change in Net Assets	(33,533)
Net Assets - Beginning of the Year	<u>93,687</u>
Net Assets - End of the Year	<u>\$          60,154</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 62,983	\$ 146,734	\$ 148,177	\$ 61,540
Total Assets	<u>\$ 62,983</u>	<u>\$ 146,734</u>	<u>\$ 148,177</u>	<u>\$ 61,540</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 62,983	\$ 146,254	\$ 148,177	\$ 61,060
Accounts Payable		480		480
Total Liabilities	<u>\$ 62,983</u>	<u>\$ 146,734</u>	<u>\$ 148,177</u>	<u>\$ 61,540</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 544,503	\$ 17,588,042	\$ 17,549,527	\$ 583,018
Interfund Receivable - Unemployment Trust	5,091		5,091	
Interfund Receivable - General Fund		56		56
Total Assets	<u>\$ 549,594</u>	<u>\$ 17,588,098</u>	<u>\$ 17,554,618</u>	<u>\$ 583,074</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 91,088	\$ 17,088,098	\$ 17,068,855	\$ 110,331
Interfund Payable - General Fund	27,369	25,840	27,369	25,840
Accrued Salaries and Wages	431,137	474,160	458,394	446,903
Total Liabilities	<u>\$ 549,594</u>	<u>\$ 17,588,098</u>	<u>\$ 17,554,618</u>	<u>\$ 583,074</u>

LONG-TERM DEBT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Purpose	Amount of Original Issue	Interest Rate	Restated Balance July 1, 2009	Issued	Matured or Retired	Balance June 30, 2010
2001 Student Transportation (2)	\$ 142,220	N/A	\$ 39,135		\$ 16,789	\$ 22,346
2005 Student Transportation (2)	135,000	3.85%	24,126		24,126	
2005 Copier Lease	159,131	N/A	59,918		59,918	
2006 School Transportation	67,282	5.39%	2,222		2,222	
2008 School Bus	68,049	4.10%	53,324		12,540	40,784
2008 School Bus	91,200	4.10%	71,465		16,805	54,660
2009 Copiers	157,406	N/A		\$ 157,406	26,009	131,397
			<u>\$ 250,190</u>	<u>\$ 157,406</u>	<u>\$ 158,409</u>	<u>\$ 249,187</u>

N/A - Not Available

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

## STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

### Contents

	<u>Exhibit</u>
<p><b>Financial Trends</b></p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p><b>Revenue Capacity</b></p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p><b>Debt Capacity</b></p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p><b>Demographic and Economic Information</b></p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p><b>Operating Information</b></p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NET ASSETS BY COMPONENT,  
LAST EIGHT FISCAL YEARS  
UNAUDITED  
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009, Restated	2010
<b>Governmental Activities</b>								
Invested in Capital Assets, Net of Related Debt	\$ 1,075,031	\$ 765,292	\$ 1,256,333	\$ 1,443,659	\$ 1,974,968	\$ 2,670,029	\$ 3,770,320	\$ 4,100,593
Restricted	20,940	68,805	108,257	39,453	1,107,388	1,436,065	504,187	295,451
Unrestricted/(Deficit)	(31,649)	(217,867)	(850,138)	(477,376)	(671,190)	(643,835)	(971,520)	(1,268,685)
<b>Total Governmental Activities Net Assets</b>	<u>\$ 1,064,322</u>	<u>\$ 616,230</u>	<u>\$ 514,452</u>	<u>\$ 1,005,736</u>	<u>\$ 2,411,166</u>	<u>\$ 3,462,259</u>	<u>\$ 3,302,987</u>	<u>\$ 3,127,359</u>
<b>Business-type Activities</b>								
Invested in Capital Assets, Net of Related Debt	\$ 28,631	\$ 1,227	\$ 4,871	\$ 20,977	\$ 12,911	\$ 28,799	\$ 19,451	\$ 10,103
Unrestricted	32,993	71,109	80,737	66,961	103,352	155,484	218,752	260,900
<b>Total Business-type Activities Net Assets</b>	<u>\$ 61,624</u>	<u>\$ 72,336</u>	<u>\$ 85,608</u>	<u>\$ 87,938</u>	<u>\$ 116,263</u>	<u>\$ 184,283</u>	<u>\$ 238,203</u>	<u>\$ 271,003</u>
<b>District-wide</b>								
Invested in Capital Assets, Net of Related Debt	\$ 1,103,662	\$ 766,519	\$ 1,261,204	\$ 1,464,636	\$ 1,987,879	\$ 2,698,828	\$ 3,789,771	\$ 4,110,696
Restricted	20,940	68,805	108,257	39,453	1,107,388	1,436,065	504,187	295,451
Unrestricted/(Deficit)	1,344	(146,758)	(769,401)	(410,415)	(567,838)	(488,351)	(752,768)	(1,007,785)
<b>Total District Net Assets</b>	<u>\$ 1,125,946</u>	<u>\$ 688,566</u>	<u>\$ 600,060</u>	<u>\$ 1,093,674</u>	<u>\$ 2,527,429</u>	<u>\$ 3,646,542</u>	<u>\$ 3,541,190</u>	<u>\$ 3,398,362</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS  
UNAUDITED  
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30.							
	2003	2004	2005	2006	2007	2008	2009, Restated	2010
Expenses								
Governmental activities								
Instruction								
Regular	\$ 5,542,612	\$ 7,805,257	\$ 8,648,627	\$ 8,499,881	\$ 8,897,855	\$ 9,223,292	\$ 8,686,521	\$ 9,282,440
Special Education	2,772,886	4,761,887	4,727,026	4,816,355	4,684,723	4,793,484	5,156,734	5,619,874
Other Special Instruction	563,862	490,980	74,657	71,153	301,897	612,202	485,638	405,347
School Sponsored and Cocurricular Activities		83,616	565,584	554,569	354,211	307,730	351,185	439,234
Support Services:								
Tuition	235,773				238,603	124,837	326,969	152,192
Student & Instruction Related Services	2,044,517	2,793,864	2,658,184	2,886,831	3,011,530	3,065,275	3,069,196	3,224,294
General Administrative Services	589,047	671,593	593,656	591,452	614,145	626,596	620,198	369,281
School Administrative Services	640,228	1,080,037	883,155	907,690	942,613	982,252	1,082,295	925,112
Central Services					355,983	315,738	366,723	403,258
Administrative Information Technology					234,173	275,762	201,549	183,970
Plant Operations and Maintenance	1,174,348	1,600,210	1,678,409	1,859,028	1,689,204	2,008,681	1,966,154	2,050,404
Pupil Transportation	1,400,432	1,623,683	1,857,825	1,895,188	1,747,437	1,764,018	1,887,345	1,977,677
Business and Other Support Services	4,083,805	331,815	513,582	565,236				
Transfer of Funds to Charter School					48,953	68,437	218,180	365,959
Interest on Long-term Debt	56,045	122,257	50,911	48,322	11,098	7,763	312	
Unallocated Depreciation	259,516	668,188			109,736	140,494	185,133	208,287
Capital Outlay					21,706	15,049		
Total Governmental Activities Expenses	<u>19,363,071</u>	<u>22,033,387</u>	<u>22,251,616</u>	<u>22,695,705</u>	<u>23,263,867</u>	<u>24,331,610</u>	<u>24,604,132</u>	<u>25,607,329</u>
Business-type Activities:								
Food Service	446,032	443,597	484,071	492,871	500,136	421,354	414,776	404,179
Care Program	89,091	87,557	98,500	107,535	130,286	155,414	144,124	144,834
Unallocated Depreciation		23,274						
Total Business-type Activities Expense	<u>535,123</u>	<u>554,428</u>	<u>582,571</u>	<u>600,406</u>	<u>630,422</u>	<u>576,768</u>	<u>558,900</u>	<u>549,013</u>
Total District Expenses	<u>\$ 19,898,194</u>	<u>\$ 22,587,815</u>	<u>\$ 22,834,187</u>	<u>\$ 23,296,111</u>	<u>\$ 23,894,289</u>	<u>\$ 24,908,378</u>	<u>\$ 25,163,032</u>	<u>\$ 26,156,342</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS  
UNAUDITED  
(Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009, Restated	2010
Program Revenues								
Governmental Activities:								
Charges for Services:								
Instruction (Tuition)		\$ 358,752	\$ 396,274	\$ 376,123	\$ 225,094	\$ 180,987	\$ 81,398	\$ 89,441
Operating Grants and Contributions	\$ 899,352	4,110,946	4,245,318	4,396,290	5,221,358	5,079,519	3,897,240	5,143,102
Total Governmental Activities Program Revenues	<u>899,352</u>	<u>4,469,698</u>	<u>4,641,592</u>	<u>4,772,413</u>	<u>5,446,452</u>	<u>5,260,506</u>	<u>3,978,638</u>	<u>5,232,543</u>
Business-type Activities:								
Charges for Services:								
Food Service	291,408	304,977	315,364	330,309	349,986	300,933	299,890	\$ 273,174
Care Program	86,218	118,905	120,530	118,782	163,055	158,923	165,992	146,821
Operating Grants and Contributions	134,651	141,191	159,568	152,641	148,055	158,654	146,524	156,154
Total Business-type Activities Program Revenues	<u>512,277</u>	<u>565,073</u>	<u>595,462</u>	<u>601,732</u>	<u>661,096</u>	<u>618,510</u>	<u>612,406</u>	<u>576,149</u>
Total District Program Revenues	<u>\$ 1,411,629</u>	<u>\$ 5,034,771</u>	<u>\$ 5,237,054</u>	<u>\$ 5,374,145</u>	<u>\$ 6,107,548</u>	<u>\$ 5,879,016</u>	<u>\$ 4,591,044</u>	<u>\$ 5,808,692</u>
Net (Expense)/Revenue								
Governmental Activities	\$ (18,463,719)	\$ (17,563,689)	\$ (17,610,024)	\$ (17,923,292)	\$ (17,817,415)	\$ (19,071,104)	\$ (20,625,494)	\$ (20,374,786)
Business-Type Activities	(22,846)	10,645	12,891	1,326	30,674	41,742	53,506	27,136
Total District-Wide Net Expense	<u>\$ (18,486,565)</u>	<u>\$ (17,553,044)</u>	<u>\$ (17,597,133)</u>	<u>\$ (17,921,966)</u>	<u>\$ (17,786,741)</u>	<u>\$ (19,029,362)</u>	<u>\$ (20,571,988)</u>	<u>\$ (20,347,650)</u>
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property Taxes Levied for General Purposes, net	\$ 9,697,624	\$ 11,253,844	\$ 11,476,345	\$ 12,394,741	\$ 13,169,324	\$ 13,798,601	\$ 13,798,601	\$ 14,223,504
Taxes Levied for Debt Service	280,868	135,955	137,791	79,537	95,332	132,626	130,432	
Unrestricted Grants and Contributions	8,104,142	5,550,314	5,775,376	5,767,062	5,784,695	6,046,567	6,434,132	5,908,799
Miscellaneous Income	1,029,686	175,484	118,734	117,637	109,504	169,638	103,057	66,855
Cancellation of Prior Year Accounts Payable					63,990			
Board Contribution - Capital Assets						(25,235)		
Gain on Disposal of Assets, Net of Related Debt				55,599				
Total Governmental Activities	<u>19,112,320</u>	<u>17,115,597</u>	<u>17,508,246</u>	<u>18,414,576</u>	<u>19,222,845</u>	<u>20,122,197</u>	<u>20,466,222</u>	<u>20,199,158</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS  
UNAUDITED  
(Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30.							
	2003	2004	2005	2006	2007	2008	2009, Restated	2010
<b>Business-type Activities:</b>								
Interest Income			\$ 381	\$ 1,004	\$ 1,414	\$ 1,043	\$ 414	\$ 483
Board Contribution - Capital Assets						25,235.00		
Cancellation of Prior Year Interfund Payable								5,181
Adjustment to Capital Assets					(3,763)			
<b>Total Business-Type Activities</b>			<u>381</u>	<u>1,004</u>	<u>(2,349)</u>	<u>26,278</u>	<u>414</u>	<u>5,664</u>
<b>Total District-Wide</b>	<u>\$ 19,112,320</u>	<u>\$ 17,115,597</u>	<u>\$ 17,508,627</u>	<u>\$ 18,415,580</u>	<u>\$ 19,220,496</u>	<u>\$ 20,148,475</u>	<u>\$ 20,466,636</u>	<u>\$ 20,204,822</u>
<b>Change in Net Assets</b>								
Governmental Activities	\$ 648,601	\$ (448,092)	\$ (101,778)	\$ 491,284	\$ 1,405,430	\$ 1,051,093	\$ (159,272)	\$ (175,628)
Business-type Activities	(22,846)	10,645	13,272	2,330	28,325	68,020	53,920	32,800
<b>Total District</b>	<u>\$ 625,755</u>	<u>\$ (437,447)</u>	<u>\$ (88,506)</u>	<u>\$ 493,614</u>	<u>\$ 1,433,755</u>	<u>\$ 1,119,113</u>	<u>\$ (105,352)</u>	<u>\$ (142,828)</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST EIGHT FISCAL YEARS  
UNAUDITED  
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 33,179	\$ 320,600	\$ 37,599	\$ 196,079	\$ 1,109,273	\$ 1,437,949	\$ 504,187	\$ 295,451
Unreserved/(Deficit)	576,015	194,202	(168,116)	78,393	51,723	15,132	(253,353)	(512,197)
Total General Fund	<u>\$ 609,194</u>	<u>\$ 514,802</u>	<u>\$ (130,517)</u>	<u>\$ 274,472</u>	<u>\$ 1,160,996</u>	<u>\$ 1,453,081</u>	<u>\$ 250,834</u>	<u>\$ (216,746)</u>
All Other Governmental Funds								
Unreserved / (Deficit)	\$ 68,805	\$ 64,996	\$ 105,032	\$ 36,228	\$ (1,885)	\$ (1,884)		
Total All Other Governmental Funds	<u>\$ 68,805</u>	<u>\$ 64,996</u>	<u>\$ 105,032</u>	<u>\$ 36,228</u>	<u>\$ (1,885)</u>	<u>\$ (1,884)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Governmental Funds/(Deficit)	<u>\$ 677,999</u>	<u>\$ 579,798</u>	<u>\$ (25,485)</u>	<u>\$ 310,700</u>	<u>\$ 1,159,111</u>	<u>\$ 1,451,197</u>	<u>\$ 250,834</u>	<u>\$ (216,746)</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST EIGHT FISCAL YEARS  
UNAUDITED  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009, Restated	2010
<b>Revenues</b>								
Tax Levy	\$ 9,978,492	\$ 11,389,799	\$ 11,614,136	\$ 12,474,278	\$ 13,264,656	\$ 13,931,227	\$ 13,929,033	\$ 14,223,504
Tuition Charges	681,153	358,752	396,274	376,123	225,094	180,987	81,398	89,441
Transportation Fees from Individuals	429,577	176,284	118,734	117,637				
State Sources	8,438,830	8,999,714	9,334,992	9,542,847	10,345,351	10,654,505	9,561,685	9,169,714
Federal Sources	564,664	660,746	685,702	620,505	660,702	471,581	769,687	1,881,862
Miscellaneous					109,504	169,638	103,057	67,180
<b>Total Revenue</b>	<b>20,092,716</b>	<b>21,585,295</b>	<b>22,149,838</b>	<b>23,131,390</b>	<b>24,605,307</b>	<b>25,407,938</b>	<b>24,444,860</b>	<b>25,431,701</b>
<b>Expenditures</b>								
<b>Instruction</b>								
Regular Instruction	5,542,612	7,678,371	8,623,632	8,454,397	6,176,717	6,423,746	6,200,637	6,624,041
Special Education Instruction	2,772,886	4,703,501	4,707,990	4,786,196	3,318,279	3,318,811	3,722,377	4,128,198
Other Special Instruction	563,862	487,452	563,869	551,853	397,462	346,360	280,417	283,916
School-Sponsored/Other Instruction		82,403	74,256	70,780	50,469	275,118	309,296	311,056
Nonpublic School Programs	80,740							
<b>Support Services:</b>								
Tuition	235,773				238,603	124,837	326,969	152,192
Student & Other Instruction Related Services	1,963,777	2,757,212	2,630,278	2,857,879	2,198,561	2,256,495	2,310,485	2,389,445
General Administrative Services	904,536	668,162	592,455	589,973	547,014	553,788	560,909	481,386
School Administrative Services	640,228	1,066,623	860,799	871,156	673,001	688,366	784,826	666,175
Central Services		326,504	509,638	558,221	265,781	272,158	285,031	315,373
Administrative Information Technology					216,283	263,164	181,647	163,826
Plant Operations and Maintenance	1,174,348	1,586,630	1,669,490	1,824,705	1,505,892	1,804,136	1,707,818	1,770,727
Student Transportation	1,400,432	1,616,208	1,759,712	1,811,939	1,663,702	1,671,750	1,832,858	1,801,061
Employee Benefits	3,768,316				5,851,513	6,143,153	5,591,123	5,942,120

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST EIGHT FISCAL YEARS  
UNAUDITED  
(Modified Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009, Restated	2010
Capital Outlay	\$ 492,027	\$ 90,438	\$ 192,131	\$ 329,471	\$ 518,673	\$ 664,367	\$ 1,277,360	\$ 661,212
Transfer of Funds to Charter School					48,953	68,437	218,180	365,959
Debt Service:								
Principal	404,013	566,535	506,737	331,550	199,196	204,884	210,807	
Interest and Other Charges	56,045	92,465	64,134	51,216	18,069	11,047	3,733	
Total Expenditures	<u>19,999,595</u>	<u>21,722,504</u>	<u>22,755,121</u>	<u>23,089,336</u>	<u>23,888,168</u>	<u>25,090,617</u>	<u>25,804,473</u>	<u>26,056,687</u>
Excess/(Deficit) of Revenues								
Over/(Under) Expenditures	<u>93,121</u>	<u>(137,209)</u>	<u>(605,283)</u>	<u>42,054</u>	<u>717,139</u>	<u>317,321</u>	<u>(1,359,613)</u>	<u>(624,986)</u>
Other Financing Sources/(Uses):								
Transfer to Food Service Fund - Purchase of Capital Assets						(25,235)		
Cancellation of Prior Year Accounts Payable					63,990			
Capital Leases (Non-Budgeted)		39,008		294,131	67,282		159,250	157,406
Total Other Financing Sources/(Uses)		<u>39,008</u>		<u>294,131</u>	<u>131,272</u>	<u>(25,235)</u>	<u>159,250</u>	<u>157,406</u>
Net Change in Fund Balances	<u>\$ 93,121</u>	<u>\$ (98,201)</u>	<u>\$ (605,283)</u>	<u>\$ 336,185</u>	<u>\$ 848,411</u>	<u>\$ 292,086</u>	<u>\$ (1,200,363)</u>	<u>\$ (467,580)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>2.36%</u>	<u>3.05%</u>	<u>2.53%</u>	<u>1.68%</u>	<u>0.93%</u>	<u>0.88%</u>	<u>0.87%</u>	<u>0.00%</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Tuition</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2001		\$ 186,200		\$ 403,188	\$ 589,388
2002		532,593		178,252	710,845
2003		681,153		348,533	1,029,686
2004	\$ 5,249	358,752	\$ 11,023	159,212	534,236
2005	11,871	396,274		106,863	515,008
2006	28,377	376,123		89,260	493,760
2007	78,055	225,094		31,449	334,598
2008	58,307	180,987		111,331	350,625
2009	23,591	81,398		79,466	184,455
2010	14,307	89,441		52,548	156,296

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN YEARS  
UNAUDITED

Year Ended Dec. 31.	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
<u>Borough of Sussex</u>												
2000	\$ 1,441,500	\$ 49,259,400	\$ 373,900	\$ 20,500	\$ 16,127,500	\$ 496,100	\$ 6,996,000	\$ 74,714,900	\$ 1,675,133	\$ 76,390,033	\$ 1.71	\$ 80,998,844
2001	1,227,900	49,880,300	373,900	21,100	16,172,600	496,100	6,896,000	75,067,900	1,769,233	76,837,133	2.01	81,752,312
2002	1,110,900	50,896,100	373,900	21,100	16,483,700	496,100	6,896,000	76,277,800	1,841,925	78,119,725	2.01	86,425,185
2003	1,007,300	51,662,300	373,900	21,100	16,316,900	496,100	6,896,000	76,773,600	1,929,127	78,702,727	2.10	94,891,159
2004	876,200	52,779,500	373,900	21,100	16,495,600	496,100	6,896,000	77,938,400	1,370,348	79,308,748	2.46	101,069,592
2005	828,300	52,967,800	373,900	21,100	16,615,600	496,100	6,896,000	78,198,800	1,270,117	79,468,917	2.37	107,786,079
2006	952,900	52,464,500	373,900	21,100	16,908,700	464,900	6,896,000	78,082,000	1,423,066	79,505,066	2.54	128,259,150
2007	1,015,800	52,863,000	373,900	21,100	16,975,900	464,900	6,896,000	78,610,600	1,270,985	79,881,585	2.60	139,788,875
2008	1,021,300	53,019,900	373,900	21,100	16,578,200	464,900	6,896,000	78,375,300	1,300,612	79,675,912	2.60	148,289,432
2009	1,069,900	52,983,900	373,900	20,400	16,578,200	474,100	6,896,000	78,396,400	1,341,249	79,737,649	2.53	149,022,809
<u>Township of Wantage</u>												
2000	29,657,050	410,120,845	51,469,047	4,538,861	53,954,400	575,500	3,242,600	553,558,303	3,104,347	556,662,650	1.87	607,574,496
2001	27,085,300	420,445,845	53,029,300	7,662,960	53,686,900	575,500	3,242,600	565,728,305	2,938,660	568,666,965	2.12	644,976,262
2002	24,871,500	436,816,645	56,125,800	7,977,100	55,360,100	575,500	3,242,600	584,969,245	2,819,735	587,788,980	2.12	696,184,981
2003	22,423,300	450,224,445	60,569,300	8,056,500	51,849,200	575,500	3,242,600	596,940,845	2,606,094	599,546,939	2.41	767,567,456
2004	20,058,700	464,022,045	62,271,700	8,631,500	52,300,900	575,500	3,242,600	611,102,945	2,509,879	613,612,824	2.64	866,684,779
2005	21,454,000	482,019,645	62,988,200	10,098,140	50,224,500	575,500	3,242,600	630,602,585	2,226,038	632,828,623	2.63	981,738,478
2006	* 71,348,000	1,084,743,700	143,743,200	8,580,269	106,481,535	1,157,200	5,978,200	1,422,032,104	3,362,349	1,425,394,453	1.25	1,135,882,633
2007	67,330,400	1,091,602,300	144,279,000	8,356,449	105,338,862	1,157,200	5,978,200	1,424,042,411	3,190,770	1,427,233,181	1.31	1,303,479,680
2008	60,436,760	1,110,616,200	146,707,608	7,487,196	113,178,362	1,157,200	5,822,300	1,445,405,618	3,113,175	1,448,518,793	1.33	1,533,797,960
2009	59,181,060	1,119,347,900	149,236,000	8,382,456	113,353,662	761,300	5,822,300	1,456,084,678	2,298,850	1,458,383,528	1.36	1,549,245,517

\* Revaluation was effective in this year.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessor

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct Tax Rate	Municipality	Sussex County	
<u>Borough of Sussex</u>						
2000	\$ 1.693	\$ 0.017	\$ 1.710	\$ 0.380	\$ 0.520	\$ 2.610
2001	1.991	0.019	2.010	0.490	0.530	3.030
2002	1.993	0.017	2.010	0.490	0.530	3.030
2003	2.022	0.078	2.100	0.490	0.650	3.240
2004	2.314	0.146	2.460	0.540	0.640	3.640
2005	2.193	0.177	2.370	0.570	0.640	3.580
2006	2.517	0.018	2.535	0.595	0.578	3.708
2007	2.578	0.025	2.603	0.663	0.709	3.975
2008	2.591	0.012	2.596	0.754	0.735	4.084
2009	2.529	-0-	2.529	0.770	0.711	4.010
<u>Township of Wantage</u>						
2000	\$ 1.852	\$ 0.018	\$ 1.870	\$ 0.300	\$ 0.580	\$ 2.750
2001	2.100	0.020	2.120	0.310	0.560	2.990
2002	2.102	0.018	2.120	0.310	0.560	2.990
2003	2.320	0.090	2.410	0.310	0.710	3.430
2004	2.483	0.157	2.640	0.320	0.720	3.680
2005	2.433	0.197	2.630	0.330	0.740	3.700
2006	* 1.237	0.009	1.246	0.143	0.284	1.673
2007	1.298	0.012	1.310	0.179	0.368	1.857
2008	1.304	0.006	1.331	0.195	0.376	1.902
2009	1.359	-0-	1.359	0.210	0.404	1.973

\* Revaluation was effective in this year.

Source: Municipal Tax Collector and School Business Administrator

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2010			Taxpayer	2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
<u>Borough of Sussex</u>							
Alpine Village Apartments, LLC	\$ 4,142,300	1	5.19%				
Wilson Manor Association, LLC	2,122,700	2	2.66%				
Cloverleaf Realty of NJ, Inc	1,239,900	3	1.55%				
RBND LLC	958,400	4	1.20%				Information Not Available
United Telephone Co. of NJ	857,595	5	1.07%				
Sussex Creamery LLC	671,600	6	0.84%				
Sussex Plaza Realty, LLC	604,300	7	0.76%				
Marvel Partners, LLC	575,080	8	0.72%				
JP Morgan Chase & Co	506,900	9	0.63%				
United Telephone Co. of NJ	496,800	10	0.62%				
<b>Total</b>	<b>\$ 12,175,575</b>		<b>15.24%</b>				
<u>Township of Wantage</u>							
Wantage 2002, LLC	\$11,661,300	1	0.81%				
Main Land Sussex	9,620,000	2	0.66%				
Tenneco/Tennessee Gas	9,045,500	3	0.62%				
Regency at Sussex	4,400,000	4	0.30%				
United Telephone Company	3,113,073	5	0.21%				Information Not Available
P S, LLC	3,044,600	6	0.21%				
Ames Rubber Corp	3,000,000	7	0.21%				
Sussex Rural Electric Corp	2,859,900	8	0.20%				
Individual Taxpayer #1	2,500,000	9	0.17%				
ARA 775, LLC	2,234,400	10	0.15%				
<b>Total</b>	<b>\$ 51,478,773</b>		<b>3.54%</b>				

Source: Municipal Tax Assessors

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$ 8,586,411	\$ 8,586,411	100.00%	-0-
2002	9,267,449	9,267,449	100.00%	-0-
2003	9,978,492	9,978,492	100.00%	-0-
2004	11,389,799	11,389,799	100.00%	-0-
2005	11,614,136	11,614,136	100.00%	-0-
2006	12,474,278	12,474,278	100.00%	-0-
2007	13,264,656	13,264,656	100.00%	-0-
2008	13,931,227	13,549,059	97.26%	\$ 382,168
2009	13,929,033	13,929,033	100.00%	-0-
2010	14,223,504	14,223,504	100.00%	-0-

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST SIX FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities Capital Leases	Total District	Percentage of Personal Income <sup>a</sup>	Debt Per Capita <sup>a</sup>
	Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)				
2005	\$ 808,535	\$ -0-	\$ 457,978	\$ -0-	\$ -0-	\$ 1,266,513	0.23%	\$ 95.00
2006	614,888	-0-	558,607	-0-	-0-	1,173,495	0.21%	87.45
2007	415,691	-0-	451,672	-0-	-0-	867,363	0.14%	64.05
2008	210,807	-0-	293,375	-0-	-0-	504,182	0.08%	36.84
2009 - Restated	-0-	-0-	250,190	-0-	-0-	250,190	0.04%	18.24
2010	-0-	-0-	249,187	-0-	-0-	249,187	0.04%	18.14

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

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

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST SIX FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation <sup>a</sup> Taxable	Per Capita <sup>b</sup>
	General Obligation Bonds *	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 808,535	\$ -0-	\$ 808,535	0.12%	\$ 60.65
2006	614,888	-0-	614,888	0.09%	45.82
2007	415,691	-0-	415,691	0.03%	30.70
2008	210,807	-0-	210,807	0.01%	15.41
2009	-0-	-0-	-0-	0.00%	-0-
2010	-0-	-0-	-0-	0.00%	-0-

\* - Loans

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Note:

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2009  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable <sup>a</sup></u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Borough of Sussex	\$ 1,899,300	100.00%	\$ 1,899,300
Township of Wantage	7,544,920	100.00%	7,544,920
High Point Regional High School (Borough Share)	1,675,000	4.77%	79,866
High Point Regional High School (Township Share)	1,675,000	45.97%	770,047
Sussex County General Obligation Debt (Borough Share)	77,111,415	0.47%	358,697
Sussex County General Obligation Debt (Township Share)	77,111,415	8.51%	6,560,489
Subtotal, Overlapping Debt			17,213,319
Sussex-Wantage Regional School District Direct Debt			249,187
Total Direct and Overlapping Debt			<u>\$ 17,462,506</u>

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

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

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION,  
LAST SIX FISCAL YEARS  
UNAUDITED

Equalized Valuation Basis:

<u>Legal Debt Margin Calculation for Fiscal Year 2009</u>			
	<u>Sussex</u>	<u>Wantage</u>	
	<u>Borough</u>	<u>Township</u>	<u>Total</u>
2009	\$ 158,089,131	\$ 1,451,729,490	\$ 1,609,818,621
2008	145,868,788	1,530,501,501	1,676,370,289
2007	149,820,088	1,392,978,980	1,542,799,068
	<u>\$ 453,778,007</u>	<u>\$ 4,375,209,971</u>	<u>\$ 4,828,987,978</u>

Average Equalized Valuation of Taxable Property	<u>\$ 1,609,662,659</u>
Debt Limit (3% of average equalization value <sup>a</sup> )	\$ 48,289,880
Net Bonded Debt as of June 30, 2010	-0-
Legal Debt Margin	<u>\$ 48,289,880</u>

	<u>Fiscal Year</u>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 28,667,386	\$ 31,781,219	\$ 37,120,345	\$ 41,820,249	\$ 46,446,512
Total Net Debt Applicable to Limit	<u>808,535</u>	<u>614,888</u>	<u>415,691</u>	<u>210,807</u>	
Legal Debt Margin	<u>\$ 27,858,851</u>	<u>\$ 31,166,331</u>	<u>\$ 36,704,654</u>	<u>\$ 41,609,442</u>	<u>\$ 46,446,512</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.82%	1.93%	1.12%	0.50%	0.00%

	<u>Fiscal Year</u>
	<u>2010</u>
Debt Limit	\$ 48,289,880
Total Net Debt Applicable to Limit	
Legal Debt Margin	<u>\$ 48,289,880</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable other districts.

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Wantage Township

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2001	10,643	\$ 410,575,011	\$ 38,577	2.40%
2002	10,800	418,208,400	38,723	2.90%
2003	10,984	432,066,624	39,336	4.20%
2004	11,168	455,866,592	40,819	4.50%
2005	11,258	477,902,100	42,450	3.40%
2006	11,394	517,834,512	45,448	5.70%
2007	11,529	558,856,746	48,474	5.50%
2008	11,579	576,205,777	49,763	7.00%
2009	11,601	577,300,563	49,763 *	11.50%
2010	11,601 **	577,300,563	49,763 *	N/A

Sussex Borough

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2001	2,145	\$ 82,747,665	\$ 38,577	4.70%
2002	2,150	83,254,450	38,723	4.20%
2003	2,162	85,044,432	39,336	8.20%
2004	2,164	88,332,316	40,819	8.80%
2005	2,161	91,734,450	42,450	6.70%
2006	2,147	97,576,856	45,448	4.80%
2007	2,155	104,461,470	48,474	4.60%
2008	2,141	106,542,583	49,763	5.90%
2009	2,139	106,443,057	49,763 *	9.80%
2010	2,139 **	106,443,057	49,763 *	N/A

\* - Latest Sussex County per capita personal income available (2008) was used for calculation purposes.

\*\* - Latest population data available (2009) was used for calculation purposes.

N/A - Information Not Available

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income for Sussex County is estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

<u>Employer</u>	2010	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Crystal Springs Golf and Spa Resort	2,000	5.05%
Newton Memorial Hospital	1,490	3.76%
Selective Insurance	900	2.27%
County of Sussex	830	2.10%
Mountain Creek Resort	800	2.02%
Shop Rite (Ronetco)	697	1.76%
Ames Rubber Corp	445	1.12%
Walmart	412	1.04%
Andover Subacute and Rehab Center	300	0.76%
Sussex County Community College	300	0.76%
	<u>8,174</u>	<u>20.64%</u>

<u>Employer</u>	2001	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Selective Insurance	954	2.41%
Andover Subacute and Rehab Center	906	2.29%
County of Sussex	815	2.06%
Mountain Creek Resort	800	2.02%
Newton Memorial Hospital	757	1.91%
Ronetco Supermarkets	711	1.80%
Vernon Township Bd. of Education	629	1.59%
F.O. Phoenix, Inc.	600	1.52%
Hopatcong Board of Education	450	1.14%
Walmart	380	0.96%
	<u>7,002</u>	<u>17.68%</u>

Source: County of Sussex

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,  
LAST FIVE FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction					
Regular	93.8	95.6	99.5	96.7	100.0
Special education	41.5	36.5	40.0	38.4	36.8
Other instruction	59.0	48.8	56.0	45.9	45.0
Support Services:					
Student & instruction related services	24.4	24.4	30.5	29.6	29.6
General and business administrative services	7.0	7.0	7.0	7.0	7.0
School administrative services	6.0	6.0	4.0	4.0	4.0
Other Administrative Services	2.0	2.0	6.0	6.0	6.0
Administrative Information Technology	1.0	1.0	1.0	1.5	1.5
Transportation			14.5	15.8	15.8
Plant Operations and Maintenance	26.8	32.4	27.0	26.0	22.8
Total	<u>261.5</u>	<u>253.7</u>	<u>285.5</u>	<u>270.9</u>	<u>268.5</u>

Source: School District Personnel Records

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percentage Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2001	1,750	\$ 17,211,090	9,835	1.86%	N/A	N/A	N/A	1,750	1,663	3.61%	95.03%
2002	1,754	17,509,938	9,983	1.50%	122	N/A	N/A	1,754	1,662	0.23%	94.75%
2003	1,748	19,047,510	10,897	9.15%	122	N/A	N/A	1,748	1,652	-0.34%	94.51%
2004	1,718	20,973,066	12,208	12.03%	131	11.7:1	10.4:1	1,675	1,590	-4.18%	94.93%
2005	1,719	21,992,119	12,794	4.80%	151	11.1:1	10.2:1	1,714	1,626	2.33%	94.87%
2006	1,710	22,377,099	13,086	2.29%	151	12.2:1	10.4:1	1,683	1,595	-1.81%	94.77%
2007	1,661	23,152,230	13,939	6.52%	153	11.2:1	10.1:1	1,636	1,549	-2.79%	94.68%
2008	1,632	24,210,319	14,835	6.43%	156	10.8:1	9.9:1	1,601	1,513	-2.14%	94.50%
2009	1,550	24,312,573	15,686	5.74%	157	10.8:1	8.8:1	1,513	1,440	-5.50%	95.18%
2010	1,552	25,395,475	16,363	4.32%	155	10.1:1	9.7:1	1,531	1,449	1.19%	94.64%

N/A Information not available

Source: School District records.

Note:

- a Operating expenditures equal total expenditures less debt service and capital outlay
- b Cost per pupil represents operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.
- c Teaching staff includes only full-time equivalents of certificated staff.
- d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST FIVE FISCAL YEARS  
UNAUDITED

<u>District Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Elementary</u>					
Clifton E. Lawrence Elementary School					
Square Feet	48,220	48,200	48,200	48,200	48,200
Capacity (students)	450	450	450	450	450
Enrollment	563	563	552	506	465
Wantage Elementary School					
Square Feet	48,583	48,583	48,583	48,583	48,583
Capacity (students)	675	675	675	675	675
Enrollment	518	518	543	540	569
<u>Middle School</u>					
Sussex Middle School					
Square Feet	65,489	65,489	65,489	65,489	65,489
Capacity (students)	612	612	612	612	612
Enrollment	629	629	537	502	518
<u>Other</u>					
Environmental Trails Center					
Square Feet	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A
Number of Schools at June 30, 2006, 2007, 2008, 2009, and 2010					
Elementary = 2					
Middle School = 1					

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST EIGHT FISCAL YEARS  
UNAUDITED

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Lawrence</u>	<u>Sussex</u>	<u>Wantage</u>	<u>Environmental</u> <u>Trail Center</u>	<u>Board</u> <u>Office</u>	<u>Total</u>
2003	\$ 60,117	\$ 68,156	\$ 53,858	\$ 425		\$ 182,556
2004	145,989	165,511	130,824	998		443,322
2005	155,514	176,309	139,359	1,063		472,245
2006	174,198	197,491	156,102	1,191		528,982
2007	150,651	146,346	132,234	1,200		430,431
2008	140,216	152,638	260,155	3,699	\$ 31,565	588,273
2009	100,680	156,621	212,642		58,648	528,591
2010	89,330	265,534	174,345	11,907	9,577	550,693

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

This schedule does not provide ten years of information as the State Department of Education required this information beginning with the fiscal year ended June 30, 2001.

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2010  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
<u>SCHOOL ALLIANCE INSURANCE FUND:</u>		
Property - Blanket Building and Contents Including Boiler and Building and Personal Property Inland Marine - Auto Physical Damage	\$ 250,000,000	\$ 1,000
General Liability including Auto, Employee Benefits Each Occurance	5,000,000	
General Aggregate Product Completed Ops Personal Injury Fire Damage Medical Expenses (Excluding Students Taking Part in Athletics) Automobile Coverage Combined Single Limit Hired/Non Owned	50,000,000 2,500,000 10,000	Fund Aggregate
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate 5,000
Crime Coverage Blanket Dishonesty Bond	50,000 500,000	Inside/Outside 1,000 1,000
Boiler and Machinery	100,000,000	1,000
Excess Liability (AL/GL)	5,000,000	
School Board Legal Excess SLPL	5,000,000/5,000,000 5,000,000/5,000,000	5,000
Workers' Compensation Employer's Liability Supplemental Indemnity	Statutory 5,000,000 Statutory	
<u>SELECTIVE INSURANCE:</u>		
Treasurer of School Monies Bond Limit Business Administrator/Board Secretary Bond Limit	250,000 50,000	
<u>PEOPLES BENEFIT LIFE INSURANCE COMPANY</u>		
Student Accident Coverage	1,000,000	

Source: School District records.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center  
 200 Valley Road Suite 300  
 Mount Arlington, NJ 07856  
 Phone: 973-328-1825  
 Fax: 973-328-0507

Lawrence Business Park  
 11 Lawrence Road  
 Sussex-Wantage, NJ 07860  
 Phone: 973-383-6699  
 Fax: 973-383-6555

Independent Auditors' Report on Internal Control over Financial Reporting and  
 on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

The Honorable President and Members  
 of the Board of Education  
 Sussex-Wantage Regional School District  
 County of Sussex, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex-Wantage Regional School District, in the County of Sussex (the "Board") as of, and for the fiscal year ended, June 30, 2010 and have issued our report thereon dated November 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey (the "Department"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis.

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

The Honorable President and Members  
of the Board of Education  
Sussex-Wantage Regional School District  
County of Sussex, New Jersey  
Page 2

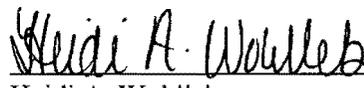
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. However, we noted certain matters that we have reported to the Board in a separate report, the *Auditors' Management Report on Administrative Findings – Financial, Compliance, and Performance*, dated November 12, 2010.

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

November 12, 2010  
Mount Arlington, New Jersey

NISIVOCCIA & COMPANY LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



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Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04

The Honorable President and Members  
 of the Board of Education  
 Sussex-Wantage Regional School District  
 County of Sussex, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Sussex-Wantage Regional School District in the County of Sussex (the "Board") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010. The Board's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey (the "Department"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*; and Federal Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards, Federal OMB Circular A-133, and New Jersey's OMB Circular NJOMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010.

The Honorable President and Members  
of the Board of Education  
Sussex-Wantage Regional School District  
County of Sussex, New Jersey  
Page 2

### Internal Control Over Compliance

The management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *New Jersey State Aid/Grant Compliance Supplement*, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

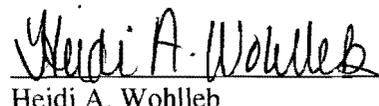
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

November 12, 2010  
Mount Arlington, New Jersey

NISIVOCCIA & COMPANY LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009			Cash Received	Budgetary Expendi- tures	Balance, June 30, 2010		
					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor			Budgetary Deferred Revenue	Budgetary Accounts Receivable	Due to Grantor
<u>U.S. Department of Agriculture:</u>												
Passed-through State Department of Education:												
<u>Enterprise Fund</u>												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/09-6/30/10	\$ 16,388			\$ 16,388	\$ (13,319)	\$ 3,069			
Food Distribution Program	10.555	N/A	7/1/08-6/30/09	22,926		\$ 3,605		(3,605)				
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	115,766			95,756	(115,766)		\$ (20,010)		
National School Lunch Program	10.555	N/A	7/1/08-6/30/09	101,726	\$ (6,294)		6,294					
School Breakfast Program	10.553	N/A	7/1/09-6/30/10	14,530			11,538	(14,530)		(2,992)		
School Breakfast Program	10.553	N/A	7/1/08-6/30/09	14,013	(916)		916					
Special Milk Program for Children	10.556	N/A	7/1/09-6/30/10	648			556	(648)		(92)		
Special Milk Program for Children	10.556	N/A	7/1/08-6/30/09	850	(54)		54					
Total Child Nutrition Cluster					(7,264)	3,605		131,502	(147,868)	3,069	(23,094)	
Total Enterprise Fund					(7,264)	3,605		131,502	(147,868)	3,069	(23,094)	
<u>U.S. Department of Education:</u>												
Passed-through State Department of Education:												
<u>General Fund</u>												
American Recovery and Reinvestment Act (ARRA):												
Equalization Aid - ESF	84.394	10-495-034-5120-078	7/1/09-6/30/10	881,458			881,458	(881,458)				
Equalization Aid - GSF	84.397	10-495-034-5120-078	7/1/09-6/30/10	34,123			34,123	(34,123)				
Total American Recovery and Reinvestment Act							915,581	(915,581)				
Total General Fund							915,581	(915,581)				
<u>Special Revenue Fund</u>												
No Child Left Behind:												
Title I - SIA	84.010A	NCLB510009	9/1/08-8/31/09	5,185	(438)						(438)	
Title I - SIA	84.010A	NCLB510008	9/1/07-8/31/08	6,289		6,058						\$ 6,058
Title I - ARRA	84.389	NCLB510010	7/1/09-8/31/11	41,041				22,906	(26,419)		(3,513)	
Title I	84.010A	NCLB510010	9/1/09-8/31/10	135,832			\$ 5,161	76,307	(82,254)		(786)	
Title I	84.010A	NCLB510009	9/1/08-8/31/09	128,503	(66,962)		7,723	61,150	(1,911)			
Title I, Carryover	84.010A	NCLB510008	9/1/07-8/31/09	102,535		7,753	\$ 12,884	(12,884)	(7,753)			
Total Title I					(67,400)	13,811	12,884	160,363	(118,337)		(4,737)	6,058
Title IIA	84.367A	NCLB510010	9/1/09-8/31/10	60,960				50,222	(57,559)		(7,337)	
Title IIA	84.367A	NCLB510009	9/1/08-8/31/09	59,021	(54,447)			47,214			(7,233)	
Title IIA, Carryover	84.367A	NCLB510008	9/1/07-8/31/09	64,021		3,998				3,998		
Total Title IIA					(54,447)	3,998		97,436	(57,559)	3,998	(14,570)	
Title IV	84.186A	NCLB510010	9/1/09-8/31/10	3,938			2,350	3,588	(3,588)	2,350		
Title IV	84.186A	NCLB510009	9/1/08-8/31/09	3,812	(2,404)		2,453	2,350				2,399
Title IV, Carryover	84.186A	NCLB510008	9/1/07-8/31/09	5,019		4,803	(4,803)					
Total Title IV					(2,404)	4,803		5,938	(3,588)	2,350		2,399
Title V, Carryover	84.298A	NCLB510008	9/1/07-8/31/09	1,930		416						416
Total Title V						416						416

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009				Cash Received	Budgetary Expendi- tures	Balance, June 30, 2010		
					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor	Carryover			Budgetary Deferred Revenue	Budgetary Accounts Receivable	Due to Grantor
<u>U.S. Department of Education:</u>													
Passed-through State Department of Education:													
Special Education Cluster:													
I.D.E.A. Part B, Basic	84.027A	IDEA510010	9/1/09-8/31/10	\$ 438,675					\$ 214,650	\$ (332,780)		\$ (118,130)	
I.D.E.A. Part B, Basic	84.027A	IDEA510009	9/1/08-8/31/09	452,948	\$ (41,524)		\$ 14,822	5,604	(85,182)			(106,280)	
I.D.E.A. Part B, Basic Carryover	84.027A	IDEA510008	9/1/07-8/31/09	453,058		\$ 19,203			(19,203)				
I.D.E.A. Part B, Basic Carryover	84.027A	IDEA510007	9/1/06-8/31/08	488,152			\$ 14,822	(14,822)					
I.D.E.A. Preschool	84.173A	IDEA510010	9/1/09-8/31/10	20,420				10,849	(11,224)			(375)	
I.D.E.A. Preschool	84.173A	IDEA510009	9/1/08-8/31/09	20,595	(18,108)			1,160				(16,948)	
I.D.E.A. Preschool, Carryover	84.173A	IDEA510008	9/1/07-8/31/09	21,462		1,160		(1,160)					
I.D.E.A. Preschool, Carryover	84.173A	IDEA510007	9/1/06-8/31/08	22,342			3,307					\$ 3,307	
I.D.E.A. Part B, Basic - ARRA	84.391	IDEA510010	7/1/09-8/31/11	368,140					233,887	(317,624)		(83,737)	
I.D.E.A. Preschool - ARRA	84.392	IDEA510010	7/1/09-8/31/11	13,298					12,353	(12,353)			
Total Special Education Cluster					(59,632)	20,363	18,129		477,343	(778,366)		(325,470)	
Total Special Revenue					(183,883)	43,391	31,013		741,080	(957,850)	\$ 6,348	(344,777)	
Total U.S. Department of Education					(183,883)	43,391	31,013		1,656,661	(1,873,431)	6,348	(344,777)	
<u>U.S. Department of Health and Human Services -</u>													
<u>General Fund</u>													
Medicaid Reimbursement	93.778	N/A	7/1/09-6/30/10	8,431					8,431	(8,431)			
Total General Fund									8,431	(8,431)			
<u>U.S. Department of Labor -</u>													
ARRA COBRA Premium Assistance	17.151	N/A	7/1/09-6/30/10	17,411					17,411	(17,411)			
Total Federal Awards					\$ (191,147)	\$ 46,996	\$ 31,013	\$ -0-	\$ 1,814,005	\$ (2,047,141)	\$ 9,417	\$ (367,871)	

N/A - Not Applicable

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2010		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>												
General Fund State Aid:												
Categorical Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	\$ 742,075	\$ (73,303)		\$ 73,303						\$ 742,075
Equalization Aid	09-495-034-5120-078	7/1/08-6/30/09	6,168,723	(609,354)		609,354						6,168,723
Categorical Security Aid	09-495-034-5120-084	7/1/08-6/30/09	131,423	(12,982)		12,982						131,423
Adjustment Aid	09-495-034-5120-085	7/1/08-6/30/09	331,970	(32,792)		32,792						331,970
Categorical Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	628,116	(62,046)		62,046						628,116
Extraordinary Special Education Costs Aid	09-100-034-5120-473	7/1/08-6/30/09	247,261	(17,969)		17,969						247,261
Excess Nonpublic Transportation Costs	N/A	7/1/08-6/30/09	18,799	(18,799)		18,799						18,799
Reimbursed TPAF Social Security Contributions	09-495-034-5095-002	7/1/08-6/30/09	810,110	(41,077)		41,077						810,110
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	720,289			642,771	\$ (720,289)			\$ (77,518)		720,289
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	4,130,439			3,685,920	(4,130,439)			(444,519)		4,130,439
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	126,399			112,796	(126,399)			(13,603)		126,399
Adjustment Aid	10-495-034-5120-085	7/1/09-6/30/10	1,630,422			1,454,955	(1,630,422)			(175,467)		1,630,422
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	766,560			684,063	(766,560)			(82,497)		766,560
Extraordinary Special Education Costs Aid	10-100-034-5120-473	7/1/09-6/30/10	75,937				(75,937)		\$ (75,937)	(75,937)		75,937
Excess Nonpublic Transportation Costs	N/A	7/1/09-6/30/10	15,776				(15,776)		(15,776)	(15,776)		15,776
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09-6/30/10	875,257			829,489	(875,257)		(45,768)	(45,768)		875,257
Subtotal - General Fund				(868,322)		8,278,316	(8,341,079)		(137,481)	(931,085)		17,419,556
Debt Service Fund Aid:												
Debt Service Aid Type II	10-100-034-5120-125	7/1/09-6/30/10										
Subtotal - Debt Service Fund												
Special Revenue Fund Aid:												
NJ SSPDI Grant	N/A	7/1/03-6/30/04	4,085	(1,406)					(1,406)	(1,406)		4,085
NJ Counsel Initiative	N/A	7/1/03-6/30/04	3,334	(3,334)					(3,334)	(3,334)		3,334
Nonpublic Auxiliary Services:												
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	45,105			45,105	(34,637)			\$ 10,468		34,637
Compensatory Education	09-100-034-5120-067	7/1/08-6/30/09	67,682		\$ 32,846			(32,846)				34,836
Nonpublic Handicapped Services:												
Supplementary Instruction	10-100-034-5120-066	7/1/09-6/30/10	7,964			7,964	(6,360)			1,604		6,360
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	25,108			25,108	(11,997)			13,111		11,997
Corrective Speech	09-100-034-5120-066	7/1/08-6/30/09	33,480		22,320			(22,320)				11,160
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	11,881			11,881	(11,881)					11,881
Examination and Classification	09-100-034-5120-066	7/1/08-6/30/09	20,660		18,784			(18,784)				1,876
N.J. Nonpublic Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	9,570			9,570	(3,931)			5,639		3,931
N.J. Nonpublic Textbook Aid	09-100-034-5120-064	7/1/08-6/30/09	9,093		387			(387)				8,706
N.J. Nonpublic Nursing Aid	10-100-034-5120-070	7/1/09-6/30/10	11,348			11,348	(11,348)					11,348
N.J. Nonpublic Technology Initiative	09-100-034-5120-373	7/1/08-6/30/09	6,360		3,327			(3,327)				3,033
Subtotal - Special Revenue Fund				(4,740)	77,664	110,976	(80,154)	(77,664)	(4,740)	30,822	(4,740)	147,184

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2010		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<u>State Department of Education (Cont'd):</u>												
Enterprise Fund:												
State School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10	\$ 6,922			\$ 5,748	\$ (6,922)		\$ (1,174)		\$ (1,174)	\$ 6,922
State School Lunch Program	09-100-010-3350-023	7/1/08-6/30/09	6,592	\$ (402)		402						6,592
State School Breakfast Program	10-100-010-3350-021	7/1/09-6/30/10	1,364			1,079	(1,364)		(285)		(285)	1,364
State School Breakfast Program	09-100-010-3350-021	7/1/08-6/30/09	1,549	(100)		100						1,549
Subtotal - Enterprise Fund				(502)		7,329	(8,286)		(1,459)		(1,459)	16,427
Total State Department of Education				(873,564)	\$ 77,664	8,396,621	(8,429,519)	\$ (77,664)	(143,680)	\$ 30,822	(937,284)	17,588,098
<u>State Department of the Treasury:</u>												
Special Revenue Fund:												
(Passed thru the County of Sussex to the Township of Wantage)												
Governor's Council on Alcohol and Drug Abuse 100-082-2000-044-												
Abuse - Municipal Alliance	995120	1/1/09-12/31/09	800				(800)				(800)	800
Abuse - Municipal Alliance	995120	1/1/08-12/31/08	800	(800)		800						
Total State Department of the Treasury				(800)		800	(800)				(800)	800
Total State Awards				\$ (874,364)	\$ 77,664	\$ 8,397,421	\$ (8,430,319)	\$ (77,664)	\$ (143,680)	\$ 30,822	\$ (938,084)	\$ 17,588,898

N/A - Not Applicable/Available

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state awards are presented using the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of Federal OMB Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,127) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Non-contributory Insurance and Post Retirement Contributions revenue of \$37,955 and \$712,853, respectively. The schedule of expenditures of federal awards includes \$17,411 of ARRA Cobra Premium Assistance, which is not separately reflected as revenue in the District's basic financial statements.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 924,012	\$ 9,088,760	\$10,012,772
Special Revenue Fund	957,850	80,954	1,038,804
Food Service Fund	147,868	8,286	156,154
Total Awards	<u>\$ 2,029,730</u>	<u>\$ 9,178,000</u>	<u>\$11,207,730</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2010.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major federal and state programs.
- An unqualified report was issued on the District's compliance for major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District's major federal and state programs for the current fiscal year consisted of the following:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
American Recovery and Reinvestment Act:				
Equalization Aid - ESF	84.394	7/1/09-6/30/10	\$ 881,458	\$ 881,458
Equalization Aid - GSF	84.397	7/1/09-6/30/10	34,123	34,123
Title I	84.010A	9/1/09-8/31/10	135,832	82,254
Title I	84.010A	9/1/08-8/31/09	128,503	1,911
Title I, Carryover	84.010A	9/1/07-8/31/09	102,535	7,753
Title I - ARRA	84.389	7/1/09-8/31/11	41,041	26,419
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027A	9/1/09-8/31/10	438,675	332,780
I.D.E.A. Part B, Basic	84.027A	9/1/08-8/31/09	452,948	85,182
I.D.E.A. Part B, Basic - Carryover	84.027A	9/1/07-8/31/09	453,058	19,203
I.D.E.A. Preschool	84.173A	9/1/09-8/31/10	20,420	11,224
ARRA I.D.E.A. Part B, Basic	84.391	7/1/09-8/31/11	368,140	317,624
ARRA I.D.E.A. Preschool	84.392	7/1/09-8/31/11	13,298	12,353
<u>State:</u>				
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	720,289	720,289
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	4,130,439	4,130,439
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	126,399	126,399
Adjustment Aid	10-495-034-5120-085	7/1/09-6/30/10	1,630,422	1,630,422
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	766,560	766,560

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

Summary of Auditors' Results: (Cont'd)

- The threshold for distinguishing federal Type A and Type B programs was \$300,000. The threshold for distinguishing state Type A and Type B programs was \$300,000.
- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04 was \$500,000.
- The District qualified as a "low-risk" auditee under the provisions of section 530 of the Circular.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular or NJOMB 04-04.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Status of Prior Year Findings:

The District had no prior year audit findings.