

WASHINGTON TOWNSHIP SCHOOL DISTRICT
EGG HARBOR, NEW JERSEY

FISCAL YEAR ENDED JUNE 30, 2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

Washington Township Board of Education
Green Bank School
2436 Route 563
Egg Harbor City, NJ 08215

School Phone: 609-965-3520
Business Office: 609-561-3868 X124

Brenda Harring-Marro, Superintendent
Lourdes LaGuardia, Business Administrator

September 21, 2011

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

Dear Board Members/Citizens:

It is with pleasure that we submit the Comprehensive Annual Financial Report ("CAFR") of the Washington Township School District ("District") for the fiscal year ended June 30, 2011. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. The District believes that this financial reporting model provides all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the 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 as follows:

- ◆ The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- ◆ The Financial Section begins with the Independent Auditors' Report and includes 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 other 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 Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury Circular Letter 04-04 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The Washington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Washington Township Board of Education and the school district constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These services include regular and vocational, as well as special education for handicapped children. The student enrollment for the District over the last 10 years:

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	60.0	(14.4%)
2009-2010	70.1	(13.6%)
2008-2009	81.2	11.23%
2007-2008	73.0	4.28%
2006-2007	70.0	(11.05%)
2005-2006	78.7	(21.53%)
2004-2005	100.3	(8.98%)
2003-2004	110.2	4.65%
2002-2003	105.3	(8.43%)
2001-2002	115.0	(6.20%)

AVERAGE DAILY ATTENDANCE

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	56.5	(14.13%)
2009-2010	65.8	(13.7%)
2008-2009	76.3	17.38%
2007-2008	65.0	(2.98%)
2006-2007	67.0	(10.43%)
2005-2006	74.8	(21.35%)
2004-2005	95.1	(8.91%)
2003-2004	104.4	4.09%
2002-2003	100.3	(8.53%)
2001-2002	109.0	(6.84%)

2. ECONOMIC CONDITION AND OUTLOOK

The Washington Township area is still experiencing a period of stagnant development, which is in part due to governmental zoning and restrictions and in part to the economy. Population within the Township seems stable; the school population has shown a slight decrease in enrollment. The Washington Township School District relies on the continued funding received by the municipality from the Pinelands Commission. Due to enormous State Aid reductions, the School District will need to search out funding alternatives.

3. MAJOR INITIATIVES

The shared services program is in place to combine Administrative and Business services for both budgetary and agreement wise with Mullica Township Board of Education. This is the third year of a three-year contract agreement. As a result of shared services, we have formed new administrative relationships that provide us with an array of expertise in the following areas : School Business services, Superintendent and Principal services, Curriculum and Staff Development services, Instructional services (technology, music, art), Speech services, Child Study Team services that include counseling, Cafeteria Consulting services, Facilities Maintenance Management. This has given the District further financial savings over the previous shared service agreement. Additionally, Washington School District shares their many years of expertise as well as community proximity. These agreements help in lowering Washington Township's administrative costs and other overhead costs which are always disproportionately high in a school system of this size. This year marks the 9th year of the District's participation in the State's Public School Choice Program. Seven students have enrolled in this Program. A contract with the municipality for the use of a school bus has made the students' commute to Burlington County Institute of Technology and Burlington County Institute of Technology and Burlington County Special Services District shorter and easier; further providing the District with cost savings.

As a result of the cooperative project with the municipal government for building expansions, the new Washington Township School building opened its doors in September 2006. As of June 30, 2011, the District is working on finalizing project issues that have resulted due to the contractor's inability to finalize the project.

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, regulations, contracts and grants related to those programs. This internal control system is also subject to periodic evaluation by the district management.

As part of the District's single audit, described earlier, tests are made to determine 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 and regulations.

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these 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 Funds, and the Debt Service Fund.

Transfers among line items are approved by the Board of Education and reconciled with the requirements of P.L. 2004, C.73, commonly known as S-1701. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally-accepted accounting principles, as promulgated by the Governmental Account Standards Board ("GASB"). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in the Notes to the Financial Statements, Note 1.

7. DEBT ADMINISTRATION

At June 30, 2011, the District had no long-term debt.

8. CASH MANAGEMENT

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

9. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation. A Schedule of Insurance Coverage is found at Schedule 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 Hutchins, Farrell, Meyer and Allison, P.A., was selected by the Board to perform the audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet requirements of the Single Audit Act of 1996, as amended and the related OMB Circular A-133 and the New Jersey OMB Circular 04-04. The auditors' report on the basic financial statements and as well as both the required and other supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

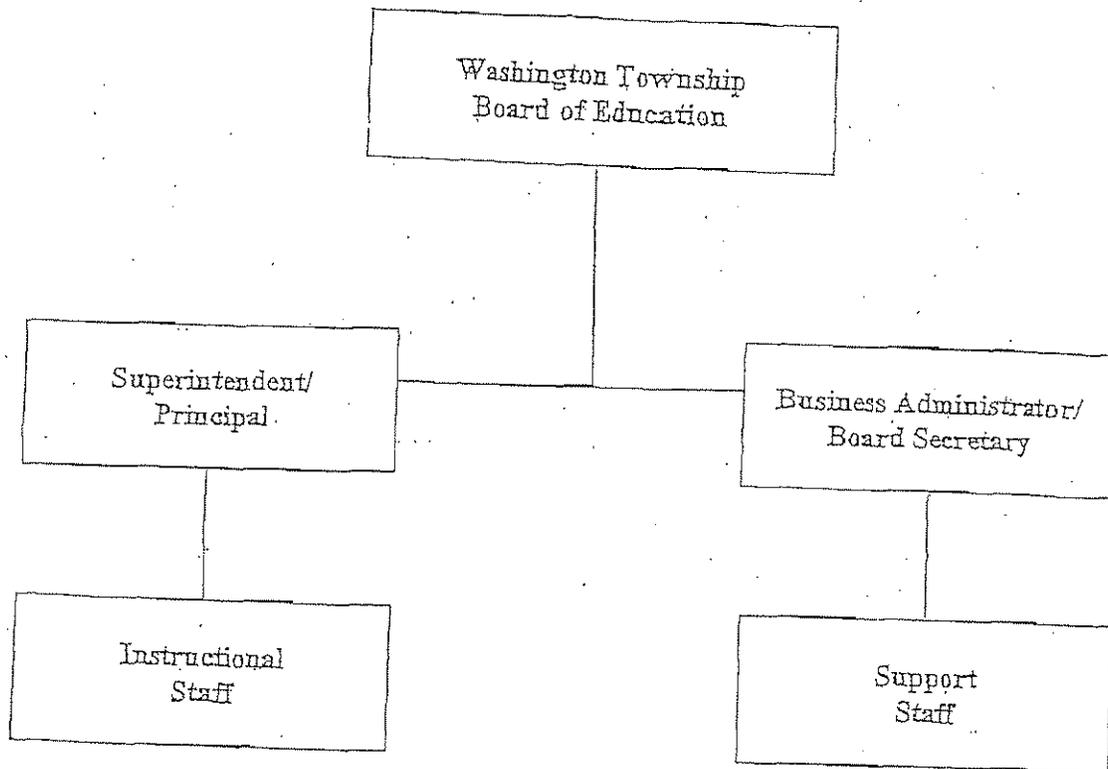
We would like to express our appreciation to the members of the Washington Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office staff.

Respectfully submitted,


Brenda Harring-Marro
Superintendent


Lourdes LaGuardia
Business Administrator/Board Secretary

Washington Township Board Education



WASHINGTON TOWNSHIP BOARD OF EDUCATION
EGG HARBOR, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jeannie A. Fox-Ford, President	2012
Cheryl Walters, Vice-President	2013
Patricia A. Lee	2012
Jeremy Senn	2012
Matthew Best	2013
Bill Scamoffa	2013
Charlene Lee	2014

Other Officials

Brenda Haring-Marro, Superintendent

Mrs. Lourdes LaGuardia, Business Administrator/Board Secretary

Dawn Stollenwerk, Treasurer

Ronald W. Sahli, Solicitor

WASHINGTON TOWNSHIP BOARD OF EDUCATION
EGG HARBOR, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2011

Insurance Agent

Barclay Group
PO Box 244
Riverton, New Jersey

Auditor/Audit Firm

Robert W. Allison, CPA, RMA
Hutchins, Farrell, Meyer & Allison, P.A.
912 Highway 33, Suite 2
Freehold, New Jersey

Attorney

Ronald W. Sahli
Sahli & Padovani
1145 South White Horse Pike
Hammonton, New Jersey

Engineer

Kluk Consultants
PO Box 1432
Voorhees, New Jersey

Architect of Record

Regan, Young, England, Butera
456 High Street
Mount Holly, New Jersey

Official Depository

TD Bank
Cherry Hill, New Jersey

FINANCIAL SECTION

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA, CFF
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV, CFF
Joann DiLieto, CPA

Patrice R. Antonucci, CPA
Glenn G. VanPell, CPA
Karen D. Davis, CPA, CVA
Crystal L. Fitzpatrick, CPA
Hélène T. Morizzo, CPA

Monmouth County Office

912 Highway 33 • Suite 2
Freehold, NJ 07728
(732) 409-0800
Fax: (732) 866-9312

Ocean County Office

512 Main Street • PO Box 1778
Toms River, NJ 08754
(732) 240-5600
Fax: (732) 505-8358

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Washington Township School District
County of Burlington
Egg Harbor, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Washington Township School District, in the County of Burlington, State of New Jersey as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Washington Township 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 and 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, 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 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Washington Township Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable President and Members
of the Board of Education
Washington Township School District
County of Burlington
Egg Harbor, New Jersey
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated September 21, 2011 on our consideration of the Washington Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 12 through 20 and 54 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted to inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Township Board of Education's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, respectively, and are also not a required part of the basic financial statements. The Combining and Individual Fund Financial Statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been

Honorable President and Members
of the Board of Education
Washington Township School District
County of Burlington
Egg Harbor, New Jersey
Page 3

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Robert W. Allison
Licensed Public School Accountant
No. 897
Hutchins, Farrell, Meyer & Allison, P.A.

September 21, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

WASHINGTON TOWNSHIP PUBLIC SCHOOL DISTRICT
EGG HARBOR TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

UNAUDITED

The discussion and analysis of Washington Township Public 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- ◆ General revenues accounted for \$2,137,963 in revenue or 95.17% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$108,478 or 4.83% to total revenues of \$2,246,441.
- ◆ Total assets of governmental activities decreased by \$(796,495).
- ◆ The School District had \$2,061,398 in expenses; only \$108,478 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$2,137,963 were adequate to provide for these programs.
- ◆ The General Fund had \$2,179,984 in revenues and transfers and \$1,845,972 in expenditures. The General Fund's balance increased \$334,011 over 2010. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Washington Township Public 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 next 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. In the case of Washington Township Public 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 Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax 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, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds is included in the 2010-11 Comprehensive Annual Financial Report as presented by the School District. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, 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 the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

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

Table 1 provides a summary comparison of the School District's net assets for 2010 and 2011.

Table 1

Net Assets as of June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Cash and Cash Equivalents	\$ 681,595	\$ 320,264
Petty Cash	50	50
Receivables, Net	77,753	123,324
Interfund Receivable	10,192	
Inventory	1,401	2,427
Capital Assets, Net	<u>4,579,467</u>	<u>5,710,791</u>
Total Assets	<u>5,350,458</u>	<u>6,156,856</u>
Liabilities:		
Accounts Payable	7,644	15,296
Interfund Payable	9,913	9,913
Payable to Federal Government	10	10
Deferred Revenue	7,604	7,221
Noncurrent Liabilities:		
Due Beyond One Year	<u>18,203</u>	<u>20,699</u>
Total Liabilities	<u>43,374</u>	<u>53,139</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	4,579,467	5,710,791
Restricted for:		
Capital Projects	9,503	12,118
General Fund	529,294	
Other Purposes		143,810
Unrestricted	<u>188,820</u>	<u>247,190</u>
Total Net Assets	<u>\$ 5,307,084</u>	<u>\$ 6,113,909</u>

Table 2 provides a comparison analysis of District-wide changes in net assets from fiscal years 2010 and 2011.

Table 2

Changes in Net Assets

	<u>2011</u>	<u>2010</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 7,851	\$ 15,240
Operating Grants and Contributions	100,627	113,898
General Revenues:		
Property Taxes	1,425,743	1,249,077
Grants and Entitlements	687,835	779,879
Other	<u>24,386</u>	<u>10,394</u>
Total Revenues	<u>2,246,442</u>	<u>2,168,488</u>
<u>Program Expenses</u>		
Instruction	831,564	1,030,103
Support Services:		
Pupils and Instructional Staff	627,682	545,409
General Administration, School Administration, Business	99,290	121,454
Operations and Maintenance of Facilities	208,868	199,954
Pupil Transportation	123,100	179,991
Unallocated Benefits	144,285	140,793
Food Service	<u>26,610</u>	<u>47,470</u>
Total Expenses	<u>2,061,399</u>	<u>2,265,174</u>
Decrease in Net Assets	<u>\$ 185,043</u>	<u>\$ (96,686)</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 69.16% of revenues for governmental activities for the Washington Township Public School District for fiscal year 2011. The School District's total governmental revenues were \$2,246,442 for the fiscal year ended June 30, 2011. Federal, state and local grants accounted for 30.62%.

The total cost of all programs and services was \$2,061,399. Instruction comprises 40.34% of School District expenses.

Revenues for the School District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ◆ Food service expenses exceeded revenues by \$(18,759).
- ◆ Charges for services represent \$7,851 of revenue. This represents the amount paid by patrons for daily food services.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$9,306.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	<u>2011</u>		<u>2010</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 831,564	\$ 831,564	\$ 1,030,103	\$ 1,030,103
Support Services:				
Pupils and Instructional Staff	627,682	627,682	545,409	545,409
General Administration, School Administration, Business	99,290	99,290	121,454	121,454
Operation and Maintenance of Facilities	208,868	208,868	199,954	199,954
Pupil Transportation	123,100	31,840	179,991	85,068
Unallocated Benefits	<u>144,285</u>	<u>144,285</u>	<u>140,793</u>	<u>140,793</u>
Total Expenses	<u>\$ 2,034,788</u>	<u>\$ 1,943,528</u>	<u>\$ 2,217,704</u>	<u>\$ 2,122,781</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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 Special School expenses and interest and fiscal charges associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

Information about the School District's major funds is included in the 2010-11 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects and Debt Service Fund presented in the fund-based statements) had total revenues of \$2,229,061 and expenditures of \$1,895,212.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2009/10</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 1,449,966	65.05%	\$ 185,719	14.69%
State Sources	732,695	32.87	(74,682)	(9.25)
Federal Sources	<u>46,400</u>	<u>2.08</u>	<u>(21,025)</u>	<u>(31.18)</u>
Total	<u>\$ 2,229,061</u>	<u>100.00%</u>	<u>\$ 90,012</u>	<u>4.21%</u>

The increase in Local Sources is attributed to additional municipal funding.

The decrease in State Sources is due to State Aid reduction.

The decrease in Federal Sources is due to IDEA funding reduction.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2011.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2009/10</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 634,489	33.48%	\$ (179,807)	(22.08)%
Undistributed Expenditures	1,245,414	65.71	(22,250)	(1.75)
Capital Outlay	<u>15,309</u>	<u>0.81</u>	<u>13,241</u>	640.28
Total	<u>\$ 1,895,212</u>	<u>100.00%</u>	<u>\$ (188,816)</u>	<u>(9.06)%</u>

The decrease in Current - Instruction is attributed to staff contracted increase reductions and Middle School student reallocation.

The decrease in Current - Undistributed Expenditures is attributed to favorable Transportation jointure costs and reduction of choice school transportation per Statute.

The increase in Capital Outlay is attributed to the State's debt service assessment.

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 modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2011, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student expenses both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.
- ◆ Additional needs for technology and textbooks.

While the School District's final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$325,529 increase in surplus funds at June 30, 2011.

Capital Assets

At the end of the fiscal year 2011, the School District had \$5,344,591 invested in Land, Site and Site Improvements, and Machinery and Equipment.

Debt Administration

At June 30, 2011, the School District had \$18,204 as outstanding debt. Of this amount, \$18,204 is for compensated absences.

For the Future

The Washington Township Public School District is in good financial condition presently. A major issue is the continued freeze or decrease in State Aid to education causing an increased reliance on local property taxes, of which the school is dependent on Pinelands Commission State Funding. Due to municipal aid loss, this will inevitably cause taxes to increase, however, not enough to offset drastic aid cuts. This concern may force the District to be consolidated or eliminated.

Washington Township is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to foot the tax burden.

During the budget process in the Spring, it was a concern to the Administration and Board of Education how future budgets would be financed. Therefore, during the past year and continuing into the present, the Board of Education and Administration have conducted a program review of costs centers in the School District to determine where cost savings may be effectuated.

In conclusion, the Washington Township Public School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Lourdes LaGuardia, School Business Administrator/Board Secretary, at Washington Township Board of Education, PO Box 318, 500 Elwood Road, Elwood, New Jersey 08217.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activities of the District.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2011

	Governmental Activities	Business -Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 652,605.40	\$ 28,989.68	\$ 681,595.08
Petty Cash		50.00	50.00
Receivables, Net	77,753.07		77,753.07
Interfund Receivable	10,191.73		10,191.73
Inventory		1,400.91	1,400.91
Capital Assets, Net	<u>4,579,467.00</u>		<u>4,579,467.00</u>
Total Assets	<u>5,320,017.20</u>	<u>30,440.59</u>	<u>5,350,457.79</u>
Liabilities:			
Accounts Payable	7,643.75		7,643.75
Interfund Payable		9,912.73	9,912.73
Payable to Federal Government	10.00		10.00
Deferred Revenue	6,012.32	1,591.23	7,603.55
Noncurrent Liabilities:			
Due Beyond One Year	<u>18,203.50</u>		<u>18,203.50</u>
Total Liabilities	<u>31,869.57</u>	<u>11,503.96</u>	<u>43,373.53</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	4,579,467.00		4,579,467.00
Restricted for:			
Capital Projects Fund	9,502.99		9,502.99
General Fund	529,294.14		529,294.14
Unrestricted	<u>169,883.50</u>	<u>18,936.63</u>	<u>188,820.13</u>
Total Net Assets	<u>\$ 5,288,147.63</u>	<u>\$ 18,936.63</u>	<u>\$ 5,307,084.26</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

June 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Indirect Expenses Allocation	Total	Charges for Services	Operating Grants and Contributions	Total
GOVERNMENTAL ACTIVITIES						
Instruction:						
Regular	\$ 567,960.29	\$ 179,007.05	\$ 746,967.34			\$ (746,967.34)
Special Education	65,277.36	19,202.68	84,480.04			(84,480.04)
Other Instruction	115.75		115.75			(115.75)
Support Services:						
Tuition	403,289.71		403,289.71			(403,289.71)
Student and Instruction Related Services	191,129.15	33,263.05	224,392.20			(224,392.20)
School Administrative Services	16,975.00		16,975.00			(16,975.00)
General Administration	50,481.70	316.46	50,798.16			(50,798.16)
Central Services	25,892.95		25,892.95			(25,892.95)
Plant Operations and Maintenance	163,041.47	45,826.18	208,867.65			(208,867.65)
Pupil Transportation	123,100.19		123,100.19	\$ 91,260.00		(31,840.19)
Admin. Information Technology	5,624.00		5,624.00			(5,624.00)
Unallocated Depreciation and Amortization		144,285.00	144,285.00			(144,285.00)
Total Government Activities	1,612,887.57	421,900.42	2,034,787.99	91,260.00	(1,943,527.99)	(1,943,527.99)
BUSINESS-TYPE ACTIVITIES						
Food Service	26,610.21		26,610.21	\$ 7,851.12	9,366.57	(9,392.52)
Total Business-Type Activities	26,610.21		26,610.21	7,851.12	9,366.57	(9,392.52)
Total Primary Government	\$ 1,639,497.78	\$ 421,900.42	\$ 2,061,398.20	\$ 7,851.12	\$ 100,626.57	\$ (1,952,920.51)
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes						\$ 1,425,743.00
Federal and State Aid Not Restricted						687,834.90
Investment Earnings						1,861.47
Miscellaneous Income						22,524.06
Total General Revenues						2,137,963.43
Change in Net Assets				194,435.44		185,042.92
Net Assets - Beginning				6,065,580.23		6,113,909.38
Prior Period Adjustment				(991,868.04)		(991,868.04)
Net Assets - Beginning, As Restated				5,093,712.19		5,122,041.34
Net Assets - Ending				\$ 5,288,147.63	\$ 18,936.63	\$ 5,307,084.26

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

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 560,061.29		\$ 92,544.11	\$ 652,605.40
Due From Other Funds	163,301.60			163,301.60
Intergovernmental Accounts Receivable:				
Federal		\$ 9,542.00		9,542.00
State	522.00		66,549.07	67,071.07
Other	<u>1,140.00</u>			<u>1,140.00</u>
Total Assets	<u>725,024.89</u>	<u>9,542.00</u>	<u>159,093.18</u>	<u>893,660.07</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	7,643.75			7,643.75
Due To Federal Government		10.00		10.00
Interfund Payable		3,519.68	149,590.19	153,109.87
Deferred Revenue		<u>6,012.32</u>		<u>6,012.32</u>
Total Liabilities	<u>7,643.75</u>	<u>9,542.00</u>	<u>149,590.19</u>	<u>166,775.94</u>
Fund Balances:				
Restricted Fund Balance:				
Reserved Excess Surplus:				
Reserve for Excess Surplus	164,651.03			164,651.03
Capital Projects			9,502.99	9,502.99
Maintenance Reserve	145,679.51			145,679.51
Assigned Fund Balance:				
Other Purposes - Year-End Encumbrances	4,963.60			4,963.60
Designated for Subsequent Year's Expenditures	214,000.00			214,000.00
Unassigned Fund Balance	<u>188,087.00</u>			<u>188,087.00</u>
Total Fund Balances	<u>717,381.14</u>		<u>9,502.99</u>	<u>726,884.13</u>
Total Liabilities and Fund Balances	<u>\$ 725,024.89</u>	<u>\$ 9,542.00</u>	<u>\$ 159,093.18</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$5,344,591.00 and the accumulated depreciation is \$765,124.00. 4,579,467.00

Long-term liabilities, including bonds payable and compensated absences, area not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 8). (18,203.50)

Net Assets of Governmental Activities \$ 5,288,147.63

WASHINGTON TOWNSHIP SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Local Sources:				
Local Tax Levy	\$ 1,425,743.00			\$ 1,425,743.00
Miscellaneous Revenues	<u>21,383.44</u>	<u>\$ 2,840.00</u>	<u>\$ 162.09</u>	<u>24,385.53</u>
Total - Local Sources	1,447,126.44	2,840.00	162.09	1,450,128.53
State Sources	732,695.15			732,695.15
Federal Sources	<u> </u>	<u>46,399.75</u>	<u> </u>	<u>46,399.75</u>
Total Revenues	<u>2,179,821.59</u>	<u>49,239.75</u>	<u>162.09</u>	<u>2,229,223.43</u>
Expenditures:				
Current:				
Regular Instruction	546,289.94	22,805.60		569,095.54
Special Education Instruction	65,277.36			65,277.36
Other Instruction	115.75			115.75
Support Services and Undistributed Costs:				
Tuition	403,289.71			403,289.71
Student and Instruction Related Services	168,268.75	24,220.15		192,488.90
General Administration	50,481.70			50,481.70
School Administrative Services	16,975.00			16,975.00
Central Services	25,892.95			25,892.95
Administrative Information Technology	5,624.00			5,624.00
Plant Operations and Maintenance	147,732.47			147,732.47
Pupil Transportation	123,100.19			123,100.19
Unallocated Benefits	277,615.42			277,615.42
Capital Outlay	<u>15,309.00</u>	<u>2,214.00</u>	<u>2,615.00</u>	<u>20,138.00</u>
Total Expenditures	<u>1,845,972.24</u>	<u>49,239.75</u>	<u>2,615.00</u>	<u>1,897,826.99</u>
Excess/(Deficiency) of Revenues Over/Under Expenditures	<u>333,849.35</u>	<u> </u>	<u>(2,452.91)</u>	<u>331,396.44</u>
Other Financing Sources/(Uses):				
Transfers In	162.09			162.09
Transfers Out	<u> </u>	<u> </u>	<u>(162.09)</u>	<u>(162.09)</u>
Total Other Financing Sources/(Uses)	<u>162.09</u>	<u> </u>	<u>(162.09)</u>	<u> </u>
Net Change in Fund Balances	334,011.44		(2,615.00)	331,396.44
Fund Balance - July 1	<u>383,369.70</u>	<u> </u>	<u>12,117.99</u>	<u>395,487.69</u>
Fund Balance - June 30	<u>\$ 717,381.14</u>	<u>\$ 0.00</u>	<u>\$ 9,502.99</u>	<u>\$ 726,884.13</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 331,396.44
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays for fixed assets are reported in governmental funds as expenditures. However, on 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 exceeded capital outlays in the current fiscal year.		
Depreciation Expense	\$ (144,285.00)	
Capital Outlays	<u>4,829.00</u>	(139,456.00)
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) 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.		
		<u>2,495.00</u>
Change in Net Assets of Governmental Activities		<u>\$ 194,435.44</u>

WASHINGTON SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS

June 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 28,989.68
Petty Cash	50.00
Inventories	<u>1,400.91</u>
Total - Current Assets	<u>30,440.59</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	8,999.00
Less:	
Accumulated Depreciation	<u>(8,999.00)</u>
Total - Noncurrent Assets	<u> </u>
Total Assets	<u><u>\$ 30,440.59</u></u>
Liabilities:	
Current Liabilities:	
Interfund Payable	\$ 9,912.73
Deferred Revenue	<u>1,591.23</u>
Total Liabilities	<u><u>\$ 11,503.96</u></u>
Net Assets:	
Unrestricted	<u>\$ 18,936.63</u>
Total Net Assets	<u><u>\$ 18,936.63</u></u>

WASHINGTON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS

For the fiscal year ended June 30, 2011

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 7,300.72
Daily Sales - Non-Reimbursable Programs	<u>550.40</u>
Total Operating Revenues	<u>7,851.12</u>
Operating Expenses:	
Salaries	12,924.43
Employee Benefits	964.24
Purchased Professional Services	3,242.21
Cost of Sales	9,393.96
Miscellaneous Expenditures	<u>85.37</u>
Total Operating Expenses	<u>26,610.21</u>
Operating Loss	<u>(18,759.09)</u>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	257.81
Federal Sources:	
National School Lunch Program	6,993.18
National School Breakfast Program	888.72
Food Distribution Program	1,166.40
Interest and Investment Income	<u>60.46</u>
Total Nonoperating Revenues	<u>9,366.57</u>
Change in Net Assets	(9,392.52)
Total Net Assets - Beginning	<u>28,329.15</u>
Total Net Assets - Ending	<u><u>\$ 18,936.63</u></u>

WASHINGTON SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the fiscal year ended June 30, 2011

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows From Operating Activities:	
Receipts From Customers	\$ 8,078.57
Payments To Employees	(13,888.67)
Payments To Suppliers	<u>(11,266.89)</u>
Net Cash Used For Operating Activities	<u>(17,076.99)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	307.13
Federal Sources	<u>8,649.34</u>
Net Cash Provided By Noncapital Financing Activities	<u>8,956.47</u>
Cash Flows From Investing Activities:	
Interest on Investments	<u>60.46</u>
Net Cash Used For Capital and Related Financing Activities	<u>60.46</u>
Net Decrease in Cash and Cash Equivalents	(8,060.06)
Balance - Beginning of Year	<u>37,049.74</u>
Balance - End of Year	<u><u>\$ 28,989.68</u></u>
Reconciliation of Operating Income/(Loss) To Net Cash Provided/(Used) By Operating Activities:	
Operating Loss	\$ (18,759.09)
Adjustments To Reconcile Operating Loss To Net Cash Used For Operating Activities:	
Donated Commodities Received During the Year	1,166.40
Increase/(Decrease) in Deferred Revenue	(423.00)
(Increase)/Decrease in Inventories	1,026.60
Increase/(Decrease) in Accounts Payable	<u>(87.90)</u>
Total Adjustments	<u>1,682.10</u>
Net Cash Used For Operating Activities	<u><u>\$ (17,076.99)</u></u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS

June 30, 2011

<u>Assets</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Totals</u>
Cash and Cash Equivalents	<u>\$ 1,466.70</u>	<u>\$ 2,731.14</u>	<u>\$ 4,197.84</u>
Total Assets	<u>\$ 1,466.70</u>	<u>\$ 2,731.14</u>	<u>\$ 4,197.84</u>
Liabilities:			
Interfund Accounts Payable:			
Due To General Fund		\$ 279.00	\$ 279.00
Payable To Student Groups	\$ 1,466.70		1,466.70
Payroll Deductions and Withholdings	<u> </u>	<u>2,452.14</u>	<u>2,452.14</u>
Total Liabilities	<u>\$ 1,466.70</u>	<u>\$ 2,731.14</u>	<u>\$ 4,197.84</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Washington Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year staggered terms. The purpose of the District is to educate students in grades Pre-K-8. The Washington Township School District had an approximate enrollment of 95 students at June 30, 2011.

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.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the Organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the Organization
- the District appoints a voting majority of the Organization's Board
- the District is able to impose its will on the Organization
- the Organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the Organization on the District

Based on the aforementioned criteria, the District had no component units.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

Basis of Presentation

District-Wide Statements: The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain 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.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd)

The District reports the following governmental funds:

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

As required by the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

Enterprise Funds - The Enterprise Funds account for all revenues and expenses that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs (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.

The District's Enterprise Funds are comprised of the following:

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

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund-type operating statements present increases/(revenues) and decreases/(expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

The District reports the following fiduciary funds:

Private Purpose Trust Funds - The Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, other governments. The District currently does not maintain a Private Purpose Trust.

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include Payroll and Student Activities Funds.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. General 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.

All governmental and business-type activities and Enterprise Funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. 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, except for the Special Revenue Fund. 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 approved by Board resolution. All budget 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).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund-types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2011, there was a reconciling difference of \$8,320.00 between the budgetary basis and GAAP basis in the General Fund and of \$(805.20) in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of Accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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) "revenues" from the Budgetary Comparison Schedules	\$ 2,171,501.59	\$ 50,044.95
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(805.20)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	70,755.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(62,435.00)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,179,821.59</u>	<u>\$ 49,239.75</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 1,845,972.24	\$ 50,044.95
Difference - 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>(805.20)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,845,972.24</u>	<u>\$ 49,239.75</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Encumbrance Accounting:

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the Balance Sheet as deferred revenues at fiscal year-end.

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

E. Assets, Liabilities, and Equity:

Interfund Transactions:

Transfers between Governmental and Business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the Enterprise Fund, are recorded as expenditures during the first year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Assets, Liabilities, and Equity (Cont'd):

Capital Assets:

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Other Improvements	7-60
Machinery and Equipment	3-20
Infrastructure	30

Compensated Absences:

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting 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 the 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. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Assets, Liabilities, and Equity (Cont'd):

Compensated Absences (Cont'd):

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

Deferred Revenue:

Deferred Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as Deferred Revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Deferred Revenue.

Accrued Liabilities and Long-Term Obligations:

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Assets, Liabilities, and Equity (Cont'd):

Fund Balance Reserves:

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved Fund Balance indicates that portion which is available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent years expenditures.

Revenues – Exchange and Nonexchange Transactions:

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the actual 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 District receives value without directly giving equal value in return, include property taxes, income 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 income taxes is recognized in the period in which the income is earned. 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 District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the 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 available as an advance, interest, and tuition.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Assets, Liabilities, and Equity (Cont'd):

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Allocation of Indirect Expenses:

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

2. MAINTENANCE RESERVE ACCOUNT

A Maintenance Reserve Account was established by the Washington Township Board of Education for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are restricted to the maintenance of completed Capital Projects in the District's approved Long Range Facilities Plan ("LRFP").

The activity in the Maintenance Reserve Account for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	\$ 120,000.00
Add:	
Board Contributions	<u>25,649.51</u>
Ending Balance, June 30, 2011	<u>\$ 145,649.51</u>

3. DEPOSITS AND INVESTMENTS

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances at June 30, 2011 and 2010 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2011 and 2010, the book value of the Board's deposits were \$685,792.92 and \$332,335.16, respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Board's deposits might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

3. DEPOSITS AND INVESTMENTS (CONT'D)

At June 30, 2011 and 2010, the Board's bank balances of \$719,077.03 and \$417,039.59, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 719,077.03	\$ 417,039.59
Uninsured and Uncollateralized	<u>0.00</u>	<u>0.00</u>
	<u>\$ 719,077.03</u>	<u>\$ 417,039.59</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2011, the Board had no investments.

Interest Rate Risk

The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

4. RECEIVABLES

Receivables at June 30, 2011 consisted of interfund, intergovernmental and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
Federal Aid	\$ 9,542.00	\$ 9,542.00
State Aid	67,071.07	67,071.07
Interfunds	163,301.60	10,191.73
Other	<u>1,140.00</u>	<u>1,140.00</u>
	241,054.67	87,944.80
Less Allowance for Uncollectibles	<u>0.00</u>	<u>0.00</u>
Total Receivables, Net	<u>\$ 241,054.67</u>	<u>\$ 87,944.80</u>

5. INTERFUND BALANCES AND TRANSFERS

Balances due to/from other funds at June 30, 2011 consist of the following:

\$ 3,519.68	Due to General Operating Fund from Special Revenue Fund representing a cash advance
149,590.19	Due to General Operating Fund from Capital Projects Fund representing a cash advance
279.00	Due to General Operating Fund from Payroll Agency Fund representing a cash advance
<u>9,912.73</u>	Due to General Operating Fund from Enterprise Operating Fund representing a cash advance
<u>\$ 163,301.60</u>	

Transfers

As of June 30, 2011, the District's operating transfers consisted of \$162.09 from the Capital Projects Fund to the General Operating Fund.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	\$ 1,209.74
Supplies	<u>191.17</u>
	<u>\$ 1,400.91</u>

The value of Federal-donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

7. CAPITAL ASSETS

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

	Balance June 30, 2010	Balance June 30, 2010 As Restated	Special Revenue Fund	Capital Projects Fund	Balance June 30, 2011
Land		\$ 48,824.00			\$ 48,824.00
Site and Site Improvements	6,431,714.01	5,026,033.00		\$ 2,615.00	5,028,648.00
Machinery and Equipment	<u>223,691.32</u>	<u>264,905.00</u>	<u>\$ 2,214.00</u>		<u>267,119.00</u>
Totals	<u>\$ 6,655,405.33</u>	<u>\$ 5,339,762.00</u>	<u>\$ 2,214.00</u>	<u>\$ 2,615.00</u>	<u>\$ 5,344,591.00</u>
Total Capital Assets					\$ 5,344,591.00
Less: Accumulated Depreciation, As Restated					<u>(765,124.00)</u>
					<u>\$ 4,579,467.00</u>

Depreciation Expense was \$144,285, all unallocated.

The following is a summary of proprietary fund type Fixed Assets at June 30, 2011:

Machinery and Equipment,	\$ 8,999.00
Less:	
Prior Year Accumulated Depreciation	
Depreciation Expense for Year Ended	
June 30, 2011	<u>(8,999.00)</u>
	<u>\$ 0.00</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

7. CAPITAL ASSETS (CONT'D)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.00.

Depreciation expense was \$144,285.00, all unallocated.

8. LONG-TERM OBLIGATIONS

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2011, are as follows:

	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Retired</u>	Balance <u>June 30, 2011</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Compensated Absences	\$ 20,698.50	_____	\$ 2,495.00	\$ 18,203.50	_____
	<u>\$ 20,698.50</u>	<u>\$ 0.00</u>	<u>\$ 2,495.00</u>	<u>\$ 18,203.50</u>	<u>\$ 0.00</u>

B. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Laws. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

C. Bonds Authorized But Not Issued

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

9. OPERATING LEASES

As of June 30, 2011, the District had not entered into any operating leases.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

10. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly-available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund ("TPAF")

The Teachers' Pension and Annuity Fund was established as of January, 1, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. 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 District and the System's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional, and certified.

Public Employees' Retirement System ("PERS")

The Public Employees' Retirement System was established as of January, 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

10. PENSION PLANS (CONT'D)

Vesting and Benefit Provisions (Cont'd)

Members always full vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

Legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market-related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 14,339.00	100.00%	\$ 0.00
2010	9,920.00	100.00	0.00
2009	9,509.00	100.00	0.00

Three-Year Trend Information for TPAF (Paid on Behalf of the District)

<u>Year Funding June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 41,820.00	100.00%	\$ 0.00
2010	2,361.00	100.00	0.00
2009	52,837.00	100.00	0.00

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

10. PENSION PLANS (CONT'D)

Contribution Requirements (Cont'd)

During the year ended June 30, 2011, the State of New Jersey contributed \$1,880.00 to the TPAF for NCGI premiums and \$39,940.00 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66, the State of New Jersey reimbursed the District \$42,365.15 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with GASB 24.

Legislation enacted during 1991 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District will assume the increased cost for the early retirement as it affects their district.

11. POST – RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

12. DEFERRED COMPENSATION

The Board offers its employees a choice of Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan administrators are as follows:

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

13. 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.

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method".

14. CONTINGENT LIABILITIES

Grant Programs

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

15. FUND BALANCE APPROPRIATED

The District has implemented GASB 54 during fiscal year 2011.

As such, fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable Fund Balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned Fund Balance – amounts a District *intends* to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance – amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

15. FUND BALANCE APPROPRIATED (CONT'D)

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

Classification Totals

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Fund Balances:					
Restricted	\$ 310,330.54			\$ 9,502.99	\$ 319,833.53
Assigned	218,963.60				218,963.60
Unassigned	<u>188,067.07</u>				<u>188,067.00</u>
	<u>\$ 717,381.14</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 9,502.99</u>	<u>\$ 726,884.13</u>

16. LEASE AGREEMENT

A lease agreement was entered into on March 16, 2007 with Washington Township for the rental of the 1919 school building for a term of 99 years ending on March 16, 2106. The Township shall keep in force liability insurance on the building and has the exclusive option to purchase the 1919 building at any time during the term of the lease for the sum of \$1.00. The Township has paid the sum of \$1.00 for the rent due during the term of this lease.

17. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2011 is \$164,651.03.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

18. PRIOR-PERIOD ADJUSTMENT

The following adjustments were made to the June 30, 2011 financial statements to reflect the July 1, 2010 opening balances as shown in the District's financial records:

	Balance June 30, <u>2010</u>	Adjustment to Opening <u>Balance</u>	Balance June 30, 2010 <u>As Restated</u>
Land		\$ 48,824.00	\$ 48,824.00
Site and Site Improvements	\$ 6,431,714.01	(1,405,681.01)	5,026,033.00
Machinery and Equipment	223,691.32	41,213.68	264,905.00
Accumulated Depreciation	(944,614.29)	323,775.29	(620,839.00)

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

WASHINGTON TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,425,743.00		\$ 1,425,743.00	\$ 1,425,743.00	
Other Local Governmental Units - Unrestricted	18,000.00		18,000.00	18,000.00	
Unrestricted Miscellaneous Revenues	1,100.00		1,100.00	3,383.44	\$ 2,283.44
Total Local Sources	1,444,843.00		1,444,843.00	1,447,126.44	2,283.44
State Sources:					
School Choice Aid (Other State Aid)	84,648.00		84,648.00	84,648.00	
Categorical Special Education	46,913.00		46,913.00	46,913.00	
Equalization Aid	152,075.00		152,075.00	152,075.00	
Categorical Security Aid	10,219.00		10,219.00	10,219.00	
Adjustment Aid	255,075.00		255,075.00	255,075.00	
Categorical Transportation Aid	90,738.00		90,738.00	90,738.00	
Non-Public Transportation Aid				522.00	522.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				39,940.00	39,940.00
TPAF Pension NCGI Premiums (On-Behalf - Non-Budgeted)				1,880.00	1,880.00
TPAF Social Security (Reimbursed - Non-Budgeted)				42,365.15	42,365.15
Total State Sources	639,668.00		639,668.00	724,375.15	84,707.15
Total Revenues	2,084,511.00		2,084,511.00	2,171,501.59	86,990.59
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	84,420.00	\$ 3,984.00	88,404.00	87,870.80	533.20
Grades 1-5	280,919.00	12,564.00	293,483.00	290,134.71	3,348.29
Grades 6-8	222,911.00	(34,130.00)	188,781.00	114,344.00	74,437.00
Regular Programs - Home Instruction:					
Salaries of Teachers					
	1,800.00		1,800.00		1,800.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	2,877.00	(1,755.00)	1,122.00		1,122.00
Purchased Professional - Educational Services	17,844.00	17,800.00	35,644.00	35,644.00	
Other Purchased Services	11,500.00	285.00	11,785.00	6,209.60	5,575.40
General Supplies	18,597.00	(34.16)	18,562.84	9,538.00	9,024.84
Textbooks	1,800.00	1,571.16	3,371.16	2,548.83	822.33
Total Regular Programs - Instruction	642,668.00	285.00	642,953.00	546,289.94	96,663.06
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	59,283.00		59,283.00	58,113.00	1,170.00
Other Salaries for Instruction	13,614.00		13,614.00	7,164.36	6,449.64
Total Resource Room/Resource Center	72,897.00		72,897.00	65,277.36	7,619.64
Total Special Education - Instruction	72,897.00		72,897.00	65,277.36	7,619.64
School Sponsored Co/Extra-Curricular Activities - Instruction:					
Salaries	2,000.00		2,000.00	115.75	1,884.25
Total School Sponsored Co/Extra-Curricular Activities - Instruction	2,000.00		2,000.00	115.75	1,884.25
Total - Instruction	717,565.00	285.00	717,850.00	611,683.05	106,166.95
Undist. Expend. - Instruction:					
Tuition To Other LEAs Within the State - Regular	333,799.00	6,982.79	340,781.79	340,781.79	
Tuition To County Voc. School District - Regular	52,500.00	(11,982.79)	40,517.21	30,000.00	10,517.21
Tuition To CSSD and Regional Day Schools	42,663.00		42,663.00	1,162.00	41,501.00
Tuition To Private Schools for the Disabled Within State	93,832.00	(1,638.00)	92,194.00	31,345.92	60,848.08
Total Undist. Expend. - Instruction	522,794.00	(6,638.00)	516,156.00	403,289.71	112,866.29
Undist. Expend. - Attendance and Social Work Services:					
Salaries	9,600.00	(247.12)	9,352.88	9,352.88	
Purchased Professional and Technical Services	3,400.00		3,400.00	3,400.00	
Supplies and Materials		438.52	438.52	412.75	25.77
Total Undist. Expend. - Attendance and Social Work Services	13,000.00	191.40	13,191.40	13,165.63	25.77
Undist. Expend. - Health Services:					
Salaries	52,606.00	(180.00)	52,426.00	51,327.00	1,099.00
Purchased Professional and Technical Services	2,000.00		2,000.00	2,000.00	
Other Purchd. Serv. (400-500 series)		143.34	143.34	143.34	
Supplies and Materials	700.00	(97.53)	602.47	602.47	
Total Undist. Expend. - Health Services	55,306.00	(134.19)	55,171.81	54,072.81	1,099.00

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued):					
Undist. Expend. - Speech, OT,PT & Related Services:					
Purchased Professional - Educational Services	16,359.00		16,359.00	16,359.00	
Supplies and Materials	250.00	(44.71)	205.29	105.29	100.00
Total Undist. Expend. - Speech, OT,PT & Related Services	16,609.00	(44.71)	16,564.29	16,464.29	100.00
Undist. Expend. - Guidance:					
Salaries of Secretarial and Clerical Assistants	11,200.00		11,200.00	10,845.96	354.04
Other Purchased Professional and Technical Services	20,960.00		20,960.00	20,960.00	
Supplies and Materials	215.00		215.00		215.00
Total Undist. Expend. - Guidance	32,375.00		32,375.00	31,805.96	569.04
Undist. Expend. - Child Study Teams:					
Purchased Professional - Educational Services	12,827.00	6,638.00	19,465.00	15,219.75	4,245.25
Other Purchased Professional and Technical Services	6,232.00		6,232.00	6,232.00	
Supplies and Materials	150.00		150.00	150.00	
Total Undist. Expend. - Child Study Teams	19,209.00	6,638.00	25,847.00	21,601.75	4,245.25
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Secretarial and Clerical Assistants	11,200.00		11,200.00	11,166.16	33.84
Purchased Professional - Educational Services	16,996.00		16,996.00	16,996.00	
Other Purchased Services (400-500 Series)		600.00	600.00	338.19	261.81
Supplies and Materials	250.00		250.00	160.56	89.44
Total Undist. Expend. - Improvement of Instructional Services	28,446.00	600.00	29,046.00	28,660.91	385.09
Undist. Expend. - Instructional Staff Training Services:					
Other Purchased Professional and Technical Services	1,700.00		1,700.00	1,700.00	
Other Purchased Services (400-500 Series)	1,965.00	(600.00)	1,365.00	797.40	567.60
Supplies and Materials	125.00		125.00		125.00
Total Undist. Expend. - Instructional Staff Training Services	3,790.00	(600.00)	3,190.00	2,497.40	692.60
Undist. Expend. - Support Services - General Administration:					
Salaries	2,195.00	(150.00)	2,045.00	2,000.00	45.00
Legal Services	5,000.00	(200.00)	4,800.00	4,800.00	
Audit Fees	12,000.00		12,000.00	12,000.00	
Other Purchased Professional Services	22,095.00	1,000.00	23,095.00	22,095.00	1,000.00
Communications/Telephone	5,060.00	323.42	5,383.42	5,230.81	152.61
BOE Other Purchased Services	500.00	(193.91)	306.09	306.09	
Misc Purchased Services	4,500.00		4,500.00	1,928.05	2,571.95
General Supplies	250.00	948.74	1,198.74	350.00	848.74
Miscellaneous Expenditures		1,771.75	1,771.75	1,771.75	
BOE Membership Dues and Fees	2,500.00	(2,500.00)			
Total Undist. Expend. - Support Services - General Administration	54,100.00	1,000.00	55,100.00	50,481.70	4,618.30
Undist. Expend. - Support Services - School Administration:					
Salaries of Secretarial and Clerical Assistants	1,780.00		1,780.00	580.00	1,200.00
Purchased Professional and Technical Services	16,145.00		16,145.00	16,145.00	
Supplies and Materials	250.00		250.00	250.00	
Total Undist. Expend. - Support Services - School Administration	18,175.00		18,175.00	16,975.00	1,200.00
Undist. Expend. Support Services - Central Services:					
Purchased Professional Services	22,660.00		22,660.00	22,660.00	
Purchased Technical Services	3,100.00	(124.00)	2,976.00	2,534.20	441.80
Supplies and Materials	200.00	495.00	695.00	648.65	46.35
Miscellaneous Expenditures	150.00		150.00	50.10	99.90
Total Undist. Expend. Support Services - Central Services	26,110.00	371.00	26,481.00	25,892.95	588.05
Undist. Expend. Support Services - Admin. Info. Tech. Services:					
Purchased Technical Services	5,500.00	124.00	5,624.00	5,624.00	
Total Undist. Expend. Support Services - Admin. Info. Tech. Services	5,500.00	124.00	5,624.00	5,624.00	
Undist. Expend. - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	15,000.00		15,000.00	10,475.09	4,524.91
General Supplies	1,700.00	145.60	1,845.60	497.56	1,348.04
Total Undist. Expend. - Required Maintenance for School Facilities	16,700.00	145.60	16,845.60	10,972.65	5,872.95
Undist. Expend. - Custodial Services:					
Salaries	38,950.00		38,950.00	38,371.66	578.34
Salaries of Non-Instructional Aides	6,645.00		6,645.00	6,645.00	
Purchased Professional and Technical Services	18,098.00		18,098.00	7,234.00	10,864.00
Cleaning, Repair and Maintenance Services	3,500.00	(44.51)	3,455.49	1,560.75	1,894.74
Insurance	10,000.00	225.94	10,225.94	10,225.94	
General Supplies	5,710.00	(181.42)	5,528.58	2,049.53	3,479.05
Energy (Electricity)	55,000.00	16,545.81	71,545.81	57,020.47	14,525.34
Other Objects	500.00		500.00		500.00
Energy (Oil)	14,000.00		14,000.00	6,911.40	7,088.60
Total Undist. Expend. - Custodial Services	152,403.00	16,545.82	168,948.82	123,373.75	45,575.07

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued):					
Undist. Expend. - Care & Upkeep of Grounds:					
Salaries	12,750.00	491.24	13,241.24	13,241.24	
General Supplies	1,000.00	(491.24)	508.76	144.83	363.93
Total Undist. Expend. - Care & Upkeep of Grounds:	13,750.00		13,750.00	13,386.07	363.93
Undist. Expend. - Security:					
Purchased Professional and Technical Services	300.00		300.00		300.00
General Supplies	250.00		250.00		250.00
Total Undist. Expend. - Security	550.00		550.00		550.00
Total Undist. Expend. - Oper. & Maint. of Plant	183,403.00	16,691.42	200,094.42	147,732.47	52,361.95
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transp. (Bet. Home & School) - Regular	23,036.00	282.63	23,318.63	23,318.63	
Other Purchased Professional and Technical Services	6,798.00	50.00	6,848.00	6,848.00	
Cleaning, Repair, and Maintenance Services	3,000.00		3,000.00	2,748.09	251.91
Contracted Services (Other Than Bet. Home & School) - Vendors	1,270.00	106.00	1,376.00	1,376.00	
Contracted Services (Bet. Home & School) - Joint Agreements	129,875.00	(438.63)	129,436.37	67,837.34	61,599.03
Contracted Services (Special Ed. Students) - Joint Agreements	31,518.00		31,518.00	5,868.12	25,649.88
Contracted Services (Special Ed. Students) - ESCs & CTSA's	19,589.00		19,589.00	19,589.00	
Contracted Services - Aid in Lieu Payments - NonPub Sch	10,620.00		10,620.00	1,574.04	9,045.96
Miscellaneous Purchased Services - Transportation	1,750.00		1,750.00	980.43	769.57
General Supplies	13,000.00	5,326.29	18,326.29	12,524.54	5,801.75
Other Objects	100.00		100.00	25.00	75.00
Total Undist. Expend. - Student Transportation Services	240,556.00	5,326.29	245,882.29	123,100.19	122,782.10
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	15,965.00		15,965.00	12,517.46	3,447.54
Other Retirement Contributions - PERS	14,780.00	(441.00)	14,339.00	14,339.00	
Unemployment Compensation	2,800.00	935.51	3,735.51	3,124.64	610.87
Workmen's Compensation	13,000.00	(494.51)	12,505.49	12,505.49	
Health Benefits	187,828.00	(0.01)	187,827.99	150,943.68	36,884.31
Total Unallocated Benefits - Employee Benefits	234,373.00	(0.01)	234,372.99	193,430.27	40,942.72
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				39,940.00	(39,940.00)
TPAF Pension NCGI Premiums (On-Behalf - Non-Budgeted)				1,880.00	(1,880.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				42,365.15	(42,365.15)
Total On-Behalf Contributions				84,185.15	(84,185.15)
Total Personal Services - Employee Benefits	234,373.00	(0.01)	234,372.99	277,615.42	(43,242.43)
Total Undistributed Expenditures	1,453,746.00	23,525.20	1,477,271.20	1,218,980.19	258,291.01
Total Expenditures - Current Expense	2,171,311.00	23,810.20	2,195,121.20	1,830,663.24	364,457.96
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Other Objects	15,309.00		15,309.00	15,309.00	
Total Facilities Acquisition and Construction Services	15,309.00		15,309.00	15,309.00	
Total Capital Outlay	15,309.00		15,309.00	15,309.00	
General Fund Grand Total	2,186,620.00	23,810.20	2,210,430.20	1,845,972.24	364,457.96
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(102,109.00)	(23,810.20)	(125,919.20)	325,529.35	451,448.55
Other Financing Sources/(Uses) and Adjustments:					
Operating Transfers In - Capital Projects Fund Interest Income				162.09	162.09
Transfers to Cover Deficit (Enterprise Fund)	(10,000.00)		(10,000.00)		10,000.00
Total Other Financing Sources/(Uses)	(10,000.00)		(10,000.00)	162.09	10,162.09
Net Change in Fund Balances	(112,109.00)	(23,810.20)	(135,919.20)	325,691.44	461,610.64
Fund Balances, July 1	454,124.70		454,124.70	454,124.70	
Fund Balances, June 30	\$ 342,015.70	\$ (23,810.20)	\$ 318,205.50	\$ 779,816.14	\$ 461,610.64
Recapitulation:					
Restricted Fund Balance:					
Reserved Excess Surplus:					
Reserve for Excess Surplus				164,651.03	
Maintenance Reserve				145,679.51	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				214,000.00	
Year-End Encumbrances				4,963.60	
Unassigned Fund Balance				250,622.00	
				779,816.14	
Reconciliation To Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(62,435.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 717,381.14	

WASHINGTON TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

Fiscal year ended June 30, 2011

	Final <u>Budget</u>	Actual	Variance Final To <u>Actual</u>
Revenues:			
Local Sources	\$ 2,840.00	\$ 2,840.00	
Federal Sources	<u>47,204.95</u>	<u>47,204.95</u>	
Total Revenues	<u>50,044.95</u>	<u>50,044.95</u>	
Expenditures:			
Instruction:			
Salaries	5,509.40	5,509.40	
Other Purchased Services	15,821.00	15,821.00	
General Supplies	<u>1,475.20</u>	<u>1,475.20</u>	
Total Instruction	<u>22,805.60</u>	<u>22,805.60</u>	
Support Services:			
Salaries	3,800.75	3,800.75	
Personal Services - Employee Benefits	1,359.75	1,359.75	
Professional & Technical Services	17,748.25	17,748.25	
Other Purchased Services	2,092.60	2,092.60	
Supplies and Materials	<u>24.00</u>	<u>24.00</u>	
Total Support Services	<u>25,025.35</u>	<u>25,025.35</u>	
Facilities Acquisition and Construction Services:			
Non Instructional Equipment	<u>2,214.00</u>	<u>2,214.00</u>	
Total Facilities Acquisition and Construction Services	<u>2,214.00</u>	<u>2,214.00</u>	
Total Expenditures	<u>50,044.95</u>	<u>50,044.95</u>	
Total Outflows	<u>50,044.95</u>	<u>50,044.95</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

BUDGET-TO-GAAP RECONCILIATION

Fiscal year ended June 30, 2011

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>
SOURCES/INFLOWS OF RESOURCES		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 2,171,501.59	\$ 50,044.95
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances		(805.20)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	70,755.00	
Less: Current year state aid payment not recognized for GAAP purposes until subsequent year	<u>(62,435.00)</u>	<u> </u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,179,821.59</u>	<u>\$ 49,239.75</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 1,845,972.24	\$ 50,044.95
Difference - 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.		
Less: Current Year Encumbrances	<u> </u>	<u>(805.20)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,845,972.24</u>	<u>\$ 49,239.75</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2011

Revenues	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	A.R.R.A.		Title II Part A FY10	Title II Part D	Title IV FY10	Safety Grant	Total
			Title I Part A	Title II Part A					
Local Sources									
Federal Sources	\$ 32,750.00	\$ 613.00	\$ 689.20	\$ 7,642.00	\$ 3,028.00	\$ 15.00	\$ 207.00	\$ 2,840.00	\$ 47,204.95
Total Revenues	\$ 32,750.00	\$ 613.00	\$ 689.20	\$ 7,642.00	\$ 3,028.00	\$ 15.00	\$ 207.00	\$ 2,840.00	\$ 50,044.95
Expenditures									
Instruction:									
Salaries				\$ 5,509.40					\$ 5,509.40
Other Purchased Services	\$ 15,821.00								15,821.00
General Supplies			\$ 689.20	\$ 579.00			\$ 207.00		1,475.20
Total Instruction	15,821.00		689.20	5,509.40	579.00		207.00		22,805.60
Support Services:									
Salaries					1,305.00			\$ 395.75	3,800.75
Personal Services - Employee Benefits				1,100.00	99.00				1,359.75
Professional & Technical Services	16,929.00	\$ 613.00						206.25	17,748.25
Other Purchased Services				1,032.60	1,045.00				2,092.60
Supplies and Materials								24.00	24.00
Total Support Services	16,929.00	613.00		2,132.60	2,449.00	15.00		626.00	25,025.35
Facilities Acquisition and Construction Services:									
Non Instructional Equipment								2,214.00	2,214.00
Total Facilities Acquisition and Construction Services								2,214.00	2,214.00
Total Expenditures	\$ 32,750.00	\$ 613.00	\$ 689.20	\$ 7,642.00	\$ 3,028.00	\$ 15.00	\$ 207.00	\$ 2,840.00	\$ 50,044.95

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the Year ended June 30, 2011

<u>Project Title/Issue</u>	<u>Date</u>	<u>Original Appropriations</u>	<u>Expenditures To Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Green Bank Elementary School	09/2004	<u>\$ 5,478,646.00</u>	<u>\$ 5,466,528.01</u>	<u>\$ 2,615.00</u>	<u>\$ 9,502.99</u>
		<u><u>\$ 5,478,646.00</u></u>	<u><u>\$ 5,466,528.01</u></u>	<u><u>\$ 2,615.00</u></u>	<u><u>\$ 9,502.99</u></u>
Unexpended Balance					<u>\$ 9,502.99</u>
Fund Balance (B-2)					<u>\$ 9,502.99</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS

For the year ended June 30, 2011

Revenues:	
Local Income - Interest	<u>\$ 162.09</u>
Total Revenues	<u>162.09</u>
Expenditures and Other Financing Sources:	
Construction Services	<u>2,615.00</u>
Total Expenditures	<u>2,615.00</u>
Other Financing Sources/(Uses):	
Transfer - Interest Earned in Capital Projects Fund	<u>(162.09)</u>
Total Other Financing Sources/(Uses)	<u>(162.09)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,615.00)
Fund Balance - July 1	<u>12,117.99</u>
Fund Balance - June 30	<u><u>\$ 9,502.99</u></u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS

GREEN BANK ELEMENTARY SCHOOL

From inception and for the year ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 1,441,825.00		\$ 1,441,825.00	\$ 1,478,646.00
Contribution from Township	<u>4,000,000.00</u>		<u>4,000,000.00</u>	<u>4,000,000.00</u>
Total Revenues	<u>5,441,825.00</u>		<u>5,441,825.00</u>	<u>5,478,646.00</u>
Expenditures and Other Financing Sources:				
Purchased Professional and Technical Services	612,635.00		612,635.00	607,261.00
Construction Services	<u>4,817,072.01</u>	<u>\$ 2,615.00</u>	<u>4,819,687.01</u>	<u>4,871,385.00</u>
Total Expenditures	<u>5,429,707.01</u>	<u>2,615.00</u>	<u>5,432,322.01</u>	<u>5,478,646.00</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 12,117.99</u>	<u>\$ (2,615.00)</u>	<u>\$ 9,502.99</u>	<u>\$ 0.00</u>

Additional Project Information:

Project Number	SP# 5490-050-02-0760
Grant Date/Letter of Notification	09/10/04
Bond Authorization (Referendum) Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 5,437,115.00
Additional Authorized Cost	41,531.00
Revised Authorized Cost	5,478,646.00

Percentage Increase over Original

Authorized Cost	0.76
Percentage Completion	99.15
Original Target Completion Date	09/2007
Revised Target Completion Date	09/2007

PROPRIETARY FUND
DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICE FUND

This Fund provides for the operation of food services within the School District.

This section has already been included in Statements B-4, B-5, and B-6.

FIDUCIARY FUNDS
DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments and/or other funds.

Payroll Fund: This Agency Fund is used to account for the payroll transactions of the School District.

Expendable Trust Fund: Expendable Trust Funds are held by the School District as an agent for individuals, private organizations, other governments and/or other funds.

Unemployment Compensation Trust Fund: This Fund is used to account for assets to finance the cost of unemployment benefits.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS

June 30, 2011

<u>Assets</u>	<u>Student Activity</u>	<u>Payroll Fund</u>	<u>Totals</u>
Cash and Cash Equivalents	\$ 1,466.70	\$ 2,731.14	\$ 4,197.84
Total Assets	<u>\$ 1,466.70</u>	<u>\$ 2,731.14</u>	<u>\$ 4,197.84</u>
Liabilities:			
Due To General Operating Fund		\$ 279.00	\$ 279.00
Payable To Student Groups	\$ 1,466.70		1,466.70
Payroll Deductions and Withholdings		<u>2,452.14</u>	<u>2,452.14</u>
Total Liabilities	<u>\$ 1,466.70</u>	<u>\$ 2,731.14</u>	<u>\$ 4,197.84</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS

STUDENT ACTIVITY AGENCY FUND

For the fiscal year ended June 30, 2011

	Balance July 1, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2011</u>
Elementary Schools:				
Green Bank	<u>\$ 1,101.72</u>	<u>\$ 1,531.89</u>	<u>\$ 1,166.91</u>	<u>\$ 1,466.70</u>
Total Student Activity	<u><u>\$ 1,101.72</u></u>	<u><u>\$ 1,531.89</u></u>	<u><u>\$ 1,166.91</u></u>	<u><u>\$ 1,466.70</u></u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS

For the fiscal year ended June 30, 2011

	Balance July 1, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2011</u>
<u>Assets</u>				
Cash and Cash Equivalents	<u>\$ 10,969.46</u>	<u>\$ 319,408.35</u>	<u>\$ 327,646.67</u>	<u>\$ 2,731.14</u>
Total Assets	<u>\$ 10,969.46</u>	<u>\$ 319,408.35</u>	<u>\$ 327,646.67</u>	<u>\$ 2,731.14</u>
<u>Liabilities</u>				
Due To General Operating Fund	\$ 279.00			\$ 279.00
Payroll Deductions and Withholdings	<u>10,690.46</u>	<u>\$ 319,408.35</u>	<u>\$ 327,646.67</u>	<u>2,452.14</u>
Total Liabilities	<u>\$ 10,969.46</u>	<u>\$ 319,408.35</u>	<u>\$ 327,646.67</u>	<u>\$ 2,731.14</u>

STATISTICAL SECTION

FINANCIAL TRENDS/INFORMATION SCHEDULES

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NET ASSETS BY COMPONENT

LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Government Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 249,139.00	\$ 557,189.00	\$ 4,954,405.00	\$ 6,048,208.00	\$ 5,910,045.00	\$ 5,771,882.00	\$ 5,710,791.04	\$ 4,579,467.00
Restricted	75,850.00	4,914,423.00	1,475,622.00	131,338.00	115,726.00	270,676.00	155,927.99	538,797.13
Unrestricted	101,235.00	400,635.00	142,205.00	82,277.00	189,836.00	136,452.00	218,861.20	169,883.50
Total Government Activities Net Assets	\$ 426,224.00	\$ 5,872,247.00	\$ 6,572,232.00	\$ 6,261,823.00	\$ 6,215,607.00	\$ 6,179,010.00	\$ 6,085,580.23	\$ 5,288,147.63
Business-Type Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 1,389.00	\$ 1,042.00	\$ 694.00	\$ 347.00				
Unrestricted	28,502.00	29,440.00	33,680.00	38,900.00	\$ 39,102.00	\$ 31,584.00	\$ 28,329.15	\$ 18,936.63
Total Business-Type Activities Net Assets	\$ 29,891.00	\$ 30,482.00	\$ 34,374.00	\$ 39,247.00	\$ 39,102.00	\$ 31,584.00	\$ 28,329.15	\$ 18,936.63
District-wide:								
Invested in Capital Assets, Net of Related Debt	\$ 250,528.00	\$ 558,231.00	\$ 4,955,099.00	\$ 6,048,555.00	\$ 5,910,045.00	\$ 5,771,882.00	\$ 5,710,791.04	\$ 4,579,467.00
Restricted	75,850.00	4,914,423.00	1,475,622.00	131,338.00	115,726.00	270,676.00	155,927.99	538,797.13
Unrestricted	129,737.00	430,075.00	175,885.00	121,177.00	228,938.00	168,036.00	247,190.35	188,820.13
Total District Net Assets	\$ 456,115.00	\$ 5,902,729.00	\$ 6,606,606.00	\$ 6,301,070.00	\$ 6,254,709.00	\$ 6,210,594.00	\$ 6,113,909.38	\$ 5,307,084.26

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:								
Governmental Activities:								
Instruction:								
Regular	\$ (575,449.00)	\$ (633,484.00)	\$ (586,228.00)	\$ (643,111.00)	\$ (610,989.00)	\$ (645,342.00)	\$ (926,382.24)	\$ (746,967.34)
Special Education	(118,742.00)	(127,150.00)	(88,673.00)	(90,439.00)	(96,761.00)	(56,458.00)	(101,220.17)	(84,480.04)
Other Special Education	(7,027.00)	(22,369.00)	(21,270.00)	(43,728.00)				
Other Instruction	(539.00)	(2,171.00)	(2,071.00)	(2,446.00)	(1,900.00)	(1,900.00)	(2,500.00)	(115.75)
Support Services:								
Tuition	(267,427.00)	(305,753.00)	(379,550.00)	(490,254.00)	(396,834.00)	(372,413.00)	(326,930.08)	(403,289.71)
Student and Instruction Related Services	(112,287.00)	(142,307.00)	(152,261.00)	(190,148.00)	(181,883.00)	(272,677.00)	(218,478.53)	(224,392.20)
School Administrative Services	(23,471.00)	(80,741.00)	(23,214.00)	(18,614.00)	(14,816.00)	(15,423.00)	(17,095.15)	(16,975.00)
General & Business Administrative Services	(160,342.00)	(89,523.00)	(121,037.00)	(121,171.00)	(75,094.00)	(79,960.00)	(70,743.30)	(50,798.16)
Central Services								
Plant Operations and Maintenance	(99,169.00)	(112,632.00)	(106,238.00)	(149,970.00)	(149,851.00)	(145,563.00)	(24,231.89)	(25,892.95)
Pupil Transportation	(122,009.00)	(140,839.00)	(167,395.00)	(167,414.00)	(203,792.00)	(192,356.00)	(199,954.04)	(208,867.65)
Business & Other Support Services	(50,231.00)						(179,990.78)	(31,840.19)
Administrative Information Technology								
Unallocated Benefits	(265,714.00)	(292,578.00)	(311,734.00)	(380,069.00)	(354,937.00)	(265,569.00)	(9,384.00)	(5,624.00)
Charter Schools		(8,950.00)	(9,220.00)	(9,557.00)				
Cancellation of Account Receivable	(440.00)	(580.00)	920.00	(4,165.00)	(296.00)	(11,587.00)		
Unallocated Increase in Compensated Absences		(26,327.00)						
Unallocated Loss on Revaluation of Assets	(16,038.00)	(10,886.00)	(6,502.00)	(188,194.00)	(138,163.00)	(138,163.00)	(140,793.29)	(144,285.00)
Unallocated Depreciation								
Total Governmental Activities Expenses	<u>(1,818,885.00)</u>	<u>(1,996,290.00)</u>	<u>(1,974,473.00)</u>	<u>(2,499,280.00)</u>	<u>(2,262,137.00)</u>	<u>(2,197,411.00)</u>	<u>(2,217,703.47)</u>	<u>(1,943,527.99)</u>
Business-Type Activities:								
Food Service	(55,796.00)	(51,145.00)	(49,096.00)	(52,436.00)	(44,577.00)	(61,418.00)	(47,470.31)	(26,610.21)
Total Business-Type Activities Expenses	<u>(55,796.00)</u>	<u>(51,145.00)</u>	<u>(49,096.00)</u>	<u>(52,436.00)</u>	<u>(44,577.00)</u>	<u>(61,418.00)</u>	<u>(47,470.31)</u>	<u>(26,610.21)</u>
Total District Expenses	<u>\$ (1,874,681.00)</u>	<u>\$ (2,047,435.00)</u>	<u>\$ (2,023,569.00)</u>	<u>\$ (2,551,716.00)</u>	<u>\$ (2,306,714.00)</u>	<u>\$ (2,258,829.00)</u>	<u>\$ (2,265,173.78)</u>	<u>\$ (1,970,138.20)</u>
Program Revenues:								
Governmental Activities:								
Operating Grants and Contributions	83,526.00	74,499.00	66,288.00	83,419.00	68,041.00	118,714.00	94,923.00	91,260.00
Total Governmental Activities Program Revenues	<u>83,526.00</u>	<u>74,499.00</u>	<u>66,288.00</u>	<u>83,419.00</u>	<u>68,041.00</u>	<u>118,714.00</u>	<u>94,923.00</u>	<u>91,260.00</u>
Business-Type Activities:								
Charges for Services:								
Food Service	16,750.00	17,621.00	15,892.00	18,096.00	20,916.00	18,820.00	15,240.30	7,851.12
Operating Grants and Contributions	18,110.00	12,115.00	10,492.00	11,079.00	13,111.00	18,956.00	18,975.25	9,366.57
Total Business-Type Activities Program Revenues	<u>34,860.00</u>	<u>29,736.00</u>	<u>26,384.00</u>	<u>29,175.00</u>	<u>34,027.00</u>	<u>37,776.00</u>	<u>34,215.55</u>	<u>17,217.69</u>
Total District Program Revenues	<u>\$ 118,386.00</u>	<u>\$ 104,235.00</u>	<u>\$ 92,672.00</u>	<u>\$ 112,594.00</u>	<u>\$ 102,068.00</u>	<u>\$ 156,490.00</u>	<u>\$ 129,138.55</u>	<u>\$ 108,477.69</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue:								
Governmental Activities	\$ (1,735,359.00)	\$ (1,921,791.00)	\$ (1,908,185.00)	\$ (2,415,861.00)	\$ (2,194,096.00)	\$ (2,078,697.00)	\$ 2,312,626.47	\$ 2,034,787.99
Business-Type Activities	(20,936.00)	(21,409.00)	(22,712.00)	(23,261.00)	(10,550.00)	(23,642.00)	81,685.86	43,827.90
Total District-wide Net (Expense)/Revenue	\$ (1,756,295.00)	\$ (1,943,200.00)	\$ (1,930,897.00)	\$ (2,439,122.00)	\$ (2,204,646.00)	\$ (2,102,339.00)	\$ 2,394,312.33	\$ 2,078,615.89
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 846,290.00	\$ 1,074,166.00	\$ 1,106,937.00	\$ 1,237,811.00	\$ 1,257,077.00	\$ 1,257,077.00	\$ 1,249,077.00	\$ 1,425,743.00
State Aid - Unrestricted	802,663.00	2,286,643.00	833,680.00	857,850.00	880,436.00	798,113.00	779,879.24	687,834.90
Revaluation of Fixed Assets		4,000,000.00	678,829.00	22,131.00				
Local Source Revenue - Capital Projects								
Investment Earnings	6,843.00	29,005.00	15,328.00	15,794.00	20,708.00	2,910.00	325.04	1,861.47
Miscellaneous Income	(23,000.00)	(22,000.00)	(26,604.00)	(28,134.00)	(10,341.00)	(16,000.00)	15,169.42	22,524.06
Transfers							(15,100.00)	
Total Governmental Activities	1,632,796.00	7,367,814.00	2,608,170.00	2,105,452.00	2,147,880.00	2,042,100.00	2,029,350.70	2,137,963.43
Business-Type Activities:								
Miscellaneous Income					64.00	124.00		
Transfers	23,000.00	22,000.00	26,604.00	28,134.00	10,341.00	16,000.00	10,000.00	
Total Business-Type Activities	23,000.00	22,000.00	26,604.00	28,134.00	10,405.00	16,124.00	10,000.00	
Total District-wide	\$ 1,655,796.00	\$ 7,389,814.00	\$ 2,634,774.00	\$ 2,133,586.00	\$ 2,158,285.00	\$ 2,058,224.00	\$ 2,039,350.70	\$ 2,137,963.43
Changes in Net Assets:								
Governmental Activities	\$ (102,563.00)	\$ 5,446,023.00	\$ 699,985.00	\$ (310,409.00)	\$ (46,216.00)	\$ (36,597.00)	\$ 4,341,977.17	\$ 4,172,751.42
Business-Type Activities	2,064.00	591.00	3,892.00	4,873.00	(145.00)	(7,518.00)	91,685.86	43,827.90
Total District	\$ (100,499.00)	\$ 5,446,614.00	\$ 703,877.00	\$ (305,536.00)	\$ (46,361.00)	\$ (44,115.00)	\$ 4,433,663.03	\$ 4,216,579.32

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS

LAST EIGHT FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:								
Reserved	\$ 76,219.00	\$ 27,966.00	\$ 123,266.00	\$ 24,900.00	\$ 26,834.00	\$ 180,924.00	\$ 143,810.20	\$ 310,330.54
Unreserved	111,275.00	164,622.00	96,060.00	76,026.00	203,681.00	162,200.00	239,559.50	218,963.60
Restricted								188,087.00
Assigned								
Unassigned								
Total General Fund	\$ 187,494.00	\$ 192,588.00	\$ 219,326.00	\$ 100,926.00	\$ 230,515.00	\$ 343,124.00	\$ 383,369.70	\$ 717,381.14
All Other Governmental Funds:								
Reserved		\$ 4,894,042.00	\$ 1,387,856.00	\$ 126,257.00	\$ 89,436.00	\$ 62,944.00	\$ 2,615.00	
Unreserved, Reported In:								
Special Revenue Fund	\$ (369.00)	(369.00)	(369.00)	(19.00)	(544.00)			
Capital Projects Fund		239,417.00	20,714.00	316.00	316.00	26,808.00	9,502.99	
Restricted for:								
Capital Projects								\$ 9,502.99
Total All Other Governmental Funds	\$ (369.00)	\$ 5,133,090.00	\$ 1,408,201.00	\$ 126,554.00	\$ 89,208.00	\$ 89,752.00	\$ 12,117.99	\$ 9,502.99

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Tax Levy	\$ 864,690.00	\$ 846,690.00	\$ 846,290.00	\$ 1,074,166.00	\$ 1,106,937.00	\$ 1,237,811.00	\$ 1,257,077.00	\$ 1,257,077.00	\$ 1,249,077.00	\$ 1,426,743.00
Miscellaneous	2,894.00	5,806.00	6,843.00	29,005.00	15,328.00	15,794.00	20,708.00	2,910.00	15,494.46	24,385.53
Local Sources	33,000.00			4,000,000.00		31,088.00	14,456.00	81,244.00		
Tuition						22,131.00				
State Sources	651,255.00	760,080.00	817,047.00	2,297,713.00	845,008.00	868,161.00	890,990.00	796,208.00	807,377.19	732,695.15
Federal Sources			69,142.00	63,429.00	54,962.00	42,020.00	43,031.00	37,377.00	67,425.05	46,399.75
Total Revenues	1,551,839.00	1,612,576.00	1,739,322.00	7,464,313.00	2,022,233.00	# 2,217,005.00	2,226,262.00	2,176,814.00	2,139,373.70	2,229,223.43
Expenditures:										
Instruction:										
Regular	434,005.00	476,306.00	575,449.00	633,484.00	566,228.00	643,111.00	610,989.00	645,342.00	729,916.91	569,095.54
Special Education	100,754.00	115,227.00	118,742.00	127,150.00	88,673.00	90,439.00	96,761.00	56,458.00	81,879.17	65,277.36
Other Special		8,568.00	7,027.00	22,369.00	21,270.00	43,728.00				
Other		1,653.00	539.00	2,171.00	2,071.00	2,446.00	1,900.00	1,900.00	2,500.00	115.75
Support Services and Undistributed Costs:										
Tuition	220,189.00	200,939.00	267,427.00	305,753.00	379,550.00	490,254.00	396,834.00	372,413.00	326,930.08	403,289.71
Student and Instruction Related Services	70,389.00	64,304.00	112,287.00	142,307.00	152,261.00	190,148.00	181,883.00	272,677.00	196,018.64	192,488.90
School Administrative Services	108,275.00	141,480.00	23,471.00	53,600.00	23,214.00	18,614.00	14,816.00	15,423.00	67,330.00	50,481.70
General & Business Administration Services	35,861.00	19,496.00	160,342.00	89,523.00	96,167.00	88,696.00	44,989.00	49,410.00	17,095.15	16,975.00
Central Services				27,141.00	24,870.00	32,475.00	30,105.00	30,550.00	24,231.89	25,892.95
Administrative Information Technology									9,384.00	5,624.00
Plant Operations and Maintenance	79,060.00	81,580.00	99,169.00	112,632.00	106,238.00	149,970.00	149,851.00	145,563.00	162,289.62	147,732.47
Pupil Transportation	149,688.00	108,344.00	122,009.00	140,839.00	167,395.00	167,414.00	203,792.00	192,356.00	179,990.78	123,100.19
Other Support Services	40,179.00	45,100.00	50,231.00							
Unallocated Benefits	188,088.00	249,627.00	265,714.00	292,578.00	311,734.00	380,069.00	354,937.00	265,569.00	284,393.44	277,615.42
Charter Schools				8,950.00	9,220.00	9,557.00				
Capital Outlay	9,781.00	5,453.00	12,427.00	345,263.00	3,724,989.00	1,281,997.00			79,702.33	20,138.00
Total Expenditures	1,436,249.00	1,519,077.00	1,814,834.00	2,303,760.00	5,693,780.00	3,588,918.00	2,086,857.00	2,047,661.00	2,161,662.01	1,897,826.99
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	115,590.00	94,499.00	(75,512.00)	5,160,553.00	(3,671,547.00)	(1,371,913.00)	139,405.00	129,153.00	(22,288.31)	331,396.44
Other Financing Sources/(Uses):										
Transfers Out	(23,965.00)	(10,000.00)	(23,000.00)	(22,000.00)	(26,604.00)	(28,134.00)	(10,341.00)	(16,000.00)	(15,100.00)	0.00
Cancellation of Accounts Receivable							(36,821.00)			
Total Other Financing Sources/(Uses)	(23,965.00)	(10,000.00)	(23,000.00)	(22,000.00)	(26,604.00)	(28,134.00)	(47,162.00)	(16,000.00)	(15,100.00)	0.00
Net Change in Fund Balances	\$ 91,625.00	\$ 84,499.00	\$ (98,512.00)	\$ 5,138,553.00	\$ (3,698,151.00)	\$ (1,400,047.00)	\$ 92,243.00	\$ 113,153.00	\$ (37,388.31)	\$ 331,396.44
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Donations	\$ 33,000.00									\$ 18,000.00
Interest on Investments	1,465.00	\$ 1,893.00	\$ 1,080.00	\$ 3,193.00		\$ 14,042.00	\$ 8,412.00	\$ 1,347.00	\$ 839.11	1,861.47
Miscellaneous		3,913.00	5,763.00	25,812.00	\$ 15,328.00	1,752.00	12,296.00	651.00		1,521.97
	<u>\$ 34,465.00</u>	<u>\$ 5,806.00</u>	<u>\$ 6,843.00</u>	<u>\$ 29,005.00</u>	<u>\$ 15,328.00</u>	<u>\$ 15,794.00</u>	<u>\$ 20,708.00</u>	<u>\$ 1,998.00</u>	<u>\$ 839.11</u>	<u>\$ 21,383.44</u>

Source: District records

REVENUE CAPACITY INFORMATION

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
 (UNAUDITED)

Year Ending December 31,	Vacant Land	Residential	Farm Req.	Qfarm	Commercial	Industrial
2002	\$ 2,103,000	\$ 36,712,050	\$ 772,800	1,095,900	\$ 4,191,500	\$ 752,400
2003	2,089,300	35,973,450	1,895,600	1,104,000	4,194,000	751,200
2004	2,094,000	35,917,350	2,055,600	1,105,500	4,196,000	951,200
2005	2,053,400	35,274,050	2,436,100	1,111,200	4,187,500	951,200
2006	1,953,100	35,718,050	2,436,100	1,114,000	4,212,500	951,200
2007*	4,798,600	91,834,900	8,594,300	1,654,400	15,103,400	2,399,900
2008	4,741,300	91,802,600	9,194,300	1,654,300	15,103,400	2,399,900
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	3,948,700	92,291,200	8,906,600	1,657,100	14,853,400	2,099,400
2011	3,946,600	91,157,600	9,206,600	1,651,300	14,903,400	2,099,400

Year Ending December 31,	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2002	\$ 84,200	\$ 45,711,850	\$ 359,850	46,071,700	\$ 53,105,294	1.723
2003	84,200	46,091,750	332,894	46,424,644	56,657,016	1.690
2004	84,200	46,403,850	236,502	46,640,352	73,164,734	1.920
2005	84,200	46,097,650	205,246	46,302,896	88,884,048	1.920
2006	84,200	46,469,150	188,150	46,657,300	92,756,356	1.994
2007*		124,385,500	398,209	124,783,709	111,837,954	0.742
2008		124,895,800	435,790	125,331,590	134,731,903	0.732
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	123,756,400	485,647	124,242,047	115,749,472	0.734
2011	N/A	122,964,900	389,398	123,354,298	106,747,802	0.819

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100

* Reassessed

WASHINGTON TOWNSHIP SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)
(UNAUDITED)

Year Ending December 31,	District Direct Rate (From J-6)		Overlapping Rates				Total Direct and Overlapping Tax Rate
	Local School	Direct School Tax Rate	Township of Washington	Burlington County	Library	County Open Space	
2002	1.723	1.723		0.534	0.039	0.046	2.342
2003	1.690	1.690		0.532	0.041	0.049	2.312
2004	1.920	1.920		0.619	0.053	0.063	2.655
2005	1.920	1.920		0.736	0.065	0.077	2.798
2006	1.994	1.994		0.732	0.067	0.080	2.873
2007	0.742	0.742		0.313	0.029	0.036	1.120
2008	0.732	0.732		0.343	0.032	0.043	1.150
2009	N/A	N/A		N/A	N/A	N/A	N/A
2010	0.734	0.734		0.289	0.028	0.038	1.089
2011	0.819	0.819		0.266	0.026	0.034	1.145

Source: Municipal Tax Collector

Note: N.J.S.A. 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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)

	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
M & T Family Holdings, LLC	\$ 4,900,000	1		\$	1	
Wading Pines Camping Resort, Inc.	4,573,000	2			2	
Stormy Hill Inc. - William S. Haines	4,255,900	3			3	
Lippincott & Worth, Inc.	1,628,000	4			4	
Taxpayer #1	1,273,600	5			5	
Stormy Hill Inc. - William S. Haines	1,230,800	6			6	
Pacemaker Properties, Ltd.	1,163,400	7			7	
Black Leopard, LLC	989,300	8			8	
Vision Properties, Lower Bk Part	911,000	9			9	
Taxpayer #2	800,000	10			10	
			DATA NOT AVAILABLE			
Total	\$ 21,725,000			\$		

Source: Municipal Tax Assessor

WASHINGTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		<u>Amount</u>	<u>Percentage of Levy</u>	
2002	\$ 864,690	\$ 864,690	100.00%	-
2003	846,690	846,690	100.00%	-
2004	846,290	846,290	100.00%	-
2005	1,074,166	1,074,166	100.00%	-
2006	1,106,937	1,106,937	100.00%	-
2007	1,237,811	1,237,811	100.00%	-
2008	1,257,077	1,257,077	100.00%	-
2009	1,257,077	1,257,077	100.00%	-
2010	1,249,077	1,249,077	100.00%	-
2011	1,425,743	1,425,743	100.00%	-

Source: School District records

- 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.

DEBT CAPACITY INFORMATION

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ending June 30,	Governmental Activities				Bond		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases						
2002											
2003											
2004											
2005											
2006											
2007											
2008											
2009	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		

DATA NOT AVAILABLE

WASHINGTON TOWNSHIP SCHOOL DISTRICT

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2002	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2011
 (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: Washington Township County of Burlington	\$ N/A N/A	N/A N/A	\$
Subtotal, Overlapping Debt			
Washington Township School District			
Washington District Direct Debt			N/A
Total Direct and Overlapping Debt			\$

Sources: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation.
 Debt Outstanding data provided by each governmental unit.

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 Hazlet. This process recognizes that, when considering the District's ability to issue and repay long-term debt, 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 payment.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis			
	2011	2010	2009	
	\$ 106,747,802	113,580,224	124,605,774	
	<u>(A)</u>			<u>\$ 344,933,800</u>
Average Equalized Valuation of Taxable Property	(A/3)			\$ 114,977,933
Debt Limit (4% of Average Equalization Value)	(B)			4,599,117
Total Net Debt Applicable To Limit	(C)			<u>4,599,117</u>
Legal Debt Margin	(B-C)			<u>\$ 4,599,117</u>

a

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt Limit	\$ 1,434,502.00	\$ 1,526,271.00	\$ 1,772,648.00	\$ 2,141,231.00	\$ 2,494,056.00
Legal Debt Margin	<u>\$ 1,434,502.00</u>	<u>\$ 1,526,271.00</u>	<u>\$ 1,772,648.00</u>	<u>\$ 2,141,231.00</u>	<u>\$ 2,494,056.00</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit					
	2007	2008	2009	2010	2011
Debt Limit	\$ 2,879,447.00	\$ 3,319,600.00	\$ 3,660,326.00	\$ 4,833,630.00	\$ 4,599,117.33
Legal Debt Margin	<u>\$ 2,879,447.00</u>	<u>\$ 3,319,600.00</u>	<u>\$ 3,660,326.00</u>	<u>\$ 4,833,630.00</u>	<u>\$ 4,599,117.33</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit					

Sources: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation; School District records

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.

DEMOGRAPHIC AND ECONOMIC STATISTICS

WASHINGTON TOWNSHIP SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2002	631		\$ 37,299	7.3%
2003	633		37,982	7.3%
2004	637		39,606	6.2%
2005	641		40,795	6.1%
2006	647		43,551	6.4%
2007	643		45,463	6.1%
2008	646		46,968	8.0%
2009	649		46,516	13.2%
2010	N/A		N/A	14.1%
2011	N/A		N/A	N/A

Source:

^a Population information provided by the NJ Department of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income provided by the NJ Department of Labor and Workforce Development.

^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)

	2011			2002		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
Washington Twp. Municipality	15	1			1	
Green Bank Volunteer Fire Co/	15	2			2	
Dolphin Industries, Ltd.	9	3			3	
Green Bank School District	6	4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total	45					

DATA NOT AVAILABALE

Information not available at time of CAFR preparation.
 Source: Office of the Business Administrator of the Township of Mullica

OPERATING INFORMATION

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST NINE FISCAL YEARS
 (UNAUDITED)

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:									
Regular	14.50	14.50	14.50	14.50	11.20	10.40	10.80	8.80	7.60
Special Education	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Other Special Education									
Vocational									
Other Instruction									
Nonpublic School Programs									
Adult/Continuing Education Programs									
Support Services:									
Student and Instruction Related Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School Administrative Services	0.50	0.50	0.50	0.50	0.50	0.50			0.50
General & Business Administrative Services	0.50	0.50	0.50	0.50	0.50	0.50			0.50
Plant Operations and Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pupil Transportation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Food Service	1.50	1.50	1.50	1.50	1.50	1.00	1.40	1.40	1.00
Total	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>	<u>18.70</u>	<u>17.40</u>	<u>16.20</u>	<u>14.20</u>	<u>13.60</u>

Source: District Personnel Records

WASHINGTON TOWNSHIP SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
2002	115	\$ 1,426,468	\$ 12,404	4.89%	17	7:1	115.0	109.0	-5.74%	94.78%
2003	105	1,512,624	14,406	16.14%	17	7:1	105.0	100.0	-8.70%	95.24%
2004	110	1,814,834	16,498	14.53%	16	7:1	110.0	104.0	4.76%	94.55%
2005	100	2,303,760	23,038	39.63%	19	5.5:1	100.0	95.0	-9.09%	95.00%
2006	81	1,968,891	24,307	5.51%	13	6.3:1	N/A	N/A	N/A	N/A
2007	71	2,306,921	32,492	33.67%	13	5.4:1	79.0	75.0	-21.00%	94.94%
2008	73	2,018,816	27,655	-14.89%	14	5.4:1	70.0	67.0	-11.39%	95.71%
2009	81	1,928,947	23,814	-13.89%	10.8	7.5:1	69.0	65.0	-1.43%	94.20%
2010	68	2,003,061	29,457	23.69%	10.2	6.7:1	81.2	76.3	17.68%	93.97%
2011	90	2,283,081	25,368	-13.88%	10	6.4:1	90.0	88.5	10.84%	98.33%

Source: District records

Note: Enrollment based on annual October District count.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
District/Building										
Green Bank School (2006)					25,321	25,321	25,321	25,321	25,321	25,321
Square Feet					250	250	250	250	250	250
Capacity (Students)								84	80	60
Enrollment PK-8										

WASHINGTON TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

LAST NINE FISCAL YEARS
(UNAUDITED)

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

	<u>*School Facilities</u> <u>Project # (s)</u>	<u>Green Bank</u> <u>Elementary</u> <u>School</u>	<u>Total</u>
2003	N/A	\$ 2,642.00	\$ 2,642.00
2004	N/A	7,009.00	7,009.00
2005	N/A	8,549.00	8,549.00
2006	N/A	13,478.00	13,478.00
2007	N/A	9,976.00	9,976.00
2008	N/A	12,795.00	12,795.00
2009	N/A	17,088.00	17,088.00
2010	N/A	9,870.29	9,870.29
2011	N/A	<u>10,972.65</u>	<u>10,972.65</u>
Total School Facilities		<u>\$ 92,379.94</u>	<u>\$ 92,379.94</u>

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

Source: District records

WASHINGTON TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2011
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property		
Blank ET Coverage for Building and Contents	\$ 5,450,000	\$ 1,000
Extra Expense	50,000,000	1,000
Papers and Records	10,000,000	1,000
Electronic Hardware and Software	75,000	1,000
General Liability	6,000,000	N/A
Medical Expense Limit	5,000	
Employee Benefits Liability	6,000,000	1,000
Automobile	6,000,000	
Sexual Abuse Liability	6,000,000	
School Board Legal Liability	5,000,000	5,000
Boiler and Machinery	100,000,000	1,000
Workers' Compensation	2,000,000	N/A
Student Accident:		
Basic/Sports K-8	5,000,000	
Catastrophic K-8	1,000,000	
Surety Bonds:		
Treasurer	125,000	
Board Secretary/Business Administrator	100,000	

Source: District records

SINGLE AUDIT SECTION

Robert H. Hutchins, CPA, CVA, CFF
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV, CFF
Joann DiLieto, CPA

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Washington Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education of the Washington Township School District's basic financial statements and have issued our report thereon dated September 21, 2011. 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, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

The Honorable President and
Members of the Board of Education
Washington Township School District
County of Burlington
Egg Harbor, New Jersey
Page 2

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

Compliance and Other Matters

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

This report is intended for the information and use of the audit committee, management, the Washington Township Board of Education, 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.



Robert W. Allison
Licensed Public School Accountant
No. 897
Hutchins, Farrell, Meyer & Allison, P.A.

September 21, 2011

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Exhibit K-2
Page 1 of 3

Robert H. Hutchins, CPA, CVA, CFF
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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 OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Washington Township School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011. Washington Township Board of Education's major state programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the Washington Township Board of Education's management. Our responsibility is to express an opinion on the Washington Township Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB Circular 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 Washington Township Board of Education'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 Washington Township Board of Education's compliance with those requirements.

The Honorable President and
Members of the Board of Education
Washington Township School District
County of Burlington
Egg Harbor, New Jersey
Page 2

In our opinion, the Board of Education of the Washington Township School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

The management of the Board of Education of the Washington Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Washington Township Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Washington Township Board of Education'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.

The Honorable President and
Members of the Board of Education
Washington Township School District
County of Burlington
Egg Harbor, New Jersey
Page 3

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



Robert W. Allison
Licensed Public School Accountant
No. 897
Hutchins, Farrell, Meyer & Allison, P.A.

September 21, 2011

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2011

Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011		
										(Accounts Receivable)	Deferred Revenue	
U.S. Department of Agriculture:												
Passed-Through State Department of Education:												
10.555	N/A	\$ 6,993.18	07/01/10 06/30/11			\$ 6,993.18	\$ (6,993.18)					
10.555	N/A	9,622.53	07/01/09 06/30/11	\$ (650.78)		650.78						
10.553	N/A	888.72	07/01/10 06/30/11			888.72	(888.72)					
10.553	N/A	1,993.76	07/01/09 06/30/10	(116.66)		116.66						
10.550	N/A	1,166.40	07/01/10 06/30/11			1,166.40	(1,166.40)					
Total U.S. Department of Agriculture				(787.44)		9,815.74	(9,048.30)					
U.S. Department of Education:												
Passed-Through State Department of Education:												
84.389A	NCLB549010	2,472.00	07/01/09 08/31/11	(1,782.80)		1,782.00	(689.20)		\$ (690.00)			
84.010A	NCLB549011	7,642.00	09/01/10 08/31/11			1,833.00	(7,642.00)		(5,809.00)			
84.010A	NCLB549010	7,377.00	09/01/09 08/31/10	(7,377.00)		7,377.00						
84.367A	NCLB549011	3,028.00	09/01/10 08/31/11				(3,028.00)		(3,028.00)			
84.367A	NCLB549010	2,952.00	09/01/09 08/31/10	(691.25)		2,952.00	(2,260.75)					
84.367A	NCLB549009	2,735.00	09/01/08 08/31/09	(2,735.00)		2,735.00						
84.318X	NCLB549011	15.00	09/01/10 08/31/11				(15.00)		(15.00)			
84.318X	NCLB549010	75.00	09/01/09 08/31/10	(75.00)		75.00						
84.186A	NCLB549010	207.00	09/01/09 08/31/10			207.00	(207.00)					
84.186A	NCLB210509	104.00	09/01/08 08/31/09	(104.00)		104.00						
84.027	IDEA549011	32,750.00	09/01/10 08/31/11			32,750.00	(32,750.00)					
84.027A	IDEA549011	613.00	09/01/10 08/31/11			613.00	(613.00)					
84.027	IDEA549010	33,365.00	09/01/09 08/31/10	(33,365.00)		33,365.00						
Total U.S. Department of Education				(46,130.05)		83,793.00	(47,204.95)			(9,542.00)		
Total Federal Financial Awards				\$ (46,897.49)	\$ 0.00	\$ 93,608.74	\$ (56,253.25)	\$ 0.00	\$ 0.00	\$ (9,542.00)	\$ 0.00	

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balance	Balance at June 30, 2011		Memo
				Deferred Revenues/ (Accounts Receivable)	Carryover/ Due to (Walkover) Grantor Amount					Deferred Revenue	Due To Grantor	
State Department of Education												
General Fund:												
Equalization Aid	11-495-034-5120-078	\$ 152,075.00	07/01/10	06/30/11	\$ 152,075.00	\$ (152,075.00)				\$ 14,843.30	\$ 152,075.00	
School Choice Aid	11-495-034-5120-068	84,648.00	07/01/10	06/30/11	84,648.00	(84,648.00)				8,262.10	84,648.00	
Transportation Aid	11-495-034-5120-014	90,738.00	07/01/10	06/30/11	90,738.00	(90,738.00)				8,856.50	90,738.00	
Special Education Aid	11-495-034-5120-089	46,913.00	07/01/10	06/30/11	46,913.00	(46,913.00)				4,579.00	46,913.00	
Security Aid	11-495-034-5120-084	10,219.00	07/01/10	06/30/11	10,219.00	(10,219.00)				987.40	10,219.00	
Adjustment Aid	11-495-034-5120-085	255,075.00	07/01/10	06/30/11	255,075.00	(255,075.00)				24,896.70	255,075.00	
Reimbursement of Nonpublic Transportation	10103190	262.00	07/01/09	06/30/10	\$ (262.00)						262.00	
Reimbursement of Nonpublic Transportation	11103190	522.00	07/01/10	06/30/11		(522.00)			\$ (522.00)		522.00	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	11-495-034-5095-006	39,940.00	07/01/09	06/30/10	39,940.00	(39,940.00)					39,940.00	
TPAF Pension NCGI Premiums(On-Behalf - Non-Budgeted)	11-495-034-5095-007	1,880.00	07/01/09	06/30/10	1,880.00	(1,880.00)					1,880.00	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	42,365.15	07/01/09	06/30/10	42,365.15	(42,365.15)					42,365.15	
Total General Fund					(282.00)	724,135.15	(724,375.15)				62,435.00	724,657.15
Special Revenue Fund:												
Character Education	06-495-034-5120-053	108.00									\$ 107.12	
Total Special Revenue Fund											107.12	
Capital Projects Fund												
New Jersey Economic Development Authority	05-490-050-02-0760	66,549.00	Indefinite			(66,549.00)					(66,549.00)	
Total Capital Projects Fund											(66,549.00)	
State Department of Agriculture												
Enterprise Fund:												
School Breakfast Program (State Share)	10-100-010-3350-021	210.10	07/01/09	06/30/10							12.10	210.10
National School Lunch Program (State Share)	10-100-010-3350-023	562.32	07/01/09	06/30/10							37.22	562.32
National School Lunch Program (State Share)	11-100-010-3350-023	257.81	07/01/10	06/30/11			(257.81)					257.81
Total Enterprise Fund							(257.81)				307.13	1,030.23
Total State Financial Assistance							(724,632.96)				\$ 107.12	\$ 62,435.00
											\$ (67,071.00)	\$ 725,687.38

D=Deficit, not Accounts Receivable, due to expenditures exceeding last state aid payment.

WASHINGTON SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

June 30, 2011

1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education ("Board"), Township of Washington, School District ("District"). The Board is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

2. Basis of Accounting

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented 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. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules ("RSI") are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year whereas, for GAAP reporting, revenue is not recognized until the subsequent year or when 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 payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the State deferral and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$8,320.00 for the General Fund and \$(805.20) for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

WASHINGTON SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

June 30, 2011

3. Relationship to General Purpose Financial Statements (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 732,695.15	\$ 732,695.15
Special Revenue Fund	\$ 46,399.75		46,399.75
Food Service Fund	<u>7,998.30</u>	<u>257.81</u>	<u>8,256.11</u>
Total Awards and Financial Assistance	<u>\$ 54,398.05</u>	<u>\$ 732,952.96</u>	<u>\$ 787,351.01</u>

During the year ended June 30, 2011, the State of New Jersey contributed \$1,880.00 to the Teachers' Pension and Annuity Fund for NCGI premiums and \$39,940.00 for post-retirement medical benefits on behalf of the District.

4. Relationship to Federal and State Financial Reports

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

5. Federal and State Loans Outstanding

Not applicable.

6. Other

Revenue and expenditures reported under the Food Distribution Program represent current-year value received and current-year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2011.

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

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs? Unqualified

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued in compliance for major programs: Unqualified

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>11-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>11-495-034-5120-068</u>	<u>School Choice Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Section II - Financial Statement Findings

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

None reported.

WASHINGTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(continued)

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

None reported.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, and OMB Circular A-133 (section .315 (a)(b)) and NJOMB Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

Not applicable.