

SCHOOL DISTRICT
OF
GREEN TOWNSHIP

Green Township School District
Board of Education
Green Township, New Jersey

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

Comprehensive Annual
Financial Report

of the

Green Township School District
Board of Education

Green Township, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

Green Township School District
Board of Education

GREEN TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

GREEN TOWNSHIP SCHOOL DISTRICT

Box 14, Greendell, New Jersey 07839
973-300-3800
Fax 973-383-0594

Mr. Seth Cohen
Assistant Principal
Coordinator of Instruction

Mr. John Z. Nittolo
Chief School Administrator
Superintendent/Principal

Ms. Sallyann McCarty
Business Administrator/
Board Secretary

September 8, 2011

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

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Green Township School District (the "District") for the fiscal year ended June 30, 2011 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 Green Township Board of Education (the "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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. **REPORTING ENTITY AND ITS SERVICES:** The Green Township School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Green Township School District's elementary school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education, for handicapped youngsters. The District also sends its high school students to Newton High School. The District completed the 2010-2011 fiscal year with an average daily enrollment of 490 students, which is 1 student less than the previous year's average daily enrollment.

The Honorable President and Members of
the Board of Education
Green Township School District
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1. REPORTING ENTITY AND ITS SERVICES: (Cont'd)

The following details the changes in the elementary student average daily enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2010-2011	490	-0.20%
2009-2010	491	-1.80%
2008-2009	500	2.25%
2007-2008	489	-4.68%
2006-2007	513	0.20%
2005-2006	512	4.70%
2004-2005	489	1.45%
2003-2004	482	-0.21%
2002-2003	483	0.63%
2001-2002	480	3.00%

2. ECONOMIC CONDITION AND OUTLOOK: The developments approved in the late 1980's are now complete. The Township has issued certificates of occupancy for several new homes since the date of the last audit and has several open building permits outstanding at this time.

It is interesting to note that, according to the 2000 census, 220 (or 21%) of the 1,066 housing units in the Township at that time were built since 1990, and of the 1,066 units, 568 (or 53%) of them have eight or more rooms.

Two industrial ratables have added substantial square footage that should help alleviate the tax burden on the Green Township homeowner to a small degree.

3. MAJOR INITIATIVES: The Board of Education is committed to student excellence. The District objectives for the 2010-2011 school year were indicative of this commitment. The District committed funds for continued staff growth both through course reimbursement and professional development monies. Funds were allotted for basic skills instruction and special education instruction and support.

A Child Study Team (part time), speech therapist, occupational therapist, and physical therapist provide services for all eligible students. A Student Assistance Committee provided services for all students found to be at-risk. The District's philosophy is one of inclusion and seeks to educate all Township students as close to home as possible. The District's preschool disabled class continued again this year.

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

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

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

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

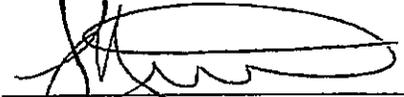
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2011.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. DEBT ADMINISTRATION: As of June 30, 2011, the District's outstanding debt totals \$3,846,000 for general obligation bonds.
8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

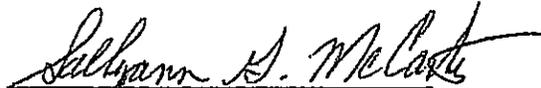
The Honorable President and Members of
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Green Township School District
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September 8, 2011

9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage is found on J-20.
10. **OTHER INFORMATION: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
11. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Green Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

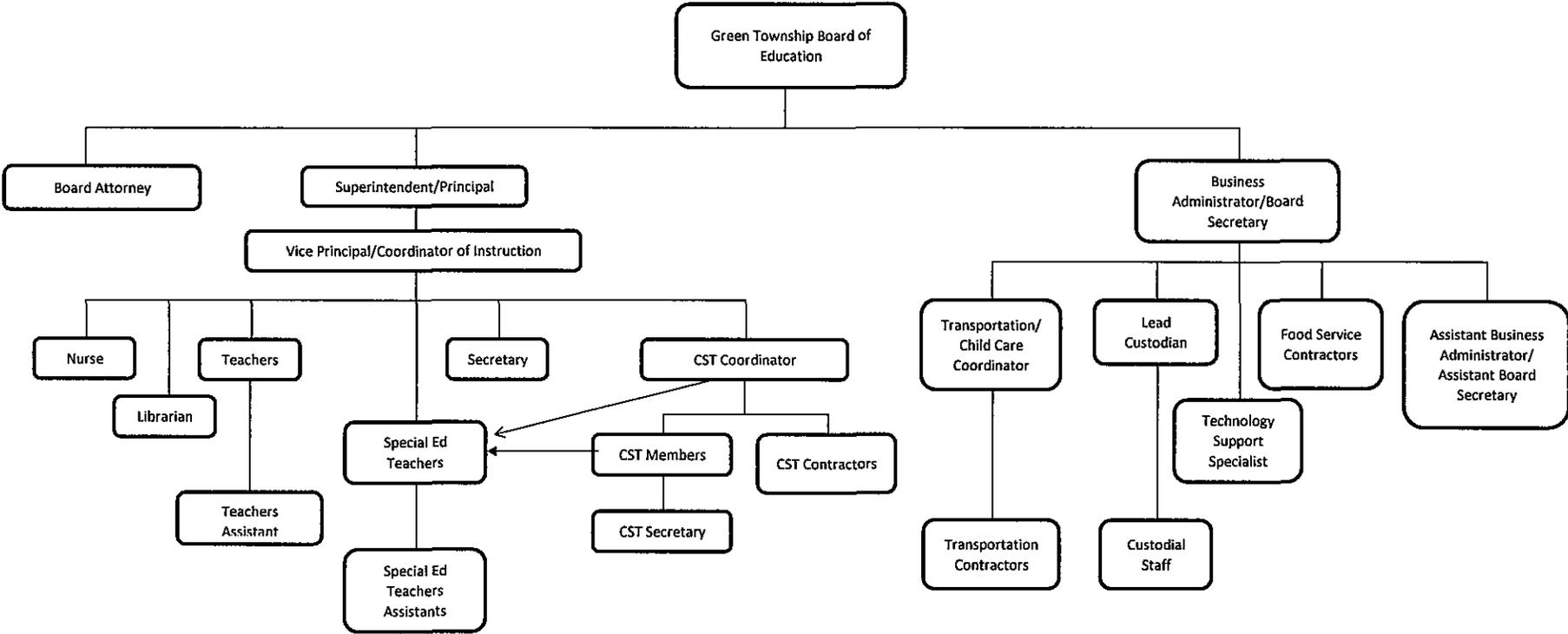


John Nittolo
Superintendent/Principal



Sallyann G. McCarty
Business Administrator/Board Secretary

Green Township Board of Education
Organizational Chart
2010/2011



GREEN TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael Ippolito, President	2013
Michael Wood, Vice President	2014
Joseph Cercone	2012
Jennifer Cinotti	2013
Ann Marie Cooke	2012
Matthew Fox	2014
Timothy Kirby	2014
Kelly-Anne McDonnell	2012
Betsy Wermuth	2013

<u>Other Officials</u>	<u>Title</u>
John Nittolo	Superintendent/Principal
Sallyann G. McCarty	Business Administrator / Board Secretary
Linda Padula	Treasurer of School Monies

GREEN TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors.
Year Ended June 30, 2011

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856-1320
and
Lawrence Business Park
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Newton, New Jersey 07860

Attorneys

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Florham Park, New Jersey 07932

Official Depositories

Lakeland State Bank
Oak Ridge, New Jersey

TD Bank
Hackettstown, New Jersey

Bond Attorney

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Newark, New Jersey 07102-5408

Architect

DMR.
Heights Plaza
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Hasbrouck Heights, New Jersey 07604

FINANCIAL SECTION



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 Mt. Arlington, NJ 07856
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Lawrence Business Center
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 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Green Township School District in the County of Sussex as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Green Township School District in the County of Sussex as of June 30, 2011, 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 September 8, 2011 on our consideration of the Board of Education of the Green Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable President and Members
of the Board of Education
Green Township School District
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The Management's Discussion and Analysis and Budgetary Comparison Information on Exhibits C-1 through C-3 and I-3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

September 8, 2011
Mount Arlington, New Jersey

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION -
MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2011

(UNAUDITED)

The discussion and analysis of the Green Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. 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 basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- ❖ The District's financial status remained relatively stable on a district-wide basis, in spite of relatively frozen state aid for several years.
- ❖ Overall revenue was \$10,965,867.
- ❖ Enrollment in the District is relatively stable.

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

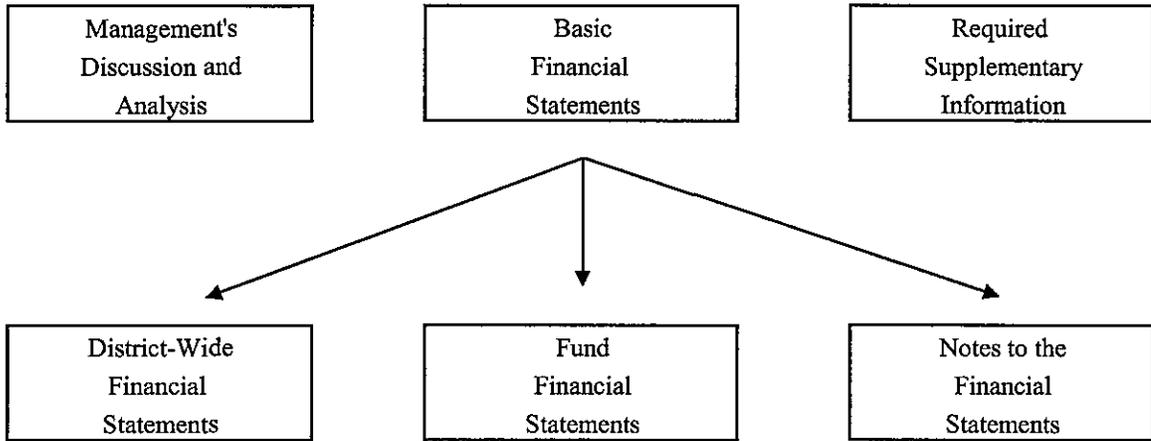


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**Figure A-2
Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services and child care	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenue, Expenses, and Changes in Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets • Statement of Fiduciary Net Assets
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid	All Additions and Deductions during the year, regardless of when cash is received or paid

Using this Comparative Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Green Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the best level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in one column. In the case of Green Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activity

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all the financial transactions and asks the question, "How did we do financially during 2010-2011?". The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private sector businesses. This basis of accounting takes into 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 cause of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- ❖ **Governmental Activities-** All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business- Type Activities-** These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Child Care enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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 future years. These funds are reported using an accounting basis called modified accrual accounting, which measures the cash and all other financial assets that can be readily 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 the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (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.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District does not utilize an internal service fund.

Fiduciary Funds

The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a school's financial position.

The District's financial position is the product of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Figure A-3

Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total School District		Total
	2011	2010	2011	2010	2011	2010	Percentage Change 2010-2011
Current and Other Assets	\$ 1,726,330	\$ 1,545,737	\$ 63,478	\$ 42,051	\$ 1,789,808	\$ 1,587,788	12.72%
Capital Assets	8,283,611	8,716,405	463	598	8,284,074	8,717,003	-4.97%
Total Assets	10,009,941	10,262,142	63,941	42,649	10,073,882	10,304,791	-2.24%
Long-term Debt Outstanding	3,962,331	4,407,650			3,962,331	4,407,650	-10.10%
Other Liabilities	451,337	167,201	9,291	6,620	460,628	173,821	165.00%
Total Liabilities	4,413,668	4,574,851	9,291	6,620	4,422,959	4,581,471	-3.46%
Net Assets:							
Invested in Capital Assets, Net of Related Debt	4,339,184	4,308,749	463	598	4,339,647	4,309,347	0.70%
Restricted	722,345	971,166			722,345	971,166	-25.62%
Unrestricted	534,744	407,376	54,187	35,431	588,931	442,807	33.00%
Total Net Assets	\$ 5,596,273	\$ 5,687,291	\$ 54,650	\$ 36,029	\$ 5,650,923	\$ 5,723,320	-1.26%

The District's combined net assets were \$5,650,923 on June 30, 2011. This was a decrease of \$72,397 or 1.26 percent from the prior year. The decrease in governmental activities is primarily attributed to the expenditures exceeding revenues in the current year offset by the redemption of outstanding debt. The increase in business-type activities is primarily attributed to an increase in revenues over expenses.

Figure A-4 shows changes in net assets for fiscal year 2011.

Figure A-4
Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011	2010	2011	2010	2011	2010	
Revenue:							
Program Revenue:							
Charges for Services		\$ 17,154	\$ 190,607	\$ 189,614	\$ 190,607	\$ 206,768	-7.82%
Operating Grants and Contributions	\$ 1,608,066	1,661,672	21,336	22,965	1,629,402	1,684,637	-3.28%
Capital Grants and Contributions	48,576				48,576		100.00%
General Revenue:							
Property Taxes	7,979,788	7,774,272			7,979,788	7,774,272	2.64%
Federal and State Aid	1,097,941	1,480,966			1,097,941	1,480,966	-25.86%
Other	19,477	20,190	76	96	19,553	20,286	-3.61%
Total Revenue	10,753,848	10,954,254	212,019	212,675	10,965,867	11,166,929	-1.80%
Expenses:							
Instruction	4,386,475	4,516,949			4,386,475	4,516,949	-2.89%
Tuition	2,734,597	2,238,138			2,734,597	2,238,138	22.18%
Pupil and Instruction Services	933,144	900,556			933,144	900,556	3.62%
Administrative and Business	838,509	871,269			838,509	871,269	-3.76%
Maintenance and Operations	628,107	604,551			628,107	604,551	3.90%
Transportation	546,535	547,934			546,535	547,934	-0.26%
Other	777,499	805,242	193,398	206,967	970,897	1,012,209	-4.08%
Total Expenses	10,844,866	10,484,639	193,398	206,967	11,038,264	10,691,606	3.24%
Increase/(Decrease) in Net Assets	\$ (91,018)	\$ 469,615	\$ 18,621	\$ 5,708	\$ (72,397)	\$ 475,323	-115.23%

Revenue Sources

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 72.76 percent of revenues for governmental activities for the Green Township School District for the fiscal year 2011. Approximately 25.32 percent came from state and federal aid and the remaining from miscellaneous sources. The District's total revenues were \$10,965,867 for the year ended June 30, 2011. The school district revenue and expenditures are detailed in Figure A-5 and Figure A-6.

Figure A-5
Sources of Revenue for Fiscal Year 2011

Sources of Income	Amount	Percentage
State Formula Aid	\$ 1,810,323	16.51%
Property Taxes	7,979,788	72.76%
Federal and State Categorical Grants	965,596	8.81%
Charges for Services	190,607	1.74%
Other	19,553	0.18%
	\$ 10,965,867	100.00%

The total cost of all programs and services was \$11,038,264. The District's expenses are predominantly related to instructing, tuition, caring for (pupil services) and transporting students (77.91 percent). (See Figure A-6). The District's administrative and maintenance and operations activities accounted for 13.29 percent of total costs. The most significant contributors to the high costs of Maintenance and Operations were higher fuel costs and products costs. It is important to remember that depreciation is included in expenses for the year; expenses therefore include \$569,369 in depreciation.

Figure A-6
Expenses for Fiscal Year 2011

Expense Category	Amount	Percentage
Instruction	\$ 4,386,475	39.74%
Tuition	2,734,597	24.77%
Pupil & Instruction Services	933,144	8.45%
Administrative and Business	838,509	7.60%
Maintenance & Operations	628,107	5.69%
Transportation	546,535	4.95%
Other	970,897	8.80%
	\$ 11,038,264	100.00%

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities 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, as well as to and from school activities, as provided by State law.

"Other" includes unallocated depreciation, transfer of funds to charter school and the District's food service and child care operations.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Figure A-7 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of those functions.

Figure A-7

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$ 4,386,475	\$ 4,516,949	\$ 3,177,725	\$ 3,180,770
Tuition	2,734,597	2,238,138	2,734,597	2,238,138
Pupil & Instruction Services	933,144	900,556	902,272	871,332
Administrative and Business	838,509	871,269	822,311	853,682
Maintenance & Operations	628,107	604,551	628,107	604,551
Transportation	546,535	547,934	145,713	252,098
Other	777,499	805,242	777,499	805,242
Total	\$ 10,844,866	\$ 10,484,639	\$ 9,188,224	\$ 8,805,813

- ❖ The cost of all governmental activities this year was \$10.84 million.
- ❖ The federal and state governments subsidized certain programs with grants and contributions (\$2.77 million).
- ❖ Most of the District's costs (\$7.98 million), however, were financed by District taxpayers.
- ❖ The remainder of the funding came from charges for services, miscellaneous revenue and investment earnings.

Business-Type Activities

Net assets from the District's business-type activities increased by \$18,621. (Refer to Figure A-4). Factors contributing to these results included:

- ❖ Food services expenses exceeded revenues by \$2,771 due to an increase in expenses offset by a transfer from child care. Child care revenues exceeded expenses by \$21,392 due to increased participation. The combined activity resulted in a net increase of \$18,621 in the net assets of the business-type activities. The current food service operation is run by Maschios Food Service.

The School District's Funds

All governmental funds' (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) total revenues and other financing sources (excluding offsetting transfers of \$98,488) amounted to \$10,753,848 and expenditures were \$10,862,922. The net decrease in fund balance was \$109,074.

The District's financial position remained relatively stable in spite of difficult economic conditions. Salaries of staff decreased from prior year however, health benefits have had double digit increases. The ability to generate fund balance and to have increased ratables is essential since there is not a guaranteed state aid increase.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ❖ The District received Extraordinary Aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year. The District did not budget for this revenue and the final amount was not anticipated, as there is no guarantee from the Department of Education that these funds would be available.
- ❖ On-behalf TPAF noncontributory insurance contributions and post-retirement medical contributions, which is the state's contribution to the pension fund and post-retirement benefits, is neither a revenue item nor an expenditure item in the District's records but is required to be reflected in the financial statements.
- ❖ Tuition costs for out-of-district special education students are budgeted based upon actual students known when the budget is completed. Transfers are made between the tuition line items based on the actual placements during the year.

Capital Assets

At the end of the fiscal year 2011, the School District had \$ 8,284,074 invested in land, construction in progress, site improvements, building, furniture, equipment, and vehicles. Figure A-8 shows fiscal year 2011 balances compared to 2010.

Figure A-8

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2011	2010	2011	2010	2011	2010	Change 2010-2011
Land	\$ 8,744	\$ 8,744			\$ 8,744	\$ 8,744	0.00%
Construction in Progress	121,440	22,187			121,440	22,187	447.35%
Site Improvements	50,367	58,115			50,367	58,115	-13.33%
Buildings & Building							
Improvements	7,969,417	8,466,343			7,969,417	8,466,343	-5.87%
Machinery and Equipment	133,643	161,016	\$ 463	\$ 598	134,106	161,614	-17.02%
Total	\$ 8,283,611	\$ 8,716,405	\$ 463	\$ 598	\$ 8,284,074	\$ 8,717,003	-4.97%

Overall capital assets decreased by \$432,929 from fiscal year 2010 to fiscal year 2011. The decrease in capital assets is due to the depreciation expense offset by increases in capital outlay.

Debt Administration

At June 30, 2011, the School District had \$3,846,000 in general obligation bonds and \$116,331 in other long-term debt outstanding – a decrease of \$445,319 from last year – as shown in Figure A-9. More detailed information about the District's long-term liabilities is presented in Note 7 to the basic financial statements.

Figure A-9
Outstanding Long-Term Debt

	Total School District		Percentage
	2011	2010	Change 2010-2011
General Obligation Bonds (Financed with Property Taxes)	\$ 3,846,000	\$ 4,291,000	-10.37%
Other Long-term Debt	116,331	116,650	-0.27%
Total	<u>\$ 3,962,331</u>	<u>\$ 4,407,650</u>	-10.10%

For the Future

At the time these financial statements were prepared and audited, the District was in a good financial position. However, the State imposed tax levy cap limit of 2% leaves the District with little protection in the event of costly emergencies.

The need to replace a boiler will continue to impact the 2011-2012 budget as the project is still ongoing.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for money it receives. If you have questions about this report or need additional information, contact the Board of Education Office, P.O. Box 14, Greendell, New Jersey 07839.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,469,067	\$ 52,965	\$ 1,522,032
Interfund Receivable	3,943		3,943
Receivable from State Government	190,415	162	190,577
Receivable from Federal Government	49,049	1,055	50,104
Other Accounts Receivable	3,640		3,640
Internal Balances	(1,985)	1,985	
Inventories		7,311	7,311
Deferred Charge - Unamortized Bond Issuance Costs	12,100		12,100
Restricted Assets:			
Capital Reserve Account - Cash	101		101
Capital Assets:			
Sites (Land)	8,744		8,744
Construction in Progress	121,440		121,440
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	8,153,427	463	8,153,890
Total Assets	<u>10,009,941</u>	<u>63,941</u>	<u>10,073,882</u>
LIABILITIES			
Accrued Interest Payable	61,834		61,834
Accounts Payable	369,612	3,426	373,038
Payable to State Government	7,905		7,905
Deferred Revenue	11,986	5,865	17,851
Noncurrent Liabilities:			
Due Within One Year	481,562		481,562
Due Beyond One Year	3,480,769		3,480,769
Total Liabilities	<u>4,413,668</u>	<u>9,291</u>	<u>4,422,959</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	4,339,184	463	4,339,647
Restricted for:			
Capital Projects	74,237		74,237
Debt Service	84,052		84,052
Other Purposes	564,056		564,056
Unrestricted	534,744	54,187	588,931
Total Net Assets	<u>\$ 5,596,273</u>	<u>\$ 54,650</u>	<u>\$ 5,650,923</u>

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

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:						
Instruction:						
Regular	\$ 3,021,928		\$ 379,221	\$ 48,576	\$ (2,594,131)	\$ (2,594,131)
Special Education	1,181,568		761,840		(419,728)	(419,728)
Other Instruction	142,637		14,971		(127,666)	(127,666)
School-Sponsored Instruction	40,342		4,142		(36,200)	(36,200)
Support Services:						
Tuition	2,734,597				(2,734,597)	(2,734,597)
Student & Instruction Related Services	933,144		30,872		(902,272)	(902,272)
General Administrative Services	256,108				(256,108)	(256,108)
School Administrative Services	287,176		16,198		(270,978)	(270,978)
Central Services	272,540				(272,540)	(272,540)
Administrative Information Technology	22,685				(22,685)	(22,685)
Plant Operations and Maintenance	628,107				(628,107)	(628,107)
Pupil Transportation	546,535		400,822		(145,713)	(145,713)
Unallocated Depreciation	551,860				(551,860)	(551,860)
Interest on Long-term Debt	183,023				(183,023)	(183,023)
Transfer to Charter School	42,616				(42,616)	(42,616)
Total Governmental Activities	10,844,866		1,608,066	48,576	(9,188,224)	(9,188,224)

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 124,759	\$ 100,576	\$ 21,336		\$ (2,847)	\$ (2,847)	
Child Care	68,639	90,031			21,392	21,392	
Total Business-Type Activities	193,398	190,607	21,336		18,545	18,545	
Total Primary Government	<u>\$ 11,038,264</u>	<u>\$ 190,607</u>	<u>\$ 1,629,402</u>	<u>\$ 48,576</u>	<u>\$ (9,188,224)</u>	<u>18,545</u>	<u>(9,169,679)</u>
General Revenue:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 7,363,305	\$ 7,363,305	
Taxes Levied for Debt Service					616,483	616,483	
Federal and State Aid not Restricted					1,097,941	1,097,941	
Interest						\$ 76	
Miscellaneous Income					19,477	19,477	
Total General Revenue					9,097,206	76	9,097,282
Change in Net Assets					(91,018)	18,621	(72,397)
Net Assets - Beginning					5,687,291	36,029	5,723,320
Net Assets - Ending					<u>\$ 5,596,273</u>	<u>\$ 54,650</u>	<u>\$ 5,650,923</u>

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

FUND FINANCIAL STATEMENTS

GREEN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,359,435		\$ 25,580	\$ 84,052	\$ 1,469,067
Receivables From Federal Government		\$ 49,049			49,049
Receivables From State Government	141,839		48,576		190,415
Receivables From Other Governments	3,640				3,640
Interfund Accounts Receivable	32,747				32,747
Restricted Cash and Cash Equivalents	101				101
Total Assets	<u>\$ 1,537,762</u>	<u>\$ 49,049</u>	<u>\$ 74,156</u>	<u>\$ 84,052</u>	<u>\$ 1,745,019</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payable to State Government		\$ 7,905			\$ 7,905
Accounts Payable	\$ 369,238	374			369,612
Interfund Accounts Payable	1,985	28,784	\$ 20		30,789
Deferred Revenue		11,986			11,986
Total Liabilities	<u>371,223</u>	<u>49,049</u>	<u>20</u>		<u>420,292</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	101				101
Excess Surplus	274,221				274,221
Excess Surplus - Restricted for Subsequent Year's Expenditures	240,075				240,075
Debt Service				\$ 84,052	84,052
Committed			74,136		74,136
Assigned:					
Designated for Subsequent Year's Expenditures	394,925				394,925
Other Purposes	49,760				49,760
Unassigned	207,457				207,457
Total Fund Balances	<u>1,166,539</u>		<u>74,136</u>	<u>84,052</u>	<u>1,324,727</u>
Total Liabilities and Fund Balances	<u>\$ 1,537,762</u>	<u>\$ 49,049</u>	<u>\$ 74,156</u>	<u>\$ 84,052</u>	

Amounts Reported for *Governmental Activities* in the Statement of Net Assets (A-1) are Different Because:

Capital assets used in <i>Governmental Activities</i> are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$13,745,722 and the accumulated depreciation is \$5,462,111.	8,283,611
Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(3,962,331)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(61,834)
Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$27,658 and accumulated amortization is \$15,558	12,100
Net Assets of Governmental Activities	<u><u>\$ 5,596,273</u></u>

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 7,363,305			\$ 616,483	\$ 7,979,788
Miscellaneous	19,477	\$ 8,430			27,907
Total - Local Sources	7,382,782	8,430		616,483	8,007,695
State Sources	2,382,781	1,926	\$ 48,576		2,433,283
Federal Sources		312,870			312,870
Total Revenue	9,765,563	323,226	48,576	616,483	10,753,848
EXPENDITURES					
Current:					
Regular Instruction	2,162,184	91,790			2,253,974
Special Education Instruction	702,096	216,436			918,532
Other Special Instruction	103,459				103,459
School Sponsored/Other Instruction	29,502				29,502
Support Services and Undistributed Costs:					
Tuition	2,734,597				2,734,597
Student & Instruction Related Services	745,310				745,310
General Administrative Services	212,161				212,161
School Administrative Services	186,734				186,734
Central Services	171,873				171,873
Administration Information Technology	17,834				17,834
Plant Operations and Maintenance	573,773				573,773
Pupil Transportation	546,704				546,704
Allocated and Unallocated Benefits	1,526,250				1,526,250

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Debt Service:					
Principal				\$ 445,000	\$ 445,000
Interest and Other Charges				190,283	190,283
Capital Outlay	\$ 27,880	\$ 15,000	\$ 121,440		164,320
Transfer of Funds to Charter Schools	42,616				42,616
Total Expenditures	<u>9,782,973</u>	<u>323,226</u>	<u>121,440</u>	<u>635,283</u>	<u>10,862,922</u>
Deficit of Revenue under Expenditures	(17,410)		(72,864)	(18,800)	(109,074)
OTHER FINANCING SOURCES/(USES)					
Transfers In			147,000		147,000
Transfers Out	(147,000)				(147,000)
Total Other Financing Sources/(Uses)	<u>(147,000)</u>		<u>147,000</u>		
Net Change in Fund Balances	(164,410)		74,136	(18,800)	(109,074)
Fund Balance — July 1	<u>1,330,949</u>			<u>102,852</u>	<u>1,433,801</u>
Fund Balance — June 30	<u>\$ 1,166,539</u>	<u>\$ - 0 -</u>	<u>\$ 74,136</u>	<u>\$ 84,052</u>	<u>\$ 1,324,727</u>

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

GREEN TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (109,074)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlay in the period.

	Depreciation expense	\$ (569,234)	
	Capital outlays	<u>136,440</u>	
			(432,794)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+) (10,650)

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. (+) 10,969

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. (+) 445,000

In the statement of activities, 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. When the interest paid exceeds the accrued interest the difference is an addition in the reconciliation (+). 7,260

The 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. (-) (1,729)

\$ (91,018)

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 52,965
Intergovernmental Accounts Receivable:	
Federal	1,055
State	162
Interfund Accounts Receivable	
General Fund	1,985
Inventories	<u>7,311</u>
 Total Current Assets	 <u>63,478</u>
Non-Current Assets:	
Capital Assets: (Net of Depreciation)	
Depreciable Furniture and Equipment	<u>463</u>
 Total Non-Current Assets	 <u>463</u>
 Total Assets	 <u>63,941</u>
LIABILITIES:	
Current Liabilities:	
Deferred Revenue	5,865
Accounts Payable - Vendors	<u>3,426</u>
 Total Liabilities	 <u>9,291</u>
NET ASSETS:	
Investment in Capital Assets Net of Related Debt	463
Unrestricted	<u>54,187</u>
 Total Net Assets	 <u>\$ 54,650</u>

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

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>
Operating Revenue:	
Local Sources:	
Daily Sales - School Lunch Program	\$ 94,030
Miscellaneous	3,364
Child Registration Fees	<u>90,031</u>
Total Operating Revenue	<u>187,425</u>
Operating Expenses:	
Cost of Sales	60,221
Salaries, Benefits & Payroll Taxes	103,361
Purchased Services	7,674
Supplies, Insurance & Other Costs	12,014
Depreciation Expense	135
Utilities	6,151
Other	<u>660</u>
Total Operating Expenses	<u>190,216</u>
Operating Loss	(2,791)
Non-Operating Income:	
Local Sources:	
Interest Income	76
State Sources:	
State School Lunch Program	1,239
Federal Sources:	
National School Lunch Program	14,567
Special Milk Program	802
Food Distribution Program	<u>4,728</u>
Total Non-Operating Income	<u>21,412</u>
Change in Net Assets	18,621
Net Assets - Beginning of Year	<u>36,029</u>
Net Assets - End of Year	<u><u>\$ 54,650</u></u>

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

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 187,425
Payments to Employees	(93,361)
Payments to Suppliers	(85,098)
Net Cash Provided by Operating Activities	<u>8,966</u>
Cash Flows provided by Noncapital Financing Activities:	
Federal and State Sources - Turnover from General Fund	13,748
Net Cash Provided by Noncapital Financing Activities	<u>13,748</u>
Cash Flows provided by Investing Activities:	
Local Sources:	
Interest Income	76
Net Cash Provided by Investing Activities	<u>76</u>
Net Increase in Cash and Cash Equivalents	22,790
Cash and Cash Equivalents, July 1	<u>30,175</u>
Cash and Cash Equivalents, June 30	<u>\$ 52,965</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (2,791)
Adjustment to Reconcile Operating Loss to Cash Provided by Operating Activities:	
Depreciation	135
Food Distribution Program	4,728
Changes in Assets and Liabilities:	
Decrease in Inventory	2,853
Decrease in Interfund Receivable	1,370
(Decrease) in Deferred Revenue	(755)
Increase in Accounts Payable	3,426
Net Cash Provided by Operating Activities	<u>\$ 8,966</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received \$3,173 from the Federal Food Distribution Program and utilized commodities valued at \$4,728 for the fiscal year ended June 30, 2011

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

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 49,100	\$ 168,293	\$ 217,393
Total Assets	<u>49,100</u>	<u>168,293</u>	<u>217,393</u>
LIABILITIES:			
Due to Student Groups	40,536		40,536
Interfund Payable - Due to General Fund	3,943		3,943
Payroll Deductions and Withholdings	<u>4,621</u>		<u>4,621</u>
Total Liabilities	<u>49,100</u>		<u>49,100</u>
NET ASSETS:			
Held in Trust for Unemployment Claims		<u>168,293</u>	<u>168,293</u>
Total Net Assets	<u>\$ -0-</u>	<u>\$ 168,293</u>	<u>\$ 168,293</u>

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

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions:	
Plan Contributions	\$ 7,515
Total Contributions	<u>7,515</u>
Investment Earnings:	
Interest	<u>369</u>
Net Investment Earnings	<u>369</u>
Total Additions	<u>7,884</u>
 Deductions	
Unemployment Compensation Claims	<u>71,585</u>
Total Deductions	<u>71,585</u>
Change in Net Assets	(63,701)
Net Assets - Beginning of the Year	<u>231,994</u>
Net Assets - End of the Year	<u>\$ 168,293</u>

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

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

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

C. Measurement Focus and Basis of Accounting: (Cont'd)

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

D. Budgets/Budgetary Control:

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

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

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

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

The Capital Projects Fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of School Development Authority (SDA) grants receivable. SDA grants are recognized on the budgetary basis in full when they are awarded but are recognized on the GAAP basis as they are expended and requested for reimbursement.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 9,717,933	\$ 325,711
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Expenditures and Revenue while the GAAP basis does not:		
Current Year Encumbrances		(10,416)
Prior Year Encumbrances		7,931
Prior Year State Aid Payment Recognized for GAAP Statements	208,442	
Current Year State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(160,812)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 9,765,563</u>	<u>\$ 323,226</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 9,782,973	\$ 325,711
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(2,485)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 9,782,973</u>	<u>\$ 323,226</u>
		<u>Capital Projects Fund</u>
	<u>SDA Grant Revenue</u>	<u>Fund Balance</u>
Amount per Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)	\$ 98,000	\$ 123,560
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue/Receivable mpt Recognized on GAAP Basis	(49,424)	(49,424)
Amount per Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds (GAAP Basis)	<u>\$ 48,576</u>	<u>\$ 74,136</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

E. Cash and Cash Equivalents, and Investments: (Cont'd)

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

K. Capital Assets:

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

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

K. Capital Assets:

	<u>Estimated Useful Life</u>
Buildings	50 Years
Site Improvements	20 Years
Furniture and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2011.

N. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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

O. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$1,166,539 General Fund fund balance at June 30, 2011, \$101 is reserved in the capital reserve account; \$514,296 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701); \$240,075 of the total restricted excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and \$274,221 is current year excess surplus and will be included as anticipated revenue for the year ending June 30, 2013; \$49,760 is assigned for encumbrances; \$394,925 is assigned fund balance designated for subsequent year's expenditures; and \$207,457 in unassigned which is \$160,812 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2012.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

P. Fund Balance Appropriated:

Capital Projects Fund: Of the \$74,136 Committed Capital Projects Fund fund balance at June 30, 2011, \$75,383 is committed for encumbrances; and \$1,247 is a deficit due to \$49,424 of the School Development Authority grant revenue not recognized on a GAAP basis.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2011 of \$84,052 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as noted on the prior page.

Unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$160,812 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Fund Balance/NetAssets:

The District has a deficit in committed fund balances in the Capital Projects Fund due to \$49,424 of the School Development Authority grant revenue not recognized.

The deficit does not mean that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

R. Fund Balance Restrictions, Commitments and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the current fiscal year. The objective of this standard is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions (as detailed in Note 1B). This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

R. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, and a capital reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources for year-end encumbrances in the Capital Projects Fund at June 30, 2011.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2011.

S. Revenue - Exchange and Nonexchange Transactions:

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

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

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

T. Operating Revenue and Expenses:

Operating revenue is revenue that is generated directly from the primary activity of the Enterprise Funds. For the School District, this revenue is sales for food service and child care fees. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

U. Management Estimates:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

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

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

Deposits:

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

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

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

As of June 30, 2011, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Capital Reserve</u>	<u>Total</u>
Checking & Savings Accounts	<u>\$ 1,739,425</u>	<u>\$ 101</u>	<u>\$ 1,739,526</u>

During the period ended June 30, 2011, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2011, was \$1,739,526 and the bank balance was \$1,882,140.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Green Township School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a 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 year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance at June 30, 2010	\$ 150,101
Less: Budgeted withdrawals	<u>150,000</u>
Balance at June 30, 2011	<u>\$ 101</u>

The June 30, 2011 LRFP balance of local support of uncompleted capital project costs exceeds the balance in the capital reserve account at June 30, 2011. The withdrawal from the capital reserve was for use in a DOE approved facilities project, consistent with the District's LRFP.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2011, the District did not make any transfers to the capital outlay accounts for equipment. The remaining transfers in the capital outlay account were approved by the county superintendent.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2011 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 8,744			\$ 8,744
Construction in Progress	22,187	\$ 121,440	\$ (22,187)	121,440
 Total Capital Assets not Being Depreciated	 30,931	 121,440	 \$ (22,187)	 130,184
Capital Assets Being Depreciated				
Site Improvements	154,971			154,971
Buildings and Building Improvements	13,012,248	15,000	22,187	13,049,435
Machinery and Equipment	411,132			411,132
 Total Capital Assets Being Depreciated	 13,578,351	 15,000	 22,187	 13,615,538
Governmental Activities Capital Assets	13,609,282	136,440	-0-	13,745,722
Less Accumulated Depreciation for:				
Site Improvements	(96,856)	(7,748)		(104,604)
Buildings and Building Improvements	(4,545,905)	(534,113)		(5,080,018)
Machinery and Equipment	(250,116)	(27,373)		(277,489)
 Total Accumulated Depreciation	 (4,892,877)	 (569,234)	 \$ -0-	 (5,462,111)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 8,716,405</u>	<u>\$ (432,794)</u>	<u>\$ -0-</u>	<u>\$ 8,283,611</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 68,800			\$ 68,800
Less Accumulated Depreciation	(68,202)	\$ (135)		(68,337)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 598</u>	<u>\$ (135)</u>	<u>\$ -0-</u>	<u>\$ 463</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 4,176
General and School Administrative Services	4,371
Operations and Maintenance of Plant	2,717
Transportation	6,110
General/Unallocated	551,860
	<u>\$ 569,234</u>

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 7. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance <u>6/30/2010</u>	Accrued	Retired	Balance <u>6/30/2011</u>
Serial Bonds Payable	\$ 4,291,000		\$ 445,000	\$ 3,846,000
Compensated Absences Payable	69,088	\$ 16,900	6,250	79,738
Capital Leases Payable	<u>47,562</u>		<u>10,969</u>	<u>36,593</u>
	<u>\$ 4,407,650</u>	<u>\$ 16,900</u>	<u>\$ 462,219</u>	<u>\$ 3,962,331</u>

A. Bonds Payable:

Bonds 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 Board are general obligation bonds. Debt service on bonds are liquidated by the debt service fund.

The District had bonds outstanding as of June 30, 2011 as follows:

<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
6/1/2019	4.10%	\$ 356,000
2/15/2018	4.25% - 4.75%	<u>3,490,000</u>
		<u>\$ 3,846,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 470,000	\$ 152,927	\$ 573,331
2013	490,000	132,155	573,994
2014	515,000	109,939	573,213
2015	545,000	85,799	630,799
2016	570,000	82,530	652,530
2017-2019	<u>1,256,000</u>	<u>173,255</u>	<u>1,429,255</u>
	<u>\$ 3,846,000</u>	<u>\$ 736,604</u>	<u>\$ 4,433,121</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2011, the District had no bonds authorized but not issued.

C. Capital Leases Payable:

During the 2009-2010 school year, the District entered into a capital lease agreement for the purchase of a school bus. The lease is for a term of 5 years. The following is a schedule of future minimum lease payments under this capital lease. The future minimum lease obligations as of June 30, 2011 were as follows:

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 7. GENERAL LONG-TERM DEBT (Cont'd)

C. Capital Leases Payable: (Cont'd)

<u>Year Ending</u>	<u>Amount</u>
June 30, 2012	\$ 13,538
June 30, 2013	13,538
June 30, 2014	<u>13,538</u>
Total future minimum lease payments	40,614
Less: amount representing interest	4,021
Present value of future minimum lease payments	<u>\$ 36,593</u>

The current portion of the capital leases payable is \$11,562 and the long-term portion is \$25,031.

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

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds in the current year. The long-term liability balance of compensated absences is \$79,738.

The liability for vested compensated balances of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the proprietary funds.

Compensated absences will be liquidated by the General Fund.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two following contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The TPAF and the PERS are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join the TPAF or the PERS. However, if an employee is ineligible to enroll in the TPAF or the PERS, the employee may be eligible to enroll in the DCRP.

Employees who are members of TPAF or PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Vesting occurs after 8 to 10 years of service. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS and DCRP of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate for the TPAF and PERS.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

District Contributions to PERS amounted to \$65,524, \$61,255 and \$44,430 for the fiscal years ended June 30, 2011, 2010 and 2009, respectively.

District and employee contributions to DCRP amounted to \$5,539 and \$10,154, respectively for the fiscal year ended June 30, 2011. There were no contributions in 2009 or 2010.

During the fiscal years ended June 30, 2011, 2010 and 2009 the State of New Jersey contributed \$-0-, \$-0- and \$-0-, respectively, to the TPAF for normal pension benefits on-behalf of the District

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$210,581, \$214,109 and \$189,870 for 2011, 2010 and 2009, respectively.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 10. DEFERRED COMPENSATION

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

The plan administrators are as follows:

- AXA - Equitable
- Metlife
- AXA - Enterprise
- Lincoln Financial
- The Vanguard Group

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property, Liability and Health Benefits

The District maintains insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The SAIF is a risk-sharing fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

The audit report for the fiscal year ended June 30, 2011 was not available as of the date of this report. Selected financial information for the SAIF as of June 30, 2010 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 34,204,943
Net Assets	\$ 12,737,759
Total Revenue	\$ 29,467,938
Total Expenses	\$ 29,997,505
Change in Net Assets	\$ (529,567)
Net Assets Distribution to Participating Members	\$ 1,150,000

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

Public Entity Group Administrative Services
51 Everett Drive Suite B40
West Windsor, NJ 08550
(609) 275-1155

New Jersey Unemployment Compensation Insurance

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

The following is a summary of the District's contributions and interest, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Trust Fiduciary Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ -0-	\$ 7,884	\$ 71,585	\$ 168,293
2009-2010	200,000	7,149	24,066	231,994
2008-2009	-0-	7,566	7,119	48,911

NOTE 12. ECONOMIC DEPENDENCY

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 32,747	\$ 1,985
Special Revenue Fund		28,784
Capital Projects Fund		20
Fiduciary Fund		3,943
Proprietary Fund	1,985	
	<u>\$ 34,732</u>	<u>\$ 34,732</u>

The interfund between the General Fund and the Proprietary Fund is for partial June lunch and milk subsidies due to the Food Service Fund. The interfund between the General Fund and Capital Projects Fund is for expenses paid by the General Fund on behalf of the Capital Projects Fund. The interfund between the Capital Projects Fund and the Debt Service Fund is due to interest earnings and remaining balances on completed projects due to the Debt Service Fund. The interfund between the General Fund and the Fiduciary Fund is for interest earnings in the Payroll Account due to the General Fund. The interfund between the General Fund and Special Revenue Fund is due to the deficit cash balance in the Special Revenue fund as a result of federal grant expenditures that have not yet been reimbursed by the state government.

NOTE 14. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONT'D)

Litigation

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

Encumbrances

At June 30, 2011, there were encumbrances as detailed below in the governmental funds:

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 49,760	\$ 10,416	\$ 75,383	\$ 135,559

On the District's Governmental Funds Balance Sheet as of June 30, 2011, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$10,416 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in deferred revenue in the Special Revenue Fund.

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2011 were:

	<u>Governmental Activities</u>		<u>Total Governmental Funds</u>	<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Proprietary Funds</u>
Salaries	\$ 32,882	\$ 374	\$ 33,256	
Vendors	34,746		34,746	\$ 3,426
Due to Other Governmental Units	301,610		301,610	
	<u>\$ 369,238</u>	<u>\$ 374</u>	<u>\$ 369,612</u>	<u>\$ 3,426</u>

BUDGETARY COMPARISON SCHEDULES

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,363,305		\$ 7,363,305	\$ 7,363,305	
Miscellaneous	20,500		20,500	19,477	\$ (1,023)
Total - Local Sources	<u>7,383,805</u>		<u>7,383,805</u>	<u>7,382,782</u>	<u>(1,023)</u>
State Sources:					
Special Education Categorical Aid	323,120		323,120	323,120	
Equalization Aid	647,293		647,293	647,293	
Security Aid	43,180		43,180	43,180	
Adjustment Aid	348,675		348,675	348,675	
Transportation Aid	400,425		400,425	400,425	
Extraordinary Special Education Costs Aid				111,837	111,837
Nonpublic Transportation Aid				6,432	6,432
On-behalf TPAF Noncontributory Insurance Contributions (non-budgeted)				9,914	9,914
On-behalf TPAF Post Retirement Contributions (non-budgeted)				210,581	210,581
Reimbursed TPAF Social Security Contributions (non-budgeted)				233,694	233,694
Total State Sources	<u>1,762,693</u>		<u>1,762,693</u>	<u>2,335,151</u>	<u>572,458</u>
TOTAL REVENUES	<u>9,146,498</u>		<u>9,146,498</u>	<u>9,717,933</u>	<u>571,435</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	193,211	\$ (96,708)	96,503	96,503	
Grades 1-5 - Salaries of Teachers	1,134,182	(86,034)	1,048,148	1,048,148	
Grades 6-8 - Salaries of Teachers	680,169	136,437	816,606	816,606	
Regular Programs - Home Instruction:					
Salaries of Teachers	6,020	(3,493)	2,527	2,527	

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	\$ 49,037	\$ (26,582)	\$ 22,455	\$ 22,455	
Purchased Professional - Educational Services	45,171	(35,201)	9,970	9,970	
Other Purchased Services (400-500 Series)	1,242	(1,242)			
General Supplies	57,549	116,812	174,361	158,270	\$ 16,091
Textbooks	10,000	(5,267)	4,733	4,733	
Other Objects	1,922	1,050	2,972	2,972	
Total Regular Programs - Instruction	2,178,503	(228)	2,178,275	2,162,184	16,091
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	52,034	29,714	81,748	81,748	
Other Salaries for Instruction	36,961	9,106	46,067	46,067	
General Supplies	4,500	(2,721)	1,779	1,779	
Total Multiple Disabilities	93,495	36,099	129,594	129,594	
Resource Room/Resource Center:					
Salaries of Teachers	219,508	106,049	325,557	325,557	
Other Salaries for Instruction	139,467	19,727	159,194	159,194	
Purchased Professional-Educational Services	200	(200)			
General Supplies	5,000	(520)	4,480	4,480	
Other Objects	941	(941)			
Total Resource Room/Resource Center	365,116	124,115	489,231	489,231	
Preschool Disabilities - Part Time:					
Salaries of Teachers	34,712	6,384	41,096	40,745	351
Other Salaries for Instruction	8,929	22,977	31,906	31,258	648
General Supplies	52	122	174	174	
Total Preschool Disabilities - Part Time	43,693	29,483	73,176	72,177	999

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Preschool Disabilities - Full Time:					
Other Salaries for Instruction		\$ 10,977	\$ 10,977	\$ 10,435	\$ 542
General Supplies		3,173	3,173	659	2,514
Total Preschool Disabilities - Full Time		14,150	14,150	11,094	3,056
Total Special Education Instruction	\$ 502,304	203,847	706,151	702,096	4,055
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	156,654	(20,867)	135,787	103,459	32,328
General Supplies	900	(400)	500		500
Total Basic Skills/Remedial - Instruction	157,554	(21,267)	136,287	103,459	32,828
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	6,705	11,985	18,690	18,690	
Supplies and Materials	1,100	(100)	1,000	590	410
Total School-Sponsored Cocurricular Activities - Instruction	7,805	11,885	19,690	19,280	410
School-Sponsored Athletics - Instruction:					
Salaries	7,130	2,805	9,935	9,935	
Supplies and Materials	960	(240)	720		720
Other Objects	1,575	(645)	930		930
Transfer to Cover Deficit (Agency Funds)	410	240	650	287	363
Total School-Sponsored Athletics - Instruction	10,075	2,160	12,235	10,222	2,013
Total Instruction	2,856,241	196,397	3,052,638	2,997,241	55,397
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	2,402,994	117,325	2,520,319	2,520,319	
Tuition to Other LEAs Within the State - Special	206,985	2,060	209,045	200,396	8,649
Tuition to Private Schools for the Handicapped - Within State	166,540	(149,600)	16,940	13,002	3,938
Tuition - Other		880	880	880	
Total Undistributed Expenditures - Instruction	2,776,519	(29,335)	2,747,184	2,734,597	12,587

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Attendance & Social Work					
Salaries	\$ 14,914	\$ 1,111	\$ 16,025	\$ 16,025	
Total Attendance & Social Work	14,914	1,111	16,025	16,025	
Health Services:					
Salaries	74,058	1,569	75,627	75,439	\$ 188
Purchased Professional and Technical Services	256	1,042	1,298	1,298	
Supplies and Materials	1,000	693	1,693	1,689	4
Other Objects		535	535	478	57
Total Health Services	75,314	3,839	79,153	78,904	249
Speech, OT, PT and Other Related Services:					
Salaries	79,362	(220)	79,142	78,964	178
Purchased Professional - Educational Services	1,138	12,510	13,648	13,200	448
Supplies and Materials	1,000	223	1,223	1,223	
Total Speech, OT, PT and Other Related Services	81,500	12,513	94,013	93,387	626
Other Support Services - Students - Extraordinary Services:					
Salaries	75,973	30,434	106,407	101,819	4,588
Purchased Professional - Educational Services	95,884	4,281	100,165	64,475	35,690
Supplies and Materials	82	1	83	83	
Total Other Support Services - Students - Extraordinary Services	171,939	34,716	206,655	166,377	40,278
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	40,180	(786)	39,394	39,394	
Supplies and Materials	1,843	(476)	1,367	1,300	67
Other Objects	20		20	20	
Total Other Support Services - Students - Guidance	42,043	(1,262)	40,781	40,714	67

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Students - Child Study Teams:					
Salaries of Other Professional Staff	\$ 166,416	\$ 13,436	\$ 179,852	\$ 160,389	\$ 19,463
Salaries of Secretarial and Clerical Assistants	57,988	(7,063)	50,925	50,925	
Purchased Professional - Educational Services	7,676	(2,037)	5,639	4,739	900
Other Purchased Services (400-500 series)	1,500	(507)	993	317	676
Supplies and Materials	4,440	(2,039)	2,401	1,012	1,389
Other Objects	325		325	152	173
Total Other Support Services - Students - Child Study Teams	<u>238,345</u>	<u>1,790</u>	<u>240,135</u>	<u>217,534</u>	<u>22,601</u>
Improvement of Instructional Services:					
Salaries of Other Professional Staff	49,000	(2,197)	46,803	39,989	6,814
Purchased Professional - Educational Services		10,000	10,000	10,000	
Total Improvement of Instructional Services	<u>49,000</u>	<u>7,803</u>	<u>56,803</u>	<u>49,989</u>	<u>6,814</u>
Educational Media Services/School Library:					
Salaries	55,381	(12,992)	42,389	32,552	9,837
Other Purchased Services (400-500 series)	250		250		250
Supplies and Materials	7,750	21,410	29,160	4,863	24,297
Total Educational Media Services/School Library	<u>63,381</u>	<u>8,418</u>	<u>71,799</u>	<u>37,415</u>	<u>34,384</u>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	31,250		31,250	31,250	
Other Purchased Services (400-500 series)	19,500	18,100	37,600	13,715	23,885
Total Instructional Staff Training Services	<u>50,750</u>	<u>18,100</u>	<u>68,850</u>	<u>44,965</u>	<u>23,885</u>

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration:					
Salaries	\$ 128,670	\$ (1,819)	\$ 126,851	\$ 117,066	\$ 9,785
Legal Services	41,861	(18,377)	23,484	5,096	18,388
Audit Fee	25,137		25,137	25,130	7
Other Purchased Professional Services	7,659	6,622	14,281	6,749	7,532
Purchased Technical Services		3,740	3,740	141	3,599
Communications/Telephone	29,144	(632)	28,512	22,905	5,607
BOE Other Purchased Services	1,500	(321)	1,179		1,179
Other Purchased Services (400-500 series)	24,882	3,652	28,534	20,594	7,940
General Supplies	6,149	188	6,337	2,472	3,865
Miscellaneous Expenditures	7,800	6,925	14,725	12,008	2,717
Total Support Services - General Administration	272,802	(22)	272,780	212,161	60,619
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	114,178	(2,243)	111,935	111,935	
Salaries of Secretarial and Clerical Assistants	40,427	3,899	44,326	44,326	
Purchased Professional and Technical Services	6,000	2,620	8,620	8,620	
Other Purchased Services (400-500 series)	850	(582)	268		268
Supplies and Materials	12,776	6,951	19,727	17,990	1,737
Other Objects		3,863	3,863	3,863	
Total Support Services - School Administration	174,231	14,508	188,739	186,734	2,005
Central Services:					
Salaries	151,575		151,575	145,837	5,738
Purchased Professional Services	27,844	(17,955)	9,889	2,064	7,825
Purchased Technical Services	11,400	2,172	13,572	13,572	
Miscellaneous Purchased Services (400-500 series)	8,550	(1,847)	6,703	2,469	4,234
Supplies and Materials	3,000	2,880	5,880	5,826	54
Miscellaneous Expenditures	500	1,605	2,105	2,105	
Total Central Services	202,869	(13,145)	189,724	171,873	17,851

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Administration Information Technology:					
Salaries	\$ 24,000	\$ 5,317	\$ 29,317	\$ 12,180	\$ 17,137
Purchased Technical Services		5,654	5,654	5,654	
Total Administration Information Technology	24,000	10,971	34,971	17,834	17,137
Required Maintenance of School Facilities:					
Salaries	39,183	(11,976)	27,207	25,633	1,574
Cleaning, Repair and Maintenance Services	14,486	7,001	21,487	21,487	
General Supplies	6,223	(5,493)	730	730	
Total Required Maintenance of School Facilities	59,892	(10,468)	49,424	47,850	1,574
Custodial Services:					
Salaries	164,099	18,816	182,915	173,977	8,938
Purchased Professional and Technical Services	13,419	(2,127)	11,292	11,292	
Cleaning, Repair and Maintenance Services	45,000	10,634	55,634	49,228	6,406
Other Purchased Property Services	6,240	(896)	5,344	3,750	1,594
Insurance	22,340	10	22,350	21,000	1,350
Miscellaneous Purchased Services	7,508	849	8,357	6,304	2,053
General Supplies	30,617	(973)	29,644	27,587	2,057
Energy (Electricity)	232,984	(62,277)	170,707	115,085	55,622
Energy (Natural Gas)	3,100		3,100	1,856	1,244
Energy (Oil)	100,000	(4,756)	95,244	85,244	10,000
Other Objects	14,992	(2,500)	12,492	12,285	207
Total Custodial Services	640,299	(43,220)	597,079	507,608	89,471
Care and Upkeep of Grounds:					
Salaries	21,105		21,105	18,315	2,790
Total Care and Upkeep of Grounds	21,105		21,105	18,315	2,790

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services:					
Salary for Pupil Transportation (Between Home & School) - Regular	\$ 21,723	\$ 2,000	\$ 23,723	\$ 20,042	\$ 3,681
Management Fee - ESC & CTSA Transportation Program	5,452		5,452		5,452
Other Purchased Professional and Technical Services	35,164	(27,456)	7,708	329	7,379
Cleaning, Repair and Maintenance Services		3,976	3,976	3,976	
Lease Purchase Payments - School Buses	13,538		13,538	13,538	
Contracted Services:					
Between Home and School - Vendors	375,236	41,534	416,770	412,702	4,068
Other Between Home and School - Vendors	18,389	(1,403)	16,986	3,736	13,250
Special Education Students - Vendors	184,397	(97,164)	87,233	60,736	26,497
Aid in Lieu Payments - Nonpublic School	25,000	17,157	42,157	21,584	20,573
General Supplies	200	104	304	304	
Transportation Supplies	5,700	3,940	9,640	9,640	
Other Objects	2,500	(104)	2,396	117	2,279
Total Student Transportation Services	687,299	(57,416)	629,883	546,704	83,179
Allocated Benefits:					
Attendance and Social Work Services:					
Social Security Contributions	1,137		1,137	1,137	
Workmen's Compensation	103		103	103	
Health Benefits	8,771		8,771	8,771	
Total Allocated Benefits - Attendance and Social Work Services	10,011		10,011	10,011	
Support Services - General Administration:					
Social Security Contributions	3,178		3,178	3,178	
Workmen's Compensation	286		286	286	
Health Benefits	13,090		13,090	13,090	
Total Allocated Benefits - General Administration	16,554		16,554	16,554	

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Social Security Contributions	\$ 2,798		\$ 2,798	\$ 2,798	
Workmen's Compensation	1,040		1,040	1,040	
Health Benefits	39,447		39,447	39,447	
Tuition Reimbursement	5,000		5,000		\$ 5,000
Total Allocated Benefits - School Administration	48,285		48,285	43,285	5,000
Support Services - Central Services:					
Social Security Contributions	2,644		2,644	2,644	
Workmen's Compensation	1,023		1,023	1,023	
Health Benefits	34,996		34,996	34,996	
Total Allocated Benefits - Central Services	38,663		38,663	38,663	
Support Services - Administration Information Technology:					
Social Security Contributions	1,836		1,836	1,836	
Workmen's Compensation	166		166	166	
Total Allocated Benefits - Administration Information Technology	2,002		2,002	2,002	
Total Allocated Benefits	115,515		115,515	110,515	5,000
Unallocated Benefits:					
Social Security Contributions	69,585	\$ 11,857	81,442	81,442	
Other Retirement Contributions	85,000	(13,407)	71,593	71,593	
Unemployment Compensation	234,242	(60,134)	174,108		174,108
Workmen's Compensation	38,174	(2,032)	36,142	36,034	108
Health Benefits	828,734	(64,930)	763,804	713,718	50,086
Tuition Reimbursement	25,000		25,000	25,000	
Other Employee Benefits	6,300	34,425	40,725	33,759	6,966
Total Unallocated Benefits	1,287,035	(94,221)	1,192,814	961,546	231,268

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-behalf TPAF Noncontributory Insurance Contributions (non-budgeted)				\$ 9,914	\$ (9,914)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				210,581	(210,581)
Reimbursed TPAF Social Security Contributions (non-budgeted)				233,694	(233,694)
Total On-behalf and Reimbursed TPAF Contributions				454,189	(454,189)
Total Undistributed Expenses	\$ 7,048,752	\$ (135,320)	\$ 6,913,432	6,715,236	198,196
TOTAL GENERAL CURRENT EXPENSE	9,904,993	61,077	9,966,070	9,712,477	253,593
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Architectual/Engineering Services	25,000	(22,398)	2,602	2,602	
Other Purchased Professional and Technical Services		398	398		398
Construction Services	125,000	(125,000)			
Other Objects	25,278		25,278	25,278	
Total Facilities Acquisition and Construction Services	175,278	(147,000)	28,278	27,880	398
TOTAL CAPITAL OUTLAY	175,278	(147,000)	28,278	27,880	398
Transfer of Funds to Charter Schools	54,365		54,365	42,616	11,749
TOTAL EXPENDITURES	10,134,636	(85,923)	10,048,713	9,782,973	265,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	(988,138)	85,923	(902,215)	(65,040)	837,175
Other Financing Uses:					
Operating Transfers Out:					
Transfer to Capital Projects Fund - Capital Outlay		(147,000)	(147,000)	(147,000)	
Total Other Financing Uses		(147,000)	(147,000)	(147,000)	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	(988,138)	(61,077)	(1,049,215)	(212,040)	837,175

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Fund Balance, July 1	\$ 1,539,391		\$ 1,539,391	\$ 1,539,391	
Fund Balance, June 30	<u>\$ 551,253</u>	<u>\$ (61,077)</u>	<u>\$ 490,176</u>	<u>\$ 1,327,351</u>	<u>\$ 837,175</u>
<u>Recapitulation:</u>					
Restricted:					
Excess Surplus - Restricted for Subsequent Year's Expenditures				\$ 240,075	
Excess Surplus				274,221	
Capital Reserve				101	
Assigned:					
Year-End Encumbrances				49,760	
Designated for Subsequent Year's Expenditures				394,925	
Unassigned				<u>368,269</u>	
				1,327,351	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(160,812)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,166,539</u>	

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenue:					
Local Sources		\$ 10,000	\$ 10,000	\$ 8,430	\$ (1,570)
State Sources	\$ 22,582	(12,751)	9,831	1,926	(7,905)
Federal Sources	187,192	134,680	321,872	315,355	(6,517)
Total Revenue	<u>209,774</u>	<u>131,929</u>	<u>341,703</u>	<u>325,711</u>	<u>(15,992)</u>
Expenditures:					
Instruction:					
Other Salaries for Instruction		7,642	7,642	7,642	
Purchased Professional Educational Services		205,389	205,389	205,389	
Tuition	129,956	(117,436)	12,520	10,572	1,948
Other Purchased Services		2,460	2,460	138	2,322
General Supplies	49,079	(39,366)	9,713	8,143	1,570
Textbooks	941	(657)	284		284
Other Objects		300	300	300	
Total Instruction	<u>179,976</u>	<u>58,332</u>	<u>238,308</u>	<u>232,184</u>	<u>6,124</u>
Support Services:					
Salaries of Other Professional Staff		20,720	20,720	20,720	
Personal Services - Employee Benefits		251	251	251	
Purchased Professional and Technical Services	21,641	(1,879)	19,762	12,141	7,621
Other Purchased Professional Services	8,157	7,578	15,735	15,735	
Supplies and Materials		29,680	29,680	29,680	
Total Support Services	<u>29,798</u>	<u>56,350</u>	<u>86,148</u>	<u>78,527</u>	<u>7,621</u>
Facilities Acquisition and Construction Services:					
Construction Services		15,000	15,000	15,000	
Instructional Equipment		246	246		246
Non-Instructional Equipment		2,001	2,001		2,001
Total Facilities Acquisition and Construction Services		<u>17,247</u>	<u>17,247</u>	<u>15,000</u>	<u>2,247</u>
Total Expenditures	<u>\$ 209,774</u>	<u>\$ 131,929</u>	<u>\$ 341,703</u>	<u>\$ 325,711</u>	<u>\$ 15,992</u>

GREEN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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) "Revenue" from the Budgetary Comparison Schedule	\$ 9,717,933	\$ 325,711
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Expenditures and Revenue while the GAAP basis does not:		
Current Year Encumbrances		(10,416)
Prior Year Encumbrances		7,931
Prior Year State Aid Payments Recognized for GAAP Statements	208,442	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(160,812)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 9,765,563</u>	<u>\$ 323,226</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 9,782,973	\$ 325,711
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(2,485)</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 9,782,973</u>	<u>\$ 323,226</u>

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

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

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

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

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE)

SPECIAL REVENUE FUND

GREEN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	No Child Left Behind			Small Rural Education Achievement Program (REAP)
	Title I	Title II, Part A	Title II, Part A Carryover	
REVENUE:				
Local Sources				
State Sources				
Federal Sources	\$ 5,800	\$ 9,465	\$ 11,235	\$ 138
Total Revenue	5,800	9,465	11,235	138
EXPENDITURES:				
Instruction:				
Other Salaries for Instruction				
Tuition				
Purchased Professional - Educational Services	2,000			
Other Purchased Services				138
General Supplies	500			
Other Objects	300			
Total Instruction	2,800			138
Support Services:				
Salaries of Other Professional Staff				20,720
Personal Services - Employee Benefits				
Purchased Professional and Technical Services		9,465		
Other Purchased Professional Services	3,000		11,235	
Supplies and Materials				28,845
Total Support Services	3,000	9,465	11,235	49,565
Facilities Acquisition:				
Construction				
Total Facilities Acquisition				
Total Expenditures	\$ 5,800	\$ 9,465	\$ 11,235	\$ 138

GREEN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	I.D.E.A., Part B				
	Basic	Basic Carryover	Preschool	ARRA	
				Basic	Preschool
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 143,631	\$ 51,425	\$ 5,050	\$ 33,763	\$ 5,283
Total Revenue	<u>143,631</u>	<u>51,425</u>	<u>5,050</u>	<u>33,763</u>	<u>5,283</u>
EXPENDITURES:					
Instruction:					
Other Salaries for Instruction				6,501	
Tuition	143,631	51,425	5,050		5,283
Purchased Professional - Educational Services				8,572	
Other Purchased Services					
General Supplies				354	
Other Objects					
Total Instruction	<u>143,631</u>	<u>51,425</u>	<u>5,050</u>	<u>15,427</u>	<u>5,283</u>
Support Services:					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits				251	
Purchased Professional and Technical Services				750	
Other Purchased Professional Services				1,500	
Supplies and Materials				835	
Total Support Services				<u>3,336</u>	
Facilities Acquisition:					
Construction				15,000	
Total Facilities Acquisition				<u>15,000</u>	
Total Expenditures	<u>\$ 143,631</u>	<u>\$ 51,425</u>	<u>\$ 5,050</u>	<u>\$ 33,763</u>	<u>\$ 5,283</u>

GREEN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Nonpublic Auxiliary - Compensatory Education	Health Coordinator Grant	Total
REVENUE:			
Local Sources		\$ 8,430	\$ 8,430
State Sources	\$ 1,926		1,926
Federal Sources			315,355
Total Revenue	<u>1,926</u>	<u>8,430</u>	<u>325,711</u>
EXPENDITURES:			
Instruction:			
Other Salaries for Instruction		1,141	7,642
Tuition			205,389
Purchased Professional - Educational Services			10,572
Other Purchased Services			138
General Supplies		7,289	8,143
Other Objects			300
Total Instruction		<u>8,430</u>	<u>232,184</u>
Support Services:			
Salaries of Other Professional Staff			20,720
Personal Services - Employee Benefits			251
Purchased Professional and Technical Services	1,926		12,141
Other Purchased Professional Services			15,735
Supplies and Materials			29,680
Total Support Services	<u>1,926</u>		<u>78,527</u>
Facilities Acquisition:			
Construction			15,000
Total Facilities Acquisition			<u>15,000</u>
Total Expenditures	<u>\$ 1,926</u>	<u>\$ 8,430</u>	<u>\$ 325,711</u>

GREEN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOT APPLICABLE

CAPITAL PROJECTS FUND

GREEN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenue:		
School Development Authority (SDA) Grant	\$	98,000
Total Revenues		<u>98,000</u>
Expenditures:		
Legal Services		624
Other Purchased Professional Technical Services		33,373
Construction Services		<u>87,443</u>
Total Expenditures		<u>121,440</u>
Deficiency of Revenue Under Expenditures		(23,440)
Other Financing Sources (Uses):		
Operating Transfer In - General Fund - Transfer from Capital Outlay		<u>147,000</u>
Total Other Financing Sources (Uses)		<u>147,000</u>
Deficit of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses		123,560
Fund Balance - Beginning Balance		<u> </u>
Fund Balance - Ending Balance	\$	<u><u>123,560</u></u>
Recapitulation:		
Committed:		
Year-End Encumbrances	\$	75,383
Other Purposes		<u>48,177</u>
Fund Balance per Governmental Funds		123,560
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis		<u>(49,424)</u>
Fund Balance per Governmental Funds (GAAP)	\$	<u><u>74,136</u></u>

GREEN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS
BUDGETARY BASIS
BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 147,000	\$ 147,000	\$ 147,000
SDA Grant		98,000	98,000	98,000
Total Revenues and Other Financing Sources		245,000	245,000	245,000
Expenditures:				
Legal Services		624	624	5,000
Other Purchased Professional Technical Services		33,373	33,373	40,000
Construction Services		87,443	87,443	200,000
Total Expenditures		121,440	121,440	245,000
Excess of Revenue and Other Financing Sources Over Expenditures	\$ -0-	\$ 123,560	\$ 123,560	\$ -0-
Additional Project Information:				
Project Number	1800-060-10-1001			
Grant Date	8/9/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 245,000			
Original Target Completion Date	11/15/2011			
Percentage Completion	49.57%			

PROPRIETARY FUNDS

GREEN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	Business-Type Activities: Enterprise Funds		
	Food Service	Child Care	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 29,627	\$ 23,338	\$ 52,965
Accounts Receivable:			
State	162		162
Federal	1,055		1,055
Interfund Receivable	1,985		1,985
Inventories	7,311		7,311
Total Current Assets	40,140	23,338	63,478
Non-Current Assets:			
Capital Assets	68,800		68,800
Accumulated depreciation	(68,337)		(68,337)
Total Non-Current Assets	463		463
Total Assets	40,603	23,338	63,941
LIABILITIES:			
Current Liabilities:			
Accounts Payable	3,426		3,426
Deferred Revenue	5,065	800	5,865
Total Current Liabilities	8,491	800	9,291
NET ASSETS:			
Invested in Capital Assets	463		463
Unrestricted	31,649	22,538	54,187
Total Net Assets	\$ 32,112	\$ 22,538	\$ 54,650

Exhibit G-2

GREEN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-Type Activities: Enterprise Funds		
	Food Service	Child Care	Total
Operating Revenue:			
Local Sources:			
Daily Sales -			
School Lunch Program	\$ 94,030		\$ 94,030
Miscellaneous	3,364		3,364
Child Care Registration Fees		\$ 90,031	90,031
Total Operating Revenue	97,394	90,031	187,425
Operating Expenses:			
Cost of Goods Sold	60,221		60,221
Salaries and Benefits	39,928	63,433	103,361
Purchased Services	7,674		7,674
Supplies and Materials	7,303	4,711	12,014
Depreciation	135		135
Utilities	5,656	495	6,151
Travel	275		275
Other	385		385
Total Operating Expenses	121,577	68,639	190,216
Operating Income/(Loss)	(24,183)	21,392	(2,791)
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	1,239		1,239
Federal Sources:			
National School Lunch Program	14,567		14,567
Special Milk Program	802		802
Food Distribution Program	4,728		4,728
Interest Revenue	76		76
Total Non-Operating Revenue	21,412		21,412
Change in Net Assets Before Transfers	(2,771)	21,392	18,621
Transfers	10,000	(10,000)	
Change in Net Assets	7,229	11,392	18,621
Net Assets - Beginning of Year	24,883	11,146	36,029
Net Assets - End of Year	\$ 32,112	\$ 22,538	\$ 54,650

Exhibit G-3

GREEN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-Type Activities:		
	Enterprise Funds		
	Food Service	Child Care	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 97,394	\$ 90,031	\$ 187,425
Payments for Employees and Benefits	(39,928)	(53,433)	(93,361)
Payments to Suppliers	(70,692)	(14,406)	(85,098)
Net Cash Provided by/(Used for) Operating Activities	(13,226)	22,192	8,966
Cash Flows from Noncapital Financing Activities:			
Transfers	10,000	(10,000)	
Federal and State Sources - Turnover from General Fund	13,748		13,748
Net Cash Provided by/(Used for) Noncapital Financing Activities	23,748	(10,000)	13,748
Cash Flows from Investing Activities:			
Interest on Investments	76		76
Net Cash Provided by Investing Activities	76		76
Net Increase in Cash and Cash Equivalents	10,598	12,192	22,790
Cash and Cash Equivalents, July 1	19,029	11,146	30,175
Cash and Cash Equivalents, June 30	\$ 29,627	\$ 23,338	\$ 52,965
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/			
(Used for) by Operating Activities:			
Operating Income/(Loss)	\$ (24,183)	\$ 21,392	\$ (2,791)
Adjustment to Reconcile Operating Income/(Loss) to Cash			
Provided by/(Used for) Operating Activities:			
Depreciation	135		135
Federal Food Distribution Program	4,728		4,728
Changes in Assets and Liabilities:			
Decrease in Inventory	2,853		2,853
Decrease in Interfund Receivable	1,370		1,370
Increase/(Decrease) in Deferred Revenue	(1,555)	800	(755)
Increase in Accounts Payable	3,426		3,426
Net Cash Provided by/(Used for) by Operating Activities	\$ (13,226)	\$ 22,192	\$ 8,966

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$3,173 from the Federal Food Distribution Program and utilized commodities valued at \$4,728 for the fiscal year ended June 30, 2011

FIDUCIARY FUNDS

GREEN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30,2011

	Agency			Unemployment Compensation Trust	Totals
	Payroll	Student Activities	Total Agency		
ASSETS:					
Cash and Cash Equivalents	\$ 7,610	\$ 41,490	\$ 49,100	\$ 168,293	\$ 217,393
Total Assets	7,610	41,490	49,100	168,293	217,393
LIABILITIES:					
Due to Student Groups		40,536	40,536		40,536
Interfund Payable - General Fund	2,989	954	3,943		3,943
Payroll Deductions and Withholdings	4,621		4,621		4,621
Total Liabilities	7,610	41,490	49,100		49,100
NET ASSETS:					
Held in Trust for Unemployment Claims				168,293	168,293
Total Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ 168,293	\$ 168,293

GREEN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions:	
Plan Contributions	\$ 7,515
Total Contributions	<u>7,515</u>
Investment Earnings:	
Interest	<u>369</u>
Net Investment Earnings	<u>369</u>
Total Additions	<u>7,884</u>
Deductions	
Unemployment Compensation Claims	<u>71,585</u>
Total Deductions	<u>71,585</u>
Change in Net Assets	(63,701)
Net Assets - Beginning of the Year	<u>231,994</u>
Net Assets - End of the Year	<u><u>\$ 168,293</u></u>

GREEN TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 39,618	\$ 109,743	\$ 107,871	\$ 41,490
Total Assets	<u>\$ 39,618</u>	<u>\$ 109,743</u>	<u>\$ 107,871</u>	<u>\$ 41,490</u>
<u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 39,618	\$ 108,789	\$ 107,871	\$ 40,536
Interfund Payable - General Fund		954		954
Total Liabilities	<u>\$ 39,618</u>	<u>\$ 109,743</u>	<u>\$ 107,871</u>	<u>\$ 41,490</u>

GREEN TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Elementary School:				
General Organization Account	\$ 39,618	\$ 108,789	\$ 107,871	\$ 40,536
Total All Schools	<u>\$ 39,618</u>	<u>\$ 108,789</u>	<u>\$ 107,871</u>	<u>\$ 40,536</u>

HAMPTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 34,022	\$ 4,636,727	\$ 4,663,139	\$ 7,610
Total Assets	<u>\$ 34,022</u>	<u>\$ 4,636,727</u>	<u>\$ 4,663,139</u>	<u>\$ 7,610</u>
<u>LIABILITIES:</u>				
Interfund Payable - General Fund	\$ 3,451	\$ 2,989	\$ 3,451	\$ 2,989
Payroll Deduction and Withholdings	<u>30,571</u>	<u>4,633,738</u>	<u>4,659,688</u>	<u>4,621</u>
Total Liabilities	<u>\$ 34,022</u>	<u>\$ 4,636,727</u>	<u>\$ 4,663,139</u>	<u>\$ 7,610</u>

LONG-TERM DEBT

GREEN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>	<u>Matured</u>	<u>Balance June 30, 2011</u>
2009 School Bus	5.40%	\$ 61,100	<u>\$ 47,562</u>	<u>\$ 10,969</u>	<u>\$ 36,593</u>
			<u>\$ 47,562</u>	<u>\$ 10,969</u>	<u>\$ 36,593</u>

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 616,483		\$ 616,483	\$ 616,483	
Total Revenue	<u>616,483</u>		<u>616,483</u>	<u>616,483</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	190,283		190,283	190,283	
Redemption of Principal	445,000		445,000	445,000	
Total Regular Debt Service	<u>635,283</u>		<u>635,283</u>	<u>635,283</u>	
Total Expenditures	<u>635,283</u>		<u>635,283</u>	<u>635,283</u>	
Deficit of Revenue Under Expenditures	(18,800)		(18,800)	(18,800)	
Fund Balance, July 1	<u>102,852</u>		<u>102,852</u>	<u>102,852</u>	
Fund Balance, June 30	<u>\$ 84,052</u>	<u>\$ -0-</u>	<u>\$ 84,052</u>	<u>\$ 84,052</u>	<u>\$ -0-</u>
<u>Recapitulation:</u>					
Restricted for Subsequent Year's Expenditures				<u>\$ 84,052</u>	

STATISTICAL SECTION

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

Contents

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

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

GREEN TOWNSHIP SCHOOL DISTRICT
NET ASSETS BY COMPONENT,
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 4,306,787	\$ 4,593,959	\$ 4,598,327	\$ 4,337,359	\$ 4,234,319	\$ 4,308,749	\$ 4,339,184
Restricted	645,370	986,719	647,762	376,629	813,488	971,166	722,345
Unrestricted/(Deficit)	(98,251)	(273,942)	(49,488)	319,286	169,869	407,376	534,744
Total Governmental Activities Net Assets	\$ 4,853,906	\$ 5,306,736	\$ 5,196,601	\$ 5,033,274	\$ 5,217,676	\$ 5,687,291	\$ 5,596,273
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 1,267	\$ 1,134	\$ 1,001	\$ 868	\$ 733	\$ 598	\$ 463
Unrestricted	50,432	42,653	40,386	35,414	29,588	35,431	54,187
Total Business-Type Activities Net Assets	\$ 51,699	\$ 43,787	\$ 41,387	\$ 36,282	\$ 30,321	\$ 36,029	\$ 54,650
District-Wide:							
Invested in Capital Assets, Net of Related Debt	\$ 4,308,054	\$ 4,595,093	\$ 4,599,328	\$ 4,338,227	\$ 4,235,052	\$ 4,309,347	\$ 4,339,647
Restricted	645,370	986,719	647,762	376,629	813,488	971,166	722,345
Unrestricted/(Deficit)	(47,819)	(231,289)	(9,102)	354,700	199,457	442,807	588,931
Total District Net Assets	\$ 4,905,605	\$ 5,350,523	\$ 5,237,988	\$ 5,069,556	\$ 5,247,997	\$ 5,723,320	\$ 5,650,923

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

Source: School District Financial Reports

GREEN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Expenses:							
Governmental Activities:							
Instruction:							
Regular	\$ 2,673,659	\$ 2,868,314	\$ 3,358,857	\$ 3,187,349	\$ 3,189,497	\$ 3,383,107	\$ 3,021,928
Special Education	712,484	858,952	861,361	989,433	957,812	901,388	1,181,568
Other Special Education	39,743	76,863	99,782	182,583	100,477	177,248	142,637
Other Instruction	35,537	41,547	41,696	53,974	57,212	55,206	40,342
Support Services:							
Tuition	2,160,053	2,365,682	2,120,223	2,471,472	2,490,399	2,238,138	2,734,597
Student and Instruction Related Services	563,188	612,298	756,501	695,503	865,417	900,556	933,144
General Administrative Services	318,122	368,059	224,567	252,932	252,814	267,253	256,108
School Administrative Services	202,178	184,067	273,763	427,801	262,840	310,965	287,176
Central Services	200,008	213,856	242,895	164,575	241,694	245,996	272,540
Administrative Information Technology					27,206	47,055	22,685
Plant Operations and Maintenance	430,978	526,514	625,741	653,984	561,734	604,551	628,107
Pupil Transportation	439,419	526,167	605,144	572,193	518,642	547,934	546,535
Capital Outlay				105,913			
Charter Schools				29,027	38,508	51,910	42,616
Interest on Long-Term Debt	252,789	240,673	228,065	214,952	200,401	202,712	183,023
Unallocated Depreciation	101,745	500,391	530,871	522,955	522,952	550,620	551,860
Total Governmental Activities Expenses	<u>8,129,903</u>	<u>9,383,383</u>	<u>9,969,466</u>	<u>10,524,646</u>	<u>10,287,605</u>	<u>10,484,639</u>	<u>10,844,866</u>
Business-Type Activities:							
Food Service	112,833	133,450	153,275	164,502	157,058	143,538	124,759
Child Care	31,051	41,111	48,685	50,385	61,322	63,429	68,639
Total Business-Type Activities Expense	<u>143,884</u>	<u>174,561</u>	<u>201,960</u>	<u>214,887</u>	<u>218,380</u>	<u>206,967</u>	<u>193,398</u>
Total District Expenses	<u>8,273,787</u>	<u>9,557,944</u>	<u>10,171,426</u>	<u>10,739,533</u>	<u>10,505,985</u>	<u>10,691,606</u>	<u>11,038,264</u>

GREEN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Program Revenues:							
Governmental Activities:							
Charges for Services:							
Pupil transportation						\$ 17,154	
Operating Grants and Contributions	\$ 1,201,001	\$ 1,428,778	\$ 1,610,332	\$ 2,928,288	\$ 1,423,755	1,661,672	\$ 1,608,066
Capital Grants and Contributions							48,576
Total Governmental Activities Program Revenues	<u>1,201,001</u>	<u>1,428,778</u>	<u>1,610,332</u>	<u>2,928,288</u>	<u>1,423,755</u>	<u>1,678,826</u>	<u>1,656,642</u>
Business-Type Activities:							
Charges for Services:							
Food Service	82,962	101,075	110,388	111,032	116,679	110,386	100,576
Child Care	40,701	44,290	55,787	61,435	70,687	79,228	90,031
Operating Grants and Contributions	19,576	19,534	21,894	21,900	24,958	22,965	21,336
Total Business-Type Activities Program Revenues	<u>143,239</u>	<u>164,899</u>	<u>188,069</u>	<u>194,367</u>	<u>212,324</u>	<u>212,579</u>	<u>211,943</u>
Total District Program Revenues	<u>1,344,240</u>	<u>1,593,677</u>	<u>1,798,401</u>	<u>3,122,655</u>	<u>1,636,079</u>	<u>1,891,405</u>	<u>1,868,585</u>
Net (Expense)/Revenue:							
Governmental Activities	(6,928,902)	(7,954,605)	(8,359,134)	(7,596,358)	(8,863,850)	(8,805,813)	(9,188,224)
Business-Type Activities	(645)	(9,662)	(13,891)	(20,520)	(6,056)	5,612	18,545
Total District-Wide Net Expense	<u>(6,929,547)</u>	<u>(7,964,267)</u>	<u>(8,373,025)</u>	<u>(7,616,878)</u>	<u>(8,869,906)</u>	<u>(8,800,201)</u>	<u>(9,169,679)</u>

GREEN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2008	2010	2011
General Revenues and Other Changes in Net Assets:							
Governmental Activities:							
Property Taxes Levied for General Purposes, Net	\$ 5,075,837	\$ 5,799,452	\$ 6,070,009	\$ 6,558,526	\$ 6,912,475	\$ 7,149,733	\$ 7,363,305
Taxes Levied for Debt Service	547,275	545,313	530,621	549,944	571,331	624,539	616,483
Tuition from Other LEAs					57,311		
Federal and State Aid not Restricted	3,184,242	1,892,237	1,550,230	288,010	1,480,187	1,480,966	1,097,941
Investment Earnings	80,150	66,653	80,286	1,701	100	493	
Miscellaneous Income	5,141	103,780	27,853	49,850	26,848	19,697	19,477
Transfers			(10,000)	(15,000)			
Total Governmental Activities	<u>8,892,645</u>	<u>8,407,435</u>	<u>8,248,999</u>	<u>7,433,031</u>	<u>9,048,252</u>	<u>9,275,428</u>	<u>9,097,206</u>
Business-Type Activities:							
Transfers				15,000			
Investment Earnings	969	1,750	1,490	415	95	96	76
Total Business-Type Activities	<u>969</u>	<u>1,750</u>	<u>1,490</u>	<u>15,415</u>	<u>95</u>	<u>96</u>	<u>76</u>
Total District-Wide	<u>8,893,614</u>	<u>8,409,185</u>	<u>8,250,489</u>	<u>7,448,446</u>	<u>9,048,347</u>	<u>9,275,524</u>	<u>9,097,282</u>
Change in Net Assets:							
Governmental Activities	1,963,743	452,830	(110,135)	(163,327)	184,402	469,615	(91,018)
Business-Type Activities	324	(7,912)	(12,401)	(5,105)	(5,961)	5,708	18,621
Total District	<u>\$ 1,964,067</u>	<u>\$ 444,918</u>	<u>\$ (122,536)</u>	<u>\$ (168,432)</u>	<u>\$ 178,441</u>	<u>\$ 475,323</u>	<u>\$ (72,397)</u>

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

Source: School District Financial Reports

GREEN TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Fund:							
Reserved	\$ 315,645	\$ 626,427	\$ 522,515	\$ 462,256	\$ 808,124	\$ 868,314	
Unreserved	176,913	109,393	158,812	373,455	214,386	462,635	
Restricted							\$ 514,397
Assigned							444,685
Unassigned							207,457
Total General Fund	<u>\$ 492,558</u>	<u>\$ 735,820</u>	<u>\$ 681,327</u>	<u>\$ 835,711</u>	<u>\$ 1,022,510</u>	<u>\$ 1,330,949</u>	<u>\$ 1,166,539</u>
All Other Governmental Funds:							
Reserved	\$ 608,598	\$ 188,021	\$ 105,914		\$ 78,586		
Unreserved, Reported In:							
Capital Projects Fund/(Deficit)	(431,753)	(80,336)	(85,628)	(85,627)	(73,222)		
Debt Service Fund	17,317	17,317				\$ 102,852	
Restricted							\$ 84,052
Committed							74,136
Total All Other Governmental Funds	<u>\$ 194,162</u>	<u>\$ 125,002</u>	<u>\$ 20,286</u>	<u>\$ (85,627)</u>	<u>\$ 5,364</u>	<u>\$ 102,852</u>	<u>\$ 158,188</u>

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

Source: School District Financial Reports

GREEN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Revenues:							
Tax Levy	\$ 5,623,112	\$ 6,344,765	\$ 6,600,630	\$ 7,108,470	\$ 7,483,806	\$ 7,774,272	\$ 7,979,788
Tuition Charges					57,311		
Transportation Charges						17,154	
Interest Earnings	80,150	66,653	80,286	1,701	100		
Miscellaneous	5,141	103,780	27,853	49,850	26,848	20,190	27,907
State Sources	4,274,711	3,031,490	2,926,843	2,997,549	2,718,169	2,609,479	2,433,283
Federal Sources	110,532	289,525	233,719	218,749	185,773	533,159	312,870
Total Revenue	<u>10,093,646</u>	<u>9,836,213</u>	<u>9,869,331</u>	<u>10,376,319</u>	<u>10,472,007</u>	<u>10,954,254</u>	<u>10,753,848</u>
Expenditures:							
Instruction:							
Regular Instruction	2,012,812	2,164,041	2,456,040	2,272,177	2,431,546	2,440,074	2,253,974
Special Education Instruction	559,552	694,799	667,023	762,643	769,194	675,424	918,532
Other Special Instruction	29,172	56,754	69,309	125,717	75,363	122,537	103,459
Other Instruction	30,090	35,814	35,604	47,574	46,102	39,552	29,502
Support Services:							
Tuition	2,160,053	2,365,682	2,120,223	2,471,472	2,490,399	2,238,138	2,734,597
Student and Instruction Related Services	425,310	466,120	564,470	591,205	706,818	690,216	745,310
General Administrative Services	291,160	348,909	260,995	251,182	213,570	214,788	212,161
School Administrative Services	159,775	170,385	182,568	177,486	174,537	191,212	186,734
Central Services	167,645	189,059	213,060	164,575	170,785	167,325	171,873
Administration Information Technology					22,000	36,026	17,834
Plant Operations and Maintenance	395,437	494,380	583,857	616,314	520,095	543,929	573,773
Pupil Transportation	439,419	522,494	599,538	572,193	513,677	549,393	546,704
Unallocated Benefits	1,084,670	1,100,555	1,489,941	1,556,102	1,383,836	1,756,205	1,526,250
Debt Service:							
Principal	290,000	300,000	315,000	330,000	365,000	415,000	445,000
Interest and Other Charges	257,275	245,313	232,938	219,944	206,331	205,175	190,283
Capital Outlay	3,876,806	490,863	216,405	125,237	66,456	688,523	164,320
Transfer of Funds to Charter Schools	24,833	16,943	11,569	29,027	38,508	51,910	42,616
Total Expenditures	<u>12,204,009</u>	<u>9,662,111</u>	<u>10,018,540</u>	<u>10,312,848</u>	<u>10,194,217</u>	<u>11,025,427</u>	<u>10,862,922</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(2,110,363)</u>	<u>174,102</u>	<u>(149,209)</u>	<u>63,471</u>	<u>277,790</u>	<u>(71,173)</u>	<u>(109,074)</u>

GREEN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Other Financing sources (uses)							
Proceeds from Bonds						\$ 416,000	
Capital Leases						61,100	
Transfers in	\$ 44,321	\$ 6,111		\$ 5,711	\$ 43,783	98,488	\$ 147,000
Transfers out	(44,321)	(6,111)	\$ (10,000)	(20,711)	(43,783)	(98,488)	(147,000)
Total other financing sources (uses)			(10,000)	(15,000)		477,100	
Net Change in Fund Balances	<u>\$ (2,110,363)</u>	<u>\$ 174,102</u>	<u>\$ (159,209)</u>	<u>\$ 48,471</u>	<u>\$ 277,790</u>	<u>\$ 405,927</u>	<u>\$ (109,074)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.57 %	5.95 %	5.59 %	5.40 %	5.64 %	6.00 %	5.94 %

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

Source: School District Financial Reports

GREEN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

Fiscal Year Ending June 30,	Tuition	Transportation	Interest on Investments	Donations	Prior Year Refunds	Miscellaneous	Total
2002	\$ 11,800		\$ 40,271		\$ 575	\$ 687	\$ 53,333
2003	905		12,768	\$ 800	397	844	15,714
2004			15,665	1,055	1,084	9,626	27,430
2005		\$ 3,092	35,829			2,049	40,970
2006			60,542		84,598	19,182	164,322
2007	719		64,909		18,328	8,806	92,762
2008			40,456			5,384	45,840
2009	57,311		9,921		1,026	15,328	83,586
2010		17,154	5,440		1,575	12,682	36,851
2011			3,632			15,845	19,477

Source: Green Township School District records

GREEN TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST SEVEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	\$ 7,112,400	\$ 212,225,500	\$ 21,819,600	\$ 1,084,700	\$ 10,167,200	\$ 1,481,400	\$ 253,890,800	\$ 25,471,800	\$ 587,702	\$ 254,478,502	\$ 2.25	\$ 411,946,743
2005 *	15,418,200	440,573,500	40,358,600	1,628,700	17,278,100	6,142,000	521,399,100	37,310,000	900,156	522,299,256	1.14	426,738,728
2006	14,948,200	444,867,500	40,661,800	1,651,700	17,278,100	6,142,000	525,549,300	43,803,100	947,450	526,496,750	1.23	525,971,726
2007	16,190,190	455,212,900	40,252,600	1,551,800	17,278,100	6,142,000	536,627,590	43,803,100	856,694	537,484,284	1.27	565,653,846
2008	13,574,000	464,033,800	41,132,600	1,618,000	17,347,900	6,142,000	543,848,300	43,691,200	837,782	544,686,082	1.34	569,636,089
2009	11,867,000	472,343,200	40,302,300	1,651,802	17,718,900	8,587,100	552,470,302	43,691,200	788,189	553,258,491	1.37	579,774,786
2010	10,607,200	475,641,700	40,357,100	1,653,200	17,598,100	8,587,100	554,444,400	44,125,900	691,024	555,135,424	1.42	569,716,075

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

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

^b Tax rates are per \$100

* Revaluation Year

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

Source: Municipal Tax Assessor

GREEN TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(RATE PER \$100 OF ASSESSED VALUE)
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Green Township School District Direct Rate</u>			<u>Overlapping Rates</u>		<u>Total Direct</u> <u>and</u> <u>Overlapping</u> <u>Tax Rate</u>
	<u>Basic Rate</u> ^a	<u>General</u> <u>Obligation</u> <u>Debt Service</u> ^b	<u>Total</u> <u>Direct</u>	<u>Green</u> <u>Township</u>	<u>Sussex</u> <u>County</u>	
2001	\$ 1.934		\$ 1.934	\$ 0.501	\$ 0.635	\$ 3.070
2002	2.057		2.057	0.503	0.690	3.250
2003	2.135		2.135	0.519	0.706	3.360
2004	2.041	\$ 0.210	2.251	0.553	0.736	3.540
2005	* 1.032	0.111	1.143	0.329	0.378	1.850
2006	1.128	0.103	1.231	0.378	0.411	2.020
2007	1.174	0.098	1.272	0.416	0.406	2.094
2008	1.236	0.100	1.336	0.452	0.405	2.193
2009	1.264	0.110	1.374	0.463	0.398	2.235
2010	1.308	0.110	1.418	0.463	0.414	2.295

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

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

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

* Revaluation Year.

GREEN TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	2010	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Individual Taxpayer #1	\$ 8,587,400	1.55 %
Forest Knoll, LLC	4,364,800	0.79 %
Reilly Realty, LLC	4,031,000	0.73 %
TAB Microfilm Services, Inc.	2,008,600	0.36 %
Brighton Realty c/o J-Bar	1,990,900	0.36 %
Sonick Realty	1,719,600	0.31 %
New Jersey 7th Day Adventists	1,518,100	0.27 %
Individual Taxpayer #2	1,500,000	0.27 %
Individual Taxpayer #3	1,373,700	0.25 %
Individual Taxpayer #4	1,320,900	0.24 %
Total	<u>\$ 28,415,000</u>	<u>5.12 %</u>

<u>Taxpayer</u>	2002	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Individual Taxpayer #1	\$ 1,550,000	0.70 %
Individual Taxpayer #2	900,000	0.41 %
Individual Taxpayer #3	877,900	0.40 %
TAB Microfilm Services, Inc.	839,200	0.38 %
Individual Taxpayer #4	780,700	0.35 %
Brighton Realty c/o J-Bar	762,800	0.35 %
Individual Taxpayer #5	712,500	0.32 %
Individual Taxpayer #6	690,200	0.31 %
Individual Taxpayer #7	654,800	0.30 %
Individual Taxpayer #8	654,800	0.30 %
Total	<u>\$ 8,422,900</u>	<u>3.82 %</u>

Note: Individual Taxpayers listed may be different in 2010 and 2002.

Source: Municipal Tax Assessor

GREEN TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 4,491,449	\$ 4,491,449	100.00 %	-0-
2003	5,334,399	5,334,399	100.00 %	-0-
2004	5,818,912	5,818,912	100.00 %	-0-
2005	5,623,112	5,623,112	100.00 %	-0-
2006	6,344,765	6,344,765	100.00 %	-0-
2007	6,600,630	6,600,630	100.00 %	-0-
2008	7,108,470	7,108,470	100.00 %	-0-
2009	7,483,806	7,483,806	100.00 %	-0-
2010	7,774,272	7,774,272	100.00 %	-0-
2011	7,979,788	7,979,788	100.00 %	-0-

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

GREEN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Governmental</u> <u>Activities</u> <u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Capital Leases</u>	<u>Total District</u>	<u>Percentage of</u> <u>Personal</u> <u>Income</u> ^a	<u>Per Capita</u> ^a
2005	\$ 5,600,000		\$ 5,600,000	3.81 %	\$ 1,619
2006	5,300,000		5,300,000	3.36 %	1,525
2007	4,985,000		4,985,000	2.94 %	1,423
2008	4,655,000		4,655,000	2.68 %	1,306
2009	4,290,000		4,290,000	2.53 %	1,201
2010	4,291,000	\$ 47,562	4,338,562	2.56 %	1,215
2011	3,846,000	36,593	3,882,593	2.29 %	1,087

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

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

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

Source: School District Financial Reports

GREEN TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 5,600,000	-0-	\$ 5,600,000	2.20 %	\$ 1,619
2006	5,300,000	-0-	5,300,000	1.01 %	1,525
2007	4,985,000	-0-	4,985,000	0.95 %	1,423
2008	4,655,000	-0-	4,655,000	0.87 %	1,306
2009	4,290,000	-0-	4,290,000	0.79 %	1,201
2010	4,291,000	-0-	4,291,000	0.78 %	1,202
2011	3,846,000	-0-	3,846,000	0.69 %	1,077

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

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

^b Population data can be found in J-14. This ratio is calculated using valuation data for the prior calendar year.

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

Source: School District Financial Reports

GREEN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Green Township	\$ 4,086,314	100.00 %	\$ 4,086,314
Sussex County General Obligation Debt	74,528,115	3.13 %	<u>2,335,258</u>
Subtotal, Overlapping Debt			6,421,572
Green Township School District Direct Debt			<u>3,846,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 10,267,572</u></u>

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

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

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

GREEN TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST SEVEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis
	2010 \$ 542,137,870
	2009 565,823,742
	2008 568,759,987
	\$ 1,676,721,599
Average Equalized Valuation of Taxable Property	\$ 558,907,200
Debt Limit (3% of Average Equalization Value)	16,767,216 ^a
Net Bonded School Debt	3,846,000
Legal Debt Margin	\$ 12,921,216

	Fiscal Year				
	2005	2006	2007	2008	2009
Debt Limit	\$ 9,493,033	\$ 10,868,027	\$ 10,070,425	\$ 15,717,955	\$ 16,585,373
Total Net Debt Applicable to Limit	5,890,000	5,600,000	4,985,000	4,655,000	4,290,000
Legal Debt Margin	\$ 3,603,033	\$ 5,268,027	\$ 5,085,425	\$ 11,062,955	\$ 12,295,373
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	62.05 %	51.53 %	49.50 %	29.62 %	25.87 %

	Fiscal Year	
	2010	2011
Debt Limit	\$ 16,993,367	\$ 16,767,216
Total Net Debt Applicable to Limit	4,291,000	3,846,000
Legal Debt Margin	\$ 12,702,367	\$ 12,921,216
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	25.25 %	22.94 %

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts
N/A - Information unavailable.

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

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

GREEN TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u> <u>Ended</u>	<u>Population</u> ^a	<u>Per Capita</u> <u>Personal</u> <u>Income</u> ^b	<u>Personal Income</u> ^c	<u>Unemployment</u> <u>Rate</u> ^d
2002	3,364	38,723	130,264,172	3.20 %
2003	3,404	39,336	133,899,744	3.40 %
2004	3,440	40,819	140,417,360	2.50 %
2005	3,458	42,450	146,792,100	3.50 %
2006	3,475	45,448	157,931,800	3.80 %
2007	3,502	48,474	169,755,948	3.60 %
2008	3,563	48,828	173,974,164	4.70 %
2009	3,571	47,497	169,611,787	7.80 %
2010	3,571 *	47,497 **	169,611,787	8.30 %
2011	3,571 *	47,497 **	169,611,787	N/A

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

** - Latest Sussex County per capita personal income available (2009) was used for calculation purposes.

N/A - Information unavailable.

Source:

- ^a Population information provided by the US Bureau of the Census, Population Division
- ^b Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

<u>Employer</u>	2010	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Crystal Springs Golf and Spa Resort	2,000	5.05%
Newton Memorial Hospital	1,490	3.76%
Selective Insurance	900	2.27%
County of Sussex	830	2.10%
Mountain Creek Resort	800	2.02%
Shop Rite (Ronetco)	697	1.76%
Ames Rubber Corp	445	1.12%
Walmart	412	1.04%
Andover Subacute and Rehab Center	300	0.76%
Sussex County Community College	300	0.76%
Raider Express	250	0.63%
	<u>8,424</u>	<u>21.27%</u>

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

Source: County of Sussex

GREEN TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction							
Regular	32.5	34.5	34.5	37.5	38.5	36.5	33.6
Special Education	5.5	5.5	5.5	5.5	7.5	9.0	4.4
Support Services:							
Student & Instruction Related Services	18.0	15.0	15.0	17.5	16.9	16.1	15.9
School Administrative Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0
General Administrative Services	1.5	2.5	2.5	2.0	2.2	1.5	1.5
Plant Operations and Maintenance	4.5	4.5	4.5	4.0	4.0	4.5	4.5
Pupil Transportation	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Business and Other Support Services	1.0	1.0	1.0	4.0	3.0	3.0	3.0
Food Service	0.5	0.5	0.5	0.5	1.0	0.5	0.5
Total	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>	<u>74.5</u>	<u>76.6</u>	<u>74.6</u>	<u>66.9</u>

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

Source: District Personnel Records

GREEN TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS,
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	489	\$ 7,779,928	\$ 15,910	-3.49 %	38	1:11	489	466	1.45 %	95.30 %
2006	512	8,625,935	16,848	5.89 %	40	1:13	512	488	4.70 %	95.31 %
2007	513	9,254,197	18,039	7.07 %	40	1:13	513	513	0.20 %	100.00 %
2008	528	9,637,667	18,253	1.19 %	44	1:12	489	466	-4.68 %	95.30 %
2009	502	9,556,430	19,037	4.29 %	40	1:13	500	480	2.25 %	96.00 %
2010	491	9,716,729	19,790	3.96 %	42	1:12	491	480	-1.80 %	97.76 %
2011	493	10,063,319	20,412	3.15 %	42	1:12	490	471	-0.20 %	96.12 %

Note: Enrollment based on annual October District count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

^d The cost per pupil calculated above is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

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

Source: Green Township School District records

GREEN TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>District Buildings</u>							
Green Hills Elementary School (1964)							
Square Feet	106,501	106,501	106,501	106,501	106,501	106,501	106,501
Capacity (students)	713	713	713	713	713	713	713
Enrollment	489	512	513	528	502	491	493

Number of Schools at June 30, 2011
 Elementary/Middle = 1

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October district count.

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

Source: Green Township School District Facilities Office

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
 11-000-261-xxx

<u>School Facilities</u>	<u>Fiscal Year Ended June 30,</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Green Hills Elementary School	<u>\$ 51,012</u>	<u>\$ 32,813</u>	<u>\$ 36,499</u>	<u>\$ 26,286</u>	<u>\$ 44,298</u>

<u>School Facilities</u>	<u>Fiscal Year Ended June 30,</u>				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Green Hills Elementary School	<u>\$ 71,077</u>	<u>\$ 88,703</u>	<u>\$ 56,788</u>	<u>\$ 57,317</u>	<u>\$ 47,850</u>

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

Source: Green Township School District records

GREEN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2011
UNAUDITED

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

Source: Township of Green School District records.

SINGLE AUDIT SECTION



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Green Township School District, in the County of Sussex (the "Board") as of, and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated September 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members of
the Board of Education
Green Township School District
Page 2

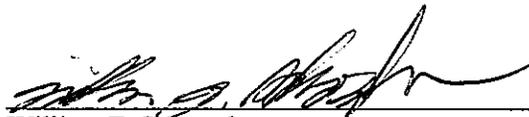
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. However, we noted a certain matter that we have reported to the Board in the *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated September 8, 2011.

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

September 8, 2011
Mount Arlington, New Jersey

NISIVOC CIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant



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

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

Compliance

We have audited the compliance of the Board of Education of the Green Township School District in the County of Sussex (the "Board") with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011. The Board's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

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

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011.

The Honorable President and Members of
the Board of Education
Green Township School District
Page 2

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and 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 management, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities, and is not intended to be and should not be, used by anyone other than these specified parties.

September 8, 2011
Mount Arlington, New Jersey

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

**GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2011	
					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor				Budgetary Accounts Receivable	Budgetary Deferred Revenue
U.S. Department of Education Passed-through State Department of Education:												
Special Revenue Fund:												
No Child Left Behind Consolidated Grant:												
Title I	84.010A	NCLB180011	9/1/10-8/31/11	\$ 6,448			\$ 200	\$ (5,800)			\$ (5,600)	
Title I	84.010A	NCLB180010	9/1/09-8/31/10	8,531	\$ (11)		11					
Title I	84.010A	NCLB180009	9/1/08-8/31/09	7,025	(7,025)		7,025					
Title II, Part A	84.367A	NCLB180011	9/1/10-8/31/11	9,465			9,465	(9,465)				
Title II, Part A	84.367A	NCLB180010	9/1/09-8/31/10	9,512			9,512	(9,512)				
Title II, Part A, Carryover	84.367A	NCLB180009	9/1/08-8/31/10	9,798	(8,075)		6,071	(1,723)			(3,727)	
Title II, Part D	84.367A	NCLB180010	9/1/09-8/31/10	138			138	(138)				
Title II, Part A, Carryover	84.318A	NCLB180008	9/1/07-8/31/09	712		\$ 712			\$ (712)			
Title IV, Carryover	84.186A	NCLB180009	9/1/08-8/31/09	1,005		1,005			(1,005)			
Title V, Carryover	84.298A	NCLB180009	9/1/08-8/31/09	604		604			(604)			
Small Rural School Achievement Program	84.358A	S358A023332	7/1/10-8/31/11	49,565			49,565	(49,565)				
IDEA Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA180011	9/1/10-8/31/11	145,579			134,851	(143,631)			(8,780)	
I.D.E.A. Part B, Basic	84.027	IDEA180010	9/1/09-8/31/10	147,999	(5,620)		57,045	(51,425)				
I.D.E.A. Part B, Basic	84.027	IDEA180009	9/1/08-8/31/10	154,934	(30,782)		30,782					
I.D.E.A. Part B, Preschool	84.173	IDEA180011	9/1/10-8/31/11	5,050			5,050	(5,050)				
I.D.E.A. Part B, Preschool	84.173	IDEA180010	9/1/09-8/31/10	4,891	(4,891)		4,891					
I.D.E.A. Part B, Preschool	84.173	IDEA180009	9/1/08-8/31/10	4,977	(4,977)		4,977					
I.D.E.A. Part B, Basic - ARRA	84.391	IDEA180010	7/1/09-8/31/11	145,992	(1,441)		9,545	(33,763)			(25,659)	
I.D.E.A. Part B, Preschool - ARRA	84.392	IDEA180010	7/1/09-8/31/11	5,283				(5,283)			(5,283)	
Total IDEA Special Education Cluster					(47,711)		112,290	(95,521)			(30,942)	
Total Special Education Fund					(62,822)		2,321	329,128	(315,355)	(2,321)	(49,049)	
Total U.S. Department of Education					(62,822)		2,321	329,128	(315,355)	(2,321)	(49,049)	
U.S. Department of Agriculture:												
Passed-through State Department of Education:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/10-6/30/11	3,173			3,173				\$ 3,173	
Food Distribution Program	10.555	N/A	7/1/09-6/30/10	8,723		\$ 6,620		(4,728)			1,892	
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	14,567			13,565	(14,567)			(1,002)	
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	14,628	(947)		947					
Special Milk Program	10.553	N/A	7/1/10-6/30/11	802			749	(802)			(53)	
Special Milk Program	10.553	N/A	7/1/09-6/30/10	932	(58)		58					
Total Child Nutrition Cluster					(1,005)	6,620	18,492	(20,097)			(1,055)	
Total U.S. Department of Agriculture					(1,005)	6,620	18,492	(20,097)			(1,055)	
Total Federal Awards					\$ (63,827)	\$ 6,620	\$ 2,321	\$ 347,620	\$ (335,452)	\$ (2,321)	\$ (50,104)	

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2011		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education												
General Fund:												
Categorical Special Education Aid	10-495-034-5120-089	7/1/09 - 6/30/10	343,315	\$ (39,351)		\$ 39,351						\$ 343,315
Equalization Aid	10-495-034-5120-078	7/1/09 - 6/30/10	997,195	(114,299)		114,299						997,195
Categorical Security Aid	10-495-034-5120-084	7/1/09 - 6/30/10	45,049	(5,164)		5,164						45,049
Adjustment Aid	10-495-034-5120-085	7/1/09 - 6/30/10	166,915	(19,132)		19,132						166,915
Categorical Transportation Aid	10-495-035-5120-014	7/1/09 - 6/30/10	266,056	(30,496)		30,496						266,056
Additional Nonpublic Transportation Aid	10-495-035-5120-014	7/1/09 - 6/30/10	12,193	(5,998)		5,998						12,193
Extraordinary Special Education Aid	10-100-034-5120-473	7/1/09 - 6/30/10	55,079	(55,079)		55,079						55,079
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09 - 6/30/10	229,269	(22,874)		22,874						229,269
Special Education Categorical Aid	11-495-034-5120-089	7/1/10 - 6/30/11	323,120			293,641	\$ (323,120)			\$ (29,479)		323,120
Equalization Aid	11-495-034-5120-078	7/1/10 - 6/30/11	647,293			588,240	(647,293)			(59,053)		647,293
Security Aid	11-495-034-5120-084	7/1/10 - 6/30/11	43,180			39,241	(43,180)			(3,939)		43,180
Adjustment Aid	11-495-034-5120-085	7/1/10 - 6/30/11	348,675			316,865	(348,675)			(31,810)		348,675
Transportation Aid	11-495-035-5120-014	7/1/10 - 6/30/11	400,425			363,894	(400,425)			(36,531)		400,425
Additional Nonpublic Transportation Aid	11-495-035-5120-014	7/1/10 - 6/30/11	6,432				(6,432)		\$ (6,432)	(6,432)		6,432
Extraordinary Special Education Aid	11-100-034-5120-473	7/1/10 - 6/30/11	111,837				(111,837)		(111,837)	(111,837)		111,837
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10 - 6/30/11	233,694			210,124	(233,694)		(23,570)	(23,570)		233,694
Total General Fund State Aid						1,812,005	(2,114,656)		(141,839)	(302,651)		2,114,656
Special Revenue Fund:												
New Jersey Nonpublic Aid:												
Textbook	10-100-034-5120-064	7/1/09 - 6/30/10	1,107		\$ 1,107			\$ (1,107)				
Textbook	11-100-034-5120-064	7/1/10 - 6/30/11	284			284				\$ 284		
Nursing Services	11-100-034-5120-070	7/1/10 - 6/30/11	337			337				337		
Handicapped Services:												
Examination & Classification	10-100-034-5120-066	7/1/09 - 6/30/10	1,279		1,279			(1,279)				
Supplementary Instruction	10-100-034-5120-066	7/1/09 - 6/30/10	796		796			(796)				
Auxiliary Services:												
Compensatory Education	10-100-034-5120-067	7/1/09 - 6/30/10	22,073		15,803			(15,803)				6,270
Compensatory Education	11-100-034-5120-067	7/1/10 - 6/30/11	9,210			9,210	(1,926)			7,284		1,926
Total Special Revenue Fund State Aid					18,985	9,831	(1,926)	(18,985)		7,905		8,196
Enterprise Fund:												
State School Lunch Program	11-100-010-3350-023	7/1/10 - 6/30/11	1,239			1,077	(1,239)		(162)		(162)	1,239
State School Lunch Program	10-100-010-3350-023	7/1/09 - 6/30/10	1,483	(92)		92						1,483
Total Enterprise Fund				(92)		1,169	(1,239)		(162)		(162)	2,722
New Jersey School Development Authority												
Capital Projects Fund:												
Boiler Replacement	1800-060-10-1001	8/9/10 - 11/15/11	98,000				(48,576)		(48,576)		(98,000)	48,576
Total Capital Projects Fund							(48,576)		(48,576)		(98,000)	48,576
Total State Awards				\$ (92)	\$ 18,985	\$ 1,823,005	\$ (2,166,397)	\$ (18,985)	\$ (190,577)	\$ 7,905	\$ (400,813)	\$ 2,174,150

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Green Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2011. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments for the prior year and for the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the current year payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year and the final payment for the prior year is recognized in the current year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition. For GAAP purposes, that revenue is not recognized until the project is complete and the final expenditure report is submitted to the School Development Authority for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$47,630 for the general fund, and (\$2,485) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Noncontributory Insurance and Post Retirement Contributions revenue of \$9,914 and \$210,581 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page:

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,382,781	\$ 2,382,781
Special Revenue Fund	\$ 312,870	1,926	314,796
Capital Projects Fund		48,576	48,576
Enterprise Fund	<u>20,097</u>	<u>1,239</u>	<u>21,336</u>
Total Financial Awards	<u>\$ 332,967</u>	<u>\$ 2,434,522</u>	<u>\$ 2,767,489</u>

NOTE 4. NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY ("SDA") GRANT

Through a School Development Authority Grant, the Green Township School District was awarded \$98,000 towards their capital project. To date, \$-0- has been collected on the grant award and \$48,576 has been expended on the Budgetary and GAAP bases of accounting, respectively. The District realizes grant revenue on a GAAP basis as funds are requested for reimbursement.

NOTE 5. 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 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2011. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major state programs.
- An unqualified report was issued on the District's compliance for major state programs.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2011 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The District's major state programs for the current fiscal year consisted of the following awards:

<u>General Fund State Aid:</u>	<u>CFDA Number or State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	\$ 323,120	\$ 323,120
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	647,293	647,293
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	43,180	43,180
Adjustment Aid	11-495-034-5120-085	7/1/10-6/30/11	348,675	348,675

- The threshold for distinguishing Type A and Type B federal and state programs was \$300,000.
- The District qualified as a "low-risk" auditee for state programs under the provisions of section 530 of the federal Circular.

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

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

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

Findings and Questioned Costs for State Awards:

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

GREEN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2010.