

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2010**

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
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## INTRODUCTORY SECTION

**Washington  
Township  
Public  
Schools**



**Central Administrative Offices**

206 East Holly Avenue • Sewell, New Jersey 08080  
(856) 589-6644 • FAX (856) 582-1918

October 26, 2010

Honorable President Snyder and  
Members of the Board of Education  
Washington Township School District  
County of Gloucester, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Washington Township School District (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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report and the required supplementary information in compliance with Governmental Accounting Standards Board Statement 34 "*Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments.*" The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Washington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in

this report. The Washington Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These services include regular and vocational, as well as special education for gifted and handicapped youngsters. The District completed the 2008-09 fiscal year with an enrollment of 8,901 students, which includes 165 students in out-of-district placements. The following details the changes in the student enrollment within the District over the last five years.

#### AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-2010	8,502	(1.49%)
2008-2009	8,631	(2.52%)
2007-2008	8,849	(1.94%)
2006-2007	9,024	(0.02%)
2005-2006	9,164	(1.96%)
2004-2005	9,347	(2.22%)

#### 2) ECONOMIC CONDITION AND OUTLOOK:

Washington Township, Gloucester County, New Jersey, is a community comprised of predominately single-family residences. Our community, like most communities across the nation, is feeling the effects of the current economic recession. The community is extremely supportive of the educational system as evident in its active participation in the educational process; however, the current economic trends have resulted in reduced community support at the polls, and, therefore, defeated school budgets.

Enrollments for the Washington Township School District peaked during the 2001-2002 school year and have shown a noticeable, ongoing decline between the 2002-2003 and 2009-2010 school years. This enrollment decline has resulted in the reduction of staff. The latest funding formula for New Jersey school districts was enacted for the 2008-2009 school year. This formula has resulted in flat funding for the first two years. State aid was reduced by \$6.5 million for the 2010-2011 school year, with an additional \$1.3 million withheld from the 2009-2010 State aid that was designated to be placed in the 2010-2011 budget. Thus, leaving the burden of increased operating costs to the taxpayers.

Although the economic times have been challenging, the Washington Township School District has maintained its high standards and rigorous curriculum; continuing its tradition of being an award-winning school district which is the foremost reason why most residents have chosen to reside here.

### 3) MAJOR INITIATIVES

#### A. **Accomplishments for 2009-2010 were as follows:**

- Ongoing phased-in implementation of *Core Plus Algebra II* and refinement of *Core Plus Geometry* at the high school level with refinement of the revised mathematics curriculum and assessments for Grades 9 and 10. As well, assessments for *Core Plus Algebra II* were developed and those for Grades 1-5 were revised.
- Continued refinement of K-8 *Language Arts Literacy* curriculum, including implementation of a coherent, articulated K-6 writing curriculum and development of a coherent articulated K-5 Reading program. At the elementary school level, this included ongoing professional development in all aspects of balanced literacy with special emphasis on comprehension strategies, guided reading, and writer's workshop. At the middle level, this included ongoing training of staff provided through Columbia University's Reading and Writing Project.
- Evening programs including: *Parenting Young Children Course*, *ESL Parent Workshops* and *Annual International Night*.
- Implementation of additional time programs including: *Get SET*, *Good Morning Math*, *Working Writers*, *Math in the Community*, *Masters of Math*, *Page Turners*, *Read Around the World*, *Summer Intervention/Extended School Year Program*, *Summer Early Intervention Program*, *Building Bridges in Math*, *Summer Transition Programs (5<sup>th</sup> to 6<sup>th</sup> Grade)*, *Supplemental Instructional Services (Grades 6, 7, 8)*, *NJASK Academy*, *NJASK Summer Academy*, *NJASK Saturday Sessions*, *10<sup>th</sup> Grade and 11<sup>th</sup> Grade HSPA Academies*, *10<sup>th</sup> and 11<sup>th</sup> Grade Summer HSPA Academy*, *Summer 11<sup>th</sup> to 12<sup>th</sup> Grade HSPA Academy*, *Freshman Transition Programs*, and *Supplemental Instructional Services* for the high school at-risk students.
- Yearly elementary *Technology Challenge*, a day of problem solving and design projects that involve all elementary children in Grades 1-5.

Honorable President Snyder and  
Members of the Board of Education  
October 26, 2010  
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- Development of new/revised high school standards-based “*Pre-Calculus*” and “*Probability, Statistics, and Trigonometry*” courses of study as per the curriculum adoption cycle.
- Implementation of a Grade 7 *Advanced Science* course option for middle school students.
- Purchase of laptops and assistive technology tools through IDEA ARRA funding to support special needs students and programming.
- Implementation of Math/Language Arts Literacy Interventionists (3 total) through ARRA and Title I funds.
- Implementation of a new/revised Grades 3-5 *World Language Curriculum* including the purchase of new instructional materials.
- Implementation of a new *Chinese 3* course of study and development of a *Chinese 4* course of study as part of our expanding high school World Language program.
- Development of a revised *World Language* curriculum for Grades 6-9 pursuant to the district’s curriculum adoption cycle.
- Development and implementation of two new high school Business Education courses, *International Business* and *Business Administration and Management*.
- Implementation of revised Family and Consumer Science courses of study at the high school level.
- Implementation of a Journalism 3 course of study to expand the high school’s continuum of offerings in *Journalism*.
- Implementation of “*Tools of the Mind*” as the curriculum for our Preschool Disabled Students.
- Expanded implementation of *Measures of Academic Progress* (MAP) among students in Grade 3 in two of our elementary schools, as well as at-risk middle school students at OVMS, and ongoing implementation of MAP among special education/basic skills students in Grades 3-5 to determine student needs, recommend specific targeted interventions, and assess student progress.
- Implementation of a revised *College Prep US History 2* (Grade 11) course of study that is designed to meet the more rigorous standards of the “*American Diploma Project*” which will facilitate the inclusion and higher achievement of all students.
- Ongoing refinement and implementation of professional development opportunities for staff with a focus on implementation of *Professional*

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*Learning Communities* (PLC's) "in accordance with state mandates"

- and student needs and the ongoing implementation of a mentoring plan for novice teachers.
- Continued and expanded implementation of the summer transition program for students entering Grade 6 in all three middle schools.
- Implementation of Year 1 of 3 of a \$500,000 *Teaching American History Grant*.
- Implementation of new *OLSAT 8* as *Test of Cognitive Abilities* for gifted and talented placement.
- Ongoing investigation, development, and implementation of a continuum of in-district instructional programs and student support initiatives to meet the unique needs of our special population students so as to reduce the number of students and costs associated with out-of-district placements.
- Ongoing implementation and integration of instructional software and/or web-based programs designed to enhance instructional activities, improve student skill levels and provide a means for student self-tutoring and/or ancillary instruction.
- Expanded availability of *Fast ForWord* Reading software components as a computerized intervention for at-risk basic skills and special education students.
- Purchase of notebook carts and notebook computers to provide increased middle/high school student access to computers for use in the classroom.
- Replacement of 8-year old teacher computer work stations at the middle and elementary schools along with realignment of functioning "legacy" computers for student use in individual classrooms.
- Purchase of document cameras, mimeoboards, and LCD projectors to support expanded classroom use of technology in world language classrooms and a few remaining middle and high school science classrooms.
- Ongoing development, refinement, and implementation of benchmark assessments in all content areas.
- Ongoing alignment of all courses of study with the 2004 NJCCCS; review of and familiarization with draft 2009 NJCCCS; and review and alignment of curriculum and instruction pursuant to Spring 2008 State testing results and new NJASK test specifications and Algebra I/ Biology end-of-course test requirements.

- Refined implementation of *Foundations* in all first and second grade classrooms, including special education.
- Ongoing professional development opportunities to meet state standards, fulfill the 100-hour mandate, enhance the quality of pedagogy, and increase student achievement (K-12).
- Ongoing implementation and compliance with the provisions of the Highly-Qualified Teacher and Adequate Yearly Progress processes under the *No Child Left Behind* Legislation.

**B. Ongoing and Future Projects:**

The district is committed to the implementation of the Core Curriculum Content Standards that have been mandated by the State of New Jersey for all public schools. As such, the district is engaged in the following:

- Expanded implementation of *Measures of Academic Progress* (MAP) to include all Grade 3 students so as to determine student needs, recommend specific targeted interventions, and assess student progress.
- Realignment of the district's Grades 6-9 Mathematics curriculum with ADP Algebra I standards and certain aspects of the National Common Core Standards for Mathematics.
- Refinement of the recently implemented (Grades 9-10) standards-based mathematics curriculum (*Core Plus Geometry and Algebra II*) to optimize student achievement and promote alignment with HSPA test specifications and new National Common Core Standards for Mathematics.
- Increased focus on the needs of at-risk learners and investigation into instructional methodologies and programmatic enhancements to meet their needs. This will include ongoing emphasis and refinement of our K-12 *Response to Intervention* (RTI) programming.
- Ongoing investigation into effective technology hardware and software to differentiate instruction and to support student achievement, as funding allows.
- Submission and awarding of various grant applications to support and enhance instruction.
- Development of K-12 instructional programming in financial literacy including development of a high school level semester course in financial literacy which is aligned with state standards for implementation in 2011-2012.

- Implementation of a new *Chinese 4* curriculum, as part of our expanding world language program at our high school.
- Refinement of curriculum and instruction to optimize student preparation for, and achievement on, the high school End-of-Course (EOC) Biology test.
- Refinement of curriculum and instruction to optimize student preparation for, and achievement on, the high school End-of-Course (EOC) Algebra I test.
- Implementation of a new K-5 Language Arts Literacy program to include greater integration of balanced literacy and refinement of our recently adopted K-5 writing program with emphasis on open-ended reading responses. At the middle level, the focus will be placed on development of a 6-8 writing curriculum, and development of a Grades 9-12 LAL curriculum in accordance with the district's curriculum adoption cycle. There will be K-12 efforts to align curriculum with National Common Core ELA standards.
- Ongoing development of a greater emphasis/focus on differentiating instruction and open-ended problem solving within our K-12 Mathematics curricula.
- Ongoing professional development to increase staff and student use of, and familiarity with, open-ended questions in Language Arts Literacy.
- Ongoing development and implementation of a continuum of instructional programs and student support initiatives to meet the unique needs of our special population students and to support the implementation of an in-district specialized program(s) for out-of-district students.
- Implementation of a new/revised Grades 6-9 world language curriculum, and development of a new/revised high school level world language curriculum as per the curriculum adoption cycle.
- Refined use of the district's recently implemented test of cognitive ability (OLSAT8) results for purposes of Gifted and Talented program placement.
- Ongoing implementation and refinement of benchmark assessments in all content areas.
- Ongoing staff training to support the use of Moodle as a Web 2.0 Technology infusion resource.
- Ongoing alignment of curriculum/courses of study with new 2009 NJCCCS and National Common Core Standards for Mathematics and

English Language Arts, new State testing specifications, and instructional/ programmatic needs indicated through analysis of assessment results.

- Ongoing professional development to ensure optimal use of available technology resources including document cameras, Smartboards, LCD projectors, Turning Point Response Systems, and mobile computer carts.
- Professional development to support the implementation of Web 2.0 tools and other applications to further student acquisition of 21st century skills.
- Professional development to enhance and support the integration of professional learning communities (PLCs) throughout all district schools as an essential aspect of professional growth.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized 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.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality.

Honorable President Snyder and  
Members of the Board of Education  
October 26, 2010  
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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 cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated 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 Governmental Account Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Please see Management's Discussion and analysis for summary schedules.

8) DEBT ADMINISTRATION: At June 30, 2010, the District's outstanding debt issues included \$37,881,613 of general obligation bonds.

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

10) RISK MANAGEMENT: The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

Honorable President Snyder and  
Members of the Board of Education  
October 26, 2010  
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11) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman and Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular.

A-133 and state Treasury Circular Letter 98-07 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Washington Township School 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 our financial and accounting staff.

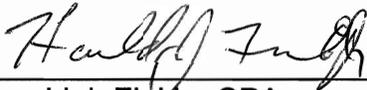
Respectfully submitted:



Cheryl L. Simone, Ed. D.  
Superintendent



Margaret F. Meehan, CPA  
School Business Administrator/  
Board Secretary

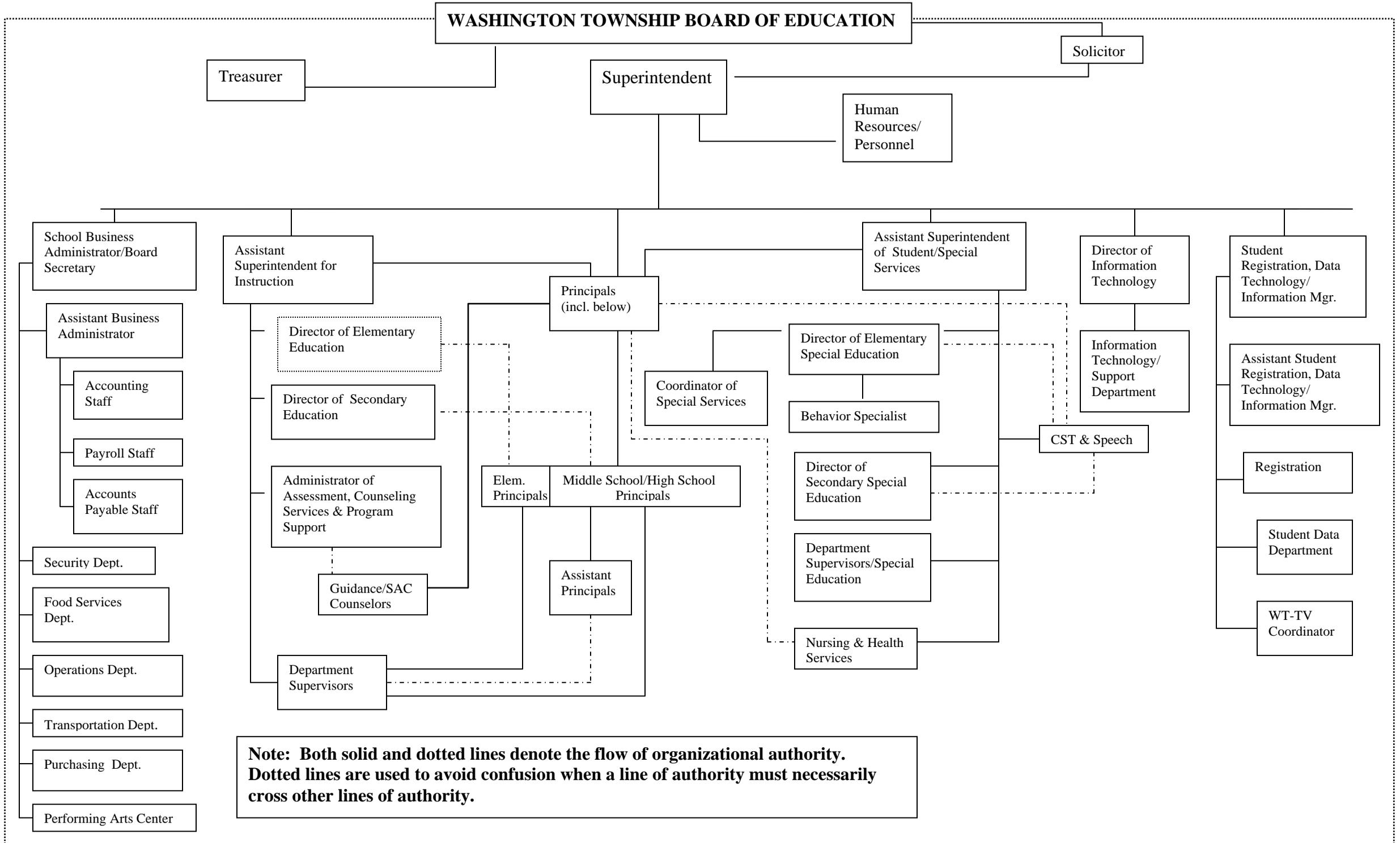


Harold J. Finkle, CPA  
Assistant School Business Administrator

MFM/ea

# ORGANIZATIONAL CHART

Rev. 10/27/09



**BOARD OF EDUCATION  
OF THE  
TOWNSHIP OF WASHINGTON  
SEWELL, NEW JERSEY**

**ROSTER OF OFFICIALS  
June 30, 2010**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Kurt Snyder, President	2011
Paul Marino, Vice President	2012
Eileen Abbott	2012
Stephen Altamuro	2013
Scott Dzierzowski	2011
James F. Murphy	2013
Andrew W. Walter	2013
Charles A. Wiseley III	2011

**Other Officials**

Cheryl L. Simone, Ed.D., Superintendent

Margaret F. Meehan, CPA, School Business  
Administrator/Board Secretary

Tina Molloy, Treasurer

John B. Comegno II, Esq., Solicitor

**BOARD OF EDUCATION  
OF THE  
TOWNSHIP OF WASHINGTON**

**Consultants and Advisors**

**Engineer**

Remington and Vernick  
232 Kings Highway East  
Haddonfield, NJ 08033

**Audit Firm**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, NJ 08043-2492

**Attorney**

Trimble & Armano  
Washington Professional Campus  
900 Route 168  
Suites B1-B2  
Turnersville, NJ 08012

Capehart & Scatchard  
Laurel Corporate Center  
8000 Midlantic Drive, Suite 300 South  
Mount Laurel, NJ 08054

**Official Depository**

TD Bank, N.A.  
491 Hurffville-Crosskeys Road  
Sewell, NJ 08080

FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of the Township of Washington School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Washington School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of Washington Township Live Arts (the "WTLA") have not been audited and we were not engaged to audit the WTLA financial statements as part of our audit of the District's basic financial statements. WTLA's financial activities are included in the District's basic financial statements as the sole discretely presented component unit.

Because the WTLA's financial statements have not been audited, the scope of our work was not sufficient to enable us to express an opinion on the financial statements of the WTLA as June 30, 2010.

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 and each major fund of the Township of Washington School District in the County of Gloucester, State of New Jersey 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 10, 2010 on our consideration of the Township of Washington School District's internal control over financial reporting and 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 read in conjunction with this report in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Washington School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections 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.

Respectfully submitted,

  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

  
Stephen E. Ryan  
Certified Public Accountant  
Public School Accountant No. CS 01098

Voorhees, New Jersey  
November 10, 2010

**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  
Township of Washington School District  
County of Gloucester, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Washington School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 10, 2010. In our report we indicated that the financial statements of the Washington Township Live Arts, the discretely presented component unit of the School District, have not been audited. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township of Washington School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District'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 school district's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Washington School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

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

Respectfully submitted,

  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

  
Stephen E. Ryan  
Certified Public Accountant  
Public School Accountant No. CS 01098

Voorhees, New Jersey  
November 10, 2010

**WASHINGTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(Unaudited)**

The discussion and analysis of WASHINGTON TOWNSHIP School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- In total, net assets increased \$106,528 primarily due to the reduction debt.
- General revenues accounted for \$128,648,964 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$16,691,509 or 11% of total revenues of \$145,340,473.
- Total assets of governmental activities decreased by \$2,759,442 primarily due to the depreciation of fixed assets.
- The School District had \$145,233,944 in expenses; \$16,691,509 of these expenses were offset by program-specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$132,765,304 in revenues, \$132,090,205 in expenditures, and \$732,221 in other financing out. The General Fund's balance decreased \$57,122 from 2009. This decrease was anticipated by the Board of Education. The School District appropriated \$3,711,379 into the original General Fund budget as tax relief for 2010-2011.

**Overview of the Financial Statements**

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

- The first two statements, Exhibits A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

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

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

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

**WASHINGTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(Unaudited-Cont'd)**

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

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

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

The Statement of Net Assets and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors--some financial and some not. Non-financial factors include the School District's facility condition, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental and business-type activities. Governmental activities are the activities where most of the School District's programs and services are reported, including but not limited to instruction, support services, operation and maintenance of plant, pupil transportation, and special schools.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, Debt Service, and the Capital Projects Fund; the School District has no Permanent Fund.

**Governmental Funds**

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

**WASHINGTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(Unaudited-Cont'd)**

**The School District as a Whole**

The Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2010 and 2009.

TABLE 1		
Net Assets		
	<u>2009-2010</u>	<u>2008-2009</u>
<b>Assets</b>		
Current and Other Assets	\$ 12,312,131	\$ 11,954,966
Capital Assets	<u>97,352,373</u>	<u>100,590,976</u>
<b>Total Assets</b>	<b><u>\$109,664,504</u></b>	<b><u>\$112,545,942</u></b>
 <b>Liabilities</b>		
Current Liabilities	\$ 5,852,799	\$ 5,465,115
Non- Current Liabilities	<u>44,154,901</u>	<u>47,530,551</u>
<b>Total Liabilities</b>	<b><u>\$50,007,700</u></b>	<b><u>\$52,995,666</u></b>
 <b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	\$60,998,553	\$61,019,537
Restricted for:		
Debt Service		16,687
Capital Projects	1,699,511	412,483
Other Purposes	3,711,379	8,444,509
Unrestricted	<u>(6,752,638)</u>	<u>(10,342,941)</u>
<b>Total Net Assets</b>	<b><u>\$59,656,804</u></b>	<b><u>\$59,550,276</u></b>

**WASHINGTON TOWNSHIP SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited-Cont'd)**

Table 2 shows a summary of changes in net assets for Fiscal Year 2010.

TABLE 2

Changes in Net Assets

	<u>2009-2010</u>	<u>2008-2009</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 2,788,457	\$ 2,873,925
Operating Grants and Contributions	13,903,052	12,644,084
General Revenues:		
Property Taxes, Levied for General Purpose, Net	68,819,137	68,532,821
Property Taxes Levied for Debt Service	3,244,078	3,354,805
Federal and State Aid	55,869,671	53,065,224
Other	<u>716,078</u>	<u>300,614</u>
Total Revenues	<u>\$145,340,473</u>	<u>\$140,771,473</u>
<b>Program Expenses</b>		
Governmental Activities:		
Instruction	\$59,186,779	\$57,865,147
Support Services:		
Tuition	7,036,004	6,023,732
Student Administrative Services	14,680,979	13,186,655
School Administrative Services	6,240,889	8,001,998
General and Business Administrative Services	4,039,994	2,835,735
Plant Operation and Maintenance	9,814,796	9,907,778
Pupil Transportation	6,549,565	6,295,369
Unallocated Benefits	31,689,758	29,629,954
Special Schools	34,044	64,845
Interest on Long-term Debt	1,629,559	1,753,383
Amortization	<u>37,681</u>	<u>55,032</u>
Total Expenses, Governmental Activities	<u>\$140,940,048</u>	<u>\$135,619,628</u>
Business-Type Activities Net Expenses (income):		
Food Service	\$ 3,973,128	\$ 3,894,990
Child Care Program	89,063	95,543
Telecommunications	14,627	16,024
Drivers' Education	79,195	88,901
Center for the Performing Arts	137,883	175,283
Tech Crew	<u>                    </u>	<u>4,192</u>
Total Expenses, Business-Type Activities	<u>4,293,896</u>	<u>4,274,933</u>
Total Expenses	<u>\$145,233,944</u>	<u>\$139,894,561</u>
Increase (Decrease) in Net Assets	<u>\$ 106,529</u>	<u>\$ 876,912</u>

**WASHINGTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(Unaudited-Cont'd)**

**Governmental Activities**

Municipal appropriations and state aid made up 91% of revenues for governmental activities for the School District for Fiscal Year 2010.

Instruction comprises 42% of District governmental expenses. Support services expenses make up 57% of the governmental expenses. Interest on Long-Term Debt Service and Amortization is 1% of the governmental expenses.

The Statement of Activities shows the cost of the governmental activities' program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for Fiscal Year 2010. That is, it identifies the cost of these services supported by general revenues.

TABLE 3

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$59,186,779	\$56,769,226
Support Services:		
Tuition	7,036,004	7,036,004
Student and Instruction-Related Services	14,680,979	13,499,846
School Administrative Services	6,240,889	6,240,889
General and Business Administrative Services	4,039,994	3,812,346
Plant Operation and Maintenance	9,814,796	9,814,796
Pupil Transportation	6,549,565	6,549,564
Unallocated Benefits	31,689,758	22,778,918
Transfer to Charter Schools	34,044	34,044
Interest on Long-Term Debt	1,629,559	1,026,319
Amortization of Bond Issue Costs	<u>37,681</u>	<u>37,681</u>
<b>Total Expenses</b>	<b><u>\$140,940,048</u></b>	<b><u>\$127,599,660</u></b>

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

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

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

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

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

**WASHINGTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(Unaudited-Cont'd)**

**Governmental Activities (Cont'd)**

Business and other support services include activities for support not classified elsewhere, including support services for business activities and support services for central activities.

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

The dependence upon municipal appropriations and state aid is apparent. The local communities and the state are the primary support for the Washington Township School District.

**The School District's Funds**

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$141,738,945, expenditures of \$141,564,904 and other financing uses of \$333,903. The net change in fund balance for the year in the General Fund had an decrease of \$57,122.

**General Fund Budgeting Highlights**

The School District's budget is prepared in accordance with New Jersey law. The most significant budgeted fund is the General Fund.

During the course of the 2010 fiscal year, the School District modified its General Fund budget numerous times.

For the General Fund, the original budgeted estimate and final budget basis revenue estimate was \$129,429,536.

During Fiscal Year 2010, the School District budgeted \$68,819,137 and \$54,603,182 for municipal appropriations and state aid revenues, respectively. The School District also received \$4,505,921 in reimbursed TPAF Social Security aid, \$4,404,919 in reimbursed TPAF and post retirement health benefits. This has resulted in favorable revenue variance.

The final budget basis expenditure appropriation estimate was \$130,134,071 compared to the original estimate of \$129,429,536.

**WASHINGTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(Unaudited-Cont'd)**

**Capital Assets**

At the end of Fiscal Year 2010, the School District had \$97,352,373 invested in land, buildings, furniture and equipment.

Table 4 shows a summary of the fiscal 2010 balances.

TABLE 4

Capital Assets (Net of Depreciation)

	<u>2009-2010</u>	<u>2008-2009</u>
Land	\$ 5,590,700	\$ 5,590,700
Constriction in Progress	139,395	
Buildings and Improvements	87,056,138	90,108,626
Furniture and Equipment	<u>4,566,140</u>	<u>4,891,650</u>
Totals	<u>\$97,352,373</u>	<u>\$100,590,976</u>

Overall capital assets decreased \$3,238,603 from Fiscal Year 2009 to Fiscal Year 2010.

**Debt Administration**

The School District receives state aid and municipal tax levy funds for the payment of debt.

**Current Financial Issues and Concerns**

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey, the district manages to provide an excellent educational opportunity for all the School District students. This has been accomplished through increases in the local tax levy. The School District's General Fund budget has grown steadily over the past five years. This has resulted primarily from the increase in fixed costs such as labor, employee benefits, utilities, diesel fuel, and out-of-district tuition.

**Contacting the School District's Financial Management**

These financial reports are designed to provide our citizens, taxpayers, and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Margaret F. Meehan, Secretary to the Board of Education and School Business Administrator at: WASHINGTON TOWNSHIP BOARD OF EDUCATION, 206 East Holly Avenue, Sewell, New Jersey 08080.

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Net Assets  
June 30, 2010

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>	<u>Component Unit</u> Washington <u>Township Live Arts</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,363,498.60	\$ 697,066.88	\$ 3,060,565.48	
Receivables, net (Note 7)	6,946,016.46	85,396.00	7,031,412.46	
Interfund Accounts Receivable	157,299.48		157,299.48	
Inventory (Note 8)		73,671.42	73,671.42	
Deferred Charges:				
Debt Issuance Costs (Net of Amortization)	360,803.11		360,803.11	
Restricted Assets:				
Restricted Cash and Cash Equivalents	637,301.05		637,301.05	
Capital Reserve Account - Cash	991,077.81		991,077.81	
Capital Assets, net (Note 6)	<u>96,905,979.36</u>	<u>446,394.05</u>	<u>97,352,373.41</u>	
<b>Total Assets</b>	<u>108,361,975.87</u>	<u>1,302,528.35</u>	<u>109,664,504.22</u>	---
<b>LIABILITIES:</b>				
Accounts Payable	3,249,254.64	44,382.57	3,293,637.21	
Interfund Accounts Payable		154,952.73	154,952.73	
Accrued Salaries and Benefits	894,147.82	14,435.31	908,583.13	
Deposits Payable		8,102.90	8,102.90	
Payable to Federal Government	734,411.39		734,411.39	
Payable to State Government	17,332.34		17,332.34	
Deferred Revenue	84,392.86	65,457.42	149,850.28	
Accrued Interest on Bonds	585,928.56		585,928.56	
Noncurrent Liabilities (Note 9):				
Due within One Year	4,374,331.42	5,552.76	4,379,884.18	
Due beyond One Year	<u>39,533,178.79</u>	<u>241,838.39</u>	<u>39,775,017.18</u>	
<b>Total Liabilities</b>	<u>49,472,977.82</u>	<u>534,722.08</u>	<u>50,007,699.90</u>	---
<b>NET ASSETS:</b>				
Invested in Capital Assets, Net of Related Debt	60,552,158.75	446,394.05	60,998,552.80	
Restricted for:				
Capital Projects	1,699,510.68		1,699,510.68	
Other Purposes	3,711,379.00		3,711,379.00	
Unrestricted	<u>(7,074,050.38)</u>	<u>321,412.22</u>	<u>(6,752,638.16)</u>	
<b>Total Net Assets</b>	<u>\$ 58,888,998.05</u>	<u>\$ 767,806.27</u>	<u>\$ 59,656,804.32</u>	---

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

**TOWNSHIP OF WASHINGTON 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			Component Unit Washington Township Live Arts
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 44,919,944.73		\$ 2,417,526.89		\$ (42,502,417.84)		\$ (42,502,417.84)	
Special Education	9,787,644.22				(9,787,644.22)		(9,787,644.22)	
Other Special Instruction	2,813,260.84				(2,813,260.84)		(2,813,260.84)	
Other Instruction	1,665,929.36				(1,665,929.36)		(1,665,929.36)	
Support Services:								
Tuition	7,036,003.77				(7,036,003.77)		(7,036,003.77)	
Student and Instruction Related Services	14,680,979.36		1,181,133.45		(13,499,845.91)		(13,499,845.91)	
School Administrative Services	6,240,889.02				(6,240,889.02)		(6,240,889.02)	
General and Business Administrative Services	4,039,994.29	\$ 227,647.85			(3,812,346.44)		(3,812,346.44)	
Plant Operations and Maintenance	9,814,795.92				(9,814,795.92)		(9,814,795.92)	
Pupil Transportation	6,549,564.49				(6,549,564.49)		(6,549,564.49)	
Unallocated Benefits	31,689,757.82		8,910,839.67		(22,778,918.15)		(22,778,918.15)	
Transfer to Charter School	34,044.00				(34,044.00)		(34,044.00)	
Interest on Long-Term Debt	1,629,558.52		603,239.46		(1,026,319.07)		(1,026,319.07)	
Amortization of Bond Issuance Costs	37,681.06				(37,681.06)		(37,681.06)	
<b>Total Governmental Activities</b>	<b>140,940,047.40</b>	<b>227,647.85</b>	<b>13,112,739.47</b>	<b>-</b>	<b>(127,599,660.09)</b>	<b>-</b>	<b>(127,599,660.09)</b>	<b>---</b>
<b>Business-Type Activities:</b>								
Food Service	3,973,127.99	2,147,889.92	790,312.21			\$ (1,034,925.86)	(1,034,925.86)	
Child Care Program	89,063.15	170,549.28				81,486.13	81,486.13	
TeleCommunications	14,626.93	13,560.00				(1,066.93)	(1,066.93)	
Center for the Performing Arts	137,882.85	138,993.50				1,110.65	1,110.65	
Drivers Education	79,195.30	86,850.00				7,654.70	7,654.70	
Tech Crew		2,966.34				2,966.34	2,966.34	
<b>Total Business-Type Activities</b>	<b>4,293,896.22</b>	<b>2,560,809.04</b>	<b>790,312.21</b>	<b>-</b>	<b>-</b>	<b>(942,774.97)</b>	<b>(942,774.97)</b>	<b>---</b>
<b>Total Primary Government</b>	<b>\$ 145,233,943.62</b>	<b>\$ 2,788,456.89</b>	<b>\$ 13,903,051.68</b>	<b>\$ -</b>	<b>(127,599,660.09)</b>	<b>(942,774.97)</b>	<b>(128,542,435.06)</b>	<b>---</b>
<b>Component Unit:</b>								
Washington Township Live Arts	\$ 9,528.00	\$ 48,291.49						\$ 38,763.49
<b>General Revenues:</b>								
Taxes:								
Property Taxes, Levied for General Purposes, net					68,819,137.00		68,819,137.00	
Taxes Levied for Debt Service					3,244,078.00		3,244,078.00	
Federal and State Aid not Restricted					55,869,670.95		55,869,670.95	
Investment Earnings					97,811.12	5,488.65	103,299.77	
Miscellaneous Income					595,508.71		595,508.71	
Accounts Receivable Canceled						(1,761.43)	(1,761.43)	
Accounts Payable Canceled								105,120.00
Special Items:								
Disposal of Assets					(1,196.76)		(1,196.76)	
Transfers					(984,728.61)	1,004,956.10	20,227.49	(20,227.49)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>127,640,280.41</b>	<b>1,008,683.32</b>	<b>128,648,963.73</b>	<b>84,892.51</b>
<b>Change in Net Assets</b>					<b>40,620.33</b>	<b>65,908.35</b>	<b>106,528.68</b>	<b>123,656.00</b>
<b>Net Assets -- July 1</b>					<b>58,848,377.72</b>	<b>701,897.92</b>	<b>59,550,275.64</b>	<b>(123,656.00)</b>
<b>Net Assets -- June 30</b>					<b>\$ 58,888,998.05</b>	<b>\$ 767,806.27</b>	<b>\$ 59,656,804.32</b>	<b>---</b>

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

FUND FINANCIAL STATEMENTS

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Balance Sheet  
Governmental Funds  
June 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 2,270,262.23	\$ 471,979.05	\$ 165,321.33	\$ 0.67	\$ 2,907,563.28
Interfund Accounts Receivable	4,458,648.16				4,458,648.16
Receivables from Other Governments	2,472,817.02	1,511,710.91	2,814,591.15		6,799,119.08
Other Accounts Receivable	146,897.38				146,897.38
Restricted Cash and Cash Equivalents	<u>991,077.81</u>				<u>991,077.81</u>
Total Assets	<u>\$ 10,339,702.60</u>	<u>\$ 1,983,689.96</u>	<u>\$ 2,979,912.48</u>	<u>\$ 0.67</u>	<u>\$ 15,303,305.71</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 2,942,859.34	\$ 272,763.20	\$ 6,618.65		\$ 3,222,241.19
Accrued Salaries and Benefits	882,287.43	9,396.50			891,683.93
Interfund Accounts Payable		1,633,234.63	2,625,664.07		4,258,898.70
Other Current Liabilities	734,411.39				734,411.39
Payable to State Government		17,332.34			17,332.34
Deferred Revenue	<u>33,429.57</u>	<u>50,963.29</u>			<u>84,392.86</u>
Total Liabilities	<u>4,592,987.73</u>	<u>1,983,689.96</u>	<u>2,632,282.72</u>	<u>-</u>	<u>9,208,960.41</u>
Fund Balances:					
Reserved for:					
Encumbrances	689,636.14				689,636.14
Capital Reserve Account	991,077.81				991,077.81
Designated for Subsequent Year's Expenditures:					
Excess Surplus	1,222,315.00				1,222,315.00
Unreserved Surplus	2,489,064.00				2,489,064.00

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Balance Sheet  
Governmental Funds  
June 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>LIABILITIES AND FUND BALANCES (CONT'D):</b>					
Fund Balances (Continued):					
Unreserved, Reported in:					
General Fund	\$ 354,621.92				\$ 354,621.92
Capital Projects Fund			\$ 347,629.76		347,629.76
Debt Service Fund				\$ 0.67	0.67
Total Fund Balances	<u>5,746,714.87</u>	<u>-</u>	<u>347,629.76</u>	<u>0.67</u>	6,094,345.30
Total Liabilities and Fund Balances	<u>\$ 10,339,702.60</u>	<u>\$ 1,983,689.96</u>	<u>\$ 2,979,912.48</u>	<u>\$ 0.67</u>	
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:					
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.					
Unamortized Bond Issuance Costs					360,803.11
Interest on long-term debt in the statement of activities is accrued, regardless of when due.					
					(585,928.56)
The Internal Service Funds are used by management to charge the costs of paper, printing and engraving to individual funds. These activities are governmental activities. This amount is the unrestricted net assets in the Internal Service Fund.					
					21,309.05
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$153,595,388.84 and the accumulated depreciation is \$56,689,409.48.					
					96,905,979.36
Long-term liabilities, including bonds and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
					<u>(43,907,510.21)</u>
Net assets of governmental activities					<u>\$ 58,888,998.05</u>

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 68,819,137.00			\$ 3,244,078.00	\$ 72,063,215.00
Tuition	252,111.65				252,111.65
Miscellaneous	413,972.94	\$ 24,546.10	\$ 2,689.14		441,208.18
State Sources	56,114,803.89	101,123.66	229,824.00	1,856,823.00	58,302,574.55
Federal Sources	7,165,278.71	3,514,557.16			10,679,835.87
<b>Total Revenues</b>	<b>132,765,304.19</b>	<b>3,640,226.92</b>	<b>232,513.14</b>	<b>5,100,901.00</b>	<b>141,738,945.25</b>
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	40,192,193.56	2,417,526.89			42,609,720.45
Special Education Instruction	9,752,137.67				9,752,137.67
Other Special Instruction	2,813,260.84				2,813,260.84
Other Instruction	1,665,929.36				1,665,929.36
Support Services and Undistributed Costs:					
Tuition	7,036,003.77				7,036,003.77
Student and Instruction Related Services	13,436,620.26	1,181,133.45			14,617,753.71
School Administrative Services	6,240,889.02				6,240,889.02
Other Administrative Services	3,936,232.74				3,936,232.74
Plant Operations and Maintenance	9,410,527.43				9,410,527.43
Pupil Transportation	5,345,570.31				5,345,570.31
Unallocated Benefits	31,412,671.58				31,412,671.58
Transfer to Charter Schools	34,044.00				34,044.00
Debt Service:					
Principal				3,455,000.00	3,455,000.00
Interest and Other Charges				1,662,587.50	1,662,587.50
Capital Outlay	814,124.20	62,766.87	695,684.24		1,572,575.31
<b>Total Expenditures</b>	<b>132,090,204.74</b>	<b>3,661,427.21</b>	<b>695,684.24</b>	<b>5,117,587.50</b>	<b>141,564,903.69</b>
Excess (Deficiency) of Revenues over Expenditures	675,099.45	(21,200.29)	(463,171.10)	(16,686.50)	174,041.56

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Revenues, 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>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):					
Capital Leases (Non-Budgeted)	\$ 650,825.37				\$ 650,825.37
Operating Transfers In	4,860.63		\$ 401,007.00		405,867.63
Operating Transfers Out	<u>(1,387,907.10)</u>		<u>(2,689.14)</u>		<u>(1,390,596.24)</u>
Total Other Financing Sources and Uses	<u>(732,221.10)</u>	<u>-</u>	<u>398,317.86</u>	<u>-</u>	<u>(333,903.24)</u>
Net Change in Fund Balances	\$ (57,121.65)	\$ (21,200.29)	(64,853.24)	\$ (16,686.50)	(159,861.68)
Fund Balance -- July 1	<u>5,803,836.52</u>	<u>21,200.29</u>	<u>412,483.00</u>	<u>16,687.17</u>	<u>6,254,206.98</u>
Fund Balance -- June 30	<u>\$ 5,746,714.87</u>	<u>\$ -</u>	<u>\$ 347,629.76</u>	<u>\$ 0.67</u>	<u>\$ 6,094,345.30</u>

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2010

Total Net Change in Fund Balances - Governmental Funds	\$	(159,861.68)
<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	\$	(4,743,802.44)
Capital Outlays		<u>1,572,575.31</u>
		(3,171,227.13)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		3,455,000.00
Repayment of capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		829,968.74
Proceeds from capital lease issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		(650,825.37)
The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(37,681.06)
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, donations and capital grants) is to decrease net assets.		(1,196.76)
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		33,028.98
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). This amount is the net effect of the difference in treatment of compensated absences.		(277,086.24)
The Internal Service Fund is used by management to charge the costs of paper, printing and engraving to individual funds. This amount is the change in net assets for the Internal Service Fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.		<u>20,500.85</u>
Change in Net Assets of Governmental Activities	\$	<u><u>40,620.33</u></u>

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2010

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Food Service	Child Care Program	Tele- Comm	Center for the Performing Arts	Drivers Education	Tech Crew	Total Enterprise	Internal Service Funds
<b>ASSETS:</b>								
Current Assets:								
Cash and Cash Equivalents	\$ 337,834.86	\$ 205,891.25	\$ 4,752.77	\$ 29,414.96	\$ 119,173.04		\$ 697,066.88	\$ 93,236.37
Accounts Receivable:								
State	2,861.00						2,861.00	
Federal	45,363.02						45,363.02	
Other	7,506.59		1,335.00	28,330.39			37,171.98	
Interfund Accounts Receivable								4,804.56
Inventories	73,671.42						73,671.42	
<b>Total Current Assets</b>	<b>467,236.89</b>	<b>205,891.25</b>	<b>6,087.77</b>	<b>57,745.35</b>	<b>119,173.04</b>	<b>-</b>	<b>856,134.30</b>	<b>98,040.93</b>
Noncurrent Assets:								
Furniture, Machinery and Equipment	1,439,895.27	8,735.45		58,399.17	43,752.00		1,550,781.89	14,545.00
Less Accumulated Depreciation	(1,071,066.50)	(3,031.70)		(20,718.89)	(9,570.75)		(1,104,387.84)	(14,140.87)
<b>Total Noncurrent Assets</b>	<b>368,828.77</b>	<b>5,703.75</b>	<b>-</b>	<b>37,680.28</b>	<b>34,181.25</b>	<b>-</b>	<b>446,394.05</b>	<b>404.13</b>
<b>Total Assets</b>	<b>836,065.66</b>	<b>211,595.00</b>	<b>6,087.77</b>	<b>95,425.63</b>	<b>153,354.29</b>	<b>-</b>	<b>1,302,528.35</b>	<b>98,445.06</b>
<b>LIABILITIES:</b>								
Current Liabilities:								
Compensated Absences Payable	5,552.76						5,552.76	
Accounts Payable	4,475.40	27.00	617.19	39,037.98	225.00		44,382.57	27,013.45
Interfund Accounts Payable	82,856.93	43,021.08	3,414.37	25,660.35			154,952.73	47,254.54
Accrued Salaries and Benefits	775.68	3,743.86	832.50	2,487.92	6,595.35		14,435.31	2,463.89
Deposits Payable				8,102.90			8,102.90	
Deferred Revenue	65,457.42						65,457.42	
<b>Total Current Liabilities</b>	<b>159,118.19</b>	<b>46,791.94</b>	<b>4,864.06</b>	<b>75,289.15</b>	<b>6,820.35</b>	<b>-</b>	<b>292,883.69</b>	<b>76,731.88</b>
Noncurrent Liabilities:								
Compensated Absences Payable	241,838.39						241,838.39	
<b>Total Liabilities</b>	<b>241,838.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>241,838.39</b>	<b>-</b>
<b>NET ASSETS:</b>								
Invested in Capital Assets, Net of Related Debt	368,828.77	5,703.75		37,680.28	34,181.25		446,394.05	404.13
Unrestricted	66,280.31	159,099.31	1,223.71	(17,543.80)	112,352.69		321,412.22	21,309.05
<b>Total Net Assets</b>	<b>\$ 435,109.08</b>	<b>\$ 164,803.06</b>	<b>\$ 1,223.71</b>	<b>\$ 20,136.48</b>	<b>\$ 146,533.94</b>	<b>\$ -</b>	<b>\$ 767,806.27</b>	<b>\$ 21,713.18</b>

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Tech Crew</u>	<u>Total Enterprise</u>	<u>Internal Service Funds</u>
<b>OPERATING REVENUES:</b>								
Charges for Services:								
Daily Sales - Reimbursable Programs	\$ 1,249,052.88						\$ 1,249,052.88	
Daily Sales - Non-Reimbursable Programs	783,124.31						783,124.31	
Other Activity Income			\$ 13,560.00				13,560.00	
Admissions				\$ 5,825.50			5,825.50	
Special Functions	101,051.94						101,051.94	
Tuition		\$ 170,549.28					170,549.28	
Rentals				77,703.00			77,703.00	
Registration					\$ 86,850.00		86,850.00	
Miscellaneous	14,660.79			55,465.00		\$ 2,966.34	73,092.13	
Services Provided to Other Funds								\$ 227,647.85
<b>Total Operating Revenues</b>	<u>2,147,889.92</u>	<u>170,549.28</u>	<u>13,560.00</u>	<u>138,993.50</u>	<u>86,850.00</u>	<u>2,966.34</u>	<u>2,560,809.04</u>	<u>227,647.85</u>
<b>OPERATING EXPENSES:</b>								
Salaries	1,531,859.31	74,993.72	13,718.81	55,333.19	70,144.35		1,746,049.38	13,414.16
Employee Benefits	951,900.10	5,506.18		4,239.99			961,646.27	
Purchased Professional and Technical Services				14,696.62			14,696.62	
Repairs and Maintenance	73,871.69				3,006.95		76,878.64	500.00
Other Purchased Services				22,780.41	400.00		23,180.41	
Transportation		543.91					543.91	
General Supplies	67,668.86	7,552.93	908.12	703.44	175.00		77,008.35	192,424.64
Depreciation	59,167.14	466.41		3,318.72	5,469.00		68,421.27	808.20
Cost of Sales	1,255,583.34						1,255,583.34	
Miscellaneous	33,077.55			36,810.48			69,888.03	
<b>Total Operating Expenses</b>	<u>3,973,127.99</u>	<u>89,063.15</u>	<u>14,626.93</u>	<u>137,882.85</u>	<u>79,195.30</u>	<u>-</u>	<u>4,293,896.22</u>	<u>207,147.00</u>
<b>Operating Income (Loss)</b>	<u>(1,825,238.07)</u>	<u>81,486.13</u>	<u>(1,066.93)</u>	<u>1,110.65</u>	<u>7,654.70</u>	<u>2,966.34</u>	<u>(1,733,087.18)</u>	<u>20,500.85</u>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Tech Crew</u>	<u>Total Enterprise</u>	<u>Internal Service Funds</u>
NONOPERATING REVENUES (EXPENSES):								
State Sources:								
State School Lunch Program	\$ 37,724.68						\$ 37,724.68	
Federal Sources:								
National School Lunch Program	593,156.53						593,156.53	
Food Distribution Program	159,431.00						159,431.00	
Accounts Receivable Canceled				\$ (1,761.43)			(1,761.43)	
Interest and Investment Revenue	<u>5,488.65</u>						<u>5,488.65</u>	
Total Nonoperating Revenues (Expenses)	<u>795,800.86</u>	<u>-</u>	<u>-</u>	<u>(1,761.43)</u>	<u>-</u>	<u>-</u>	<u>794,039.43</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	(1,029,437.21)	\$ 81,486.13	\$ (1,066.93)	\$ (650.78)	\$ 7,654.70	\$ 2,966.34	(939,047.75)	\$ 20,500.85
Transfer In - Component Unit				20,227.49			20,227.49	
Transfer Out - General Fund						(2,171.49)	(2,171.49)	
Reallocated Capital Assets	(13,301.92)	246.71		8,406.56	4,648.65			
Transfer In - General Fund	<u>951,900.10</u>			<u>35,000.00</u>			<u>986,900.10</u>	
Total Contributions and Transfers	938,598.18	246.71	-	63,634.05	4,648.65	(2,171.49)	1,004,956.10	-
Change in Net Assets	(90,839.03)	81,732.84	(1,066.93)	62,983.27	12,303.35	794.85	65,908.35	20,500.85
Net Assets -- July 1	<u>525,948.11</u>	<u>83,070.22</u>	<u>2,290.64</u>	<u>(42,846.79)</u>	<u>134,230.59</u>	<u>(794.85)</u>	<u>701,897.92</u>	<u>1,212.33</u>
Net Assets -- June 30	<u>\$ 435,109.08</u>	<u>\$ 164,803.06</u>	<u>\$ 1,223.71</u>	<u>\$ 20,136.48</u>	<u>\$ 146,533.94</u>	<u>\$ -</u>	<u>\$ 767,806.27</u>	<u>\$ 21,713.18</u>

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Food Service	Child Care Program	Tele- Comm	Center for the Performing Arts	Drivers Education	Tech Crew	Total Enterprise	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Receipts from Customers	\$ 2,158,345.74	\$ 170,576.28	\$ 11,770.00	\$ 140,995.75	\$ 86,850.00	\$ 2,966.34	\$ 2,571,504.11	\$ 221,718.37
Payments to Employees	(1,567,717.09)	(74,674.49)	(13,526.30)	(57,853.42)	(71,369.00)	(2,151.75)	(1,787,292.05)	(11,832.73)
Payments for Employee Benefits	(951,900.10)	(5,506.18)		(4,239.99)			(961,646.27)	
Payments to Suppliers	(1,413,450.65)	(8,096.84)	(290.93)	(37,358.09)	(3,581.95)		(1,462,778.46)	(166,103.81)
Net Cash Provided by (used for) Operating Activities	<u>(1,774,722.10)</u>	<u>82,298.77</u>	<u>(2,047.23)</u>	<u>41,544.25</u>	<u>11,899.05</u>	<u>814.59</u>	<u>(1,640,212.67)</u>	<u>43,781.83</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>								
State Sources	36,931.60						36,931.60	
Federal Sources	735,275.84						735,275.84	
Transfers from Other Funds	951,900.10	21,510.38	6,800.00				980,210.48	49,454.54
Operating Subsidies and Transfers to other Funds	(86,397.97)			(9,078.66)		(814.59)	(96,291.22)	
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,637,709.57</u>	<u>21,510.38</u>	<u>6,800.00</u>	<u>(9,078.66)</u>		<u>(814.59)</u>	<u>1,656,126.70</u>	<u>49,454.54</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>								
Purchases of Capital Assets				(3,050.63)			(3,050.63)	
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,050.63)</u>	<u>-</u>	<u>-</u>	<u>(3,050.63)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>								
Interest and Dividends	5,488.65						5,488.65	
Net Cash Provided by (used for) Investing Activities	<u>5,488.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,488.65</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(131,523.88)	103,809.15	4,752.77	29,414.96	11,899.05	-	18,352.05	93,236.37
Balances -- July 1	469,358.74	102,082.10			107,273.99		678,714.83	
Balances -- June 30	<u>\$ 337,834.86</u>	<u>\$ 205,891.25</u>	<u>\$ 4,752.77</u>	<u>\$ 29,414.96</u>	<u>\$ 119,173.04</u>	<u>\$ -</u>	<u>\$ 697,066.88</u>	<u>\$ 93,236.37</u>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds							Governmental Activities
	Food Service	Child Care Program	Tele- Comm	Center for the Performing Arts	Drivers Education	Tech Crew	Total Enterprise	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	\$ (1,825,238.07)	\$ 81,486.13	\$ (1,066.93)	\$ 1,110.65	\$ 7,654.70	\$ 2,966.34	\$ (1,733,087.18)	\$ 20,500.85
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:								
Depreciation and Net Amortization	59,167.14	466.41		3,318.72	5,469.00		68,421.27	808.20
(Increase) Decrease in Inventories	12,230.48						12,230.48	
(Increase) Decrease in Accounts Receivable	8,433.23		1,010.00	(6,100.65)			3,342.58	
(Increase) Decrease in Interfund Accounts Receivable			(2,800.00)				(2,800.00)	(5,929.48)
Increase (Decrease) in Accounts Payable	4,114.31	27.00	617.19	37,632.86			42,391.36	
Increase (Decrease) in Accrued Salaries and Benefits	775.68	319.23	192.51	(2,520.23)	(1,224.65)	(2,151.75)	(4,609.21)	1,581.43
Increase (Decrease) in Interfund Accounts Payable	406.00						406.00	26,820.83
Increase (Decrease) in Deposits Payable				8,102.90			8,102.90	
Increase (Decrease) in Deferred Revenue	2,022.59						2,022.59	
Increase (Decrease) in Compensated Absences Payable	(36,633.46)						(36,633.46)	
Total Adjustments	50,515.97	812.64	(980.30)	40,433.60	4,244.35	(2,151.75)	92,874.51	23,280.98
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,774,722.10)</u>	<u>\$ 82,298.77</u>	<u>\$ (2,047.23)</u>	<u>\$ 41,544.25</u>	<u>\$ 11,899.05</u>	<u>\$ 814.59</u>	<u>\$ (1,640,212.67)</u>	<u>\$ 43,781.83</u>

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2010

	<u>Trust Funds</u>		<u>Agency Funds</u>		
	<u>Unemployment Compensation</u>	<u>Private-Purpose Scholarship Fund</u>	<u>Student Activity</u>	<u>Vendors/ Bidders</u>	<u>Payroll</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 778,289.90	\$ 23,962.28	\$ 304,755.48	\$ 20,000.00	\$ 735,638.97
Investments		100,000.00			
Accounts Receivable	50,051.96				
<b>Total Assets</b>	<u>828,341.86</u>	<u>123,962.28</u>	<u>\$ 304,755.48</u>	<u>\$ 20,000.00</u>	<u>\$ 735,638.97</u>
<b>LIABILITIES:</b>					
Accounts Payable	14,246.03				
Deposits Payable				\$ 20,000.00	
Interfund Accounts Payable					\$ 2,346.75
Payable to Student Groups			\$ 304,755.48		
Payroll Deductions and Withholdings					733,292.22
<b>Total Liabilities</b>	<u>14,246.03</u>	<u>-</u>	<u>304,755.48</u>	<u>20,000.00</u>	<u>735,638.97</u>
<b>NET ASSETS:</b>					
Held in Trust for Unemployment Claims and Other Purposes	814,095.83				
Reserved for Scholarships		123,962.28			
<b>Total Net Assets</b>	<u>\$ 814,095.83</u>	<u>\$ 123,962.28</u>			

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation <u>Trust</u>	Private-Purpose Scholarship <u>Fund</u>
<b>ADDITIONS:</b>		
Contributions:		
Donations		\$ 400.00
Employee Salary Deductions	\$ 127,311.64	
Investment Earnings:		
Interest	<u>6,751.60</u>	<u>1,143.25</u>
Total Additions	<u>134,063.24</u>	<u>1,543.25</u>
<b>DEDUCTIONS:</b>		
Scholarships		1,474.51
Unemployment Claims	<u>185,286.95</u>	<u>                    </u>
Total Deductions	<u>185,286.95</u>	<u>1,474.51</u>
Income (Loss) before Contributions and Transfers	(51,223.71)	68.74
Accounts Receivable Canceled	<u>(18,096.33)</u>	<u>                    </u>
Change in Net Assets	(69,320.04)	68.74
Net Assets -- July 1	<u>883,415.87</u>	<u>123,893.54</u>
Net Assets -- June 30	<u><u>\$ 814,095.83</u></u>	<u><u>\$ 123,962.28</u></u>

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Reporting Entity** - The Township of Washington School District (hereafter referred to as the "School District") is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-12 at the School District's eleven schools. The School District has an approximate enrollment at June 30, 2010 of 8,767.

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

**Component Units** - GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The following organization is considered a component unit and therefore has been discretely presented in the basic financial statements:

Washington Township Live Arts  
519 Hurffville Cross Keys Road  
Sewell, New Jersey 08080

Requests for financial information should be addressed to the organization listed above.

The entity was dissolved on June 28, 2010 and was absorbed by the School District as part of the District's Center for Performing Arts Enterprise Fund.

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

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

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

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

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

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

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

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

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

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

**General Fund (Cont'd)** - In addition to the capital outlay sub-fund, the School District is accountable for two additional sub-funds resulting from federal legislation signed into law on February 17, 2009. This federal law requires the tracking and separate reporting of American Recovery and Reinvestment Act (ARRA) funds. ARRA State Fiscal Stabilization Funds were provided to districts to be used for general fund expenses. The New Jersey State Department of Education requires that the ARRA - Education Stabilization Fund (ESF) and the ARRA - Government Services Fund (GSF) are to be recorded as separate sub-funds.

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

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

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

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

**Enterprise Funds** - The enterprise funds are used to account for operations:

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

The School District's enterprise funds are:

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

**Center for Performing Arts Fund** - This fund accounts for the financial activity related to performances at the District's Center for the Performing Arts.

**Child Care Program Fund** - This fund accounts for financial activity related to providing day care services for School District employee's children during school.

**Driver's Education** - This fund accounts for financial activities related to providing driver's education for students.

**Telecommunications and Tech Crew Funds** - These funds account for student run enterprises. The Tech Crew Fund was absorbed by the District's General Fund as of June 30, 2010.

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

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

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

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

**Internal Service Funds** - The Internal Service Funds have been established by management to charge the costs of paper, printing and engraving to individual funds. Services and goods are provided on a cost-reimbursement basis.

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

**Measurement Focus**

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Accounting**

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

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

**Budgets / Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

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

**Budgets / Budgetary Control (Cont'd)** - The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

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

**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 School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

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

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

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

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

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2010 and 2009 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

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

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

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

**Short-Term Interfund Receivables / Payables** - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable.

**Capital Assets** - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

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

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

**Capital Assets (Cont'd)** - Depreciation is computed using the straight-line method over the following useful lives:

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

**Accrued Salaries and Wages** - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2010, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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

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

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

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

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

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

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

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

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program, center for the performing arts, tuition for the child care program and driver's education fees. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of \$9,787,346.77 as of June 30, 2010, \$2,126,032.53 was uninsured and uncollateralized.

**New Jersey Cash Management Fund** - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2010, the School District's deposits with the New Jersey Cash Management Fund were \$116.12.

**Note 3: INVESTMENT IN SECURITIES**

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the School District or other obligations of the local unit or units within which the School District is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by school districts, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The School District has no investment policy that would further limit its investment choices.

**Custodial Credit Risk Related to Investments** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the School District's total \$100,000.00 of investments, \$100,000.00 is fully insured under F.D.I.C.

As of June 30, 2010, the School District's investments were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	06/30/11	\$ 100,000.00

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in Note 1, investments are purchased in accordance with N.J.S.A. 18A:20-37. The School District has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District's investment policies place no limit on the amount the School District may invest in any one issuer. All of the School District's investments are in a certificate of deposit. This investment represents 100% of the School District's total investments. These investments are reported in the School District's Private Purpose Scholarship Fund.

**Note 4: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$1.00 on November 20, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

**Note 4: CAPITAL RESERVE ACCOUNT (CONT'D)**

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Balance July 1, 2009		\$ 891,769.38
Increased by:		
Interest Earnings	\$ 315.43	
Deposits:		
Transferred by Board Resolution on June 29, 2010	<u>500,000.00</u>	<u>500,315.43</u>
		1,392,084.81
Decreased by:		
Withdrawals:		
Appropriated in 2009-10 Budget Certified for Taxes:		
Transferred to Capital Projects Fund		<u>401,007.00</u>
Balance June 30, 2010		<u><u>\$ 991,077.81</u></u>

The June 30, 2010 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

The withdrawals from the capital reserve were for use in a DOE approved facilities projects, consistent with the School District's LRFP.

**Note 5: TRANSFERS TO CAPITAL OUTLAY**

During the fiscal year ending June 30, 2010, the School District transferred \$9,000.00 to the capital outlay accounts. The transfer was approved by the executive county superintendent to support an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Governmental Activities:</b>				
Land	\$ 5,590,700.00			\$ 5,590,700.00
Construction in Progress		\$ 139,395.48		139,395.48
Total Capital Assets not being Depreciated	5,590,700.00	139,395.48	-	5,730,095.48
Land Improvements	2,884,434.80	28,530.00		2,912,964.80
Building and Improvements	130,029,385.14	677,485.76		130,706,870.90
Equipment	<u>13,948,184.74</u>	<u>727,164.07</u>	\$ (429,891.15)	<u>14,245,457.66</u>
Total Historical Cost	<u>152,452,704.68</u>	<u>1,572,575.31</u>	<u>(429,891.15)</u>	<u>153,595,388.84</u>
Less Accumulated Depreciation:				
Land Improvements	(766,784.62)	(143,557.33)		(910,341.95)
Building and Improvements	(42,038,409.22)	(3,614,946.15)		(45,653,355.37)
Equipment	<u>(9,568,299.39)</u>	<u>(986,107.16)</u>	428,694.39	<u>(10,125,712.16)</u>
Total Accumulated Depreciation	<u>(52,373,493.23)</u>	<u>(4,744,610.64) *</u>	428,694.39	<u>(56,689,409.48)</u>
Governmental Activities Capital Assets, Net	<u>\$ 100,079,211.45</u>	<u>\$ (3,172,035.33)</u>	<u>\$ (1,196.76)</u>	<u>\$ 96,905,979.36</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 1,655,289.06	\$ 3,050.63	\$ (107,557.80)	\$ 1,550,781.89
Less Accumulated Depreciation	<u>(1,143,524.37)</u>	<u>(68,421.27)</u>	107,557.80	<u>(1,104,387.84)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 511,764.69</u>	<u>\$ (65,370.64)</u>	<u>\$ -</u>	<u>\$ 446,394.05</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction Regular Programs	\$ 2,310,224.28
Instruction Special Programs	35,506.55
Support Services Students	63,225.65
Support Services General Administration	727,391.49
Support Services Plant Operations and Maintenance	404,268.49
Support Services Pupil Transportation	<u>1,203,994.18</u>
Total Depreciation Expense	<u>\$ 4,744,610.64</u>



**Note 9: LONG-TERM OBLIGATIONS (CONT'D)**

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

On January 29, 2004, the School District issued \$28,525,000 of School Refunding Bonds Series 2004 to advance refund of a portion of the District's School Bonds Series 1996. The bonds originally carried rates ranging between 2.75% to 5% with a final maturity in 2016.

On March 1, 2005, the School District issued \$16,271,000 of School Bonds Series 2005 to do certain facilities upgrades. The bonds originally carried a rate of 4.25% with a final maturity in 2030.

**Capital Debt Refunding** - On March 13, 2007, the School District defeased certain general bond obligations by placing securities in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the financial statements. On June 30, 2010 of outstanding bonds of \$7,566,000 are considered defeased.

Principal and interest due on bonds outstanding is as follows:

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2011	\$ 3,560,000.00	\$ 1,500,087.50	\$ 5,060,087.50
2012	3,520,000.00	1,381,137.50	4,901,137.50
2013	3,505,000.00	1,239,512.50	4,744,512.50
2014	3,495,000.00	1,098,437.50	4,593,437.50
2015	3,535,000.00	926,737.50	4,461,737.50
2016-2020	6,780,000.00	2,858,025.00	9,638,025.00
2021-2025	4,935,000.00	1,750,425.00	6,685,425.00
2026	5,555,000.00	664,000.00	6,219,000.00
	<u>\$ 34,885,000.00</u>	<u>\$ 11,418,362.50</u>	<u>\$ 46,303,362.50</u>

**Bonds Authorized But Not Issued** - As of June 30, 2010, the School District had no authorizations to issue additional bonded debt.

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

**Note 9: LONG-TERM OBLIGATIONS (CONT'D)**

**Capital Leases Payable** - The School District is leasing copiers and buses totaling \$1,909,166.23 under capital leases. All capital leases are for terms of three to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2010.

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2011	\$ 705,315.96	\$ 90,065.19	\$ 795,381.15
2012	650,770.27	56,470.96	707,241.23
2013	385,104.43	24,611.57	409,716.00
2014	167,975.57	2,739.43	170,715.00
	<u>\$1,909,166.23</u>	<u>\$ 173,887.15</u>	<u>\$2,083,053.38</u>

**Note 10: OPERATING LEASES**

At June 30, 2010, the School District had operating lease agreements in effect for a postage machine and textbooks. The future minimum rental payments under the operating lease agreements are as follows:

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Amount</u></b>
2011	\$ 1,087,312.61
2012	847,302.38
2013	280,157.53
2014	239,840.53
	<u>\$ 2,454,613.05</u>

Rental payments under operating leases for the fiscal year ended June 30, 2010 were \$1,510,627.99

**Note 11: PENSION PLANS**

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

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

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

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

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

**Note 11: PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)** - The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by Excess Pension Asset Credit</u>	<u>Paid by School District</u>
2010	\$ 743,247.00	\$ 725,199.00	\$ 1,468,446.00	-	\$ 1,468,446.00
2009	509,802.00	589,650.00	1,099,452.00	-	1,099,452.00
2008	676,556.00	521,383.00	1,197,939.00	\$ 239,587.00	958,352.00

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

**Defined Contribution Retirement Program** - The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

**Defined Contribution Retirement Program**

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2010	\$ 4,739.34	\$ -	\$ 4,739.34	\$ 4,739.34
2009	-	-	-	-
2008	-	-	-	-

**Note 12: POST-RETIREMENT BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire 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.

**Note 13: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2010, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$222,680.00 and \$4,182,239.00, respectively.

**Note 14: RISK MANAGEMENT**

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	-	\$ 127,311.64	\$ 185,286.95	\$ 814,095.83
2009	-	155,156.47	63,307.90	883,415.87
2008	-	148,283.72	27,537.03	791,567.30

**Note 14: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The Township of Washington School District is a member of the Gloucester Cumberland Salem School Districts Joint Insurance Fund.

The Fund provides the School District with the following coverage:

Property (Including earthquake and flood coverage)  
 General Liability  
 Commercial Crime  
 Automobile Liability  
 Workers' Compensation  
 Boiler and Machinery  
 Commercial Umbrella  
 Educator's Legal Liability

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

**Note 15: DEFERRED COMPENSATION**

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

Ameriprise  
 AXA Equitable  
 Hartford  
 Lincoln Investment Planning, Inc.  
 FiServe  
 MetLife Resources  
 Retirement Annuity Consultants  
 Symetra Life Insurance Company  
 Siracusa Benefits program  
 AIG Variable Annuity Life Insurance (VALIC)

**Note 16: COMPENSATED ABSENCES**

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

**Note 16: COMPENSATED ABSENCES (CONT'D)**

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2010, the liability for compensated absences in the governmental and proprietary fund types was \$7,553,689.60 and \$247,391.15 respectively.

**Note 17: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various balance sheets as June 30, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 4,458,648.16	
Special Revenue		\$ 1,633,234.63
Capital Projects		2,625,664.07
Proprietary		154,952.73
Internal Service		42,449.98
Fiduciary		2,346.75
	<u>\$ 4,458,648.16</u>	<u>\$ 4,458,648.16</u>

**Note 18: DEFICIT UNRESTRICTED NET ASSETS**

As of June 30, 2010, a deficit of \$7,074,050.38 existed in the Unrestricted Net Assets of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Assets reported on Exhibit A-1 is as follows:

Balances, June 30, 2010:

Fund Balance (Deficit)

(Exclusive of Capital Projects and Debt Service Funds):

Unreserved	\$ 354,621.92	Exhibit B-1
Reserved for Encumbrances	689,636.14	Exhibit B-1
Reserved for Encumbrances	21,309.05	Exhibit B-4
Liabilities:		
Accrued Interest on Bonds	(585,927.89)	Exhibit B-1
Compensated Absences	<u>(7,553,689.60)</u>	Exhibit B-1
Unrestricted Net Assets (Deficit)	<u>\$ (7,074,050.38)</u>	Exhibit A-1

**Note 19: FUND BALANCES****RESERVED**

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

**For Encumbrances** - The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. As of June 30, 2010, \$689,636.14 has been reserved for this purpose.

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of reserved fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$3,182,445.98. \$1,222,315.00 of excess fund balance generated during 2008-2009 has been restricted and designated for utilization in the 2010-2011 budget.

**For Capital Reserve Account** - As of June 30, 2010, the balance in the capital reserve account is \$991,077.81. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**UNRESERVED**

**General Fund** - Of the \$6,049,177.94 unreserved general fund fund balance at June 30, 2010, \$2,489,064.00 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$3,560,113.94 is undesignated.

**Debt Service Fund** - The debt service fund fund balance at June 30, 2010 of \$0.67 is unreserved and undesignated.

**Note 20: LITIGATION**

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

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 68,819,137.00		\$ 68,819,137.00	\$ 68,819,137.00	
Tuition				252,111.65	\$ 252,111.65
Other Restricted Miscellaneous Revenues	95,000.00		95,000.00	65,218.86	(29,781.14)
Unrestricted Miscellaneous Revenue	614,000.00		614,000.00	348,754.08	(265,245.92)
<b>Total - Local Sources</b>	<b>69,528,137.00</b>	<b>-</b>	<b>69,528,137.00</b>	<b>69,485,221.59</b>	<b>(42,915.41)</b>
State Sources:					
Categorical Special Education Aid	4,298,140.00		4,298,140.00	4,298,140.00	
Equalization Aid	39,042,440.00	\$ (7,084,098.00)	31,958,342.00	31,958,342.00	
Adjustment Aid	6,941,774.00		6,941,774.00	5,596,768.00	(1,345,006.00)
Categorical Security Aid	681,586.00		681,586.00	681,586.00	
Categorical Transportation Aid	2,766,205.00		2,766,205.00	2,766,205.00	
Nonpublic School Transportation Aid				89,962.00	89,962.00
Tuition Reimbursements for Homeless Students				94,815.22	94,815.22
Extraordinary Special Education Costs Aid	873,037.00		873,037.00	1,864,860.00	991,823.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,505,920.67	4,505,920.67
On-behalf TPAF Pension Contributions (non-budgeted)				4,404,919.00	4,404,919.00
<b>Total - State Sources</b>	<b>54,603,182.00</b>	<b>(7,084,098.00)</b>	<b>47,519,084.00</b>	<b>56,261,517.89</b>	<b>8,742,433.89</b>
Federal Sources:					
Equalization Aid - ARRA ESF		6,820,082.00	6,820,082.00	6,820,082.00	
Equalization Aid - ARRA GSF		264,016.00	264,016.00	264,016.00	
Special Education Medicaid Initiative	64,131.00		64,131.00	81,180.71	17,049.71
<b>Total - Federal Sources</b>	<b>64,131.00</b>	<b>7,084,098.00</b>	<b>7,148,229.00</b>	<b>7,165,278.71</b>	<b>17,049.71</b>
<b>Total Revenues</b>	<b>124,195,450.00</b>	<b>-</b>	<b>124,195,450.00</b>	<b>132,912,018.19</b>	<b>8,716,568.19</b>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 1,044,053.00	\$ 61,798.99	\$ 1,105,851.99	\$ 1,105,013.99	\$ 838.00
Grades 1 - 5	12,668,713.00	33,808.60	12,702,521.60	12,702,226.47	295.13
Grades 6 - 8	10,516,139.00	(262,107.80)	10,254,031.20	10,231,925.89	22,105.31
Grades 9 - 12	12,706,506.00	(270,874.12)	12,435,631.88	12,300,100.01	135,531.87
Regular Programs - Home Instruction:					
Salaries of Teachers	100,000.00	(714.25)	99,285.75	99,268.00	17.75
Purchased Professional - Educational Services	98,913.00	5,799.25	104,712.25	92,282.69	12,429.56
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	691,769.00		691,769.00	638,878.32	52,890.68
Purchased Professional - Educational Services	11,904.00	1,181.50	13,085.50	10,090.50	2,995.00
Purchased Technical Services	226,350.00	25,531.50	251,881.50	177,950.11	73,931.39
Other Purchased Services (400-500 Series)	1,822,228.00	27,989.33	1,850,217.33	1,840,343.76	9,873.57
Travel					
General Supplies	1,034,496.00	78,371.74	1,112,867.74	956,844.78	156,022.96
Textbooks	54,405.00	13,132.69	67,537.69	37,210.04	30,327.65
Other Objects	3,809.00		3,809.00	59.00	3,750.00
	<u>40,979,285.00</u>	<u>(286,082.57)</u>	<u>40,693,202.43</u>	<u>40,192,193.56</u>	<u>501,008.87</u>
Total Regular Programs					
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,241,089.00	(70,996.20)	1,170,092.80	1,083,416.68	86,676.12
Other Salaries for Instruction	53,886.00	(10,000.00)	43,886.00	35,131.00	8,755.00
General Supplies	11,748.00	9.25	11,757.25	10,383.07	1,374.18
Textbooks	2,041.00	(43.00)	1,998.00	760.75	1,237.25
	<u>1,308,764.00</u>	<u>(81,029.95)</u>	<u>1,227,734.05</u>	<u>1,129,691.50</u>	<u>98,042.55</u>
Total - Learning and/or Language Disabilities					
Behavioral Disabilities:					
Salaries of Teachers	138,046.00		138,046.00	133,946.00	4,100.00
Other Salaries for Instruction	31,611.00	10,000.00	41,611.00	27,047.06	14,563.94
General Supplies	3,218.00		3,218.00	2,919.33	298.67
Textbooks	438.00		438.00		438.00
	<u>173,313.00</u>	<u>10,000.00</u>	<u>183,313.00</u>	<u>163,912.39</u>	<u>19,400.61</u>
Total - Behavioral Disabilities					

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Special Education (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 108,840.00	\$ 2,900.00	\$ 111,740.00	\$ 111,732.88	\$ 7.12
Other Salaries for Instruction	14,104.00	500.00	14,604.00	14,571.80	32.20
General Supplies	7,506.00		7,506.00	6,651.37	854.63
Textbooks	37.00		37.00		37.00
<b>Total - Multiple Disabilities</b>	<b>130,487.00</b>	<b>3,400.00</b>	<b>133,887.00</b>	<b>132,956.05</b>	<b>930.95</b>
Resource Room/Center:					
Salaries of Teachers	7,639,127.00	(91,730.14)	7,547,396.86	7,541,269.02	6,127.84
Other Salaries for Instruction	286,215.00	(16,123.66)	270,091.34	266,871.17	3,220.17
Purchased Professional - Educational Services	80,750.00		80,750.00	80,280.00	470.00
Other Purchased Services (400-500 Series)	91,277.00	0.40	91,277.40	91,277.40	
General Supplies	17,823.00		17,823.00	16,251.62	1,571.38
Textbooks	5,755.00	(302.00)	5,453.00	2,582.48	2,870.52
<b>Total - Resource Room/Center</b>	<b>8,120,947.00</b>	<b>(108,155.40)</b>	<b>8,012,791.60</b>	<b>7,998,531.69</b>	<b>14,259.91</b>
Preschool Disabilities - Part-time:					
Salaries of Teachers	256,531.00		256,531.00	243,314.94	13,216.06
Other Salaries for Instruction	71,164.00	11,300.00	82,464.00	82,392.49	71.51
General Supplies	1,453.00		1,453.00	1,338.61	114.39
<b>Total - Preschool Disabilities - Part-Time</b>	<b>329,148.00</b>	<b>11,300.00</b>	<b>340,448.00</b>	<b>327,046.04</b>	<b>13,401.96</b>
<b>Total - Special Education</b>	<b>10,062,659.00</b>	<b>(164,485.35)</b>	<b>9,898,173.65</b>	<b>9,752,137.67</b>	<b>146,035.98</b>
Basic Skills/Remedial:					
Salaries of Teachers	2,307,874.00	48,027.81	2,355,901.81	2,301,636.04	54,265.77
Other Salaries for Instruction	346,759.00		346,759.00	323,133.96	23,625.04
General Supplies	37,200.00	1,967.96	39,167.96	39,166.35	1.61
Other Objects	300.00		300.00	275.00	25.00
<b>Total - Basic Skills/Remedial</b>	<b>2,692,133.00</b>	<b>49,995.77</b>	<b>2,742,128.77</b>	<b>2,664,211.35</b>	<b>77,917.42</b>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Bilingual Education:					
Salaries of Teachers	\$ 150,830.00		\$ 150,830.00	\$ 144,432.00	\$ 6,398.00
Purchased Professional - Educational Services	3,500.00		3,500.00		3,500.00
General Supplies	4,700.00		4,700.00	4,617.49	82.51
<b>Total - Bilingual Education</b>	<b>159,030.00</b>	<b>-</b>	<b>159,030.00</b>	<b>149,049.49</b>	<b>9,980.51</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	535,278.00		535,278.00	517,058.20	18,219.80
Purchased Services (300-500 Series)	4,100.00		4,100.00	913.00	3,187.00
Supplies and Materials	46,500.00	\$ 4,033.93	50,533.93	41,699.40	8,834.53
Other Objects	30,791.00	(7.00)	30,784.00	21,585.14	9,198.86
<b>Total - School-Sponsored Activities - Instruction</b>	<b>616,669.00</b>	<b>4,026.93</b>	<b>620,695.93</b>	<b>581,255.74</b>	<b>39,440.19</b>
School Sponsored Athletics - Instruction:					
Salaries	732,054.00	16,895.00	748,949.00	746,864.37	2,084.63
Purchased Services (300-500 Series)	153,051.00	(6,120.67)	146,930.33	111,475.40	35,454.93
Supplies and Materials	85,293.00	15,034.90	100,327.90	93,651.23	6,676.67
Other Objects	30,950.00		30,950.00	27,897.75	3,052.25
<b>Total - School-Sponsored Athletics - Instruction</b>	<b>1,001,348.00</b>	<b>25,809.23</b>	<b>1,027,157.23</b>	<b>979,888.75</b>	<b>47,268.48</b>
Other Instructional Programs - Instruction:					
Salaries	36,602.00	(30,030.00)	6,572.00		6,572.00
Purchased Services (300-500 Series)		30,030.00	30,030.00	27,847.18	2,182.82
<b>Total - Other Instructional Programs - Instruction</b>	<b>36,602.00</b>	<b>-</b>	<b>36,602.00</b>	<b>27,847.18</b>	<b>8,754.82</b>
Summer School - Instruction:					
Salaries	50,085.00	(1,728.97)	48,356.03	41,067.00	7,289.03
Other Salaries of Instruction	35,000.00	1,728.97	36,728.97	35,870.69	858.28
<b>Total - Summer School - Instruction</b>	<b>85,085.00</b>	<b>-</b>	<b>85,085.00</b>	<b>76,937.69</b>	<b>8,147.31</b>
<b>Total - Instruction</b>	<b>55,632,811.00</b>	<b>(370,735.99)</b>	<b>55,262,075.01</b>	<b>54,423,521.43</b>	<b>838,553.58</b>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 376,200.00	\$ (20,000.00)	\$ 356,200.00	\$ 327,558.34	\$ 28,641.66
Tuition to Other LEAs Within the State-Special	180,100.00	23,530.00	203,630.00	199,695.11	3,934.89
Tuition to CSSD & Regional Day Schools	1,786,004.00	85,573.47	1,871,577.47	1,870,649.20	928.27
Tuition to Private School for the Disabled - State	4,622,201.00	(82,060.29)	4,540,140.71	4,490,925.28	49,215.43
Tuition to Private School for the Disabled - Special O/S the State	121,653.00	(9,727.16)	111,925.84	111,925.84	
Tuition - State Facilities	<u>35,250.00</u>		<u>35,250.00</u>	<u>35,250.00</u>	
Total Undistributed Expenditures - Instruction	<u>7,121,408.00</u>	<u>(2,683.98)</u>	<u>7,118,724.02</u>	<u>7,036,003.77</u>	<u>82,720.25</u>
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	342,949.00		342,949.00	333,898.10	9,050.90
Purchased Professional - Technical Services	66,893.00	777.00	67,670.00	63,120.00	4,550.00
Other Purchased Services (400-500 Series)	2,459.00	231.64	2,690.64	2,491.83	198.81
Supplies and Materials	5,417.00	(4,902.00)	515.00	388.74	126.26
Other Objects	<u>500.00</u>		<u>500.00</u>	<u>500.00</u>	<u>500.00</u>
Total Undistributed Expenditures - Attendance and Social Work	<u>418,218.00</u>	<u>(3,893.36)</u>	<u>414,324.64</u>	<u>399,898.67</u>	<u>14,425.97</u>
Total Undistributed Expenditures - Health Services:					
Salaries	987,170.00		987,170.00	981,878.12	5,291.88
Other Purchased Services (400-500 Series)	752.00	(259.66)	492.34	485.63	6.71
Supplies and Materials	15,462.00	821.00	16,283.00	15,949.20	333.80
Other Objects	<u>1,200.00</u>		<u>1,200.00</u>	<u>1,020.00</u>	<u>180.00</u>
Total Undistributed Expenditures - Health Services	<u>1,004,584.00</u>	<u>561.34</u>	<u>1,005,145.34</u>	<u>999,332.95</u>	<u>5,812.39</u>
Undistributed Expenditures - Other Support Students - Related Services:					
Salaries	1,554,410.00	352.00	1,554,762.00	1,532,688.20	22,073.80
Supplies and Materials	<u>12,500.00</u>	<u>(84.06)</u>	<u>12,415.94</u>	<u>12,330.50</u>	<u>85.44</u>
Total Undistributed Expenditures - Other Support Services - Stud. Rel. Serv.	<u>1,566,910.00</u>	<u>267.94</u>	<u>1,567,177.94</u>	<u>1,545,018.70</u>	<u>22,159.24</u>
Undistributed Expenditures - Other Support Students - Extra					
Salaries	<u>1,427,124.00</u>	<u>(10,546.00)</u>	<u>1,416,578.00</u>	<u>1,377,920.97</u>	<u>38,657.03</u>
Total Undistributed Expenditures - Other Support Students - Extra	<u>1,427,124.00</u>	<u>(10,546.00)</u>	<u>1,416,578.00</u>	<u>1,377,920.97</u>	<u>38,657.03</u>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenses - Other Support Students - Special Services:					
Salaries of Other Professional Staff	\$ 2,763,306.00	\$ 21,727.15	\$ 2,785,033.15	\$ 2,779,119.35	\$ 5,913.80
Salaries of Secretarial and Clerical Assistants	169,490.00		169,490.00	145,217.44	24,272.56
Other Salaries	27,889.00		27,889.00	27,021.18	867.82
Purchased Professional - Educational Services	54,282.00		54,282.00	38,938.83	15,343.17
Other Purchased Professional and Technical Services		5,780.00	5,780.00		5,780.00
Other Purchased Services (400-500 Series)	4,700.00		4,700.00	864.97	3,835.03
General Supplies	74,023.00	5,542.14	79,565.14	43,609.40	35,955.74
Other Objects	140.00		140.00	130.00	10.00
<b>Total Undistributed Expenditures - Other Support Student - Special Services</b>	<b>3,093,830.00</b>	<b>33,049.29</b>	<b>3,126,879.29</b>	<b>3,034,901.17</b>	<b>91,978.12</b>
Undistributed Expenses - Other Support Students - Child Study Teams:					
Salaries of Other Professional Staff	2,555,935.00	(30,525.12)	2,525,409.88	2,519,311.36	6,098.52
Salaries of Secretarial and Clerical Assistants	413,564.00	(7,000.00)	406,564.00	397,677.32	8,886.68
Other Salaries	54,916.00	2,525.12	57,441.12	57,441.12	
Purchased Professional - Educational Services	414,838.00	36,449.00	451,287.00	445,257.50	6,029.50
Other Purchased Professional and Technical Services	24,000.00	5,475.00	29,475.00	29,471.25	3.75
Miscellaneous Purchased Services	36,847.00	(1,160.31)	35,686.69	33,276.33	2,410.36
Supplies and Materials	15,512.00	10,108.75	25,620.75	23,749.66	1,871.09
Other Objects	7,350.00	(5,074.24)	2,275.76	2,188.26	87.50
<b>Total Undistributed Expenditures - Other Support Student - Child Study Teams</b>	<b>3,522,962.00</b>	<b>10,798.20</b>	<b>3,533,760.20</b>	<b>3,508,372.80</b>	<b>25,387.40</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	560,403.00	(3,013.04)	557,389.96	552,613.28	4,776.68
Salaries of Other Professional Staff	70,800.00		70,800.00	22,668.00	48,132.00
Salaries of Secretarial and Clerical Assistants	242,086.00	3,013.04	245,099.04	245,099.04	
Salaries of Facilitators, Math and Literacy Coaches	98,368.00		98,368.00	98,367.94	0.06
Purchased Professional - Educational Services	850.00	368.91	1,218.91	493.91	725.00
Other Purchased Professional and Technical Services	650.00		650.00	18.00	632.00
Other Purchased Services	16,417.00	198.99	16,615.99	8,531.85	8,084.14
Supplies and Materials	17,845.00	3,198.23	21,043.23	11,224.24	9,818.99
Other Objects	24,525.00	129.00	24,654.00	13,727.00	10,927.00
<b>Total Undistributed Expenditures - Improvement Instructional Services</b>	<b>1,031,944.00</b>	<b>3,895.13</b>	<b>1,035,839.13</b>	<b>952,743.26</b>	<b>83,095.87</b>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Educational Media/Library:					
Salaries	\$ 1,241,404.00	\$ 7,193.74	\$ 1,248,597.74	\$ 1,233,111.26	\$ 15,486.48
Salaries of Technology Coordinators	58,450.00	2,689.04	61,139.04	61,138.08	0.96
Purchased Professional - Technical Services	77,485.00	50,492.05	127,977.05	121,581.93	6,395.12
Other Purchased Services (400-500 Series)	2,865.00		2,865.00	1,741.40	1,123.60
Supplies and Materials	171,625.00	(8,490.05)	163,134.95	155,117.85	8,017.10
Other Objects	600.00		600.00	485.00	115.00
<b>Total Undistributed Expenditures - Educational Media/Library</b>	<b>1,552,429.00</b>	<b>51,884.78</b>	<b>1,604,313.78</b>	<b>1,573,175.52</b>	<b>31,138.26</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	26,556.00		26,556.00	3,034.00	23,522.00
Purchased Professional - Educational Services	45,000.00	5,560.00	50,560.00	12,191.61	38,368.39
Other Purchased Services (400-500 Series)	43,573.00	(725.00)	42,848.00	22,867.25	19,980.75
Supplies and Materials	10,828.00	5,142.23	15,970.23	7,163.36	8,806.87
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>125,957.00</b>	<b>9,977.23</b>	<b>135,934.23</b>	<b>45,256.22</b>	<b>90,678.01</b>
Undistributed Expenditures - Support Services General Administration:					
Salaries	393,487.00	1,500.00	394,987.00	390,039.20	4,947.80
Legal Services	220,308.00		220,308.00	148,770.93	71,537.07
Audit Fees	70,000.00		70,000.00	69,500.00	500.00
Architect and Engineering Services					
Other Purchased Professional Services	25,000.00		25,000.00	15,178.45	9,821.55
Purchased Technical Services	2,800.00		2,800.00		2,800.00
Communications/Telephone	310,836.00	0.32	310,836.32	221,778.71	89,057.61
Miscellaneous Purchased Services	163,420.00	2,966.10	166,386.10	160,401.73	5,984.37
General Supplies	20,861.00	(630.00)	20,231.00	11,910.79	8,320.21
BOE In-House Training/Meeting Supplies	2,333.00	1,000.00	3,333.00	3,218.18	114.82
Judgements Against the School District	12,980.00	33,500.00	46,480.00	44,654.35	1,825.65
Miscellaneous Expenditures	5,676.00	90,000.00	95,676.00	91,078.08	4,597.92
BOE Membership Dues and Fees	29,000.00		29,000.00	28,066.00	934.00
<b>Total Undistributed Expenditures - Support Services General Administration</b>	<b>1,256,701.00</b>	<b>128,336.42</b>	<b>1,385,037.42</b>	<b>1,184,596.42</b>	<b>200,441.00</b>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 2,985,811.00	\$ 40,370.54	\$ 3,026,181.54	\$ 3,023,012.06	\$ 3,169.48
Salaries of Other Professional Staff	1,132,680.00	567,629.46	1,700,309.46	1,115,934.22	584,375.24
Salaries of Secretarial and Clerical Assistants	2,055,478.00	12,000.00	2,067,478.00	2,038,077.86	29,400.14
Purchased Professional - Technical Services	2,975.00		2,975.00	2,975.00	
Other Purchased Services (400-500 Series)	10,450.00		10,450.00	7,008.09	3,441.91
Supplies and Materials	22,200.00	3,204.53	25,404.53	19,051.79	6,352.74
Other Objects	38,350.00	374.00	38,724.00	34,830.00	3,894.00
	<u>6,247,944.00</u>	<u>623,578.53</u>	<u>6,871,522.53</u>	<u>6,240,889.02</u>	<u>630,633.51</u>
Total Undistributed Expenditures - Support Services School Administration					
Undistributed Expenditures - Central Services:					
Salaries	1,445,137.00	(2,689.04)	1,442,447.96	1,431,798.72	10,649.24
Purchased Professional Services	90,200.00	40,256.00	130,456.00	107,886.00	22,570.00
Purchased Technical Services	148,775.00	31,768.00	180,543.00	142,734.67	37,808.33
Miscellaneous Purchased Services	190,411.00	4,452.19	194,863.19	86,319.08	108,544.11
Supplies and Materials	55,355.00	303,902.08	359,257.08	157,779.85	201,477.23
Miscellaneous Expenditures	16,080.00	45.00	16,125.00	7,708.00	8,417.00
	<u>1,945,958.00</u>	<u>377,734.23</u>	<u>2,323,692.23</u>	<u>1,934,226.32</u>	<u>389,465.91</u>
Total Undistributed Expenditures - Central Services					
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	613,903.00		613,903.00	599,952.52	13,950.48
Purchased Technical Services	170,575.00	(2,435.07)	168,139.93	152,447.28	15,692.65
Other Purchased Services (400-500 Series)	8,750.00	(4,861.71)	3,888.29	2,267.49	1,620.80
Supplies and Materials	58,000.00	125,735.25	183,735.25	62,168.71	121,566.54
Miscellaneous Expenditures	725.00	(151.00)	574.00	574.00	
	<u>851,953.00</u>	<u>118,287.47</u>	<u>970,240.47</u>	<u>817,410.00</u>	<u>152,830.47</u>
Total Undistributed Expenditures - Admin. Info. Technology					
Undistributed Expenditures - Required Maint. for School Facilities:					
Salaries	638,727.00	16,000.00	654,727.00	653,730.28	996.72
Cleaning, Repair & Maintenance Services	491,477.00	84,454.52	575,931.52	412,553.46	163,378.06
General Supplies	326,000.00	(237,000.00)	89,000.00	8,116.85	80,883.15
	<u>1,456,204.00</u>	<u>(136,545.48)</u>	<u>1,319,658.52</u>	<u>1,074,400.59</u>	<u>245,257.93</u>
Total Undistributed Expenditures - Required Maint. for School Facilities					

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Other Oper. and Maint. of Plant Services:					
Salaries	\$ 3,166,276.00	\$ (49,134.06)	\$ 3,117,141.94	\$ 3,038,526.42	\$ 78,615.52
Purchased Professional - Technical Services	286,857.00	1,799.50	288,656.50	272,964.30	15,692.20
Cleaning, Repair & Maintenance Services	417,413.00	192,476.21	609,889.21	369,841.05	240,048.16
Other Purchased Property Services	127,631.00	81.54	127,712.54	127,712.54	
Insurance	311,313.00	1,530.00	312,843.00	312,843.00	
Miscellaneous Purchased Services	1,000.00		1,000.00	4.00	996.00
General Supplies	357,750.00	280,468.55	638,218.55	497,601.85	140,616.70
Energy (Heat & Electricity)	2,967,000.00	(35,000.00)	2,932,000.00	2,189,513.65	742,486.35
Other Objects	11,500.00	1,000.00	12,500.00	10,074.00	2,426.00
Salaries of Non-Instructional Aides	305,407.00		305,407.00	276,145.20	29,261.80
Energy (Natural Gas)	1,015,000.00		1,015,000.00	551,421.84	463,578.16
<b>Total - Other Operation and Maintenance of Plant Services</b>	<b>8,967,147.00</b>	<b>393,221.74</b>	<b>9,360,368.74</b>	<b>7,646,647.85</b>	<b>1,713,720.89</b>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	303,742.00	3,134.06	306,876.06	294,656.63	12,219.43
Cleaning, Repair & Maintenance Services	142,000.00	15,000.00	157,000.00	124,139.42	32,860.58
General Supplies	54,500.00	30,734.37	85,234.37	57,796.19	27,438.18
Other Objects	500.00		500.00	240.00	260.00
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>500,742.00</b>	<b>48,868.43</b>	<b>549,610.43</b>	<b>476,832.24</b>	<b>72,778.19</b>
Undistributed Expenditures - Security:					
Salaries	226,193.00		226,193.00	211,860.82	14,332.18
Purchased Professional - Technical Services	800.00		800.00		800.00
Cleaning, Repair & Maintenance Services	8,000.00		8,000.00		8,000.00
General Supplies	3,500.00		3,500.00	785.93	2,714.07
<b>Total Undistributed Expenditures - Security</b>	<b>238,493.00</b>	<b>-</b>	<b>238,493.00</b>	<b>212,646.75</b>	<b>25,846.25</b>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	\$ 2,002,150.00	\$ (81,000.00)	\$ 1,921,150.00	\$ 1,901,595.36	\$ 19,554.64
Salaries for Pupil Transportation (Between Home & School) - Special	73,682.00	1,000.00	74,682.00	74,029.41	652.59
Salaries for Pupil Transportation (Other Than Between Home & School)		60,910.74	60,910.74	49,893.63	11,017.11
Management Fee - ESC Transportation Program	176,775.00		176,775.00	147,547.28	29,227.72
Other Purchased Professional and Technical Services	14,179.00	7,400.00	21,579.00	21,543.70	35.30
Cleaning, Repair & Maintenance Services	36,766.00	14,764.00	51,530.00	33,447.41	18,082.59
Lease Purchase Payments - School Buses	421,367.00		421,367.00	421,367.00	
Contracted Services (Between Home & School) - Vendor	319,813.00	(61,500.00)	258,313.00	241,968.68	16,344.32
Contracted Services ( Other than Between Home & School) - Vendor	269,870.00	(83,845.90)	186,024.10	146,490.71	39,533.39
Contracted Services (Special Ed Students) - Vendors	1,964,857.00		1,964,857.00	1,581,614.86	383,242.14
Contracted Services - Aid in Lieu of Payments	156,028.00	61,500.00	217,528.00	216,651.51	876.49
Miscellaneous Purchased Services - Transportation	46,785.00	231.00	47,016.00	47,016.00	
General Supplies	7,050.00	11,470.87	18,520.87	8,084.11	10,436.76
Transportation Supplies	538,672.00	145.40	538,817.40	450,271.49	88,545.91
Other Objects	5,410.00		5,410.00	4,049.16	1,360.84
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>6,033,404.00</b>	<b>(68,923.89)</b>	<b>5,964,480.11</b>	<b>5,345,570.31</b>	<b>618,909.80</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	1,905,439.00	(150,000.00)	1,755,439.00	1,690,149.34	65,289.66
Other Retirement Contributions - Regular	1,484,913.00		1,484,913.00	1,473,896.46	11,016.54
Workmen's Compensation	775,747.00	11,609.00	787,356.00	787,356.00	
Health Benefits	19,557,369.00	(1,860,059.10)	17,697,309.90	17,374,863.86	322,446.04
Tuition Reimbursement	400,000.00	(50,000.00)	350,000.00	318,003.49	31,996.51
Other Employee Benefits	611,200.00	500,000.00	1,111,200.00	857,562.76	253,637.24
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>24,734,668.00</b>	<b>(1,548,450.10)</b>	<b>23,186,217.90</b>	<b>22,501,831.91</b>	<b>684,385.99</b>
Undistributed Expenditures - Transfer to Charter Schools		49,953.00	49,953.00	34,044.00	15,909.00
Undistributed Expenditures- Non-budgeted:					
On-behalf TPAF Pension Contributions	-	-	-	4,404,919.00	(4,404,919.00)

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Non-budgeted					
Reimbursed TPAF Social Security Contributions	-	-	-	\$ 4,505,920.67	\$ (4,505,920.67)
Total Undistributed Expenses	\$ 73,098,580.00	\$ 79,370.92	\$ 73,177,950.92	76,852,559.11	(3,674,608.19)
Total Current Expense	128,731,391.00	(291,365.07)	128,440,025.93	131,276,080.54	(2,836,054.61)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 9-12	9,481.00	0.08	9,481.08		9,481.08
Undistributed Expenditures:					
Support Services - Students - Related & Extra	1,075.00		1,075.00		1,075.00
Required Maintenance for School Facilities	53,537.00	(0.20)	53,536.80		53,536.80
Security	23,045.00		23,045.00		23,045.00
Student Transportation Non-Instructional Equipment		5,271.83	5,271.83	5,271.83	
Total - Equipment	87,138.00	5,271.71	92,409.71	5,271.83	87,137.88
Facilities Acquisition and Construction Services:					
Construction Services	210,000.00	3,728.17	213,728.17	158,027.00	55,701.17
Total - Facilities Acquisition and Construction Services	210,000.00	3,728.17	213,728.17	158,027.00	55,701.17
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Lease Purchase Agreement - Principal	-	-	-	650,825.37	(650,825.37)
Total Capital Outlay	297,138.00	8,999.88	306,137.88	814,124.20	(507,986.32)
Total Expenditures	129,028,529.00	(282,365.19)	128,746,163.81	132,090,204.74	(3,344,040.93)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,833,079.00)	282,365.19	(4,550,713.81)	821,813.45	5,372,527.26

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources (Uses):					
Transfer out--Enterprise Funds		\$ (986,900.10)	\$ (986,900.10)	\$ (986,900.10)	
Transfer out--Capital Projects Fund	\$ (401,007.00)		(401,007.00)	(401,007.00)	
Transfer in--Enterprise Funds	135,000.00		135,000.00	2,171.49	\$ (132,828.51)
Transfer in--Capital Projects Fund				2,689.14	2,689.14
Capital Leases (Non-Budgeted)				650,825.37	650,825.37
<b>Total - Other Financing Sources (Uses)</b>	<u>(266,007.00)</u>	<u>(986,900.10)</u>	<u>(1,252,907.10)</u>	<u>(732,221.10)</u>	<u>520,686.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(5,099,086.00)</u>	<u>(704,534.91)</u>	<u>(5,803,620.91)</u>	<u>89,592.35</u>	<u>5,893,213.26</u>
Fund Balances, July 1	<u>10,822,745.52</u>	<u>-</u>	<u>10,822,745.52</u>	<u>10,822,745.52</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 5,723,659.52</u>	<u>\$ (704,534.91)</u>	<u>\$ 5,019,124.61</u>	<u>\$ 10,912,337.87</u>	<u>\$ 5,893,213.26</u>
<b>Recapitulation:</b>					
Capital Reserve				\$ 991,077.81	
Reserve for Encumbrances				689,636.14	
Excess Surplus (2009-10)				1,960,130.98	
Designated for Subsequent Year's Expenditures:					
Excess Surplus (2008-09)				1,222,315.00	
Unreserved Surplus				2,489,064.00	
Unrestricted Fund Balance				<u>3,560,113.94</u>	
				10,912,337.87	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(5,165,623.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,746,714.87</u>	

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - ARRA ESF  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Federal Sources:					
Equalization Aid - ARRA ESF	-	\$ 6,820,082.00	\$ 6,820,082.00	\$ 6,820,082.00	-
Total - Federal Sources	-	6,820,082.00	6,820,082.00	6,820,082.00	-
Total Revenues	-	6,820,082.00	6,820,082.00	6,820,082.00	-
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 1 - 5		2,063,515.20	2,063,515.20	2,063,515.20	
Grades 6 - 8		2,118,402.60	2,118,402.60	2,118,402.60	
Grades 9 - 12		2,290,490.88	2,290,490.88	2,290,490.88	
Total Regular Programs - Instruction	-	6,472,408.68	6,472,408.68	6,472,408.68	-
Special Education:					
Resource Room/Center:					
Salaries of Teachers		238,669.02	238,669.02	238,669.02	
Total - Resource Room/Center	-	238,669.02	238,669.02	238,669.02	-
Total - Special Education	-	238,669.02	238,669.02	238,669.02	-
Basic Skills/Remedial:					
Salaries of Teachers		87,276.80	87,276.80	87,276.80	
Total - Basic Skills/Remedial	-	87,276.80	87,276.80	87,276.80	-
Total - Instruction	-	6,798,354.50	6,798,354.50	6,798,354.50	-
Undistributed Expenses - Other Support Students - Special Services:					
Salaries of Other Professional Staff		21,727.50	21,727.50	21,727.50	
Total Undistributed Expenditures - Other Support Student - Special Services	-	21,727.50	21,727.50	21,727.50	-
Total Undistributed Expenses	-	21,727.50	21,727.50	21,727.50	-
Total Current Expense	-	6,820,082.00	6,820,082.00	6,820,082.00	-
Total Expenditures	-	6,820,082.00	6,820,082.00	6,820,082.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - ARRA GSF  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Federal Sources:					
Equalization Aid - ARRA GSF	-	\$ 264,016.00	\$ 264,016.00	\$ 264,016.00	-
Total - Federal Sources	-	264,016.00	264,016.00	264,016.00	-
Total Revenues	-	264,016.00	264,016.00	264,016.00	-
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers: Grades 1 - 5	-	264,016.00	264,016.00	264,016.00	-
Total Regular Programs - Instruction	-	264,016.00	264,016.00	264,016.00	-
Total Current Expense	-	264,016.00	264,016.00	264,016.00	-
Total Expenditures	-	264,016.00	264,016.00	264,016.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Revenue from Local Sources		\$ 75,277.64	\$ 75,277.64	\$ 44,825.84	\$ (30,451.80)
State Sources:					
Nonpublic Aid	\$ 108,681.00	9,775.00	118,456.00	101,123.66	(17,332.34)
Total - State Sources	108,681.00	9,775.00	118,456.00	101,123.66	(17,332.34)
Federal Sources:					
N.C.L.B.:					
Title I	\$ 305,941.00	66,733.63	372,674.63	279,535.25	(93,139.38)
Title II - Part A	137,777.00	92,168.48	229,945.48	215,768.00	(14,177.48)
Title II - Part D	2,138.00	735.00	2,873.00	2,834.00	(39.00)
Title III	11,376.00	8,721.94	20,097.94	12,435.11	(7,662.83)
Title IV	14,416.00	2,911.00	17,327.00	17,325.57	(1.43)
Title V	31,358.00	(10,976.28)	20,381.72	20,381.72	
I.D.E.I.A. Part B:					
Basic	2,009,576.00	307,068.78	2,316,644.78	2,243,751.28	(72,893.50)
ARRA - Basic		1,953,803.00	1,953,803.00	465,491.81	(1,488,311.19)
Preschool	83,751.00	21,722.00	105,473.00	97,928.50	(7,544.50)
ARRA - Preschool		70,500.00	70,500.00	2,619.00	(67,881.00)
Carl D. Perkins Vocational and Technical Education Act of 1998 - Secondary Teaching American History		41,240.00	41,240.00	41,240.00	
		166,665.00	166,665.00	128,446.86	(38,218.14)
Total - Federal Sources	2,596,333.00	2,721,292.55	5,317,625.55	3,527,757.10	(1,789,868.45)
Total Revenues	2,705,014.00	2,806,345.19	5,511,359.19	3,673,706.60	(1,837,652.59)

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 324,085.00	\$ 917,876.27	\$ 1,241,961.27	\$ 524,360.12	\$ 717,601.15
Other Salaries for Instruction	140,965.00	20,727.00	161,692.00	145,521.98	16,170.02
Purchased Professional Educational Services		106,833.92	106,833.92	104,532.59	2,301.33
Other Purchased Services		143,407.00	143,407.00	143,407.00	
Tuition	1,196,454.00	284,020.00	1,480,474.00	1,204,148.94	276,325.06
General Supplies	193,821.00	206,736.31	400,557.31	302,109.00	98,448.31
Textbooks	17,592.00	(2,294.00)	15,298.00	6,444.83	8,853.17
Other Objects	5,000.00	(575.00)	4,425.00	4,203.00	222.00
	<u>1,877,917.00</u>	<u>1,676,731.50</u>	<u>3,554,648.50</u>	<u>2,434,727.46</u>	<u>1,119,921.04</u>
Total Instruction					
Support Services:					
Salaries	19,753.00	182,923.54	202,676.54	137,702.62	64,973.92
Personal Services--Employee Benefits		217,344.75	217,344.75	81,079.28	136,265.47
Purchased Professional Technical Services	363,308.00	156,294.64	519,602.64	293,098.29	226,504.35
Purchased Professional Educational Services	86,233.00	232,387.74	318,620.74	238,695.40	79,925.34
Miscellaneous Purchased Services	290,136.00	191,483.32	481,619.32	322,244.93	159,374.39
Travel		4,506.93	4,506.93	1,452.31	3,054.62
General Supplies	60,667.00	73,810.80	134,477.80	101,939.44	32,538.36
	<u>820,097.00</u>	<u>1,058,751.72</u>	<u>1,878,848.72</u>	<u>1,176,212.27</u>	<u>702,636.45</u>
Total Support Services					
Facilities Acquisition and Construction Services:					
Instructional Equipment	7,000.00	39,321.97	46,321.97	38,774.42	7,547.55
Non-Instructional Equipment		31,540.00	31,540.00	23,992.45	7,547.55
	<u>7,000.00</u>	<u>70,861.97</u>	<u>77,861.97</u>	<u>62,766.87</u>	<u>15,095.10</u>
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>2,705,014.00</u>	<u>2,806,345.19</u>	<u>5,511,359.19</u>	<u>3,673,706.60</u>	<u>1,837,652.59</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

Note to Required Supplementary Information

For the Fiscal Year Ended June 30, 2010

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 132,912,018.19	\$ 3,673,706.60
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(12,279.39)
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis.		(21,200.29)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	5,018,909.00	
State aid payments recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(5,165,623.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 132,765,304.19</u>	<u>\$ 3,640,226.92</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 132,090,204.74	\$ 3,673,706.60
Differences - Budget to GAAP:		
Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes.		<u>(12,279.39)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 132,090,204.74</u>	<u>\$ 3,661,427.21</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	N.C.L.B.						Total Brought Forward	
	Total	Title I	Title II Part A	Title II Part D	Title III	Title IV		Title V
<b>REVENUES:</b>								
Federal Sources	\$ 3,527,757.10	\$ 279,535.25	\$ 215,768.00	\$ 2,834.00	\$ 12,435.11	\$ 17,325.57	\$ 20,381.72	\$ 2,979,477.45
State Sources	101,123.66							101,123.66
Local Sources	44,825.84							44,825.84
<b>Total Revenues</b>	<b>3,673,706.60</b>	<b>279,535.25</b>	<b>215,768.00</b>	<b>2,834.00</b>	<b>12,435.11</b>	<b>17,325.57</b>	<b>20,381.72</b>	<b>3,125,426.95</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	524,360.12	226,809.06	71,878.00		6,877.80		5,748.94	213,046.32
Other Salaries for Instruction	145,521.98							145,521.98
Purchased Professional Educational Services	104,532.59							104,532.59
Other Purchased Services	143,407.00							143,407.00
Tuition	1,204,148.94							1,204,148.94
General Supplies	302,109.00	13,917.61	8,935.00	2,087.00	4,388.26	212.18	3,000.00	269,568.95
Textbooks	6,444.83							6,444.83
Other Objects	4,203.00	1,471.00			165.00			2,567.00
<b>Total Instruction</b>	<b>2,434,727.46</b>	<b>242,197.67</b>	<b>80,813.00</b>	<b>2,087.00</b>	<b>11,431.06</b>	<b>212.18</b>	<b>8,748.94</b>	<b>2,089,237.61</b>
Support Services:								
Salaries	137,702.62		10,949.54		620.78			126,132.30
Personal Services--Employee Benefits	81,079.28	28,808.83	11,338.92		144.35		439.35	40,347.83
Purchased Professional Technical Services	293,098.29		6,017.95			15,438.00	9,117.79	262,524.55
Purchased Professional Educational Services	238,695.40	5,000.00	90,611.12			1,525.39	2,075.64	139,483.25
Miscellaneous Purchased Services	322,244.93	2,933.80	12,665.98	747.00		150.00		305,748.15
Travel	1,452.31		1,452.31					
General Supplies	101,939.44	594.95	1,919.18		238.92			99,186.39
<b>Total Support Services</b>	<b>1,176,212.27</b>	<b>37,337.58</b>	<b>134,955.00</b>	<b>747.00</b>	<b>1,004.05</b>	<b>17,113.39</b>	<b>11,632.78</b>	<b>973,422.47</b>
Facilities Acquisition and Construction Services:								
Instructional Equipment	38,774.42							38,774.42
Non-Instructional Equipment	23,992.45							23,992.45
<b>Total Facilities Acquisition and Construction Services</b>	<b>62,766.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,766.87</b>
<b>Total Expenditures</b>	<b>\$ 3,673,706.60</b>	<b>\$ 279,535.25</b>	<b>\$ 215,768.00</b>	<b>\$ 2,834.00</b>	<b>\$ 12,435.11</b>	<b>\$ 17,325.57</b>	<b>\$ 20,381.72</b>	<b>\$ 3,125,426.95</b>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	Total Carried Forward	I. D. E. I. A. Part B				Carl D. Perkins Vocational and Technical Education Act of 1988-Secondary	Teaching American History	Total Brought Forward
		Basic	ARRA Basic	Preschool	ARRA Preschool			
<b>REVENUES:</b>								
Federal Sources	\$ 2,979,477.45	\$ 2,243,751.28	\$ 465,491.81	\$ 97,928.50	\$ 2,619.00	\$ 41,240.00	\$ 128,446.86	
State Sources	101,123.66							\$ 101,123.66
Local Sources	44,825.84							44,825.84
<b>Total Revenues</b>	<b>3,125,426.95</b>	<b>2,243,751.28</b>	<b>465,491.81</b>	<b>97,928.50</b>	<b>2,619.00</b>	<b>41,240.00</b>	<b>128,446.86</b>	<b>145,949.50</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	213,046.32		139,940.39				10,825.00	62,280.93
Other Salaries for Instruction	145,521.98	145,521.98						
Purchased Professional Educational Services	104,532.59					1,167.00	93,965.00	9,400.59
Other Purchased Services	143,407.00	143,407.00						
Tuition	1,204,148.94	1,175,698.94		28,450.00				
General Supplies	269,568.95	21,215.31	194,316.10		2,619.00	7,428.33	7,425.49	36,564.72
Textbooks	6,444.83							6,444.83
Other Objects	2,567.00					2,567.00		
<b>Total Instruction</b>	<b>2,089,237.61</b>	<b>1,485,843.23</b>	<b>334,256.49</b>	<b>28,450.00</b>	<b>2,619.00</b>	<b>11,162.33</b>	<b>112,215.49</b>	<b>114,691.07</b>
Support Services:								
Salaries	126,132.30	100,537.90					10,000.00	15,594.40
Personal Services--Employee Benefits	40,347.83	18,823.58	19,540.99				1,593.11	390.15
Purchased Professional Technical Services	262,524.55	262,490.55						34.00
Purchased Professional Educational Services	139,483.25	47,611.75	22,393.00	69,478.50				
Miscellaneous Purchased Services	305,748.15	286,756.19				6,855.70	4,638.26	7,498.00
Travel								
General Supplies	99,186.39	41,688.08	54,396.43			1,900.00		1,201.88
<b>Total Support Services</b>	<b>973,422.47</b>	<b>757,908.05</b>	<b>96,330.42</b>	<b>69,478.50</b>	<b>-</b>	<b>8,755.70</b>	<b>16,231.37</b>	<b>24,718.43</b>
Facilities Acquisition and Construction Services:								
Instructional Equipment	38,774.42		17,452.45			21,321.97		
Non-Instructional Equipment	23,992.45		17,452.45					6,540.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>62,766.87</b>	<b>-</b>	<b>34,904.90</b>	<b>-</b>	<b>-</b>	<b>21,321.97</b>	<b>-</b>	<b>6,540.00</b>
<b>Total Expenditures</b>	<b>\$ 3,125,426.95</b>	<b>\$ 2,243,751.28</b>	<b>\$ 465,491.81</b>	<b>\$ 97,928.50</b>	<b>\$ 2,619.00</b>	<b>\$ 41,240.00</b>	<b>\$ 128,446.86</b>	<b>\$ 145,949.50</b>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	Total Carried Forward	N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977		N.J. Nonpublic Handicapped Services, Ch. 193, L. 1977			NJ Non-Public Textbook Aid	NJ Non-Public Nursing Services Aid	Miscellaneous Local Grants
		Compensatory Education	Transportation and Maintenance	Examination and Classification	Corrective Speech	Supplementary Instruction			
<b>REVENUES:</b>									
Federal Sources									
State Sources	\$ 101,123.66	\$ 26,487.00	\$ 6,579.00	\$ 8,958.25	\$ 32,371.24	\$ 4,688.94	\$ 6,444.83	\$ 15,594.40	\$ 44,825.84
Local Sources	44,825.84								
<b>Total Revenues</b>	<b>145,949.50</b>	<b>26,487.00</b>	<b>6,579.00</b>	<b>8,958.25</b>	<b>32,371.24</b>	<b>4,688.94</b>	<b>6,444.83</b>	<b>15,594.40</b>	<b>44,825.84</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	62,280.93			8,958.25	32,371.24	4,688.94			16,262.50
Other Salaries for Instruction									
Purchased Professional Educational Services	9,400.59								9,400.59
Other Purchased Services									
Tuition									
General Supplies	36,564.72	26,487.00							10,077.72
Textbooks	6,444.83						6,444.83		
Other Objects									
<b>Total Instruction</b>	<b>114,691.07</b>	<b>26,487.00</b>	<b>-</b>	<b>8,958.25</b>	<b>32,371.24</b>	<b>4,688.94</b>	<b>6,444.83</b>	<b>-</b>	<b>35,740.81</b>
Support Services:									
Salaries	15,594.40							15,594.40	
Personal Services--Employee Benefits	390.15								390.15
Purchased Professional Technical Services	34.00								34.00
Purchased Professional Educational Services									
Miscellaneous Purchased Services	7,498.00		6,579.00						919.00
Travel									
General Supplies	1,201.88								1,201.88
<b>Total Support Services</b>	<b>24,718.43</b>	<b>-</b>	<b>6,579.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,594.40</b>	<b>2,545.03</b>
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Non-Instructional Equipment	6,540.00								6,540.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>6,540.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,540.00</b>
<b>Total Expenditures</b>	<b>\$ 145,949.50</b>	<b>\$ 26,487.00</b>	<b>\$ 6,579.00</b>	<b>\$ 8,958.25</b>	<b>\$ 32,371.24</b>	<b>\$ 4,688.94</b>	<b>\$ 6,444.83</b>	<b>\$ 15,594.40</b>	<b>\$ 44,825.84</b>

CAPITAL PROJECTS FUND

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2010

Project Title/Issue	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2010
		Prior Years	Current Year	
(a) Washington Township High School - Air Conditioning / Security / Athletics / Storage	\$ 9,615,076.00	\$ 9,498,055.82		\$ 117,020.18
(b) Chestnut Ridge Middle School - Air Conditioning	6,514,794.00	6,514,794.00		
(c) Orchards Valley Middle School - Air Conditioning	6,514,794.00	6,514,794.00		
(d) Bells Elementary School - Air Conditioning / Security	1,925,526.00	1,925,231.62		294.38
(e) Birches Elementary School - Air Conditioning / Security	1,925,526.00	1,918,539.17		6,986.83
(f) Wedgewood Elementary School - Air Conditioning / Security	1,725,601.00	1,721,941.69		3,659.31
(g) Whitman Elementary School - Air Conditioning / Security	1,925,526.00	1,917,203.40		8,322.60
(h) Wedgewood Elementary School - Roof Reconstruction	242,189.00	240,914.00		1,275.00
(i) Washington Township High School - Roof	203,789.00	155,293.17		48,495.83
(j) Washington Township High School - Science Labs	828,853.00	650,936.71	\$ 93,276.48	84,639.81
(k) Washington Township High School - Security Cameras	173,310.00	132,752.82		40,557.18
(l) Washington Township High School - Classroom Renovations	124,459.70	116,504.30		7,955.40
(m) Asphalt Repair and Replacement	40,000.00		28,530.00	11,470.00
(n) Asbestos Abatement	41,000.00		31,476.50	9,523.50
(o) Washington Township High School - Roof	549,831.00		542,401.26	7,429.74
	<u>\$ 32,350,274.70</u>	<u>\$ 31,306,960.70</u>	<u>\$ 695,684.24</u>	<u>\$ 347,629.76</u>
Designated for Subsequent Year's Expenditures				<u>\$ 347,629.76</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2010

**Revenues and Other Financing Sources:**

State Sources--SCC Grant	\$ 229,824.00
Transfer form Capital Reserve	401,007.00
Interest Earned on Deposits	<u>2,689.14</u>
 Total Revenues	 <u>633,520.14</u>

**Expenditures:**

Other Purchased Professional and Technical Services	21,425.38
Construction Services	<u>674,258.86</u>
 Total Expenditures	 <u>695,684.24</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(62,164.10)</u>
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## Other Financing Sources and (Uses):

Transfers to General Fund:	
Interest Earned on Deposits	<u>(2,689.14)</u>
 Total Other Financing Sources and Uses	 <u>(2,689.14)</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(64,853.24)
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Fund Balance -- July 1	<u>412,483.00</u>
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Fund Balance -- June 30	<u><u>\$ 347,629.76</u></u>
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**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
 Washington Township High School - Air Conditioning / Security / Athletics / Storage  
 From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 3,345,967.00		\$ 3,345,967.00	\$ 3,345,967.00
Bond Proceeds and Transfers	<u>6,269,109.00</u>	<u>                    </u>	<u>6,269,109.00</u>	<u>6,269,109.00</u>
Total Revenues	<u>9,615,076.00</u>	<u>                    -</u>	<u>9,615,076.00</u>	<u>9,615,076.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	593,250.64		593,250.64	699,822.60
Construction Services	<u>8,904,805.18</u>	<u>                    </u>	<u>8,904,805.18</u>	<u>8,915,253.40</u>
Total Expenditures	<u>9,498,055.82</u>	<u>                    -</u>	<u>9,498,055.82</u>	<u>9,615,076.00</u>
<b>Excess (Deficiency) of Revenues Over</b>				
<b>(Under) Expenditures</b>	<u>\$ 117,020.18</u>	<u>\$ -</u>	<u>\$ 117,020.18</u>	<u>\$ -</u>
 <b>Additional Project Information:</b>				
Project Number	5500-010-05-1000			
Grant Date	10-26-2004			
Bond Authorization Date	3-16-2005			
Bonds Authorized	\$ 16,271,000.00			
Bonds Issued	16,271,000.00			
Original Authorized Cost	9,615,076.00			
Additional Authorized Cost	-			
Revised Authorized Cost	9,615,076.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	98.78%			
Original Target Completion Date	8-31-2006			
Revised Target Completion Date	12-31-2010			

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Chestnut Ridge Middle School - Air Conditioning  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 3,387,371.00		\$ 3,387,371.00	\$ 3,387,371.00
Bond Proceeds and Transfers	<u>3,127,423.00</u>		<u>3,127,423.00</u>	<u>3,127,423.00</u>
Total Revenues	<u>6,514,794.00</u>	<u>-</u>	<u>6,514,794.00</u>	<u>6,514,794.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	351,175.74		351,175.74	351,175.74
Construction Services	<u>6,163,618.26</u>		<u>6,163,618.26</u>	<u>6,163,618.26</u>
Total Expenditures	<u>6,514,794.00</u>	<u>-</u>	<u>6,514,794.00</u>	<u>6,514,794.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5500-026-04-00YS
Grant Date	03-04-2005
Bond Authorization Date	03-16-2005
Bonds Authorized	\$ 16,271,000.00
Bonds Issued	16,271,000.00
Original Authorized Cost	6,514,794.00
Additional Authorized Cost	-
Revised Authorized Cost	6,514,794.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	100.00%
Original Target Completion Date	10-31-2005
Revised Target Completion Date	10-31-2005

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Orchards Valley Middle School - Air Conditioning  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 3,387,371.00		\$ 3,387,371.00	\$ 3,387,371.00
Bond Proceeds and Transfers	<u>3,127,423.00</u>		<u>3,127,423.00</u>	<u>3,127,423.00</u>
Total Revenues	<u>6,514,794.00</u>	<u>-</u>	<u>6,514,794.00</u>	<u>6,514,794.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	332,173.53		332,173.53	332,173.53
Construction Services	<u>6,182,620.47</u>		<u>6,182,620.47</u>	<u>6,182,620.47</u>
Total Expenditures	<u>6,514,794.00</u>	<u>-</u>	<u>6,514,794.00</u>	<u>6,514,794.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5500-026-04-00YT
Grant Date	03-04-2005
Bond Authorization Date	03-16-2005
Bonds Authorized	\$ 16,271,000.00
Bonds Issued	16,271,000.00
Original Authorized Cost	6,514,794.00
Additional Authorized Cost	-
Revised Authorized Cost	6,514,794.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	100.00%
Original Target Completion Date	10-31-2005
Revised Target Completion Date	10-31-2005

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Bells Elementary School - Air Conditioning / Security  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 965,244.00		\$ 965,244.00	\$ 965,244.00
Bond Proceeds and Transfers	<u>960,282.00</u>		<u>960,282.00</u>	<u>960,282.00</u>
Total Revenues	<u>1,925,526.00</u>	<u>-</u>	<u>1,925,526.00</u>	<u>1,925,526.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	192,638.74		192,638.74	192,638.74
Construction Services	<u>1,732,592.88</u>		<u>1,732,592.88</u>	<u>1,732,887.26</u>
Total Expenditures	<u>1,925,231.62</u>	<u>-</u>	<u>1,925,231.62</u>	<u>1,925,526.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 294.38</u>	<u>\$ -</u>	<u>\$ 294.38</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5500-025-05-1000
Grant Date	10-26-2004
Bond Authorization Date	03-16-2005
Bonds Authorized	\$ 16,271,000.00
Bonds Issued	16,271,000.00
Original Authorized Cost	1,925,526.00
Additional Authorized Cost	-
Revised Authorized Cost	1,925,526.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	99.98%
Original Target Completion Date	08-31-2006
Revised Target Completion Date	12-31-2008

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Birches Elementary School - Air Conditioning / Security  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 965,244.00		\$ 965,244.00	\$ 965,244.00
Bond Proceeds and Transfers	960,282.00		960,282.00	960,282.00
 Total Revenues	 1,925,526.00	 -	 1,925,526.00	 1,925,526.00
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	188,710.56		188,710.56	188,710.56
Construction Services	1,729,828.61		1,729,828.61	1,736,815.44
 Total Expenditures	 1,918,539.17	 -	 1,918,539.17	 1,925,526.00
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 6,986.83	 \$ -	 \$ 6,986.83	 \$ -
<b>Additional Project Information:</b>				
Project Number	5500-027-05-1000			
Grant Date	10-26-2004			
Bond Authorization Date	03-16-2005			
Bonds Authorized	\$ 16,271,000.00			
Bonds Issued	16,271,000.00			
Original Authorized Cost	1,925,526.00			
Additional Authorized Cost	-			
Revised Authorized Cost	1,925,526.00			
 Percentage Increase over Original Authorized Cost	 -			
Percentage Completion	99.64%			
Original Target Completion Date	08-31-2006			
Revised Target Completion Date	12-31-2008			

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Wedgewood Elementary School - Air Conditioning / Security  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 859,321.00		\$ 859,321.00	\$ 859,321.00
Bond Proceeds and Transfers	866,280.00		866,280.00	866,280.00
Total Revenues	<u>1,725,601.00</u>	<u>-</u>	<u>1,725,601.00</u>	<u>1,725,601.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	206,988.51		206,988.51	206,988.51
Construction Services	1,514,953.18		1,514,953.18	1,518,612.49
Total Expenditures	<u>1,721,941.69</u>	<u>-</u>	<u>1,721,941.69</u>	<u>1,725,601.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,659.31</u>	<u>\$ -</u>	<u>\$ 3,659.31</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5500-060-05-1000			
Grant Date	10-26-2004			
Bond Authorization Date	03-16-2005			
Bonds Authorized	\$ 16,271,000.00			
Bonds Issued	16,271,000.00			
Original Authorized Cost	1,725,600.00			
Additional Authorized Cost	-			
Revised Authorized Cost	1,725,600.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.79%			
Original Target Completion Date	08-31-2006			
Revised Target Completion Date	12-31-2008			

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Whitman Elementary School - Air Conditioning / Security  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 965,244.00		\$ 965,244.00	\$ 965,244.00
Bond Proceeds and Transfers	960,282.00		960,282.00	960,282.00
 Total Revenues	 1,925,526.00	 -	 1,925,526.00	 1,925,526.00
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	189,453.55		189,453.55	189,453.55
Construction Services	1,727,749.85		1,727,749.85	1,736,072.45
 Total Expenditures	 1,917,203.40	 -	 1,917,203.40	 1,925,526.00
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 8,322.60	 \$ -	 \$ 8,322.60	 \$ -
<b>Additional Project Information:</b>				
Project Number	5500-070-05-1000			
Grant Date	10-26-2004			
Bond Authorization Date	03-16-2005			
Bonds Authorized	\$ 16,271,000.00			
Bonds Issued	16,271,000.00			
Original Authorized Cost	1,925,526.00			
Additional Authorized Cost	-			
Revised Authorized Cost	1,925,526.00			
 Percentage Increase over Original Authorized Cost	 -			
Percentage Completion	99.57%			
Original Target Completion Date	08-31-2006			
Revised Target Completion Date	12-31-2008			

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Wedgewood Elementary School - Roof Reconstruction  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 127,800.00		\$ 127,800.00	\$ 127,800.00
Transfer from Capital Outlay	114,389.00		114,389.00	114,389.00
Total Revenues	<u>242,189.00</u>	<u>-</u>	<u>242,189.00</u>	<u>242,189.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	1,564.00		1,564.00	1,564.00
Construction Services	239,350.00		239,350.00	240,625.00
Total Expenditures	<u>240,914.00</u>	<u>-</u>	<u>240,914.00</u>	<u>242,189.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,275.00</u>	<u>\$ -</u>	<u>\$ 1,275.00</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5500-060-05-2000			
Grant Date	07-27-2005			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 323,276.00			
Additional Authorized Cost	(81,087.00)			
Revised Authorized Cost	242,189.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.47%			
Original Target Completion Date	01-02-2006			
Revised Target Completion Date	12-31-2008			

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Washington Township High School - Roof  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 104,999.00		\$ 104,999.00	\$ 104,999.00
Transfer from Capital Outlay	98,790.00		98,790.00	98,790.00
	<u>203,789.00</u>	<u>-</u>	<u>203,789.00</u>	<u>203,789.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	12,033.17		12,033.17	12,033.17
Construction Services	143,260.00		143,260.00	191,755.83
	<u>155,293.17</u>	<u>-</u>	<u>155,293.17</u>	<u>203,789.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 48,495.83</u>	<u>\$ -</u>	<u>\$ 48,495.83</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5500-010-05-3000			
Grant Date	07-27-2005			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 205,791.00			
Additional Authorized Cost	(2,002.00)			
Revised Authorized Cost	203,789.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	76.20%			
Original Target Completion Date	01-02-2006			
Revised Target Completion Date	12-31-2008			

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Washington Township High School - Science Labs  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 430,963.00		\$ 430,963.00	\$ 430,963.00
Transfer from Capital Reserve	397,890.00		397,890.00	397,890.00
<b>Total Revenues</b>	<u>828,853.00</u>	<u>-</u>	<u>828,853.00</u>	<u>828,853.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	79,604.63	\$ 3,448.63	83,053.26	83,053.26
Construction Services	571,332.08	89,827.85	661,159.93	745,799.74
<b>Total Expenditures</b>	<u>650,936.71</u>	<u>93,276.48</u>	<u>744,213.19</u>	<u>828,853.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 177,916.29</u>	<u>\$ (93,276.48)</u>	<u>\$ 84,639.81</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5500-010-05-2000			
Grant Date	12-22-2005			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,002,706.00			
Additional Authorized Cost	(173,853.00)			
Revised Authorized Cost	828,853.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	89.79%			
Original Target Completion Date	08-25-2006			
Revised Target Completion Date	12-31-2010			

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Washington Township High School - Security Cameras  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 173,310.00	-	\$ 173,310.00	\$ 173,310.00
Total Revenues	173,310.00	-	173,310.00	173,310.00
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	16,539.82	-	16,539.82	16,539.82
Construction Services	116,213.00	-	116,213.00	156,770.18
Total Expenditures	132,752.82	-	132,752.82	173,310.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 40,557.18	\$ -	\$ 40,557.18	\$ -
<b>Additional Project Information:</b>				
Project Number				N/A
Grant Date				N/A
Bond Authorization Date				N/A
Bonds Authorized				N/A
Bonds Issued				N/A
Original Authorized Cost	\$ 173,310.00			
Additional Authorized Cost				
Revised Authorized Cost	173,310.00			
Percentage Increase over Original Authorized Cost		-		
Percentage Completion		76.60%		
Original Target Completion Date		08-31-2006		
Revised Target Completion Date		12-31-2008		

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Washington Township High School - Classroom Renovations  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 124,459.70	_____	\$ 124,459.70	\$ 124,459.70
Total Revenues	<u>124,459.70</u>	<u>-</u>	<u>124,459.70</u>	<u>124,459.70</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	<u>116,504.30</u>	_____	<u>116,504.30</u>	<u>124,459.70</u>
Total Expenditures	<u>116,504.30</u>	<u>-</u>	<u>116,504.30</u>	<u>124,459.70</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 7,955.40</u>	<u>\$ -</u>	<u>\$ 7,955.40</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 112,000.00
Additional Authorized Cost	12,459.70
Revised Authorized Cost	124,459.70
Percentage Increase over Original Authorized Cost	11.12%
Percentage Completion	93.61%
Original Target Completion Date	09-01-2006
Revised Target Completion Date	12-31-2008

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Asphalt Repair and Replacement  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	<u>                    </u>	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Total Revenues	<u>                    </u>	<u>40,000.00</u>	<u>40,000.00</u>	<u>40,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	<u>                    </u>	28,530.00	28,530.00	40,000.00
Total Expenditures	<u>                    </u>	<u>28,530.00</u>	<u>28,530.00</u>	<u>40,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 11,470.00</u>	<u>\$ 11,470.00</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 40,000.00
Additional Authorized Cost	-
Revised Authorized Cost	40,000.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	71.33%
Original Target Completion Date	06-30-2010
Revised Target Completion Date	N/A

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Asbestos Abatement  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	<u>                    </u>	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00
Total Revenues	<u>                    </u>	<u>41,000.00</u>	<u>41,000.00</u>	<u>41,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	<u>                    </u>	31,476.50	31,476.50	41,000.00
Total Expenditures	<u>                    </u>	<u>31,476.50</u>	<u>31,476.50</u>	<u>41,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 9,523.50</u>	<u>\$ 9,523.50</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 41,000.00
Additional Authorized Cost	-
Revised Authorized Cost	41,000.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	76.77%
Original Target Completion Date	06-30-2010
Revised Target Completion Date	N/A

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Washington Township High School - Roof  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SCC Grant		\$ 229,824.00	\$ 229,824.00	\$ 229,824.00
Transfer from Capital Reserve		320,007.00	320,007.00	320,007.00
Total Revenues	-	549,831.00	549,831.00	549,831.00
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services		17,976.75	17,976.75	22,406.00
Construction Services		524,424.51	524,424.51	527,425.00
Total Expenditures	-	542,401.26	542,401.26	549,831.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 7,429.74	\$ 7,429.74	\$ -

**Additional Project Information:**

Project Number	5500-010-09-1001
Grant Date	7-31-2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 549,831.00
Additional Authorized Cost	-
Revised Authorized Cost	549,831.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	98.65%
Original Target Completion Date	12-31-2010
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Combining Statement of Net Assets  
June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Tech Crew</u>	<u>Total</u>
<b>ASSETS:</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 337,834.86	\$ 205,891.25	\$ 4,752.77	\$ 29,414.96	\$ 119,173.04		\$ 697,066.88
Accounts Receivable:							
State	2,861.00						2,861.00
Federal	45,363.02						45,363.02
Other	7,506.59		1,335.00	28,330.39			37,171.98
Inventories	73,671.42						73,671.42
Total Current Assets	<u>467,236.89</u>	<u>205,891.25</u>	<u>6,087.77</u>	<u>57,745.35</u>	<u>119,173.04</u>	<u>-</u>	<u>856,134.30</u>
Noncurrent Assets:							
Furniture, Machinery and Equipment	1,439,895.27	8,735.45		58,399.17	43,752.00		1,550,781.89
Less Accumulated Depreciation	<u>(1,071,066.50)</u>	<u>(3,031.70)</u>		<u>(20,718.89)</u>	<u>(9,570.75)</u>		<u>(1,104,387.84)</u>
Total Noncurrent Assets	<u>368,828.77</u>	<u>5,703.75</u>	<u>-</u>	<u>37,680.28</u>	<u>34,181.25</u>	<u>-</u>	<u>446,394.05</u>
Total Assets	<u>836,065.66</u>	<u>211,595.00</u>	<u>6,087.77</u>	<u>95,425.63</u>	<u>153,354.29</u>	<u>-</u>	<u>1,302,528.35</u>
<b>LIABILITIES:</b>							
Current Liabilities:							
Compensated Absences Payable	5,552.76						5,552.76
Accounts Payable	4,475.40	27.00	617.19	39,037.98	225.00		44,382.57
Interfund Accounts Payable	82,856.93	43,021.08	3,414.37	25,660.35			154,952.73
Accrued Salaries and Benefits	775.68	3,743.86	832.50	2,487.92	6,595.35		14,435.31
Deposits Payable				8,102.90			8,102.90
Deferred Revenue	65,457.42						65,457.42
Total Current Liabilities	<u>159,118.19</u>	<u>46,791.94</u>	<u>4,864.06</u>	<u>75,289.15</u>	<u>6,820.35</u>	<u>-</u>	<u>292,883.69</u>
Noncurrent Liabilities:							
Compensated Absences Payable	<u>241,838.39</u>						<u>241,838.39</u>
Total Liabilities	<u>400,956.58</u>	<u>46,791.94</u>	<u>4,864.06</u>	<u>75,289.15</u>	<u>6,820.35</u>	<u>-</u>	<u>534,722.08</u>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
 Combining Statement of Net Assets  
 June 30, 2010

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	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Tech Crew</u>	<u>Total</u>
<b>NET ASSETS:</b>							
Invested in Capital Assets, Net of Related Debt	\$ 368,828.77	\$ 5,703.75		\$ 37,680.28	\$ 34,181.25		\$ 446,394.05
Unrestricted	66,280.31	159,099.31	\$ 1,223.71	(17,543.80)	112,352.69		321,412.22
	<u>\$ 435,109.08</u>	<u>\$ 164,803.06</u>	<u>\$ 1,223.71</u>	<u>\$ 20,136.48</u>	<u>\$ 146,533.94</u>	<u>\$ -</u>	<u>\$ 767,806.27</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Tech Crew</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>							
Charges for Services:							
Daily Sales - Reimbursable Programs	\$ 1,249,052.88						\$ 1,249,052.88
Daily Sales - Non-Reimbursable Programs	783,124.31						783,124.31
Other Activity Income			\$ 13,560.00				13,560.00
Admissions				\$ 5,825.50			5,825.50
Special Functions	101,051.94						101,051.94
Tuition		\$ 170,549.28					170,549.28
Rentals				77,703.00			77,703.00
Registration					\$ 86,850.00		86,850.00
Miscellaneous	14,660.79			55,465.00		\$ 2,966.34	73,092.13
<b>Total Operating Revenues</b>	<u>2,147,889.92</u>	<u>170,549.28</u>	<u>13,560.00</u>	<u>138,993.50</u>	<u>86,850.00</u>	<u>2,966.34</u>	<u>2,560,809.04</u>
<b>OPERATING EXPENSES:</b>							
Salaries	1,531,859.31	74,993.72	13,718.81	55,333.19	70,144.35		1,746,049.38
Employee Benefits	951,900.10	5,506.18		4,239.99			961,646.27
Purchased Professional and Technical Services				14,696.62			14,696.62
Repairs and Maintenance	73,871.69				3,006.95		76,878.64
Other Purchased Services				22,780.41	400.00		23,180.41
Transportation		543.91					543.91
General Supplies	67,668.86	7,552.93	908.12	703.44	175.00		77,008.35
Depreciation	59,167.14	466.41		3,318.72	5,469.00		68,421.27
Cost of Sales	1,255,583.34						1,255,583.34
Miscellaneous	33,077.55			36,810.48			69,888.03
<b>Total Operating Expenses</b>	<u>3,973,127.99</u>	<u>89,063.15</u>	<u>14,626.93</u>	<u>137,882.85</u>	<u>79,195.30</u>	<u>-</u>	<u>4,293,896.22</u>
<b>Operating Income (Loss)</b>	<u>(1,825,238.07)</u>	<u>81,486.13</u>	<u>(1,066.93)</u>	<u>1,110.65</u>	<u>7,654.70</u>	<u>2,966.34</u>	<u>(1,733,087.18)</u>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Tech Crew</u>	<u>Total</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
State Sources:							
State School Lunch Program	\$ 37,724.68						\$ 37,724.68
Federal Sources:							
National School Lunch Program	593,156.53						593,156.53
Food Distribution Program	159,431.00						159,431.00
Accounts Receivable Canceled				\$ (1,761.43)			(1,761.43)
Interest and Investment Revenue	5,488.65						5,488.65
Total Nonoperating Revenues (Expenses)	<u>795,800.86</u>			<u>(1,761.43)</u>			<u>794,039.43</u>
Income (Loss) before Contributions and Transfers	(1,029,437.21)	\$ 81,486.13	\$ (1,066.93)	\$ (650.78)	\$ 7,654.70	\$ 2,966.34	(939,047.75)
Transfer In - Component Unit				20,227.49			20,227.49
Transfer Out - General Fund						(2,171.49)	(2,171.49)
Reallocated Capital Assets	(13,301.92)	246.71		8,406.56	4,648.65		
Transfer In - General Fund	951,900.10	-	-	35,000.00	-	-	986,900.10
Total Contributions and Transfers	938,598.18	246.71		63,634.05	4,648.65	(2,171.49)	1,004,956.10
Change in Net Assets	(90,839.03)	81,732.84	(1,066.93)	62,983.27	12,303.35	794.85	65,908.35
Net Assets -- July 1	<u>525,948.11</u>	<u>83,070.22</u>	<u>2,290.64</u>	<u>(42,846.79)</u>	<u>134,230.59</u>	<u>(794.85)</u>	<u>701,897.92</u>
Net Assets -- June 30	<u>\$ 435,109.08</u>	<u>\$ 164,803.06</u>	<u>\$ 1,223.71</u>	<u>\$ 20,136.48</u>	<u>\$ 146,533.94</u>	<u>\$ -</u>	<u>\$ 767,806.27</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Tech Crew</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts from Customers	\$ 2,158,345.74	\$ 170,576.28	\$ 11,770.00	\$ 140,995.75	\$ 86,850.00	\$ 2,966.34	\$ 2,571,504.11
Payments to Employees	(1,567,717.09)	(74,674.49)	(13,526.30)	(57,853.42)	(71,369.00)	(2,151.75)	(1,787,292.05)
Payments for Employee Benefits	(951,900.10)	(5,506.18)		(4,239.99)			(961,646.27)
Payments to Suppliers	<u>(1,413,450.65)</u>	<u>(8,096.84)</u>	<u>(290.93)</u>	<u>(37,358.09)</u>	<u>(3,581.95)</u>		<u>(1,462,778.46)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,774,722.10)</u>	<u>82,298.77</u>	<u>(2,047.23)</u>	<u>41,544.25</u>	<u>11,899.05</u>	<u>814.59</u>	<u>(1,640,212.67)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>							
State Sources	36,931.60						36,931.60
Federal Sources	735,275.84						735,275.84
Transfers from Other Funds	951,900.10	21,510.38	6,800.00				980,210.48
Operating Subsidies and Transfers to Other Funds	<u>(86,397.97)</u>			<u>(9,078.66)</u>		<u>(814.59)</u>	<u>(96,291.22)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,637,709.57</u>	<u>21,510.38</u>	<u>6,800.00</u>	<u>(9,078.66)</u>	-	<u>(814.59)</u>	<u>1,656,126.70</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Purchases of Capital Assets				<u>(3,050.63)</u>			<u>(3,050.63)</u>
Net Cash Used for Capital and Related Financing Activities	-	-	-	<u>(3,050.63)</u>	-	-	<u>(3,050.63)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Interest and Dividends	<u>5,488.65</u>						<u>5,488.65</u>
Net Cash Provided by (used for) Investing Activities	<u>5,488.65</u>	-	-	-	-	-	<u>5,488.65</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(131,523.88)	103,809.15	4,752.77	29,414.96	11,899.05	-	18,352.05
Cash and Cash Equivalents -- July 1	<u>469,358.74</u>	<u>102,082.10</u>			<u>107,273.99</u>		<u>678,714.83</u>
Cash and Equivalents -- June 30	<u>\$ 337,834.86</u>	<u>\$ 205,891.25</u>	<u>\$ 4,752.77</u>	<u>\$ 29,414.96</u>	<u>\$ 119,173.04</u>	<u>\$ -</u>	<u>\$ 697,066.88</u>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Tech Crew</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	\$ (1,825,238.07)	\$ 81,486.13	\$ (1,066.93)	\$ 1,110.65	\$ 7,654.70	\$ 2,966.34	\$ (1,733,087.18)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:							
Depreciation and Net Amortization	59,167.14	466.41		3,318.72	5,469.00		68,421.27
(Increase) Decrease in Inventories	12,230.48						12,230.48
(Increase) Decrease in Accounts Receivable	8,433.23		1,010.00	(6,100.65)			3,342.58
(Increase) Decrease in Interfund Accounts Receivable			(2,800.00)				(2,800.00)
Increase (Decrease) in Accounts Payable	4,114.31	27.00	617.19	37,632.86			42,391.36
Increase (Decrease) in Accrued Salaries and Benefits	775.68	319.23	192.51	(2,520.23)	(1,224.65)	(2,151.75)	(4,609.21)
Increase (Decrease) in Interfund Accounts Payable	406.00						406.00
Increase (Decrease) in Deposits Payable				8,102.90			8,102.90
Increase (Decrease) in Deferred Revenue	2,022.59						2,022.59
Increase (Decrease) in Compensated Absences Payable	(36,633.46)						(36,633.46)
Total Adjustments	<u>50,515.97</u>	<u>812.64</u>	<u>(980.30)</u>	<u>40,433.60</u>	<u>4,244.35</u>	<u>(2,151.75)</u>	<u>92,874.51</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,774,722.10)</u>	<u>\$ 82,298.77</u>	<u>\$ (2,047.23)</u>	<u>\$ 41,544.25</u>	<u>\$ 11,899.05</u>	<u>\$ 814.59</u>	<u>\$ (1,640,212.67)</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**INTERNAL SERVICE FUNDS**  
 Combining Statement of Net Assets  
 June 30, 2010

	<u>Paper Supplies</u>	<u>District Printing</u>	<u>Engraving / Painting</u>	<u>Total</u>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 90,379.06	\$ 2,857.31		\$ 93,236.37
Interfund Accounts Receivable		4,804.56		4,804.56
Total Current Assets	<u>90,379.06</u>	<u>7,661.87</u>	<u>-</u>	<u>98,040.93</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment		4,850.00	\$ 9,695.00	14,545.00
Less Accumulated Depreciation		(4,445.87)	(9,695.00)	(14,140.87)
Total Noncurrent Assets	<u>-</u>	<u>404.13</u>	<u>-</u>	<u>404.13</u>
Total Assets	<u>90,379.06</u>	<u>8,066.00</u>	<u>-</u>	<u>98,445.06</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable	26,344.59	668.86		27,013.45
Interfund Accounts Payable	47,254.54			47,254.54
Accrued Salaries and Benefits		2,463.89		2,463.89
Total Liabilities	<u>73,599.13</u>	<u>3,132.75</u>	<u>-</u>	<u>76,731.88</u>
<b>NET ASSETS:</b>				
Invested in Capital Assets, Net of Related Debt		404.13		404.13
Unrestricted	16,779.93	4,529.12		21,309.05
Total Net Assets	<u>\$ 16,779.93</u>	<u>\$ 4,933.25</u>	<u>\$ -</u>	<u>\$ 21,713.18</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**INTERNAL SERVICE FUNDS**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2010

	<u>Paper Supplies</u>	<u>District Printing</u>	<u>Engraving / Painting</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>				
Charges for Services:				
Services Provided to Other Funds	\$ 197,109.87	\$ 30,537.98		\$ 227,647.85
Total Operating Revenues	<u>197,109.87</u>	<u>30,537.98</u>		<u>227,647.85</u>
<b>OPERATING EXPENSES:</b>				
Salaries		13,414.16		13,414.16
Repairs and Maintenance		500.00		500.00
General Supplies	180,329.94	12,094.70		192,424.64
Depreciation		404.17	\$ 404.03	808.20
Total Operating Expenses	<u>180,329.94</u>	<u>26,413.03</u>	<u>404.03</u>	<u>207,147.00</u>
Change in Net Assets	16,779.93	4,124.95	(404.03)	20,500.85
Net Assets -- July 1		<u>808.30</u>	<u>404.03</u>	<u>1,212.33</u>
Net Assets -- June 30	<u>\$ 16,779.93</u>	<u>\$ 4,933.25</u>	<u>\$ -</u>	<u>\$ 21,713.18</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**INTERNAL SERVICE FUNDS**  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2010

	Paper Supplies	District Printing	Engraving / Painting	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 197,109.87	\$ 24,608.50		\$ 221,718.37
Payments to Employees		(11,832.73)		(11,832.73)
Payments to Suppliers	(153,985.35)	(12,118.46)		(166,103.81)
Net Cash Provided by (used for) Operating Activities	<u>43,124.52</u>	<u>657.31</u>	<u>-</u>	<u>43,781.83</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Transfers from Other Funds	<u>47,254.54</u>	<u>2,200.00</u>		<u>49,454.54</u>
Net Cash Provided by Non-Capital Financing Activities	<u>47,254.54</u>	<u>2,200.00</u>	<u>-</u>	<u>49,454.54</u>
Net Increase in Cash and Cash Equivalents	90,379.06	2,857.31	-	93,236.37
Cash and Cash Equivalents -- July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents -- June 30	<u>\$ 90,379.06</u>	<u>\$ 2,857.31</u>	<u>\$ -</u>	<u>\$ 93,236.37</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)				
by Operating Activities:				
Operating Income (Loss)	\$ 16,779.93	\$ 4,124.95	\$ (404.03)	\$ 20,500.85
Adjustments to Reconcile Operating Income (Loss) to Net Cash				
Provided by (used for) Operating Activities:				
Depreciation and Net Amortization		404.17	404.03	808.20
(Increase) Decrease in Interfund Accounts Receivable		(5,929.48)		(5,929.48)
Increase (Decrease) in Accounts Payable	26,344.59	476.24		26,820.83
Increase (Decrease) in Accrued Salaries and Benefits		1,581.43		1,581.43
Total Adjustments	<u>26,344.59</u>	<u>(3,467.64)</u>	<u>404.03</u>	<u>23,280.98</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ 43,124.52</u>	<u>\$ 657.31</u>	<u>\$ -</u>	<u>\$ 43,781.83</u>

FIDUCIARY FUNDS

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2010

	<u>Trust Fund</u>		<u>Agency Funds</u>			
	<u>Unemployment Compensation Trust</u>	<u>Private- Purpose Scholarship Fund</u>	<u>Student Activity</u>	<u>Vendors/ Bidders</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 778,289.90	\$ 23,962.28	\$ 304,755.48	\$ 20,000.00	\$ 735,638.97	\$ 1,862,646.63
Investments		100,000.00				100,000.00
Accounts Receivable	<u>50,051.96</u>					<u>50,051.96</u>
Total Assets	<u>828,341.86</u>	<u>123,962.28</u>	<u>304,755.48</u>	<u>20,000.00</u>	<u>735,638.97</u>	<u>2,012,698.59</u>
<b>LIABILITIES:</b>						
Accounts Payable	14,246.03					14,246.03
Deposits Payable				20,000.00		20,000.00
Interfund Accounts Payable					2,346.75	2,346.75
Payable to Student Groups			304,755.48			304,755.48
Payroll Deductions and Withholdings					<u>733,292.22</u>	<u>733,292.22</u>
Total Liabilities	<u>14,246.03</u>	<u>-</u>	<u>\$ 304,755.48</u>	<u>\$ 20,000.00</u>	<u>\$ 735,638.97</u>	<u>1,074,640.48</u>
<b>NET ASSETS:</b>						
Held in Trust for Unemployment Claims and Other Purposes	814,095.83					814,095.83
Reserved for Scholarships		<u>123,962.28</u>				<u>123,962.28</u>
Total Net Assets	<u>\$ 814,095.83</u>	<u>\$ 123,962.28</u>				<u>\$ 938,058.11</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation <u>Trust</u>	Private- Purpose Scholarship <u>Fund</u>	<u>Total</u>
<b>ADDITIONS:</b>			
Contributions:			
Donations		\$ 400.00	\$ 400.00
Employee Salary Deductions	\$ 127,311.64		127,311.64
Investment Earnings:			
Interest	<u>6,751.60</u>	<u>1,143.25</u>	<u>7,894.85</u>
Total Additions	<u>134,063.24</u>	<u>1,543.25</u>	<u>135,606.49</u>
<b>DEDUCTIONS:</b>			
Scholarships		1,474.51	1,474.51
Unemployment Claims	<u>185,286.95</u>		<u>185,286.95</u>
Total Deductions	<u>185,286.95</u>	<u>1,474.51</u>	<u>186,761.46</u>
Income (Loss) before Contributions and Transfers	(51,223.71)	68.74	(51,154.97)
Accounts Receivable Canceled	<u>(18,096.33)</u>	<u>-</u>	<u>(18,096.33)</u>
Change in Net Assets	(69,320.04)	68.74	(69,251.30)
Net Assets -- July 1	<u>883,415.87</u>	<u>123,893.54</u>	<u>1,007,309.41</u>
Net Assets -- June 30	<u>\$ 814,095.83</u>	<u>\$ 123,962.28</u>	<u>\$ 938,058.11</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2010

	Balance <u>June 30, 2009</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2010</u>
<b>ELEMENTARY SCHOOLS:</b>				
Bells Elementary School	\$ 591.33	\$ 10,155.72	\$ 10,420.85	\$ 326.20
Birches Elementary School	1,106.61	9,913.17	9,927.83	1,091.95
Hurffville Elementary School	965.40	11,381.03	11,758.02	588.41
Thomas Jefferson Elementary School	214.19	8,843.14	8,844.44	212.89
Wedgwood Elementary School	485.03	11,321.45	11,015.36	791.12
Whitman Elementary School	834.27	8,731.27	9,195.98	369.56
Total Elementary Schools	<u>4,196.83</u>	<u>60,345.78</u>	<u>61,162.48</u>	<u>3,380.13</u>
<b>MIDDLE SCHOOLS:</b>				
Bunker Hill School	20,148.18	67,049.40	68,301.61	18,895.97
Chestnut Ridge School	20,868.98	79,764.77	81,113.96	19,519.79
Orchard Valley School	28,216.05	104,890.77	95,527.53	37,579.29
Total Middle Schools	<u>69,233.21</u>	<u>251,704.94</u>	<u>244,943.10</u>	<u>75,995.05</u>
<b>HIGH SCHOOLS:</b>				
Washington Township High School	<u>213,920.04</u>	<u>1,227,407.23</u>	<u>1,215,946.97</u>	<u>225,380.30</u>
Total All Schools	<u>\$ 287,350.08</u>	<u>\$ 1,539,457.95</u>	<u>\$ 1,522,052.55</u>	<u>\$ 304,755.48</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 578,479.40	\$ 89,992,159.38	\$ 89,834,999.81	\$ 735,638.97
Total Assets	<u>\$ 578,479.40</u>	<u>\$ 89,992,159.38</u>	<u>\$ 89,834,999.81</u>	<u>\$ 735,638.97</u>
<b>LIABILITIES:</b>				
Net Payroll, Payroll Deductions and Withholdings	\$ 508,132.25	\$ 89,979,949.69	\$ 89,754,789.72	\$ 733,292.22
Intrafund Accounts Payable	68,384.86		68,384.86	
Interfund Accounts Payable: Due to General Fund	<u>1,962.29</u>	<u>12,209.69</u>	<u>11,825.23</u>	<u>2,346.75</u>
Total Liabilities	<u>\$ 578,479.40</u>	<u>\$ 89,992,159.38</u>	<u>\$ 89,834,999.81</u>	<u>\$ 735,638.97</u>

## LONG-TERM DEBT

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2010

	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2009	Retired	Balance June 30, 2010
			Date	Amount				
School Refunding Bonds, Series 2004	01/29/04	\$ 28,525,000.00	02/01/11	\$ 3,230,000.00	3.25%	\$ 21,885,000.00	\$ 3,140,000.00	\$ 18,745,000.00
			02/01/12	3,170,000.00	3.25%			
			02/01/13	3,135,000.00	4.00%			
			02/01/14	3,095,000.00	4.00%			
			02/01/15	3,085,000.00	4.00%			
			02/01/16	3,030,000.00	5.00%			
School Bonds, Series 2005	03/01/05	16,271,000.00	03/01/11	310,000.00	4.25%	8,455,000.00	300,000.00	8,155,000.00
			03/01/12	330,000.00	4.25%			
			03/01/13	350,000.00	4.25%			
			03/01/14	380,000.00	4.25%			
			03/01/15	430,000.00	4.25%			
			03/01/16	480,000.00	4.25%			
			03/01/17	735,000.00	4.25%			
			03/01/18	770,000.00	4.25%			
			03/01/19	805,000.00	4.25%			
			03/01/20	840,000.00	4.25%			
			03/01/21	875,000.00	4.25%			
			03/01/22	900,000.00	4.25%			
			03/01/23	950,000.00	4.25%			
Refunding Bonds, Series 2007	03/13/07	8,040,000.00	03/01/11	20,000.00	4.00%			
			03/01/12	20,000.00	4.00%			
			03/01/13	20,000.00	4.00%			
			03/01/14	20,000.00	4.00%			
			03/01/15	20,000.00	4.00%			
			03/01/16	20,000.00	4.00%			
			03/01/17	25,000.00	4.00%			
			03/01/18	25,000.00	4.00%			
			03/01/19	25,000.00	4.00%			
			03/01/20	25,000.00	4.00%			
			03/01/21	25,000.00	4.00%			
			03/01/22	30,000.00	4.00%			
			03/01/23	30,000.00	4.00%			

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2010

	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2009	Retired	Balance June 30, 2010
			Date	Amount				
Refunding Bonds, Series 2007 (Cont'd)	03/13/07	\$ 8,040,000.00	03/01/24	\$ 1,030,000.00	4.00%			
			03/01/25	1,095,000.00	4.00%			
			03/01/26	1,120,000.00	4.00%			
			03/01/27	1,120,000.00	4.00%			
			03/01/28	1,115,000.00	4.00%			
			03/01/29	1,105,000.00	4.00%			
			03/01/30	1,095,000.00	4.00%	\$ 8,000,000.00	\$ 15,000.00	\$ 7,985,000.00
						<u>\$ 38,340,000.00</u>	<u>\$ 3,455,000.00</u>	34,885,000.00
							Deferred Loss on Refunding Discount on Bonds	358,004.84 82,340.78
								<u>\$ 34,444,654.38</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2010

Series	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate Payable	Amount Outstanding June 30, 2009	Issued	Retired	Amount Outstanding June 30, 2010
			Principal	Interest					
Buses, Instructional Equipment	11/17/07	3 years	\$ 611,600.00	\$ 40,376.03	3.99%	\$ 263,712.86		\$ 209,918.12	\$ 53,794.74
Buses, Instructional Equipment	9/01/08	3 years	286,200.00	18,072.00	4.25%	255,263.45		92,361.20	162,902.25
Xerox Copiers	11/01/08	5 years	1,745,003.65	303,576.35	6.50%	1,569,333.29		317,044.06	1,252,289.23
Buses, Instructional Equipment	7/31/09	3 years	650,825.37	38,903.48	2.96%		\$ 650,825.37	210,645.36	440,180.01
						<u>\$ 2,088,309.60</u>	<u>\$ 650,825.37</u>	<u>\$ 829,968.74</u>	<u>\$ 1,909,166.23</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 DEBT SERVICE FUND  
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 3,244,078.00		\$ 3,244,078.00	\$ 3,244,078.00	
Debt Service Aid Type II	1,856,823.00		1,856,823.00	1,856,823.00	
Total Revenues	<u>5,100,901.00</u>	<u>-</u>	<u>5,100,901.00</u>	<u>5,100,901.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	1,662,588.00		1,662,588.00	1,662,587.50	\$ 0.50
Redemption of Principal	3,455,000.00		3,455,000.00	3,455,000.00	
Total Regular Debt Service	<u>5,117,588.00</u>	<u>-</u>	<u>5,117,588.00</u>	<u>5,117,587.50</u>	<u>0.50</u>
Total Expenditures	<u>5,117,588.00</u>	<u>-</u>	<u>5,117,588.00</u>	<u>5,117,587.50</u>	<u>0.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,687.00)	-	(16,687.00)	(16,686.50)	0.50
Fund Balance, July 1	<u>16,687.17</u>		<u>16,687.17</u>	<u>16,687.17</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 0.17</u>	<u>\$ -</u>	<u>\$ 0.17</u>	<u>\$ 0.67</u>	<u>\$ 0.50</u>
<b>Recapitulation:</b>					
Unreserved Fund Balance				<u>\$ 0.67</u>	

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1 and J-2 are only presented for the last eight fiscal years as the School District's first year of implementation of the Governmental Accounting Standards Board Statement No. 34 was for the fiscal year ended June 30, 2003; thus, ten year comparative financial information is unavailable.

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Net Assets by Component  
 Last Eight Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Governmental Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 60,552,159	\$ 60,507,772.60	\$ 60,880,373.73	\$ 60,618,272.02	\$ 51,301,812.72	\$ 29,492,088.00	\$ 46,844,707.23	\$ 46,008,883.17
Restricted	5,410,890	6,744,753.75	5,041,089.74	5,927,598.88	5,912,639.37	11,685,937.00	1,348,758.35	947,694.03
Unrestricted	<u>(7,074,050)</u>	<u>(8,404,148.63)</u>	<u>(8,119,096.17)</u>	<u>(7,849,549.39)</u>	<u>(6,592,704.91)</u>	<u>5,457,346.00</u>	<u>(682,037.92)</u>	<u>(1,697,358.40)</u>
<b>Total Governmental Activities Net Assets</b>	<b><u>\$ 58,888,998</u></b>	<b><u>\$ 58,848,377.72</u></b>	<b><u>\$ 57,802,367.30</u></b>	<b><u>\$ 58,696,321.51</u></b>	<b><u>\$ 50,621,747.18</u></b>	<b><u>\$ 46,635,371.00</u></b>	<b><u>\$ 47,511,427.66</u></b>	<b><u>\$ 45,259,218.80</u></b>
<b>Business-type Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 446,394	\$ 511,764.69	\$ 515,057.35	\$ 578,259.79	\$ 527,378.02	\$ 590,943.00	\$ 512,457.32	\$ 471,710.41
Unrestricted	<u>321,412</u>	<u>190,133.23</u>	<u>355,938.37</u>	<u>489,837.57</u>	<u>428,084.07</u>	<u>690,599.00</u>	<u>433,816.16</u>	<u>210,601.02</u>
<b>Total Business-type Activities Net Assets</b>	<b><u>\$ 767,806</u></b>	<b><u>\$ 701,897.92</u></b>	<b><u>\$ 870,995.72</u></b>	<b><u>\$ 1,068,097.36</u></b>	<b><u>\$ 955,462.09</u></b>	<b><u>\$ 1,281,542.00</u></b>	<b><u>\$ 946,273.48</u></b>	<b><u>\$ 682,311.43</u></b>
<b>District-wide:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 60,998,553	\$ 61,019,537.29	\$ 61,395,431.08	\$ 61,196,531.81	\$ 51,829,190.74	\$ 30,083,031.00	47,357,164.55	46,480,593.58
Restricted	5,410,890	6,744,753.75	5,041,089.74	5,927,598.88	5,912,639.37	11,685,937.00	1,348,758.35	947,694.03
Unrestricted	<u>(6,752,638)</u>	<u>(8,214,015.40)</u>	<u>(7,763,157.80)</u>	<u>(7,359,711.82)</u>	<u>(6,164,620.84)</u>	<u>6,147,945.00</u>	<u>(248,221.76)</u>	<u>(1,486,757.38)</u>
<b>Total District-wide Net Assets</b>	<b><u>\$ 59,656,804</u></b>	<b><u>\$ 59,550,275.64</u></b>	<b><u>\$ 58,673,363.02</u></b>	<b><u>\$ 59,764,418.87</u></b>	<b><u>\$ 51,577,209.27</u></b>	<b><u>\$ 47,916,913.00</u></b>	<b><u>\$ 48,457,701.14</u></b>	<b><u>\$ 45,941,530.23</u></b>

Source: CAFR Exhibit A-1

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Changes in Net Assets  
 Last Eight Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses:</b>								
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular	\$ 44,919,944.73	\$ 44,488,426.05	\$ 43,433,114.39	\$ 42,551,906.73	\$ 41,527,015.48	\$ 38,863,810.00	\$ 37,288,886.12	\$ 37,258,985.02
Special Education	9,787,644.22	9,329,619.75	9,199,871.40	9,178,162.35	8,567,904.89	10,135,378.00	9,572,925.94	9,228,151.60
Other Special Instruction	2,813,260.84	2,502,741.39	2,268,416.29	2,180,218.12	2,005,286.47	1,761,450.00	1,491,499.04	1,408,038.71
Other Instruction	1,665,929.36	1,544,359.78	1,510,131.99	1,471,769.51	1,422,234.73	1,190,628.00	1,328,762.52	1,363,639.72
Nonpublic School Programs						114,172.00	187,899.94	158,702.56
<b>Support Services:</b>								
Tuition	7,036,003.77	6,023,732.04	5,066,776.45	4,474,338.74	4,227,893.61	3,502,814.00	3,173,455.54	2,833,290.31
Student and Instruction Related Services	14,680,979.36	13,186,655.14	13,327,449.12	12,900,988.56	12,544,597.24	11,805,544.00	10,698,944.73	10,505,850.82
Other Administrative Services	4,039,994.29	2,835,734.67	3,404,823.13	3,455,713.51	2,648,965.12	4,616,132.00	4,452,714.12	3,793,156.23
School Administrative Services	6,240,889.02	8,001,997.69	7,652,388.42	7,081,357.13	7,097,391.88	5,689,668.00	5,450,267.48	5,837,160.19
Plant Operations and Maintenance	9,814,795.92	9,907,778.47	10,323,803.31	10,246,349.56	10,400,840.64	11,220,772.00	8,409,799.12	8,255,067.05
Pupil Transportation	6,549,564.49	6,295,368.90	6,714,924.51	7,224,223.99	7,103,369.50	6,722,908.00	6,768,832.16	5,609,372.31
Unallocated Benefits	31,689,757.82	29,629,953.84	32,395,466.03	29,848,914.87	23,782,337.70	21,131,575.00	20,826,605.47	18,024,937.08
Transfer to Charter Schools	34,044.00							
Special Schools		64,844.70	78,519.96	69,392.57	61,569.52	58,473.00	58,334.57	250,888.91
Capital Outlay Items			15,405.23					
Interest on Long-term Debt	1,629,558.52	1,753,383.03	1,890,304.69	2,047,103.64	2,241,985.21	1,786,467.00	1,980,804.16	2,188,197.37
Amortization of Bond Issuance Costs	37,681.06	55,032.23	67,048.49	41,166.84	330,338.66	32,162.00	32,162.26	34,489.65
<b>Total Governmental Activities Expenses</b>	<b>140,940,047.40</b>	<b>135,619,627.68</b>	<b>137,348,443.41</b>	<b>132,771,606.12</b>	<b>123,961,730.65</b>	<b>118,631,953.00</b>	<b>111,721,893.17</b>	<b>106,749,927.53</b>
<b>Business-Type Activities:</b>								
Food Service	3,973,127.99	3,894,990.21	4,075,430.79	3,863,391.66	3,645,245.90	3,596,669.00	3,546,530.48	3,420,597.97
Child Care Program	89,063.15	95,543.03	83,810.22	86,561.60	70,574.11	76,190.00	88,907.63	55,492.75
TeleCommunications	14,626.93	16,023.98	15,122.90	13,877.77	17,963.20	18,822.00	14,572.45	14,236.28
Music Technology				5,676.61	3,973.72	671.00	686.75	
Center for the Performing Arts	137,882.85	175,282.98	191,613.65	190,074.03	225,486.36	173,057.00	148,968.00	109,790.48
Drivers Education	79,195.30	88,900.90	87,412.74	92,864.25	99,151.86	81,403.00	75,298.47	
Tech Crew		4,192.54	6,382.05	2,584.77	3,477.65	3,575.00	2,336.40	
<b>Total Business-Type Activities Expense</b>	<b>4,293,896.22</b>	<b>4,274,933.64</b>	<b>4,459,772.35</b>	<b>4,255,030.69</b>	<b>4,065,872.80</b>	<b>3,950,387.00</b>	<b>3,877,300.18</b>	<b>3,600,117.48</b>
<b>Total District Expenses</b>	<b>\$ 145,233,943.62</b>	<b>\$ 139,894,561.32</b>	<b>\$ 141,808,215.76</b>	<b>\$ 137,026,636.81</b>	<b>\$ 128,027,603.45</b>	<b>\$ 122,582,340.00</b>	<b>\$ 115,599,193.35</b>	<b>\$ 110,350,045.01</b>
<b>Component Unit Expenses:</b>								
Washington Township Live Arts	\$ 9,528.00	\$ 170,607.03	\$ 50,394.54	\$ 566,881.48	\$ 1,083,367.00	\$ 107,202.00	\$ 719,266.44	

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Changes in Net Assets  
 Last Eight Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Program Revenues:</b>								
<b>Governmental Activities:</b>								
Charges for Services	\$ 227,647.85	\$ 212,974.59	\$ 140,367.11	\$ 82,105.00	\$ 168,261.46	\$ 117,504.00	63,135.36	212,140.00
Operating Grants and Contributions	13,112,739.47	11,964,334.46	15,021,684.20	15,269,522.34	8,505,618.52	3,289,765.00	10,432,192.30	10,137,092.58
Capital Grants and Contributions	<u>10,560.00</u>	<u>10,560.00</u>	<u>35,650.69</u>	<u>2,910.00</u>	<u>2,910.00</u>	<u>4,030.00</u>	<u>4,030.00</u>	<u>62,338.50</u>
<b>Total Governmental Activities Program Revenues</b>	<u>13,340,387.32</u>	<u>12,187,869.05</u>	<u>15,197,702.00</u>	<u>15,351,627.34</u>	<u>8,676,789.98</u>	<u>3,407,269.00</u>	<u>10,499,357.66</u>	<u>10,411,571.08</u>
<b>Business-Type Activities:</b>								
<b>Charges for services:</b>								
Food Service	2,147,889.92	2,329,771.26	2,396,407.24	2,466,472.06	2,283,203.21	2,422,800.00	2,449,052.20	2,311,351.53
Child Care Program	170,549.28	111,772.96	94,938.87	107,078.59	99,009.27	78,982.00	90,789.75	51,900.00
TeleCommunications	13,560.00	16,040.00	15,596.00	15,679.00	17,294.71	16,790.00	16,135.00	11,339.00
Music Technology				1,872.50	3,203.45	2,117.00	357.25	108.00
Center for the Performing Arts	138,993.50	104,223.88	175,024.38	175,484.48	184,987.94	178,620.00	185,412.56	128,281.41
Drivers Education	86,850.00	94,950.00	120,150.00	113,175.00	123,773.00	111,580.00	90,036.00	
Tech Crew	2,966.34	4,192.54	5,521.87	2,649.85	2,906.62	2,964.00	2,180.71	
Operating Grants and Contributions	<u>790,312.21</u>	<u>669,190.37</u>	<u>665,092.36</u>	<u>596,982.71</u>	<u>558,230.52</u>	<u>577,935.00</u>	<u>517,512.58</u>	<u>520,254.28</u>
<b>Total Business-Type Activities Program Revenues</b>	<u>3,351,121.25</u>	<u>3,330,141.01</u>	<u>3,472,730.72</u>	<u>3,479,394.19</u>	<u>3,272,608.72</u>	<u>3,391,788.00</u>	<u>3,351,476.05</u>	<u>3,023,234.22</u>
<b>Total District Program Revenues</b>	<u>\$ 16,691,508.57</u>	<u>\$ 15,518,010.06</u>	<u>\$ 18,670,432.72</u>	<u>\$ 18,831,021.53</u>	<u>\$ 11,949,398.70</u>	<u>\$ 6,799,057.00</u>	<u>\$ 13,850,833.71</u>	<u>\$ 13,434,805.30</u>
<b>Component Unit Program Revenues:</b>								
Washington Township Live Arts	<u>\$ 48,291.49</u>	<u>\$ 63,029.00</u>	<u>\$ 77,917.97</u>	<u>\$ 526,470.09</u>	<u>\$ 1,047,787.77</u>	<u>\$ 116,322.00</u>	<u>\$ 743,705.44</u>	<u>\$ -</u>
<b>Net (Expense) / Revenue:</b>								
Governmental Activities	\$ (127,599,660.09)	\$ (123,431,758.63)	\$ (122,150,741.41)	\$ (117,419,978.78)	\$ (115,284,940.67)	\$ (115,224,684.00)	\$ (101,222,535.51)	\$ (96,338,356.45)
Business-Type Activities	<u>(942,774.97)</u>	<u>(944,792.63)</u>	<u>(987,041.63)</u>	<u>(775,636.50)</u>	<u>(793,264.08)</u>	<u>(558,599.00)</u>	<u>(525,824.13)</u>	<u>(576,883.26)</u>
<b>Total District-wide Net Expense</b>	<u>\$ (128,542,435.06)</u>	<u>\$ (124,376,551.26)</u>	<u>\$ (123,137,783.04)</u>	<u>\$ (118,195,615.28)</u>	<u>\$ (116,078,204.75)</u>	<u>\$ (115,783,283.00)</u>	<u>\$ (101,748,359.64)</u>	<u>\$ (96,915,239.71)</u>
<b>Component Unit Net Expense</b>								
Washington Township Live Arts	<u>\$ 38,763.49</u>	<u>\$ (107,578.03)</u>	<u>\$ 27,523.43</u>	<u>\$ (40,411.39)</u>	<u>\$ (35,579.23)</u>	<u>\$ 9,120.00</u>	<u>\$ 24,439.00</u>	<u>\$ -</u>

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Changes in Net Assets  
Last Eight Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General Purposes	\$ 68,819,137.00	\$ 68,532,821.00	\$ 62,809,163.00	\$ 59,324,899.00	\$ 53,703,975.00	\$ 51,878,656.00	49,982,737.00	46,352,904.00
Taxes Levied for Debt Service	3,244,078.00	3,354,805.00	3,311,010.00	3,302,043.00	3,498,848.00	2,215,646.00	2,955,855.00	3,071,395.00
Federal and State Aid	55,869,670.95	53,065,224.16	54,559,925.54	62,336,000.25	61,206,420.51	59,680,428.00	50,731,360.08	46,664,259.24
Unrestricted Interest Earnings	97,811.12	287,728.58	380,139.53	579,344.25	801,644.86	384,795.00	166,451.53	194,968.13
Miscellaneous Income	595,508.71	328,671.64	626,750.05	625,803.69	481,185.80	632,250.00	285,143.87	401,982.97
Cancellation of Prior Year Accounts Payable		9,467.05	342,738.24			88,519.00	156,876.24	44,526.77
Gain on Sale of Capital Assets						420.00		
Loss on Disposal of Capital Assets	(1,196.76)	(289,977.22)	(13,759.83)	(4,773.86)			(26,240.90)	
Premium and Accrued Interest						337,630.00		
Change in Accounting Principal (See Note 2)				773,391.85				
Litigation Settlement				(300,000.00)				
Transfers	(984,728.61)	(810,971.16)	(759,179.33)	(797,711.55)	(420,757.32)	(869,717.00)	(777,438.45)	(523,967.65)
<b>Total Governmental Activities</b>	<b>127,640,280.41</b>	<b>124,477,769.05</b>	<b>121,256,787.20</b>	<b>125,838,996.63</b>	<b>119,271,316.85</b>	<b>114,348,627.00</b>	<b>103,474,744.37</b>	<b>96,206,068.46</b>
Business-Type Activities:								
Unrestricted Interest Earnings	5,488.65	8,981.67	30,760.66	46,230.22	46,426.61	24,151.00	12,347.73	11,454.01
Miscellaneous Income								159,263.43
Accounts Receivable Canceled	(1,761.43)							
Transfers	1,004,956.10	766,713.16	759,179.33	797,711.55	420,757.32	869,717.00	777,438.45	523,967.65
<b>Total Business-Type Activities</b>	<b>1,008,683.32</b>	<b>775,694.83</b>	<b>789,939.99</b>	<b>843,941.77</b>	<b>467,183.93</b>	<b>893,868.00</b>	<b>789,786.18</b>	<b>694,685.09</b>
<b>Total District-wide</b>	<b>\$ 128,648,963.73</b>	<b>\$ 125,253,463.88</b>	<b>\$ 122,046,727.19</b>	<b>\$ 126,682,938</b>	<b>\$ 119,738,501</b>	<b>\$ 115,242,495</b>	<b>\$ 104,264,531</b>	<b>\$ 96,900,754</b>
Component Unit:								
Washington Township Live Arts:	84,892.51	-	-	-	\$ -	\$ 12.00	\$ 3.00	\$ -
Change in Net Assets:								
Governmental Activities	\$ 40,620.33	\$ 1,046,010.42	\$ (893,954.21)	\$ 8,419,017.85	\$ 3,986,376.18	\$ (876,057.00)	\$ 2,252,208.86	\$ (132,287.99)
Business-Type Activities	65,908.35	(169,097.80)	(197,101.64)	68,305.27	(326,080.15)	335,269.00	263,962.05	117,801.83
<b>Total District</b>	<b>\$ 106,528.68</b>	<b>\$ 876,912.62</b>	<b>\$ (1,091,055.85)</b>	<b>\$ 8,487,323.12</b>	<b>\$ 3,660,296.03</b>	<b>\$ (540,788.00)</b>	<b>\$ 2,516,170.91</b>	<b>\$ (14,486.16)</b>
Component Unit:								
Washington Township Live Arts	\$ 123,656.00	\$ (107,578.03)	\$ 27,523.43	\$ (40,411.39)	\$ (35,579.23)	\$ 9,132.00	\$ 24,442.00	\$ -

Source: Comprehensive Annual Financial Report Exhibit A-2.

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Eight Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:								
Reserved	\$ 5,392,092.95	\$ 3,725,229.60	\$ 828,148.53	\$ 1,309,850.67	\$ 1,481,696.70	\$ 1,606,222.00	\$ 3,151,671.22	\$ 1,448,454.73
Unreserved	<u>354,621.92</u>	<u>2,078,606.92</u>	<u>3,836,880.82</u>	<u>3,401,422.67</u>	<u>3,316,970.05</u>	<u>4,513,940.00</u>	<u>4,297,415.13</u>	<u>3,917,054.71</u>
Total General Fund	<u>\$ 5,746,714.87</u>	<u>\$ 5,803,836.52</u>	<u>\$ 4,665,029.35</u>	<u>\$ 4,711,273.34</u>	<u>\$ 4,798,666.75</u>	<u>\$ 6,120,162.00</u>	<u>\$ 7,449,086.35</u>	<u>\$ 5,365,509.44</u>
All Other Governmental Funds:								
Reserved		\$ 87,096.00	\$ 43,280.67	\$ 470,265.71	\$ 9,462,032.27	\$ 11,122,158.00	\$ 395,549.24	\$ 128,411.80
Unreserved, Reported in:								
Special Revenue Fund		21,200.29	30,782.73	33,287.35	(7,292.65)	3,197.00	(10,559.25)	(32,452.80)
Capital Projects Fund	\$ 347,629.76	325,387.00	422,190.87	527,565.12	(7,334,174.70)			
Debt Service Fund	<u>0.67</u>	<u>16,687.17</u>	<u>16,686.94</u>	<u>0.59</u>	<u>47,288.49</u>			
Total All Other Governmental Funds	<u>\$ 347,630.43</u>	<u>\$ 450,370.46</u>	<u>\$ 512,941.21</u>	<u>\$ 1,031,118.77</u>	<u>\$ 2,167,853.41</u>	<u>\$ 11,125,355.00</u>	<u>\$ 384,989.99</u>	<u>\$ 95,959.00</u>

Source: CAFR Exhibit B-1

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Eight Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues:</b>								
Local Tax Levy	\$ 72,063,215.00	\$ 71,887,626.00	\$ 66,120,173.00	\$ 62,664,525.99	\$ 57,202,823.00	\$ 54,094,302.00	\$ 52,938,592.00	\$ 49,424,299.00
Tuition Charges	252,111.65	212,974.59	140,367.11	82,105.36	168,261.46	117,504.00	63,135.36	40,443.50
Miscellaneous Revenues	441,208.18	655,533.84	1,061,098.04	1,095,170.44	1,237,320.35	973,845.00	451,595.40	771,113.41
Federal Sources	10,679,835.87	2,869,571.91	2,518,873.36	3,023,579.37	2,825,199.49	2,811,891.00	2,254,762.16	2,184,438.82
State Sources	58,302,574.55	62,131,413.09	67,044,178.61	74,544,358.83	66,836,963.05	60,158,302.00	58,912,820.22	54,676,785.69
<b>Total Revenue</b>	<b>141,738,945.25</b>	<b>137,757,119.43</b>	<b>136,884,690.12</b>	<b>141,409,739.99</b>	<b>128,270,567.35</b>	<b>118,155,844.00</b>	<b>114,620,905.14</b>	<b>107,097,080.42</b>
<b>Expenditures:</b>								
<b>Current:</b>								
<b>Instruction:</b>								
Regular Instruction	42,609,720.45	42,563,393.53	41,367,386.63	40,684,061.35	39,394,134.90	37,438,607.00	35,867,902.11	35,079,145.97
Special Education Instruction	9,752,137.67	9,413,320.00	9,159,367.21	9,150,570.40	8,549,069.62	9,968,927.00	9,434,310.74	8,906,856.72
Other Special Instruction	2,813,260.84	2,557,792.66	2,268,416.29	2,180,218.12	2,005,286.47	1,720,537.00	1,491,499.04	1,408,038.71
Other Instruction	1,665,929.36	1,567,953.19	1,510,131.99	1,471,769.51	1,422,234.73	1,495,856.00	1,516,662.46	1,522,342.28
<b>Support Services and Undistributed Costs:</b>								
Tuition	7,036,003.77	6,023,732.04	5,066,776.45	4,474,338.74	4,227,893.61	3,502,814.00	3,173,455.54	2,833,290.31
Student and Instruction Related Services	14,617,753.71	13,474,646.69	13,242,625.40	12,811,507.15	12,472,291.42	11,805,544.00	10,648,459.78	10,335,751.32
Other Administrative Services	3,936,232.74	1,921,408.00	2,274,993.61	2,349,687.67	2,343,656.27	5,243,738.00	4,431,727.33	3,893,724.00
School Administrative Services	6,240,889.02	8,001,997.69	7,958,973.35	7,362,507.06	7,077,207.51	4,406,112.00	5,266,862.97	5,627,425.42
Plant Operations and Maintenance	9,410,527.43	9,551,466.26	9,926,259.45	9,904,213.99	9,884,410.20	10,834,477.00	8,517,455.77	8,063,907.24
Pupil Transportation	5,345,570.31	5,442,376.57	5,697,972.81	6,399,689.75	6,083,227.75	5,993,688.00	5,733,638.74	5,861,437.15
Unallocated Benefits	31,412,671.58	29,439,055.40	32,242,427.88	29,206,286.95	23,218,986.08	21,297,286.00	19,734,224.57	17,643,503.92
<b>Capital Outlay</b>	<b>1,572,575.31</b>	<b>2,524,346.05</b>	<b>1,501,326.20</b>	<b>10,421,752.66</b>	<b>16,449,444.93</b>	<b>7,841,373.00</b>	<b>874,993.65</b>	<b>1,657,313.03</b>
Special Schools		64,844.70	78,519.96	69,392.57	61,569.52	58,473.00	58,334.57	250,888.91
Charter Schools	34,044.00			9,220.00				
<b>Debt Service:</b>								
Principal	3,455,000.00	3,539,281.17	3,462,263.18	3,380,522.30	3,368,946.57	2,482,900.00	3,336,332.45	3,341,603.04
Interest and Other Charges	1,662,587.50	1,824,968.60	1,913,396.47	2,123,032.60	2,287,435.65	1,659,427.00	2,058,851.84	2,264,471.96
Bond Issue Costs						337,630.00	276,467.81	
<b>Total Expenditures</b>	<b>141,564,903.69</b>	<b>137,910,582.55</b>	<b>137,670,836.88</b>	<b>141,998,770.82</b>	<b>138,845,795.23</b>	<b>126,087,389.00</b>	<b>112,421,179.37</b>	<b>108,689,699.98</b>
<b>Excess (Deficiency) of Revenues</b>								
Over (Under) Expenditures	174,041.56	(153,463.12)	(786,146.76)	(589,030.83)	(10,575,227.88)	(7,931,545.00)	2,199,725.77	(1,592,619.56)

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Eight Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Other Financing Sources (Uses):								
Capital Leases (Non-budgeted)	\$ 650,825.37	\$ 2,031,203.65	\$ 638,166.30	\$ 349,961.40	\$ 690,799.00	\$ 1,471,934.00	\$ 502,243.35	\$ 522,871.95
Cancellation of Accounts Receivable					(36,628.68)			
Cancellation of Accounts Payable		9,467.05	342,738.24	109,977.50	62,818.33	88,519.00	156,876.24	44,526.77
Proceeds from Sale of Bonds						16,271,000.00	28,525,000.00	
Premium on Bonds Issued ad Accrued Interest						337,630.00	2,287,680.95	
Payment to Refunding Bond Escrow Agent							(30,522,286.29)	
Sale of Capital Assets						420.00		
Reversal of Prior Year's Adjustments						5,731.00		
Litigation Settlement				(300,000.00)				
Operating Transfers	(984,728.61)	(810,971.16)	(759,179.33)	(795,036.52)	(420,757.32)	(832,248.00)	(776,632.12)	(546,260.82)
Total Other Financing Sources (Uses)	<u>(333,903.24)</u>	<u>1,229,699.54</u>	<u>221,725.21</u>	<u>(635,097.62)</u>	<u>296,231.33</u>	<u>17,342,986.00</u>	<u>172,882.13</u>	<u>21,137.90</u>
Net Change in Fund Balances	<u>\$ (159,861.68)</u>	<u>\$ 1,076,236.42</u>	<u>\$ (564,421.55)</u>	<u>\$ (1,224,128.45)</u>	<u>\$ (10,278,996.55)</u>	<u>\$ 9,411,441.00</u>	<u>\$ 2,372,607.90</u>	<u>\$ (1,571,481.66)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.7%	4.0%	3.9%	4.2%	4.6%	3.5%	4.8%	5.2%

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Adult School Tuition								\$ 28,561.00	\$ 24,321.00	\$ 22,228.50
Adult School Vocational Tuition								55,669.50	45,453.50	51,637.00
Donations								49,223.01		25,000.00
Driver's Education								87,466.00	78,207.00	74,824.00
Gate Receipts	\$ 23,511.00	\$ 23,933.00	\$ 27,552.00	\$ 26,304.00	\$ 30,000.00	\$ 23,733.00	\$ 19,995.00	25,344.00	16,151.00	13,177.00
Interest on Investments	95,121.98	287,728.58	380,139.53	579,344.25	519,041.77	384,795.00	166,451.53	192,661.67	290,221.65	696,830.36
Legal Settlement		43,633.31	227,000.00						47,930.25	
Miscellaneous	30,455.85	159,004.03	221,380.51	124,300.89	106,580.94	55,198.64	47,507.18	193,265.03	38,557.53	98,325.08
Tuition	252,111.65	140,367.11	82,105.36	168,261.46	117,504.00	63,135.36	40,443.50			
Miscellaneous Adult School								9,572.47	11,735.74	1,438.43
FEMA--Snow Removal	47,566.46									
Parking Fees								3,150.00		
Refund of Prior Year Expenditures	120,515.94	27,601.46	40,448.02	34,191.24	14,400.74	14,805.00	2,454.03	14,698.14	6,755.24	161,957.80
Rentals	29,142.85	33,984.60	29,333.00	29,531.00	25,865.50					
ROTC Reimbursements	65,218.86	98,159.83	94,980.43	87,521.43	88,056.33	84,291.00	80,409.97	73,152.55	64,698.56	59,781.99
Sale of Equipment	2,440.00	1,175.00	800.00				760.11			
Sale of Textbooks								1,400.20	4,245.00	
Telephone Commission					59.29	139.00	8.74	204.07	291.46	537.37
Use of Facilities						37,833.00	45,824.50	31,973.50	32,866.21	22,452.00
Workers Compensation Refund					422.20					
<b>Total Miscellaneous Revenues</b>	<b>\$ 666,084.59</b>	<b>\$ 815,586.92</b>	<b>\$ 1,103,738.85</b>	<b>\$ 1,049,454.27</b>	<b>\$ 901,930.77</b>	<b>\$ 663,930.00</b>	<b>\$ 403,854.56</b>	<b>\$ 766,341.14</b>	<b>\$ 661,434.14</b>	<b>\$ 1,228,189.53</b>

Source: District Records

## Revenue Capacity Information

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Real Property Exempt from Taxation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2010	\$ 29,861,400.00	\$ 2,078,568,200.00	\$ 4,517,700.00	\$ 409,036,800.00	\$ 6,167,100.00	\$ 39,304,000.00	\$ 2,567,455,200.00	\$ 5,192,362.00	\$ 2,572,647,562.00	\$ 206,521,900.00	\$ 5,261,178,689.00	\$ 2.93
2009	31,578,200.00	2,092,663,100.00	5,223,900.00	403,761,300.00	6,167,100.00	39,674,000.00	2,579,067,600.00	4,206,655.00	2,583,274,255.00	193,936,900.00	5,324,251,858.00	2.79
2008	33,660,800.00	2,093,518,500.00	5,214,800.00	392,870,100.00	6,167,100.00	38,105,200.00	2,569,536,500.00	4,017,465.00	2,573,553,965.00	192,940,900.00	5,137,731,975.00	2.68
2007	34,918,100.00	2,089,670,700.00	5,343,700.00	389,647,400.00	5,945,200.00	37,917,000.00	2,563,442,100.00	4,117,383.00	2,567,559,483.00	189,650,900.00	4,840,866,053.00	2.51
2006	30,326,000.00	2,079,233,300.00	5,633,700.00	380,243,000.00	5,945,200.00	37,917,000.00	2,539,298,200.00	4,488,586.00	2,543,786,786.00	189,262,000.00	4,270,248,088.00	2.36
2005	33,868,400.00	2,056,678,800.00	5,648,200.00	370,029,400.00	5,945,200.00	39,750,300.00	2,511,920,300.00	5,477,728.00	2,517,398,028.00	187,227,600.00	3,713,524,160.00	2.21
2004	34,480,300.00	2,037,628,100.00	6,007,700.00	359,094,500.00	5,945,200.00	38,959,200.00	2,482,115,000.00	6,589,452.00	2,488,704,452.00	188,919,400.00	3,668,066,071.00	2.15
2003	41,741,000.00	1,985,634,700.00	6,336,700.00	353,719,100.00	5,945,200.00	38,959,200.00	2,432,335,900.00	7,558,824.00	2,439,894,724.00	185,704,600.00	3,184,591,086.00	2.10
2002	55,613,000.00	1,907,259,400.00	6,791,700.00	348,840,900.00	5,945,200.00	38,959,200.00	2,363,409,400.00	7,917,484.00	2,371,326,884.00	187,460,800.00	2,859,865,595.00	1.94
2001	52,439,400.00	1,846,173,200.00	6,761,900.00	337,305,200.00	5,945,200.00	38,959,200.00	2,287,584,100.00	8,009,769.00	2,295,593,869.00	184,019,800.00	2,562,542,544.00	1.82

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

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

Source: Camden County Board of Taxation

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

*Unaudited*

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Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	<u>Township of Washington</u>	Township of Washington <u>Fire District</u>	<u>Gloucester County</u>	
2010	\$ 2.794	\$ 0.131	\$ 2.925	\$ 1.041	\$ 0.196	\$ 1.129	\$ 5.291
2009	2.659	0.128	2.786	0.961	0.195	1.136	5.078
2008	2.551	0.129	2.681	0.926	0.196	1.119	4.922
2007	2.378	0.129	2.507	0.836	0.182	1.039	4.564
2006	2.222	0.134	2.356	0.836	0.165	0.994	4.351
2005	2.096	0.114	2.210	0.889	0.156	0.816	4.071
2004	2.047	0.104	2.151	0.788	0.156	0.816	3.911
2003	1.974	0.124	2.098	0.773	0.140	0.755	3.766
2002	1.810	0.130	1.940	0.654	0.139	0.699	3.432
2001	1.685	0.137	1.822	0.654	0.130	0.674	3.280

Source: Municipal Tax Collector

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
*Unaudited*

<u>Taxpayer</u>	2010			2001		
	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>
Turnersville Auto Mall	\$ 25,423,400.00	1	0.99%			
Centro Bradley Crosskeys Commons LLC	12,274,700.00	2	0.48%			
Wal-Mart Property Tax Department	10,500,000.00	3	0.41%			
National Realty and Development Co	9,000,000.00	4	0.35%	\$ 11,000,000.00	3	0.48%
HD Development of Maryland	8,000,000.00	5	0.31%	9,288,200.00	7	0.40%
Rosen Turnersville LLC	7,959,100.00	6	0.31%			
Target Co	7,511,500.00	7	0.29%	7,900,000.00	8	0.34%
Birches Realty	7,500,000.00	8	0.29%	7,500,000.00	10	0.33%
Washington Center LLC	7,500,000.00	9	0.29%	9,778,800.00	6	0.43%
Turnersville Interstate LLC	7,491,700.00	10	0.29%			
American Continental Properties				25,280,900.00	1	1.10%
Society Hill Apartments				15,000,000.00	2	0.65%
Lustgarten, Martin				10,996,400.00	4	0.48%
Lowes				10,802,100.00	5	0.47%
United Artists				7,765,100.00	9	0.34%
<b>Total</b>	<u>\$ 103,160,400.00</u>		<u>4.01%</u>	<u>\$ 115,311,500.00</u>		<u>5.21%</u>

Source: Municipal Tax Assessor

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 72,063,215.00	\$ 72,063,215.00	100.00%	-
2009	71,887,626.00	71,887,626.00	100.00%	-
2008	66,120,173.00	66,120,173.00	100.00%	-
2007	62,626,942.00	62,626,942.00	100.00%	-
2006	57,202,823.00	57,202,823.00	100.00%	-
2005	54,094,302.00	54,094,302.00	100.00%	-
2004	52,938,592.00	52,938,592.00	100.00%	-
2003	49,424,299.00	49,424,299.00	100.00%	-
2002	42,555,774.00	42,555,774.00	100.00%	-
2001	41,060,955.00	41,060,955.00	100.00%	-

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

Source: District Records

## Debt Capacity Information

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases			
2010	\$ 34,885,000.00	\$ 1,909,166.23	\$ 36,794,166.23	Unavailable	\$ 706.29
2009	38,340,000.00	2,088,309.60	40,428,309.60	Unavailable	776.91
2008	41,879,281.17	1,220,293.17	43,099,574.34	2.12%	829.56
2007	44,867,544.36	1,238,932.51	46,106,476.87	2.39%	892.95
2006	48,248,066.66	1,490,212.77	49,738,279.43	2.67%	964.07
2005	51,617,013.23	1,481,946.86	53,098,960.09	2.99%	1,026.21
2004	37,853,991.02	783,397.69	38,637,388.71	2.29%	750.98
2003	41,115,323.47	1,090,728.79	42,206,052.26	2.69%	835.76
2002	44,456,926.51	1,455,617.59	45,912,544.10	3.05%	928.18
2001	47,793,449.02	1,220,464.66	49,013,913.68	3.43%	1,012.81

## Sources:

(1) District Records

(2) Personal income has been estimated based upon the municipal population and per capita personal income

(3) Per Capita calculation based upon population data provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2010	\$ 34,885,000.00	-	\$ 34,885,000.00	1.36%	\$ 669.64
2009	38,340,000.00	-	38,340,000.00	1.48%	736.78
2008	41,879,281.17	-	41,879,281.17	1.63%	806.07
2007	44,867,544.36	-	44,867,544.36	1.75%	868.95
2006	48,248,066.66	-	48,248,066.66	1.90%	935.19
2005	51,617,013.23	-	51,617,013.23	2.05%	997.57
2004	37,853,991.02	-	37,853,991.02	1.52%	735.76
2003	41,115,323.47	-	41,115,323.47	1.69%	814.16
2002	44,456,926.51	-	44,456,926.51	1.87%	898.76
2001	47,793,449.02	-	47,793,449.02	2.08%	987.59

**Sources:**

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development



**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized Valuation Basis (1)
2009	\$ 5,284,974,590
2008	5,304,575,764
2007	<u>5,108,493,623</u>
	<u>\$ 15,698,043,977</u>
Average equalized valuation of taxable property	<u>\$ 5,232,681,326</u>
Debt limit (3% of average equalization value) (2)	\$ 156,980,440
Total Net Debt Applicable to Limit	<u>34,885,000</u>
Legal Debt Margin	<u>\$ 122,095,440</u>

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limit	\$ 156,980,439.77	\$ 202,590,330.80	\$ 188,086,039.32	\$ 162,080,181.12	\$ 147,403,503.79	\$ 129,206,093.00	\$ 114,446,842.00	\$ 103,741,561.00	\$ 95,320,570.00	\$ 89,882,228.00
Total net debt applicable to limit (3)	<u>34,885,000.00</u>	<u>38,340,000.00</u>	<u>41,879,281.17</u>	<u>44,867,544.36</u>	<u>48,248,066.66</u>	<u>51,617,013.23</u>	<u>37,853,991.02</u>	<u>41,115,323.47</u>	<u>44,456,926.51</u>	<u>47,793,449.02</u>
Legal debt margin	<u>\$ 122,095,439.77</u>	<u>\$ 164,250,330.80</u>	<u>\$ 229,965,320.49</u>	<u>\$ 117,212,636.76</u>	<u>\$ 99,155,437.13</u>	<u>\$ 77,589,079.77</u>	<u>\$ 76,592,850.98</u>	<u>\$ 62,626,237.53</u>	<u>\$ 50,863,643.49</u>	<u>\$ 42,088,778.98</u>
Total net debt applicable to the limit as a percentage of debt limit	22.22%	18.92%	34.25%	27.68%	32.73%	39.95%	33.08%	39.63%	46.64%	53.17%

Sources:  
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.  
 (2) Limit set by NJSA 18A:24-19 for a K through 12 district.  
 (3) District Records

## Demographic and Economic Information

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
*Unaudited*

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	County of Camden <u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2010	52,095	Unavailable	Unavailable	7.2%
2009	52,037	Unavailable	Unavailable	1.9%
2008	51,955	\$ 2,028,323,200.00	\$ 39,040.00	4.3%
2007	51,634	1,927,548,854.00	37,331.00	4.3%
2006	51,592	1,862,883,936.00	36,108.00	1.9%
2005	51,743	1,777,216,821.00	34,347.00	1.8%
2004	51,449	1,690,356,895.00	32,855.00	4.9%
2003	50,500	1,569,489,500.00	31,079.00	4.1%
2002	49,465	1,504,576,905.00	30,417.00	3.9%
2001	48,394	1,428,155,334.00	29,511.00	2.9%

Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita Personal Income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Principal Non-Governmental Employers  
 Current Year and Nine Years Ago  
*Unaudited*

<u>Employer</u>	<u>2010 (1)</u>			<u>2001 (1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
	-		-	-		-

(1) Information not available

Source: Individual Employers

## Operating Information

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

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

<b>Function/Program</b>	Fiscal Year Ended June 30,									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Instruction	861.00	780.50	807.30	837.30	882.00	884.30	874.70	890.40	889.30	866.80
Support Services:										
Tuition										
Student and Instruction Related Services	248.00	243.60	243.90	225.50	236.70	244.70	227.30	221.60	222.00	221.00
Other Administrative Services	41.00	40.00	42.80	43.00	41.50	47.50	42.00	42.00	36.00	36.00
School Administrative Services	75.00	81.40	84.00	85.70	88.70	88.00	93.00	93.20	85.40	84.60
Plant Operations and Maintenance	114.00	115.50	116.50	113.20	115.20	112.80	116.40	115.00	109.40	110.40
Pupil Transportation	83.00	57.00	63.20	64.40	66.10	66.90	67.10	69.20	61.40	61.40
Special Schools	57.00							1.00	1.00	1.00
Food Service	57.00	62.00	62.00	62.00	58.00	58.00	58.00	58.00	58.00	58.00
Child Care Program	3.80	3.80	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Center for the Performing Arts	1.00	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.00	1.00
<b>Total</b>	<u><u>1,540.80</u></u>	<u><u>1,385.80</u></u>	<u><u>1,425.70</u></u>	<u><u>1,437.10</u></u>	<u><u>1,494.20</u></u>	<u><u>1,508.20</u></u>	<u><u>1,484.00</u></u>	<u><u>1,495.90</u></u>	<u><u>1,467.50</u></u>	<u><u>1,444.20</u></u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	High				
2010	8,767	\$ 134,874,740.88	\$ 15,384.37	3.20%	923	1:24	1:26	1:24	8,502	8,140	-1.49%	95.80%
2009	8,722	130,021,986.73	14,907.36	3.55%	924	1:20	1:22	1:20	8,631	8,251	-2.47%	95.60%
2008	9,085	130,793,851.03	14,396.68	6.15%	924	1:18	1:16	1:19	8,849	8,441	-1.93%	95.38%
2007	9,296	126,073,463.26	13,562.12	14.50%	933	1:21	1:18	1:20	9,024	8,623	-3.46%	95.56%
2006	9,605	113,766,059.00	11,844.46	8.54%	930	1:22	1:24	1:21	9,347	8,953	-2.22%	95.78%
2005	9,702	105,874,533.62	10,912.65	5.89%	963	1:22	1:24	1:19	9,559	9,115	-3.36%	95.36%
2004	9,842	101,426,311.95	10,305.46	8.71%	928	1:22	1:24	1:21	9,891	9,410	-0.57%	95.14%
2003	9,939	94,219,743.45	9,479.80	5.77%	905	1:22	1:26	1:19	9,948	9,499	1.58%	95.49%
2002	9,740	87,299,967.29	8,963.04	6.58%	887	1:20	1:21	1:17	9,793	9,318	2.02%	95.15%
2001	9,587	80,623,202.35	8,409.64	2.43%	839	1:22	1:22	1:19	9,599	9,143	1.97%	95.25%

Sources: District Records

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
School District Building:										
Elementary:										
Bells Elementary School (1967)	62,617	62,617	62,617	62,617	62,617	62,617	62,617	62,617	62,617	62,617
Square Feet	675	675	675	675	675	675	675	675	675	675
Capacity (students)	567	566		603	603	633	647	630	633	596
Enrollment										
Birches Elementary School (1968)	62,411	62,411	62,411	62,411	62,411	62,411	62,411	62,411	62,411	62,411
Square Feet	675	675	675	675	675	675	675	675	675	675
Capacity (students)	528	514	551	569	569	580	584	592	625	638
Enrollment										
Grenloch Terrace Early Childhood Center (1936)	31,139	31,139	31,139	31,139	31,139	31,139	31,139	31,139	31,139	31,139
Square Feet	600	600	600	600	600	600	600	600	600	600
Capacity (students)	564	585	604	577	577	629	582	514	614	659
Enrollment										
Hurffville Elementary School (1957)	65,082	65,082	65,082	65,082	65,082	65,082	65,082	65,082	65,082	65,082
Square Feet	675	675	675	675	675	675	675	675	675	675
Capacity (students)	533	500	507	486	486	511	534	521	567	598
Enrollment										
Thomas Jefferson Elementary School (1980)	81,896	81,896	81,896	81,896	81,896	81,896	81,896	81,896	81,896	81,896
Square Feet	675	675	675	675	675	675	675	675	675	675
Capacity (students)	459	459	472	491	491	524	558	600	602	605
Enrollment										
Wedgwood Elementary School (1970)	64,956	64,956	64,956	64,956	64,956	64,956	64,956	64,956	64,956	64,956
Square Feet	675	675	675	675	675	675	675	675	675	675
Capacity (students)	509	523	517	573	573	565	611	611	611	658
Enrollment										
Whitman Elementary School (1965)	67,415	67,415	67,415	67,415	67,415	67,415	67,415	67,415	67,415	67,415
Square Feet	675	675	675	675	675	675	675	675	675	675
Capacity (students)	576	592	615	623	623	619	615	623	577	582
Enrollment										

(Continued)

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
School District Building:										
Middle School:										
Bunker Hill Middle School (1997)										
Square Feet	125,056	125,056	125,056	125,056	125,056	125,056	125,056	125,056	125,056	125,056
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	775	750	767	837	837	791	815	836	829	809
Chestnut Ridge Middle School (1989)										
Square Feet	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	660	697	720	735	735	762	848	881	909	783
School District Building (Cont'd):										
Middle School (Cont'd):										
Orchard Valley Middle School (1989)										
Square Feet	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	671	689	734	725	725	729	777	796	801	783
High School:										
Washington Tonship High School (1962)										
Square Feet	427,011	427,011	427,011	427,011	427,011	427,011	427,011	427,011	427,011	427,011
Capacity (students)	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Enrollment	2,646	2,757	2,866	3,045	3,045	3,052	3,040	2,971	2,892	2,766
Number of Schools at June 30, 2010										
Elementary = 7										
Middle School = 3										
High School = 1										

Source: District Records

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Nine Fiscal Years  
*Unaudited*

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

School Facilities	Project Number	Fiscal Year Ended June 30,								
		2010	2009	2008	2007	2006	2005	2004	2003	2002
Bells Elementary School	N/A	\$ 55,744.00	\$ 51,350.79	\$ 73,114.68	\$ 81,647.00	\$ 86,538.75	\$ 102,302.00	\$ 67,525.81	\$ 83,676.50	\$ 73,318.00
Birches Elementary School	N/A	55,560.00	51,181.86	72,874.15	81,380.00	77,438.87	107,118.00	71,978.89	91,462.31	73,077.00
Bunker Hill Middle School	N/A	111,329.00	102,555.61	150,586.52	164,399.00	149,508.71	101,120.00	161,648.13	160,971.65	149,692.00
Chestnut Ridge Middle School	N/A	95,255.00	87,748.29	124,938.45	141,790.00	104,635.69	101,622.00	128,339.72	123,859.31	127,409.00
Grenloch Terrace Early Childhood Center	N/A	27,956.00	25,536.39	36,359.42	41,534.00	77,101.16	84,347.00	48,387.24	58,538.19	34,703.00
Hurffville Elementary School	N/A	57,938.00	53,372.28	75,992.94	88,864.00	96,125.49	93,753.00	100,939.52	89,789.63	76,204.00
Orchard Valley Middle School	N/A	95,255.00	87,748.29	124,938.45	140,007.00	204,716.21	50,505.00	124,566.01	162,678.28	127,409.00
Thomas Jefferson Elementary School	N/A	72,906.00	67,161.07	95,625.79	108,277.00	133,896.58	165,101.00	77,036.28	97,583.68	84,768.00
Washington Township High School	N/A	384,616.59	361,272.23	506,331.36	562,142.00	696,273.62	181,120.00	494,291.60	467,909.48	409,430.00
Wedgwood Elementary School	N/A	57,826.00	53,268.96	75,845.81	83,846.00	90,746.46	154,473.00	71,794.97	89,651.34	76,057.00
Whitman Elementary School	N/A	60,015.00	55,285.53	78,717.06	88,595.00	82,126.61	584,222.00	86,509.67	94,679.46	79,153.00
Total School Facilities		<u>1,074,400.59</u>	<u>996,481.30</u>	<u>1,415,324.63</u>	<u>1,582,481.00</u>	<u>1,799,108.15</u>	<u>1,725,683.00</u>	<u>1,433,017.84</u>	<u>1,520,799.83</u>	<u>1,311,220.00</u>
Other Facilities	N/A					33,439.87	41,421.70	36,867.29	35,727.76	54,716.48
Total		<u>\$ 1,074,400.59</u>	<u>\$ 996,481.30</u>	<u>\$ 1,415,324.63</u>	<u>\$ 1,582,481.00</u>	<u>\$ 1,832,548.02</u>	<u>\$ 1,767,104.70</u>	<u>\$ 1,469,885.13</u>	<u>\$ 1,556,527.59</u>	<u>\$ 1,365,936.48</u>

Source: District Records

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Insurance Schedule  
June 30, 2010  
Unaudited

<u>Type of Coverage</u>	<u>Insurance Company</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy Property, Inland Marine, Automobile Physical Damage	SPELL JIF, Selective Insurance Company of America, Axis Surplus Insurance Company, United National Insurance Company, Max Speciality Insurance Comapny, Alliance Global Risk US Insurance Company, RSUI Indemnity Company	\$ 150,000,000.00	\$ 500.00
General Liability Automobile Liability, Educator's Legal Liability	SPELL JIF, Selective Insurance Company	10,000,000.00	None
Boiler And Machinery	Travelers Insurance Company	100,000,000.00	1,000.00
Crime	SPELL JIF, Selective Insurance Company of America, Axis Surplus Insurance Company, United National Insurance Company, Max Speciality Insurance Comapny, Alliance Global Risk US Insurance Company, RSUI Indemnity Company	500,000.00	500.00
Pollution Legal Liability	ACE American Insurance Company	3,000,000.00	25,000.00
Workers' Compensation	SPELL JIF, Selective Insurance Company	Statutory	None
Treasurer's Bond	Western Surety Company	499,000.00	None
Board Secretary's Bond	Western Surety Company	10,000.00	None
Driving School Bond	Western Surety Company	10,000.00	None
Student Accident Policy Compulsory Catastrophic Catastrophic Cash Benefit	Monumental Life Insurance Company	1,000,000.00 Included 1,500,000.00	None None

Source: School District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE 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  
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

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

**Compliance**

We have audited the Township of Washington School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2010. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and 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 School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

**Internal Control Over Compliance**

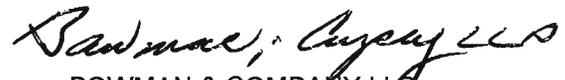
Management of the Township of Washington School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the 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 State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 the audit committee, management of the School District, the Division of Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Stephen E. Ryan  
Certified Public Accountant  
Public School Accountant No. CS 01098

Voorhees, New Jersey  
November 10, 2010

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**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2010

<u>Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Project Number</u>	<u>Award Amount</u>	<u>Grant Period</u>	
				<u>From</u>	<u>To</u>
General Fund:					
U.S. Department of Education:					
Passed-through the State Department of Education:					
ARRA--SFSF - ESF (Educ. State Grants)	84.394	N/A	\$ 6,820,082.00	7-1-09	6-30-10
ARRA--SFSF - GSF (Government Services)	84.397	N/A	264,016.00	7-1-09	6-30-10
United States Air Force:					
Air Force Junior ROTC	99.XXX	NJ080932	65,218.86	7-1-09	6-30-10
Air Force Junior ROTC	99.XXX	NJ080932	9,060.03	7-1-08	6-30-09
U.S. Department of Homeland Security:					
Passed-through the State Department of Education:					
Disaster Assistance Projects	97.XXX	N/A	47,566.46	7-1-09	6-30-10
U.S. Department of Health and Human Services:					
Passed-through the State Department of Education:					
Special Education--Medicaid Initiative	93.778	N/A	81,180.71	7-1-09	6-30-10
Total General Fund					
Special Revenue Fund:					
U.S. Department of Education:					
Passed-through State Department of Education:					
N.C.L.B.:					
Title I	84.010	NCLB552009	394,684.22	9-1-08	8-31-09
Title I	84.010	NCLB552010	311,324.00	9-1-09	8-31-10
Title II - Part A	84.367	NCLB552009	172,577.03	9-1-08	8-31-09
Title II - Part A	84.367	NCLB552010	222,046.00	9-1-09	8-31-10
Title II - Part D	84.318	NCLB552009	2,516.00	9-1-08	8-31-09
Title II - Part D	84.318	NCLB552010	2,851.00	9-1-09	8-31-10
Title III	84.365	NCLB552009	20,485.84	9-1-08	8-31-09
Title III	84.365	NCLB552010	12,954.00	9-1-09	8-31-10
Title IV	84.186	NCLB552009	21,667.77	9-1-08	8-31-09
Title IV	84.186	NCLB552010	17,177.00	9-1-09	8-31-10
Title V	84.298	NCLB552010	46,812.41	9-1-08	8-31-09
I.D.E.I.A. Part B:					
Basic	84.027	IDEIA552009	2,229,862.54	9-1-08	8-31-09
Basic	84.027	IDEIA552010	2,290,696.00	9-1-09	8-31-10
ARRA--Basic	84.391	ARRA552010	1,953,803.00	7-1-09	8-31-11
Pre-School	84.173	IDEIA552009	91,952.00	9-1-08	8-31-09
Pre-School	84.173	IDEIA552010	105,473.00	9-1-09	8-31-10
ARRA--Preschool	84.392	ARRA552010	70,500.00	7-1-09	8-31-11
Teaching American History	84.215X	N/A	166,665.00	7-1-09	2-28-11
Carl D. Perkins Vocational and Technical					
Education Act of 1998 - Secondary	84.048A	PERK552009	38,776.00	7-1-08	6-30-09
Education Act of 1998 - Secondary	84.048A	PERK552009	41,240.00	7-1-09	6-30-10
Total Special Revenue Fund					
Enterprise Fund:					
U.S. Department of Agriculture:					
Passed-through State Department of Education:					
National School Lunch Program	10.555	N/A	464,632.48	7-1-08	6-30-09
National School Lunch Program	10.555	N/A	533,387.37	7-1-09	6-30-10
National School Breakfast Program	10.553	N/A	43,610.40	7-1-08	6-30-09
National School Breakfast Program	10.553	N/A	54,440.48	7-1-09	6-30-10
Special Milk Program	10.556	N/A	6,767.44	7-1-08	6-30-09
Special Milk Program	10.556	N/A	5,328.68	7-1-09	6-30-10
Food Distribution Program	10.555	N/A	118,091.39	7-1-08	6-30-09
Food Distribution Program	10.555	N/A	159,431.00	7-1-09	6-30-10
Total Enterprise Fund:					
Total Federal Financial Assistance					

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
 (B) Realized as Miscellaneous Revenue

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

Balance <u>June 30, 2009</u>	Carry-over <u>Amount</u>	Cash <u>Received</u>	<u>Adjustments (A)</u>	Budgetary <u>Expenditures</u>	Repayment of Prior Years' <u>Balances</u>	Balance at June 30, 2010		
						<u>Accounts Receivable</u>	<u>Deferred Revenue</u>	<u>Due to Grantor</u>
		\$ 6,820,082.00		\$ 6,820,082.00				
		264,016.00		264,016.00				
		59,142.10		65,218.86 (B)		\$ (6,076.76)		
		9,060.03	\$ (9,060.03)					
				47,566.46 (B)		(47,566.46)		
		79,881.62	(31,552.17)	81,180.71		(32,851.26)		
-	-	7,232,181.75	(40,612.20)	7,278,064.03	-	(86,494.48)	-	-
\$ (114,929.79)	\$ (34,628.00)	210,908.00	0.42	61,350.63				
	34,628.00	126,195.00	225.00	218,184.62		(57,136.62)		
(38,114.82)	(12,300.00)	58,315.00	0.30	7,900.48				
	12,300.00	135,338.00	819.27	207,867.52		(59,410.25)		
(278.99)		301.00	(0.01)	22.00				
		720.00	(595.00)	2,812.00		(2,687.00)		
(4,532.95)	(1,119.11)	12,796.00		7,143.94				
	1,119.11		577.00	5,291.17		(3,595.06)		
1,171.39	(1,525.39)	504.00		150.00				
	1,525.39	14,934.00		17,175.57		(716.18)		
(4,486.28)		24,867.00	1.00	20,381.72				
(378,812.12)	(278,308.00)	683,069.00	(0.10)	25,948.78				
	278,308.00	718,528.00	(50,120.84)	2,217,802.50		(1,271,087.34)		
		397,380.00		465,491.81		(68,111.81)		
4,969.81	(7,116.00)	2,146.00	0.19					
	7,116.00	80,682.00	(16,503.00)	97,928.50		(26,633.50)		
		2,619.00		2,619.00				
		119,621.61		128,446.86		(8,825.25)		
(23,565.00)		23,565.00						
		27,720.00	12.10	41,240.00		(13,507.90)		
(558,578.75)	-	2,640,208.61	(65,583.67)	3,527,757.10	-	(1,511,710.91)	-	-
(26,700.90)		26,700.90						
		492,999.35		533,387.37		(40,388.02)		
(2,985.60)		2,985.60						
		49,895.26		54,440.48		(4,545.22)		
(428.26)		428.26						
		4,898.90		5,328.68		(429.78)		
34,486.30				34,486.30				
		157,367.57		124,944.70			\$ 32,422.87	
4,371.54	-	735,275.84	-	752,587.53	-	(45,363.02)	32,422.87	-
\$ (554,207.21)	\$ -	\$ 10,607,666.20	\$ (106,195.87)	\$ 11,558,408.66	\$ -	\$ (1,643,568.41)	\$ 32,422.87	\$ -

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2010

State Grantor/ Program Title	State Project Number	Award Amount	Matching	Grant Period		Balance at June 30, 2009	
				From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor
<b>General Fund:</b>							
State Department of Education:							
Transportation Aid	10-495-034-5120-014	\$ 2,766,205.00	N/A	7-1-09	6-30-10		
Transportation Aid	09-495-034-5120-014	2,371,679.00	N/A	7-1-08	6-30-09	\$ (227,028.63)	
Nonpublic School Transportation Aid	10-495-034-5120-014	89,962.00	N/A	7-1-09	6-30-10		
Nonpublic School Transportation Aid	09-495-034-5120-014	133,707.71	N/A	7-1-08	6-30-09	(133,707.71)	
Equalization Aid	10-495-034-5120-078	31,958,342.00	N/A	7-1-09	6-30-10		
Equalization Aid	09-495-034-5120-078	39,941,017.00	N/A	7-1-08	6-30-09	(3,823,348.13)	
Adjustment Aid	10-495-034-5120-085	5,596,768.00	N/A	7-1-09	6-30-10		
Adjustment Aid	09-495-034-5120-085	5,185,972.00	N/A	7-1-08	6-30-09	(496,426.43)	
Special Education Categorical Aid	10-495-034-5120-089	4,298,140.00	N/A	7-1-09	6-30-10		
Special Education Categorical Aid	09-495-034-5120-089	4,269,961.00	N/A	7-1-08	6-30-09	(408,741.41)	
Security Aid	10-495-034-5120-084	681,586.00	N/A	7-1-09	6-30-10		
Security Aid	09-495-034-5120-084	661,943.00	N/A	7-1-08	6-30-09	(63,364.40)	
Extraordinary Special Education Costs Aid	10-100-034-5120-473	1,864,860.00	N/A	7-1-09	6-30-10		
Extraordinary Special Education Costs Aid	09-100-034-5120-473	1,645,940.00	N/A	7-1-08	6-30-09	(873,037.00)	
Payment for Institutionalized Children - Unknown District of Residence	10-495-034-5120-078	94,815.22	N/A	7-1-09	6-30-10		
Payment for Institutionalized Children - Unknown District of Residence	10-495-034-5120-005	13,707.00	N/A	7-1-08	6-30-09		
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	4,505,920.67	N/A	7-1-09	6-30-10		
Reimbursed TPAF Social Security Contributions	09-495-034-5095-002	4,410,708.15	N/A	7-1-08	6-30-09	(219,962.21)	
<b>Total General Fund</b>						<b>(6,245,615.92)</b>	<b>-</b>
<b>Special Revenue Fund:</b>							
State Department of Education:							
Nonpublic Aid:							
Nursing Services	10-100-034-5120-070	18,143.00	N/A	7-1-09	6-30-10		
Nursing Services	09-100-034-5120-070	11,657.20	N/A	7-1-08	6-30-09	\$ 2,316.80	
Textbook Aid (Ch. 194, L. 1977)	10-100-034-5120-064	15,298.00	N/A	7-1-09	6-30-10		
Textbook Aid (Ch. 194, L. 1977)	09-100-034-5120-064	7,263.00	N/A	7-1-08	6-30-09		4,471.17
Technology Initiative Aid	09-100-034-5120-373	5,080.00	N/A	7-1-08	6-30-09		3,341.40
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education		26,487.00	N/A	7-1-09	6-30-10		
Transportation and Maintenance		6,579.00	N/A	7-1-09	6-30-10		
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	09-100-034-5120-067	30,059.00	N/A	7-1-08	6-30-09		
Transportation and Maintenance		4,482.90	N/A	7-1-08	6-30-09		3.70
Handicapped Services (Ch. 193, L. 1977)							
Corrective Speech	10-100-034-5120-066	33,177.00	N/A	7-1-09	6-30-10		
Examination and Classification		14,073.00	N/A	7-1-09	6-30-10		
Supplementary Instruction		4,699.00	N/A	7-1-09	6-30-10		
Handicapped Services (Ch. 193, L. 1977)							
Corrective Speech	09-100-034-5120-066	34,875.00	N/A	7-1-08	6-30-09		
Examination and Classification		15,161.70	N/A	7-1-08	6-30-09		2,084.30
Supplementary Instruction		1,652.00	N/A	7-1-08	6-30-09		826.02
<b>Total Special Revenue Fund</b>						<b>-</b>	<b>13,043.39</b>
<b>Capital Projects Fund:</b>							
New Jersey Economic Development Authority:							
Additional State School Building Aid--							
High School Air Conditioning/Security	5500-010-05-1000	3,345,967.00	6,269,109.00		Project End	117,020.18	
Bells Elementary Air Conditioning/Security	5500-025-05-1000	965,244.00	960,282.00		Project End	294.38	
Birches Elementary Air Conditioning/Security	5500-027-05-1000	965,244.00	960,282.00		Project End	6,986.83	
Wedgewood Elementary Air Conditioning/Security	5500-060-05-1000	859,321.00	866,280.00		Project End	3,659.31	
Whitman Elementary Air Conditioning/Security	5500-070-05-1000	965,244.00	960,282.00		Project End	8,322.60	
Wedgewood Elementary Reroofing	5500-060-05-2000	127,800.00	117,985.00		Project End	1,275.00	
High School Reroofing	5500-010-05-3000	107,001.00	98,790.00		Project End	48,495.83	
High School Science Labs	5500-010-05-3000	430,963.00	397,890.00		Project End	177,916.29	
High School Roof	5500-010-09-1001	229,824.00	320,007.00		Project End		
<b>Total Capital Projects Fund</b>						<b>363,970.42</b>	<b>-</b>
<b>Debt Service Fund:</b>							
State Department of Education:							
State Support	10-495-034-5120-017	1,856,823.00	N/A	7-1-09	6-30-10	-	-
<b>Enterprise Fund:</b>							
State School Lunch Aid	10-100-010-3350-023	33,025.38	N/A	7-1-09	6-30-10		
State School Lunch Aid	09-100-010-3350-023	31,975.56	N/A	7-1-08	6-30-09	(1,783.92)	
State School Breakfast Aid	10-100-010-3350-021	4,699.30	N/A	7-1-09	6-30-10		
State School Breakfast Aid	09-100-010-3350-021	4,113.10	N/A	7-1-08	6-30-09	(284.00)	
<b>Total Enterprise Fund</b>						<b>(2,067.92)</b>	<b>-</b>
<b>Total State Financial Assistance</b>						<b>\$ (5,883,713.42)</b>	<b>\$ 13,043.39</b>

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

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

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2010			Memo	
					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2010	Cumulative Total Expenditures
	\$ 2,450,778.00		\$ 2,766,205.00		\$ (315,427.00)			\$ (315,427.00)	\$ 2,766,205.00
	227,028.63				(89,962.00)				89,962.00
	133,707.71								
	28,314,171.00		31,958,342.00		(3,644,171.00)			(3,644,171.00)	31,958,342.00
	3,823,348.13								
	4,958,575.00		5,596,768.00		(638,193.00)			(638,193.00)	5,596,768.00
	496,426.43								
	3,808,028.00		4,298,140.00		(490,112.00)			(490,112.00)	4,298,140.00
	408,741.41								
	603,866.00		681,586.00		(77,720.00)			(77,720.00)	681,586.00
	63,364.40								
	873,037.00		1,864,860.00		(1,864,860.00)				1,864,860.00
			94,815.22		(94,815.22)				94,815.22
	13,707.00	\$ (13,707.00)							
	4,282,487.62		4,505,920.67		(223,433.05)				4,505,920.67
	219,962.21								
-	50,677,228.54	(13,707.00)	51,856,598.89	-	(7,438,693.27)	-	-	(5,165,623.00)	51,856,598.89
	18,143.00		15,594.40				\$ 2,548.60		15,594.40
	15,298.00	0.20	6,444.83	\$ 2,317.00			8,853.17		6,444.83
		(0.17)		4,471.00					
		(0.40)		3,341.00					
	26,487.00		26,487.00						26,487.00
	6,579.00		6,579.00						6,579.00
		(0.70)		3.00					
	33,177.00		32,371.24				805.76		32,371.24
	14,073.00		8,958.25				5,114.75		8,958.25
	4,699.00		4,688.94				10.06		4,688.94
		(0.30)		2,084.00					
		(0.02)		826.00					
-	118,456.00	(1.39)	101,123.66	13,042.00	-	-	17,332.34	-	101,123.66
						\$ 117,020.18			9,498,055.82
						294.38			1,925,231.62
						6,986.83			1,918,539.17
						3,659.31			1,721,941.69
						8,322.60			1,917,203.40
						1,275.00			244,510.00
			93,276.48			48,495.83			157,295.17
	320,007.00	229,824.00	542,401.26			84,639.81			744,213.19
						7,429.74			542,401.26
-	320,007.00	229,824.00	635,677.74	-	-	278,123.68	-	-	18,669,391.32
-	1,856,823.00	-	1,856,823.00	-	-	-	-	-	1,856,823.00
	30,566.58		33,025.38		(2,458.80)				33,025.38
	1,783.92								
	4,297.10		4,699.30		(402.20)				4,699.30
	284.00								
-	36,931.60	-	37,724.68	-	(2,861.00)	-	-	-	37,724.68
\$ -	\$ 53,009,446.14	\$ 216,115.61	\$ 54,487,947.97	\$ 13,042.00	\$ (7,441,554.27)	\$ 278,123.68	\$ 17,332.34	\$ (5,165,623.00)	\$ 72,521,661.55

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2010

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**Note 1: GENERAL**

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

**Note 2: BASIS OF ACCOUNTING**

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

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

No adjustment is required to reconcile expenditures from the budgetary basis to the GAAP basis for the general fund. See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the special revenue fund.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 7,165,278.71	\$ 56,114,803.89	\$ 63,280,082.60
Special Revenue	3,514,557.16	101,123.66	3,615,680.82
Capital Projects		229,824.00	229,824.00
Debt Service		1,856,823.00	1,856,823.00
Food Service	<u>752,587.53</u>	<u>37,724.68</u>	<u>790,312.21</u>
Total Awards and Financial Assistance	<u>\$ 11,432,423.40</u>	<u>\$ 58,340,299.23</u>	<u>\$ 69,772,722.63</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: ADJUSTMENTS**

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

<u>Adjustment</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Rounding Adjustments	\$ 1.96	\$ (1.39)	\$ 0.57
Prior Year Repayment of Prior Years' Balances	(66,624.00)		(66,624.00)
Prior Years' Orders Canceled	1,038.37		1,038.37
SDA Revenue		229,824.00	229,824.00
Prior Year Expenditures	<u>(40,612.20)</u>	<u>(13,707.00)</u>	<u>(54,319.20)</u>
	<u>\$ (106,195.87)</u>	<u>\$ 216,115.61</u>	<u>\$ 109,919.74</u>

**Note 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2010.

**Note 7: MAJOR PROGRAMS**

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

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010**

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Qualified

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Internal control over financial reporting:

Material weaknesses identified? \_\_\_ yes X no

Were significant deficiencies identified that were not considered to be a material weakness? \_\_\_ yes X none reported

Noncompliance material to financial statements noted? \_\_\_ yes X no

**Federal Awards**

Internal control over compliance:

Material weaknesses identified? \_\_\_ yes X no

Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ yes X none reported

Type of auditor's report on compliance for major programs Unqualified

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.I.A. Part B Basic
84.173	I.D.E.I.A. Part B Preschool
84.391	ARRA - I.D.E.I.A. Part B Basic
84.392	ARRA - I.D.E.I.A. Part B Preschool
84.394	ARRA - SFSF - Education State Grants (ESF)
84.397	ARRA - SFSF - Education State Grants (GSF)
10.555	National School Lunch Program; Food Distribution Program
10.553	National School Breakfast Program
10.556	Special Milk Program

Dollar threshold used to determine Type A programs \$346,752

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Auditee qualified as low-risk auditee? \_\_\_ yes X no

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2010**

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

**State Financial Assistance**

Internal control over compliance:

Material weaknesses identified? \_\_\_\_\_ yes  no

Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  none reported

Type of auditor's report on compliance for major programs \_\_\_\_\_ Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? \_\_\_\_\_ yes  no

Identification of major programs:

<u>State Account Number</u>	<u>Name of State Program</u>
10-495-034-5120-078	Equalization Aid
10-495-034-5120-089	Special Education Categorical Aid
10-495-034-5120-085	Adjustment Aid
10-495-034-5120-084	Security Aid
10-495-034-5120-014	Transportation Aid
10-495-034-5095-002	Reimbursed TPAF Social Security Contributions
10-100-034-5120-473	Extraordinary Special Education Costs Aid
10-495-034-5120-017	Debt Service Aid
_____	_____

Dollar threshold used to determine Type A programs \_\_\_\_\_ \$1,634,638

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  no

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

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***Section 2- Schedule of Financial Statement Findings***

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

None.

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

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

None.

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

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

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

None.

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

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

