

**SCHOOL DISTRICT**  
**OF**  
**WASHINGTON TOWNSHIP**

**Washington Township School District**  
**Board of Education**  
**Washington, Warren County**  
**New Jersey**

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



# **Comprehensive Annual**

## **Financial Report**

**of the**

**Washington Township School District  
Board of Education**

**Washington, New Jersey**

**For the Fiscal Year Ending June 30, 2011**

**Prepared by**

**Washington Township School District**

**Board of Education**

**Finance Department**



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# Introductory Section

**WASHINGTON TOWNSHIP BOARD OF EDUCATION**  
**16 Castle Street**  
**Washington, New Jersey 07882-9475**  
**Telephone (908) 689-1119 Fax (908) 689-3748**  
**[www.washingtonschools.org/wtsd](http://www.washingtonschools.org/wtsd)**

Jean Flynn  
Business Administrator/  
Board Secretary

Roger A. Jinks  
Superintendent of Schools

Linda Jenikovsky  
Administrative Assistant

October 15, 2011

Honorable President and  
Members of the Board of Education  
Washington Township School District  
Warren County  
Washington, New Jersey 07882

Dear Board Members:

The comprehensive annual financial report of the Washington Township School District (District) for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial sections includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U. S. Office of Management and Budget Circular A-133. "Audits of State and Local Government", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** Washington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Washington Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PreK through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 615 students, which is 36 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Resident Enrollment  
6/30/xx

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
6/30/11	615	5.0% decrease
6/30/10	651	.8% increase
6/30/09	646	.9 % decrease
6/30/08	652	3.7% decrease
6/30/07	677	.7% increase
6/30/06	672	-
6/30/05	669	3.7% decrease
6/30/04	695	7.1% increase
6/30/03	649	2.5% decrease
6/30/02	665	5.0% decrease
6/30/01	700	1.6 % decrease

**2. ECONOMIC CONDITION AND OUTLOOK:** Expansion within Washington Township has leveled off during the past ten (10) years. Limited growth is projected for the next three (3) years. Impact on the tax levy should be minimal.

**3. MAJOR INITIATIVES:** We are recently completed a modest office addition to the Port Colden School. The purpose of the addition was to provide a secure entrance for the grade 1-3 elementary school. We were able to fund the project using accumulated capital funds made available through a Historic Trust grant received for the Old Schoolhouse project. The Warren Hills Regional Cluster districts currently employ one person to write all curricular for all 5 sending schools. In addition to bringing uniformity to the curriculum writing process, the Warren Hills Regional School District now receives students who have had similar curricular experiences. Our students continue to be assessed using the New Jersey State Assessment of Skills and Knowledge (ASK). Based upon preliminary scores, we have found that we continue to perform well in the area of mathematics. 42.7% of our 5th graders scored in the advanced proficiency range with 88.9% scoring overall proficiency. 88% of our 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> graders scored in the proficiency range in math. Though our Language Arts scores are improving, our students still do not perform as well in language arts as they do in math. 64.7% of our 3<sup>rd</sup> graders were proficient; 78.3% were proficient in grade 4; 78.6% in grade 5 and 79.8% in grade 6. We are pleased to report that we have decreased the number of students who are scoring in the partially proficient range in grades 3, 4, 5 and 6. Grade 3 LA partially proficient scores went from 34.1% to 21%, a 38% reduction in partially proficient scores; and math went from 21% to 12%, a 42% reduction in partially proficient scores. Our grade 4 LA scores went from 37% partially proficient to 21.4%, a 42% reduction in partially proficient scores and math partially proficient scores went from 14.1% to 11.2%, a 20% reduction in partially proficient scores. Our grade 6 LA partially proficient scores went from 25.8% PP to 20.2% PP, a 21% reduction in and math partially proficient scores went from 14.4% to 13.8%, a 4% reduction in partially proficient scores.

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

reasonable assurance 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 structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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

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

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

**7. FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service revenues for the fiscal year ended June 30, 2011 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources	\$5,277,045	60.27%	\$ 184,397	3.62%
State Sources	3,270,228	37.35%	(96,344)	- 2.86%
Federal Sources	208,107	2.38%	(375,548)	-64.34%
Total	\$8,755,380	100.00%	\$ (287,495)	-3.18%
	=====	=====	=====	=====

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 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Current expense:				
Instruction	\$3,503,975	39.28%	\$ (15,315)	-0.44%
Undistributed Expenditures	<u>4,783,448</u>	<u>53.62%</u>	<u>4,564</u>	<u>-0.10%</u>
Total	\$8,287,423	92.91%	\$ (10,751)	-0.13%
Capital Outlay	362,915	4.07%	131,554	56.86%
Special Revenue	<u>269,944</u>	<u>3.03%</u>	<u>(166,384)</u>	<u>-38.13%</u>
Total	<u>\$8,920,282</u>	<u>100.00%</u>	<u>\$ (45,581)</u>	<u>-5.13%</u>

**8. DEBT ADMINISTRATION:** At June 30, 2011, the District's had no outstanding debt issues.

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

**10. RISK MANAGEMENT:** The Board 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, and fidelity bonds.

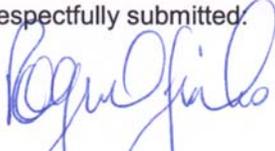
**11. OTHER INFORMATION:**

**A) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, LLP, was appointed by the Washington Township Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

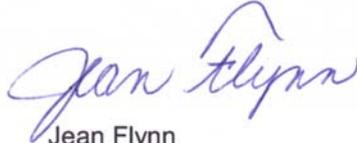
**12. ACKNOWLEDGMENTS:**

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

Respectfully submitted.



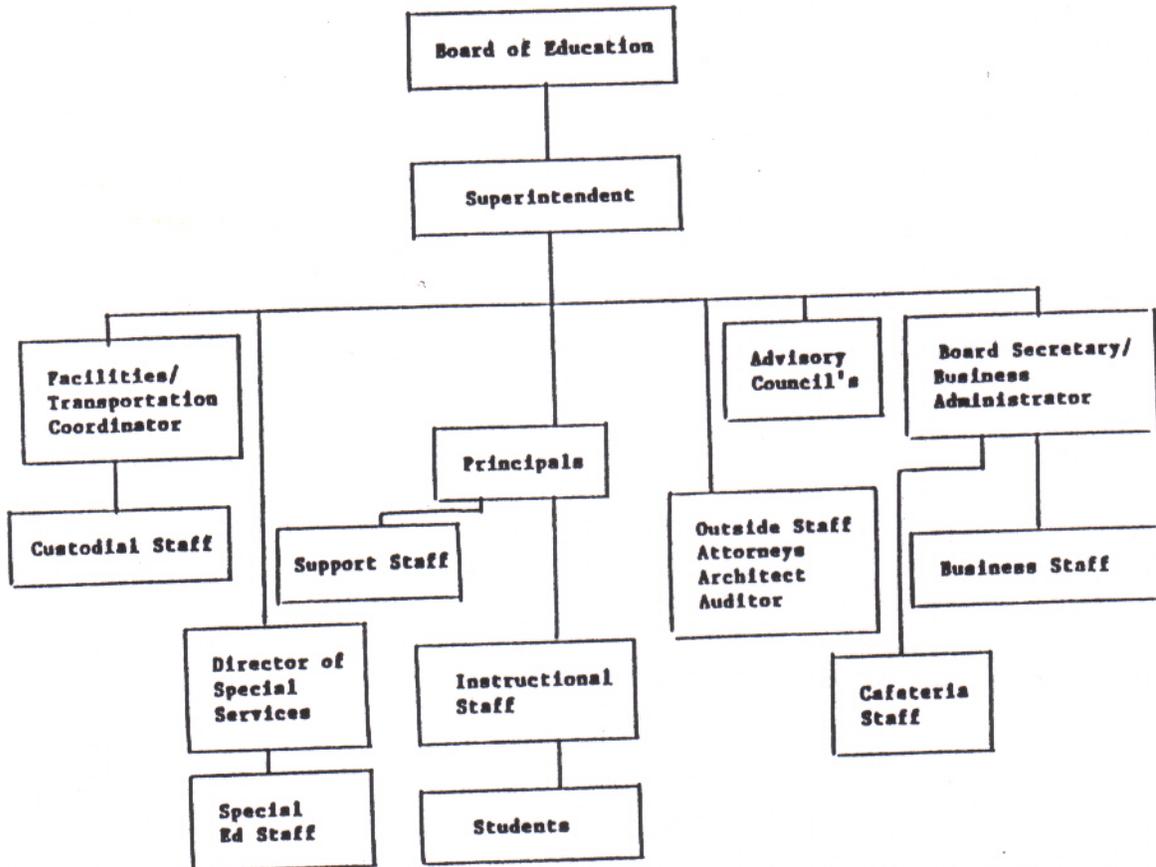
Roger A. Jinks  
Superintendent of Schools



Jean Flynn  
Business Administrator/Board Secretary

WASHINGTON TOWNSHIP SCHOOL DISTRICT

ORGANIZATIONAL CHART  
(Unit Control)



**WASHINGTON TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2011**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Karen Graf, President	2013
Sheila Dempski, Vice-President	2013
Jason Ford	2014
Jude Mohan	2014
Anita Smith	2012
Jayne Howard	2012
Sally Christine	2012

**Other Officials**

Roger A. Jinks, Superintendent

Jean Flynn, Board Secretary/School Business Administrator

James Miller, Treasurer

Nathana Simon, Attorney

**WASHINGTON TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Gianforaro  
Architects-Engineers-Planners  
501 Route 206 North  
Chester, New Jersey 07930**

**AUDIT FIRM**

**Ardito & Co., LLP  
1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825**

**ATTORNEY**

**Schwartz, Simon, Edelstein, Celso & Kessler  
44 Whippany Road, Suite 210  
P.O. Box 2355  
Morristown, New Jersey 07962**

**OFFICIAL DEPOSITORY**

**SKYLANDS COMMUNITY BANK  
157 Route 31, North  
Oxford, New Jersey 07863**

# Financial Section

# Independent Auditor's Report



## **ARDITO & Co., LLP**

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Anthony F. Ardito, PA, RMA, PSA

**UNQUALIFIED OPINIONS ON BASIC FINANCIAL  
STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY  
INFORMATION AND SUPPLEMENTARY SCHEDULE OF FEDERAL AND STATE AWARDS  
AND OTHER SUPPLEMENTARY INFORMATION-GOVERNMENTAL ENTITY**

**Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Washington Township School District  
County of Warren  
Washington, New Jersey 07882

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Washington Township School District in the County of Warren, 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 School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, 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, and each major fund, and the aggregate remaining fund information of the Washington Township School District Board of Education in the County of Warren, 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.

-Continued-

In accordance with Government Auditing Standards, we have also issued our report dated October 15, 2011, on our consideration of the Washington Township School District 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.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 7 through 13, and 45 through 55 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Township School District Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of state financial assistance are presented for purposes of additional analysis as required by New Jersey OMB's Circular 04-04, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Date: October 15, 2011



Licensed Public School Accountant No. 2369  
ARDITO & CO., LLP

**Required Supplementary Information -  
Part I**

**Management's Discussion and Analysis**

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

The discussion and analysis of Washington Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the 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:

- ◆ In total, net assets increased \$1,393 which represents a 0.01 percent increase from 2010.
- ◆ General revenues accounted for \$5,216,807 in revenue or 58.0 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,744,813 or 42.0 percent of total revenues of \$8,961,620.
- ◆ Total assets of governmental activities decreased by \$1,270,640 as cash and cash equivalents decreased by \$1,191,210 receivables decreased by \$235,217 and capital assets increased by \$155,967.
- ◆ The School District had \$8,960,227 in expenses; only \$3,744,813 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$5,216,807 were adequate to provide for these programs.
- ◆ Among major funds, the General Fund had \$8,485,436 in revenues and \$8,314,221 in expenditures. The General Fund's surplus balance increased by \$194,523 over 2010.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

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 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. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Washington Township School District, the General Fund is by far the most significant fund.

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

**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 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 instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses 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 funds begins on page 16. 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.

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

**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.

**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 of the School District's net assets for 2011 compared to 2010.

**Table 1  
Net Assets**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Current and Other Assets	\$ 741,833	\$ 2,318,440
Capital Assets	3,088,135	2,932,168
<b>Total Assets</b>	<u>3,829,968</u>	<u>5,250,608</u>
<b>Liabilities</b>		
Long-Term Liabilities	35,240	39,580
Other Liabilities	152,761	1,420,454
<b>Total Liabilities</b>	<u>188,001</u>	<u>1,460,034</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	3,088,135	2,932,168
Restricted	451,341	108,626
Unrestricted	252,491	749,780
<b>Total Net Assets</b>	<u>\$ 3,791,967</u>	<u>\$ 3,790,574</u>

Total assets of governmental activities decreased by \$1,270,640 as cash and cash equivalents decreased by \$1,191,210 receivables decreased by \$235,217 and capital assets increased by \$155,967. The decrease in cash and overall assets was due to \$1,299,610 in current year tax levy being advanced to the district by the municipality in fiscal year 2010.

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

Table 2 shows the changes in net assets from fiscal year 2010.

**Table 2**  
**Changes in Net Assets**

	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 224,576	\$ 238,088
Operating Grants and Contributions	3,520,237	3,989,522
General Revenues:		
Property Taxes	5,198,441	4,997,216
Other	<u>18,366</u>	<u>27,408</u>
<b>Total Revenues</b>	<u>8,961,620</u>	<u>9,252,234</u>
 <b>Program Expenses</b>		
Instruction	4,769,562	4,965,497
Support Services:		
Tuition	-	3,450
Pupils and Instructional Staff	1,589,623	1,534,277
General Administration, School Administration, Business	1,037,229	1,045,746
Operations and Maintenance of Facilities	719,761	724,476
Pupil Transportation	539,038	524,910
Business-Type Activities	200,252	195,607
Interest and Fiscal Charges	<u>104,762</u>	<u>97,863</u>
<b>Total Expenses</b>	<u>8,960,227</u>	<u>9,091,826</u>
 Increase in Net Assets	 <u><b>\$ 1,393</b></u>	 <u><b>\$ 160,408</b></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 58.0 percent of revenues for governmental activities for the Washington Township School District for the fiscal year 2011.

Instruction comprises 53.2 percent of district expenses. Support services expenses make up 43.4 percent of the expenses.

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

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 compared to 2010. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>
Instruction	\$4,769,562	\$ 2,859,972	\$4,965,497	\$2,680,010
Support Services:				
Tuition	-	-	3,450	2,072
Pupils and Instructional Staff	1,589,623	872,669	1,534,277	787,670
General Admin., School Admin., Business	1,037,229	652,433	1,045,746	628,039
Operation and Maintenance of Facilities	719,761	452,741	724,476	435,095
Pupil Transportation	539,038	278,809	524,910	247,174
Business-Type Activities	200,252	(5,972)	195,607	(13,707)
Interest and Fiscal Charges	<u>104,762</u>	<u>104,762</u>	<u>97,863</u>	<u>97,863</u>
<b>Total Expenses</b>	<b><u>\$8,960,227</u></b>	<b><u>\$5,215,414</u></b>	<b><u>\$9,091,826</u></b>	<b><u>\$4,864,216</u></b>

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

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

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 60.0 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 59.1 percent. The community, as a whole, is the primary support for the Washington Township School District.

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
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**The School District's Funds**

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$8,755,380 and expenditures of \$8,920,282. The net change in fund balance for the year was most significant in the General Fund, an increase of \$194,523, due to budget expense efficiencies and receipt of \$85,431 in additional extraordinary aid.

**General Fund Budgeting Highlights**

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

During the course of the fiscal 2011 year, 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.

For the General Fund, budget basis revenue and other financing sources, excluding TPAF on-behalf amount, was \$7,853,405, \$62,408 over original budgeted estimates of \$7,790,997.

The General fund revenues and other financing sources of the School District exceeded expenditures, including transfers to other funds, by \$155,335, still making the financial position of the School District strong.

**Capital Assets**

At the end of the fiscal year 2011, the School District had \$3,088,135 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2011 balances compared to 2010.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	<u>2011</u>	<u>2010</u>
Land	\$ 24,506	\$ 24,506
Land Improvements	(2,041)	3,266
Buildings and Improvements	3,001,721	2,763,974
Machinery and Equipment	<u>63,949</u>	<u>140,422</u>
Totals	<u>\$ 3,088,135</u>	<u>\$ 2,932,168</u>

Overall capital assets increased \$155,967 from fiscal year 2010 to fiscal year 2011. Increases in capital assets (primarily the Port Colden Schoolhouse Security Addition project) were offset in part by depreciation expenses for the year.

Capital asset additions were purchased during fiscal year 2011 totaling \$362,915.

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

**Debt Administration**

At June 30, 2011, the School District had \$35,240 as outstanding debt. This amount is for compensated absences.

At June 30, 2011, the School District's overall legal debt margin was \$26,813,338 and the unvoted debt margin was the same.

**For the Future**

Washington Township School District was successful in passing the 2011-2012 school budget. The Board of Education has shown fiscal responsibility to the citizens by maintaining a stable tax rate for the past 10 years.

In conclusion, the Washington Township 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

**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 Jean Flynn, School Business Administrator/Board Secretary at Washington Township School District, 16 Castle Street, Washington, NJ 07882, or E-mail at [flynnj@warrennet.org](mailto:flynnj@warrennet.org).

# 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

Exhibit A-1

STATEMENT OF NET ASSETS

June 30, 2011

ASSETS	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	TOTAL
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 46,384	\$ 69,178		\$ 115,562
Receivables, Net	319,099	2,019		321,118
Interfund Receivable	2,019			2,019
Inventory		1,793		1,793
Restricted Assets:				
Capital Reserve Account - Cash	301,341			301,341
Maintenance Reserve Account - Cash	150,000			150,000
Capital Assets, Net (Note 6):	3,088,135			3,088,135
<b>Total Assets</b>	<b><u>3,906,978</u></b>	<b><u>72,990</u></b>		<b><u>3,979,968</u></b>
<b>LIABILITIES</b>				
Accounts Payable		1,400		1,400
Interfund Payable		2,019		2,019
Deferred Revenue	148,284	1,058		149,342
Noncurrent Liabilities (Note 7):				
Due Within One Year				
Due Beyond One Year		35,240		35,240
<b>Total Liabilities</b>		<b><u>183,524</u></b>	<b><u>4,477</u></b>	<b><u>188,001</u></b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	3,088,135			3,088,135
Restricted for:				
Capital Reserve	301,341			301,341
Maintenance Reserve	150,000			150,000
Unrestricted	183,978	68,513		252,491
<b>Total Net Assets</b>	<b><u>\$ 3,723,454</u></b>	<b><u>\$ 68,513</u></b>		<b><u>\$ 3,791,967</u></b>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 3,681,459		\$ 1,505,920		\$ (2,175,539)		\$ (2,175,539)
Special Education	723,499		268,407		(455,092)		(455,092)
Other Special Instruction	364,604		135,263		(229,341)		(229,341)
Support Services:							
Tuition					-		-
Student & Instruction Related Services	1,589,623		716,954		(872,669)		(872,669)
School Administrative Services	452,437		167,847		(284,590)		(284,590)
General and Business Admin. Services	584,792		216,949		(367,843)		(367,843)
Plant Operations and Maintenance	719,761		267,020		(452,741)		(452,741)
Pupil Transportation	539,038	\$ 60,254	199,975		(278,809)		(278,809)
Unallocated Depreciation	104,762				(104,762)		(104,762)
Total Governmental Activities	8,759,975	60,254	3,478,335		(5,221,386)		(5,221,386)
Business-Type Activities:							
Child Care	54,658	63,618				\$ 8,960	8,960
Food Service	145,594	100,704	41,902			(2,988)	(2,988)
Total Business-Type Activities	200,252	164,322	41,902	-	-	5,972	5,972
<b>Total Primary Government</b>	<b>\$ 8,960,227</b>	<b>\$ 224,576</b>	<b>\$ 3,520,237</b>		<b>\$ (5,221,386)</b>	<b>\$ 5,972</b>	<b>\$ (5,215,414)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 5,198,441		\$ 5,198,441
Investment Earnings					9,203	\$ 16	9,219
Miscellaneous Income					9,147		9,147
Transfers					(3,166)	3,166	-
Total General Revenues, Special Items, Extraor. Items & Transfers					5,213,625	3,182	5,216,807
Change in Net Assets					(7,761)	\$ 9,154	1,393
Net Assets—Beginning(As Restated)					3,731,215	59,359	3,790,574
Net Assets—Ending					<b>\$ 3,723,454</b>	<b>\$ 68,513</b>	<b>\$ 3,791,967</b>

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

Exhibit B-1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2011

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 497,725		\$ 497,725
Interfund Receivable	31,566		31,566
Receivables from Other Governments	141,268	\$ 177,831	319,099
<b>TOTAL ASSETS</b>	<b><u>\$ 670,559</u></b>	<b><u>\$ 177,831</u></b>	<b><u>\$ 848,390</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Interfund Payable		\$ 29,547	\$ 29,547
Deferred Revenue		148,284	148,284
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>177,831</u></b>	<b><u>177,831</u></b>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Capital Reserve Account	301,341		301,341
Maintenance Reserve	150,000		150,000
<u>Assigned to:</u>			
Year-End Encumbrances	150,229		150,229
Capital Fund			-
<u>Unassigned:</u>			
General Fund - Undesignated	68,989		68,989
<b>Total Fund Balances</b>	<b><u>670,559</u></b>		<b><u>670,559</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 670,559</u></b>	<b><u>\$ 177,831</u></b>	<b><u>\$ 848,390</u></b>

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 funds.

The cost of the assets is \$6,502,844 and the accumulated depreciation is \$3,414,709.

\$ 3,088,135

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).

(35,240)

Net assets of governmental activities

\$ 3,723,454

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
<b>Local sources:</b>				
Local Tax Levy	\$ 5,198,441			\$ 5,198,441
Other Local Governmental Units-Unrestricted	60,254			60,254
Interest Earned on Capital Reserve Funds	1,300			1,300
Miscellaneous	14,490	\$ 2,560		17,050
<b>Total - Local Sources</b>	<b>5,274,485</b>	<b>2,560</b>		<b>5,277,045</b>
<b>State Sources</b>	<b>3,210,951</b>	<b>59,277</b>		<b>3,270,228</b>
<b>Federal Sources</b>		<b>208,107</b>		<b>208,107</b>
<b>Total Revenues</b>	<b>8,485,436</b>	<b>269,944</b>	<b>-</b>	<b>8,755,380</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Regular Instruction	2,663,546	142,716		2,806,262
Special Education Instruction	558,816			558,816
Other Special Instruction	281,613			281,613
Support services and undistributed costs:				
Tuition	-			-
Student and Instruction Related Services	1,100,564	127,228		1,227,792
School Administrative Services	291,037			291,037
Other Administrative Services	451,681			451,681
Plant Operations and Maintenance	554,145			554,145
Pupil Transportation	415,917			415,917
Unallocated Benefits	1,949,218			1,949,218
Transfer to Charter School	20,886			20,886
<b>Capital Outlay</b>	<b>26,798</b>		<b>336,117</b>	<b>362,915</b>
<b>Total Expenditures</b>	<b>8,314,221</b>	<b>269,944</b>	<b>336,117</b>	<b>8,920,282</b>
Excess (Deficiency) of Revenues Over Expenditures	171,215		(336,117)	(164,902)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - Food Service Fund	(3,166)			(3,166)
Transfers - Capital Projects Fund	26,474		(26,474)	
Transfers - Capital Projects Fund	-		-	-
<b>Total Other Financing Sources and Uses</b>	<b>23,308</b>		<b>(26,474)</b>	<b>(3,166)</b>
Net Change in Fund Balances	194,523		(362,591)	(168,068)
Fund Balance—July 1	476,036		362,591	838,627
<b>Fund Balance—June 30</b>	<b>\$ 670,559</b>		<b>-</b>	<b>\$ 670,559</b>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ (168,068)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation Expense	\$ (206,948)	
Capital Outlays	<u>362,915</u>	155,967

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

4,340

**Change in Net Assets of Governmental Activities** **\$ (7,761)**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET ASSETS  
 PROPRIETARY FUNDS

June 30, 2011

	Business-Type Activities- Enterprise Funds		
	<u>Food Service</u>	<u>Child Care</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and Cash Equivalents	\$ 1,899	\$ 67,279	\$ 69,178
Accounts Receivable	2,019		2,019
Inventories	1,793		1,793
<b>Total Current Assets</b>	<b>5,711</b>	<b>67,279</b>	<b>72,990</b>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment	71,500		71,500
Less Accumulated Depreciation	(71,500)		(71,500)
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>5,711</b>	<b>67,279</b>	<b>72,990</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts Payable	1,400		1,400
Due Current Fund	2,019		2,019
Deferred Revenue	1,058		1,058
<b>Total Current Liabilities</b>	<b>4,477</b>	<b>-</b>	<b>4,477</b>
<b>Total Liabilities</b>	<b>4,477</b>	<b>-</b>	<b>4,477</b>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	-	-	-
Unrestricted	1,234	67,279	68,513
<b>Total Net Assets</b>	<b>\$ 1,234</b>	<b>\$ 67,279</b>	<b>\$ 68,513</b>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2011

	Business-type Activities-		
	Enterprise Fund		
	Food Service	Child Care	Total Enterprise
<b>Operating Revenues:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 76,734		\$ 76,734
Daily Sales - Non-Reimbursable Programs	23,970		23,970
Miscellaneous		\$ 63,618	63,618
<b>Total Operating Revenues</b>	<b>100,704</b>	<b>63,618</b>	<b>164,322</b>
<b>Operating Expenses:</b>			
Cost of Sales	59,811		59,811
Salaries	69,350	41,390	110,740
Employee Benefits	13,396	9,446	22,842
Other Purchased Professional Services	3,037	3,822	6,859
Depreciation			
<b>Total Operating Expenses</b>	<b>145,594</b>	<b>54,658</b>	<b>200,252</b>
Operating Income (Loss)	(44,890)	8,960	(35,930)
<b>Nonoperating Revenues (Expenses):</b>			
State Sources:			
State School Lunch Program	1,709		1,709
Federal Sources:			
National School Lunch Program	28,348		28,348
Food Distribution Program	11,845		11,845
Interest Income	16		16
<b>Total Nonoperating Revenues (Expenses)</b>	<b>41,918</b>		<b>41,918</b>
Income (Loss) Before Contributions and Transfers	(2,972)	8,960	5,988
Transfers In (Out)	3,166		3,166
Change in Net Assets	194	8,960	9,154
Total Net Assets—Beginning	1,040	58,319	59,359
<b>Total Net Assets—Ending</b>	<b>\$ 1,234</b>	<b>\$ 67,279</b>	<b>\$ 68,513</b>

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

## WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	<b>Business-Type Activities- Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Child Care</u></b>	<b><u>Total Enterprise</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 100,721	\$ 63,618	\$ 164,339
Payments to Employees	(69,350)	(41,390)	(110,740)
Payments for Employee Benefits	(13,396)	(9,446)	(22,842)
Payments to Suppliers	(53,095)	(3,822)	(56,917)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(35,120)</b>	<b>8,960</b>	<b>(26,160)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	1,709		1,709
Federal Sources	28,347		28,347
Operating Transfers to Other Funds	3,166		3,166
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>33,222</b>	<b>-</b>	<b>33,222</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,898)	8,960	7,062
Balances—Beginning of Year	3,797	58,319	62,116
<b>Balances—End of Year</b>	<b>\$ 1,899</b>	<b>\$ 67,279</b>	<b>\$ 69,178</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (44,890)	\$ 8,960	\$ (35,930)
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	-		-
Federal Commodities	11,845		11,845
Interest Income	17		17
(Increase) Decrease in Accounts Receivable			-
(Increase) Decrease in Inventories	(150)		(150)
Increase (Decrease) in Accounts Payable	(1,942)		(1,942)
Total Adjustments	9,770	-	9,770
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>\$ (35,120)</b>	<b>\$ 8,960</b>	<b>\$ (26,160)</b>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-7

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS**

June 30, 2011

		<b>Unemployment Compensation <u>Trust</u></b>	<b>Agency <u>Fund</u></b>
	<b>ASSETS</b>		
Cash and Cash Equivalents		\$ 99,247	\$ 25,474
	<b>Total Assets</b>	<u>99,247</u>	<u>25,474</u>
	<b>LIABILITIES</b>		
Accounts Payable			3,240
Payable to Student Groups			19,988
	<b>Total Liabilities</b>		<u>23,228</u>
	<b>NET ASSETS</b>		
Held in Trust for Unemployment Claims & Other Purposes		<u>\$ 99,247</u>	<u>\$ 2,246</u>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS**

For the Year Ended June 30, 2011

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 37,000
Plan Member	<u>8,842</u>
Total Contributions	<u>45,842</u>
Investment Earnings:	
Interest	<u>320</u>
Net Investment Earnings	<u>320</u>
<b>Total Additions</b>	<b><u>46,162</u></b>
<b>DEDUCTIONS</b>	
Unemployment Claims	<u>37,317</u>
<b>Total Deductions</b>	<b><u>37,317</u></b>
Change in Net Assets	8,845
Net Assets—Beginning of the Year	<u>90,402</u>
<b>Net Assets—End of the Year</b>	<b><u>\$ 99,247</u></b>

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

# Notes to Financial Statements

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

The financial statements of the Board of Education (Board) of the Washington Township School District (District) have been prepared in conformity with generally accepted accounting principles (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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, and GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The implementation of these statements had no effect on equity balances as previously reported for the fiscal year ended June 30, 2010.

**A. Reporting Entity:**

The Washington Township School District is a Type II district located in the County of Warren, 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 terms. The purpose of the district is to educate students in grades K-6. The Washington Township School District had an approximate enrollment at June 30, 2011, of 615 students.

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 has no component units.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 and charged to external parties. The statement of net assets presents the financial condition of the governmental and business-type activity of the School 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 School District.

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. 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.

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

As required by the New Jersey State Department of Education, 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.

**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.

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

Additionally, the District reports the following fund type:

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

**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 and modified 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 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 for approval 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 funds. 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 School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. 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 projects 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 fiscal 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.

**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.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**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. Repayments 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 year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

The District has established a 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 School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

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

**Compensated Absences:**

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$40 per unused sick day up to a maximum of 150 unused sick days with a minimum of 20 years of service in the district.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**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 eligible 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.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**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 School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Balance Reserves:**

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

**Revenues—Exchange and Nonexchange Transactions**

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**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 attributed to a specific function, is considered an indirect expense and is reported separately on 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2011, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (B-7)</u>	<u>Total</u>
Checking Accounts	\$ 115,562	\$ 124,721	\$ 240,283
Checking Accounts-Capital and Maintenance Reserve	451,341		451,341
	<u>\$ 566,903</u>	<u>\$ 124,721</u>	<u>\$ 691,624</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2011, was \$691,624 and the bank balance was \$830,635. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$270,098 was covered by federal depository insurances and \$560,537 was covered by collateral pool.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 3: RECEIVABLES**

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

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 141,208	\$ 141,328
Federal Aid	176,216	178,115
Local	<u>1,675</u>	<u>1,675</u>
Gross Receivable	\$ 319,099	\$ 321,118
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u>\$ 319,099</u>	<u>\$ 321,118</u>

**NOTE 4: INVENTORY**

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

Food	<u>\$1,793</u>
------	----------------

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law 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 nonoperating revenue in the financial statements.

**NOTE 5: DEFERRED BOND ISSUANCE COSTS**

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The costs associated with the issued of the various bonds are immaterial and are not amortized on the District-wide financial statements.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 24,506			\$ 24,506
Total Capital Assets Not Being Depreciated	24,506			24,506
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	163,966			163,966
Buildings and Building Improvements	4,776,413	\$ 336,117		5,112,530
Machinery and Equipment	1,150,538	26,798		1,177,336
Total at Historical Cost	6,115,423	362,915		6,478,338
Less Accumulated Depreciation for:				
Land Improvements	(160,700)	(5,307)		(166,007)
Building and Improvements	(2,012,439)	(98,370)		(2,110,809)
Equipment	(1,034,622)	(103,271)		(1,137,893)
Total Accumulated Depreciation	(3,207,761)	(206,948)		(3,414,709)
	2,932,168	155,967		3,088,135
<b>Government Activity Capital Assets, Net</b>	<b>\$ 2,932,168</b>	<b>\$ 155,967</b>		<b>\$ 3,088,135</b>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 41,561
School Administrative Services	58,416
Plant Operation and Maintenance	1,784
Transportation	425
Unallocated	104,762
Total	<u>\$ 206,948</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 7: LONG-TERM OBLIGATIONS**

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

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2011, are as follows:

	Balance			Balance	Amounts
	<u>7/1/10</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/11</u>	<u>Due Within</u>
					<u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$39,580		(\$4,340)	\$35,240	
<b>Total</b>	<b>\$39,580</b>		<b>(\$4,340)</b>	<b>\$35,240</b>	

Compensated absences and capital leases have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income taxes. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2011, it is not necessary for the Board to establish a liability for arbitrage rebate.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 7: LONG-TERM OBLIGATIONS (Continued)**

**B. Debt Service Requirements:**

As of June 30, 2011, there are no outstanding debt obligations.

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

**NOTE 8: 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 Teachers' Pension and Annuity Fund 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 (PERS) 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 Public Employees' Retirement System 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.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 8: PENSION PLANS (Continued)**

**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 55 and are generally determined to be 1/55 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. Members are always fully 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 1/2 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, 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% 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 both 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</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2011	\$106,370	100 %	-0-
6/30/2010	\$84,838	100	-0-
6/30/2009	\$68,897	100	-0-

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 8: PENSION PLANS (Continued)**

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2011	-0-	100 %	-0-
6/30/2010	-0-	100	-0-
6/30/2009	-0-	100	-0-

During the fiscal year ended June 30, 2011, the State of New Jersey did contribute \$290,995 to the TPAF for post-retirement 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 \$301,848 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 District-wide financial statements, and the fund-based statements and schedules as revenues and expenditures in accordance with GASB Statement No.24.

**NOTE 9: 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.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no district OPEB liability exists.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 10: DEFERRED COMPENSATION**

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

Lincoln Investment Planning  
Great American Life  
Financial Resources  
Dean Witter Trust  
Oppenheimer Shareholder

**NOTE 11: COMPENSATED ABSENCES**

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$40 per unused sick day up to a maximum of 150 unused sick days with a minimum of 20 years of service in the district.

In the district-wide *Statement of 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.

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 proprietary fund types.

**NOTE 12: 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.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 12: RISK MANAGEMENT (Continued)**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$37,320	\$8,842	\$37,317	\$99,247
2009-2010	\$40,226	\$9,091	\$9,896	\$90,402
2008-2009	\$391	\$8,878	\$1,046	\$50,981

**NOTE 13: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any 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.

**LITIGATION**

The Board is not involved in claims and lawsuits incidental to its operations.

**NOTE 14: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$670,559 General Fund fund balance at June 30, 2011, \$301,341 has been reserved in the Capital Reserve Account; \$150,000 has been reserved in the Maintenance Reserve Account; \$150,229 is reserved for encumbrances; and, \$68,989 is unreserved and undesignated.

**NOTE 15: 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 years' budget. The excess fund balance at June 30, 2011 is \$0.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 16: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Washington Township School District Board of Education by inclusion of \$100,000 in the original 1998-99 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2010	\$103,567
Interest Earnings	1,300
Deposits	
Funds returned from unexpended capital projects	26,474
By Board Resolution June 13, 2011	<u>170,000</u>
Ending Balance, June 30, 2011	<u><u>\$301,341</u></u>

**NOTE 17: MAINTENANCE RESERVE ACCOUNT**

A Maintenance Reserve account was established by the School District Board of Education in fiscal year 2011, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2010	
Interest earnings	
Deposits (PL 2007 c.62 (A1)) ; Board Resolution: June 13, 2011	<u>\$ 150,000</u>
Ending balance June 30, 2011	<u><u>\$ 150,000</u></u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**NOTE 18: INTERFUND RECEIVABLES AND PAYABLES**

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 31,566	
Food Service Fund		\$ 2,019
Special Revenue Fund		29,547
	<u>\$ 31,566</u>	<u>\$ 31,566</u>

The interfund payable in the special revenue fund is due to the general fund for cash advances to cover cash deficit caused by federal grant reimbursements that have not yet been received.

The interfund payable in the food service fund is due to the general fund for cash advances to cover federal and state lunch reimbursements that have not yet been received.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 5,198,441		\$ 5,198,441	\$ 5,198,441	
Other Local Governmental Units-Unrestricted	60,023		60,023	60,254	
Interest Earned on Capital Reserve Funds	1,800		1,800	1,300	
Miscellaneous	21,729		21,729	14,490	\$ (7,239)
<b>Total - Local Sources</b>	<u>5,281,993</u>		<u>5,281,993</u>	<u>5,274,485</u>	<u>(7,508)</u>
<b>State Sources:</b>					
Equalization Aid	1,715,914		1,715,914	1,715,914	
Transportation Aid	255,194		255,194	255,194	
Special Education Aid	312,744		312,744	312,744	
Security Aid	46,651		46,651	46,651	
Adjustment Aid	131,328		131,328	131,328	
Other State Aid	47,173	(18,670)	28,503	117,089	88,586
TPAF Pension (On-Behalf - Non-Budgeted)				290,995	290,995
TPAF Social Security (Reimbursed - Non-Budgeted)				301,848	301,848
<b>Total State Sources</b>	<u>2,509,004</u>	<u>(18,670)</u>	<u>2,490,334</u>	<u>3,171,763</u>	<u>681,429</u>
<b>TOTAL REVENUES</b>	<u><b>7,790,997</b></u>	<u><b>(18,670)</b></u>	<u><b>7,772,327</b></u>	<u><b>8,446,248</b></u>	<u><b>673,921</b></u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	171,298	(838)	170,460	169,742	718
Grades 1-5 - Salaries of Teachers	1,925,818	(29,620)	1,896,198	1,893,373	2,825
Grades 6-8 - Salaries of Teachers	403,664	838	404,502	403,979	523
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	1,000	1,500	2,500	1,606	894
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	1,000	1,314	2,314	2,314	
Purchased Technical Services	2,000	(2,000)			
Other Purchased Services (400-500 series)	14,550	(1,689)	12,861	5,841	7,020
General Supplies	50,000	140,344	190,344	185,191	5,153
Textbooks		8,219	8,219		8,219
Other Objects	3,000		3,000	1,500	1,500
<b>TOTAL REG. PROGRAMS - INSTRUCTION</b>	<b>2,572,330</b>	<b>118,068</b>	<b>2,690,398</b>	<b>2,663,546</b>	<b>26,852</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	65,170	(270)	64,900	64,900	
Other Salaries for Instruction	19,766	1,061	20,827	20,827	
General Supplies	100	97	197	193	4
<b>Total Resource Room/Resource Center</b>	<b>85,036</b>	<b>888</b>	<b>85,924</b>	<b>85,920</b>	<b>4</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	354,888	8,554	363,442	363,089	353
General Supplies	100	19	119	119	
Textbooks	100		100		100
<b>Total Resource Room/Resource Center</b>	<b>355,088</b>	<b>8,573</b>	<b>363,661</b>	<b>363,208</b>	<b>453</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	84,780	(2,506)	82,274	82,274	
Other Salaries for Instruction	23,424	3,987	27,411	27,214	197
General Supplies	100	100	200	200	
<b>Total Preschool Disabilities - Part-Time</b>	<b>108,304</b>	<b>1,581</b>	<b>109,885</b>	<b>109,688</b>	<b>197</b>
<b>Home Instruction:</b>					
Salaries of Teachers	1,000	(150)	850		850
<b>Total Home Instruction</b>	<b>1,000</b>	<b>(150)</b>	<b>850</b>		<b>850</b>
<b>TOTAL SPECIAL ED. - INSTRUCTION</b>	<b>549,428</b>	<b>10,892</b>	<b>560,320</b>	<b>558,816</b>	<b>1,504</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	224,289	38,712	263,001	260,272	2,729
General Supplies	100	100	200	100	100
<b>Total Basic Skills/Remedial - Instruction</b>	<b>224,389</b>	<b>38,812</b>	<b>263,201</b>	<b>260,372</b>	<b>2,829</b>
<b>School Spon.Co/Extra Curricular Actvts.-Instruction:</b>					
Salaries		9,611	9,611	9,611	
<b>Total School Spon.Co/Extra Curricular Actvts.-Instruction</b>		<b>9,611</b>	<b>9,611</b>	<b>9,611</b>	
<b>Summer School - Instruction:</b>					
Salaries of Teachers		10,334	10,334	10,333	1
Other Salaries for Instruction		1,298	1,298	1,297	1
<b>Total Summer School - Instruction</b>		<b>11,632</b>	<b>11,632</b>	<b>11,630</b>	<b>2</b>
<b>TOTAL INSTRUCTION</b>	<b>3,346,147</b>	<b>189,015</b>	<b>3,535,162</b>	<b>3,503,975</b>	<b>31,187</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEAs Within the State-Special		1,423	1,423		1,423
<b>Total Instruction</b>		1,423	1,423		1,423
<b>Health Services:</b>					
Salaries	140,391	(1,675)	138,716	138,436	280
Purchased Professional and Technical Services	2,500	(39)	2,461	2,000	461
Supplies and Materials	5,000	(2,297)	2,703	2,675	28
<b>Total Health Services</b>	147,891	(4,011)	143,880	143,111	769
<b>Other Supp. Services Students-Related Serv.:</b>					
Salaries	165,862	(16,926)	148,936	148,766	170
Purchased Professional - Educational Services	132,700	(34,198)	98,502	94,736	3,766
Misc. Purchased Services (400-500 series)	300		300		300
Supplies and Materials	100	2,581	2,681	2,581	100
<b>Total Other Supp. Serv. Students-Related Serv.</b>	298,962	(48,543)	250,419	246,083	4,336
<b>Other Supp. Services Students-Extra.Services:</b>					
Salaries	347,795	21,000	368,795	363,198	5,597
<b>Total Other Supp. Services Students-Extra.Services</b>	347,795	21,000	368,795	363,198	5,597
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff		15,748	15,748	15,708	40
<b>Total Other Supp. Services Students-Regular</b>		15,748	15,748	15,708	40
<b>Other Supp. Services Students-Special:</b>					
Salaries of Other Professional Staff	188,521		188,521	187,784	737
Salaries of Secretarial and Clerical Assistants	42,254		42,254	41,308	946
Other Purchased Professional and Technical Services	3,000	(2,873)	127	67	60
Misc. Purchased Services (400-500 series O/than Resid.Costs)	500		500	297	203
Supplies and Materials	400		400		400
<b>Total Other Supp. Services Students-Special</b>	234,675	(2,873)	231,802	229,456	2,346

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Improvement of Instruction Services:</b>					
Salaries of Other Professional Staff	1,000	(87)	913	687	226
Purchased Professional - Educational Services		87	87		87
<b>Total Improvement of Instruction Services</b>	<b>1,000</b>		<b>1,000</b>	<b>687</b>	<b>313</b>
<b>Educational Media Services/School Library:</b>					
Salaries	83,301		83,301	83,027	274
Purchased Professional - Technical Services	6,200	633	6,833	3,921	2,912
Supplies and Materials	6,000	3,389	9,389	9,123	266
<b>Total Educational Media Services/School Library</b>	<b>95,501</b>	<b>4,022</b>	<b>99,523</b>	<b>96,071</b>	<b>3,452</b>
<b>Instructional Staff Training Services:</b>					
Other Purchased Services (400-500 series)	19,000	1,200	20,200	6,250	13,950
<b>Total Instructional Staff Training Services</b>	<b>19,000</b>	<b>1,200</b>	<b>20,200</b>	<b>6,250</b>	<b>13,950</b>
<b>Supp. Services - General Administration:</b>					
Salaries	190,167		190,167	189,586	581
Legal Services	10,000	69,659	79,659	617	79,042
Audit Fees	12,600	286	12,886	12,886	
Other Purchased Professional Services	3,495	3,125	6,620	5,645	975
Communications/Telephone	26,450		26,450	23,767	2,683
Other Purchased Services (400-500 series)	21,750	(2,462)	19,288	14,903	4,385
General Supplies	3,000	1,843	4,843	3,860	983
Miscellaneous Expenditures	5,000	(86)	4,914	3,090	1,824
BOE Membership Dues and Fees	5,500	(663)	4,837	4,837	
<b>Total Supp. Services - General Administration</b>	<b>277,962</b>	<b>71,702</b>	<b>349,664</b>	<b>259,191</b>	<b>90,473</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	168,385	(1,064)	167,321	167,321	
Salaries of Other Professional Staff	2,000		2,000	2,000	
Salaries of Secretarial and Clerical Assistants	108,323	(833)	107,490	105,627	1,863
Supplies and Materials	11,200	4,826	16,026	13,119	2,907
Other Objects	2,100	1,660	3,760	2,970	790
<b>Total Support Services - School Administration</b>	<b>292,008</b>	<b>4,589</b>	<b>296,597</b>	<b>291,037</b>	<b>5,560</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Central Services:</b>					
Salaries	113,487	1,688	115,175	115,135	40
Purchased Professional Services	1,050		1,050	1,000	50
Miscellaneous Purchased Services (400-500 series)	4,000	(2,053)	1,947	1,564	383
Supplies and Materials	2,000		2,000	1,329	671
Miscellaneous Expenditures	1,500		1,500	1,409	91
<b>Total Central Services</b>	<b>122,037</b>	<b>(365)</b>	<b>121,672</b>	<b>120,437</b>	<b>1,235</b>
<b>Admin. Info.Tech.:</b>					
Salaries	53,028		53,028	52,435	593
Purchased Technical Services	13,525	10,250	23,775	18,025	5,750
Supplies and Materials		1,593	1,593	1,593	
<b>Total Admin. Info.Tech.</b>	<b>66,553</b>	<b>11,843</b>	<b>78,396</b>	<b>72,053</b>	<b>6,343</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	52,304	(1,604)	50,700	47,195	3,505
Cleaning, Repair and Maintenance Services	79,180	12,665	91,845	67,971	23,874
General Supplies	18,400	9,199	27,599	24,702	2,897
Other Objects	1,000		1,000	742	
<b>Total Required Maintenance for School Facilities</b>	<b>150,884</b>	<b>20,260</b>	<b>171,144</b>	<b>140,610</b>	<b>30,534</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	217,505		217,505	209,381	8,124
Cleaning, Repair and Maintenance Services	32,200	2,000	34,200	30,449	3,751
Other Purchased Property Services	6,500	2,054	8,554	8,441	113
Insurance	17,000	(554)	16,446	16,446	
Miscellaneous Purchased Services	400		400		400
General Supplies	26,000	4,382	30,382	18,278	12,104
Energy (Heat and Electricity)	167,420		167,420	130,540	36,880
<b>Total Other Operations and Maintenance of Plant</b>	<b>467,025</b>	<b>7,882</b>	<b>474,907</b>	<b>413,535</b>	<b>61,372</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Student Transportation Services</b>					
Salaries of Non-Instructional Aides		5,447	5,447	5,433	14
Salaries for Pupil Transpor.(Between Home & School)-Regular	73,408		73,408	71,318	2,090
Other Purchased Professional - Technical Services	2,000		2,000	976	1,024
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	26,520	(3,000)	23,520	6,188	17,332
Contracted Services (Other than Bet. Home and Sch.)-Vendors	3,600		3,600	2,575	1,025
Contracted Services (Bet. Home and School)-Joint Agreements	265,940	5,256	271,196	265,031	6,165
Contracted Services (Special Education Students)-Vendors	94,000	1,231	95,231	58,097	37,134
Contracted Services (Special Education Students)-Joint Agrmnts.	3,000	29,912	32,912		32,912
Supplies and Materials	3,000	815	3,815	3,775	40
Other Objects	3,000	(249)	2,751	2,524	227
<b>Total Student Transportation Services</b>	<b>474,468</b>	<b>39,412</b>	<b>513,880</b>	<b>415,917</b>	<b>97,963</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	94,000	4,346	98,346	98,346	
Other Retirement Contributions-Regular	96,329	10,240	106,569	106,370	199
Other Retirement Contributions-ERIP		860	860	631	229
Unemployment Compensation	82,800	(22,802)	59,998	37,000	22,998
Workmen's Compensation	53,000	(3,310)	49,690	49,689	1
Health Benefits	1,072,705	20,000	1,092,705	1,045,884	46,821
Tuition Reimbursement	25,000	(3,763)	21,237	12,455	8,782
Other Employee Benefits	2,400	3,600	6,000	6,000	
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,426,234</b>	<b>9,171</b>	<b>1,435,405</b>	<b>1,356,375</b>	<b>79,030</b>
On-behalf TPAF pension Contrib. (non-budgeted)				290,995	(290,995)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				301,848	(301,848)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>592,843</b>	<b>(592,843)</b>
<b>TOTAL PERSONAL SERV.-EMPLOYEE BENEFITS</b>	<b>1,426,234</b>	<b>9,171</b>	<b>1,435,405</b>	<b>1,949,218</b>	<b>(513,813)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>4,421,995</b>	<b>152,460</b>	<b>4,574,455</b>	<b>4,762,562</b>	<b>(188,107)</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>7,768,142</b>	<b>341,475</b>	<b>8,109,617</b>	<b>8,266,537</b>	<b>(156,920)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Grades 1-5		4,027	4,027	4,027	
Undistributed Expenditures-Instruction		25,327	25,327	16,277	9,050
Undistributed Expenditures-School Admin. Equipment		6,494	6,494	6,494	
<b>Total Equipment</b>		<b>35,848</b>	<b>35,848</b>	<b>26,798</b>	<b>9,050</b>
<b>TOTAL CAPITAL OUTLAY</b>		<b>35,848</b>	<b>35,848</b>	<b>26,798</b>	<b>9,050</b>
Transfer to Charter School	<b>26,115</b>	<b>3,476</b>	<b>29,591</b>	<b>20,886</b>	<b>8,705</b>
<b>TOTAL EXPENDITURES</b>	<b>7,794,257</b>	<b>380,799</b>	<b>8,175,056</b>	<b>8,314,221</b>	<b>(139,165)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,260)</b>	<b>(399,469)</b>	<b>(402,729)</b>	<b>132,027</b>	<b>534,756</b>
<b>Other Financing Sources:</b>					
<b>Operating Transfer (In)/Out:</b>					
Transfer to Capital Projects - Capital Reserve	120,000	(120,000)			
Transfer to Capital Projects - Capital Reserve				(26,474)	(26,474)
Transfer to Food Service Fund		3,166	3,166	3,166	-
<b>Total Other Financing Sources:</b>	<b>120,000</b>	<b>(116,834)</b>	<b>3,166</b>	<b>(23,308)</b>	<b>(26,474)</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(123,260)	(282,635)	(405,895)	155,335	561,230
<b>Fund Balance, July 1</b>	760,553		760,553	760,553	
<b>Fund Balance, June 30</b>	<b>\$ 637,293</b>	<b>\$ (282,635)</b>	<b>\$ 354,658</b>	<b>\$ 915,888</b>	<b>\$ 561,230</b>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 301,341	
Maintenance Reserve				150,000	
<b>Assigned to:</b>					
Year-End Encumbrances				150,229	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>314,318</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<u>915,888</u>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>(245,329)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u><u>\$ 670,559</u></u>	

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2011

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources		\$ 1,150	\$ 1,150	\$ 1,150	-
State Sources	\$ 68,700	(1,282)	67,418	67,418	-
Federal Sources	181,800	101,120	282,920	225,636	\$ (57,284)
<b>Total Revenues</b>	<b>250,500</b>	<b>100,988</b>	<b>351,488</b>	<b>294,204</b>	<b>(57,284)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	12,000	8,226	20,226	20,226	
Other Salaries for Instruction		-	-	-	
Purchased Professional and Technical Services	52,000	(4,817)	47,183	47,183	
General Supplies	54,000	13,250	67,250	66,974	276
Textbooks	5,700	837	6,537	6,537	
<b>Total Instruction</b>	<b>123,700</b>	<b>17,496</b>	<b>141,196</b>	<b>140,920</b>	<b>276</b>
<b>Support Services</b>					
Personal Services - Employee Benefits	1,800	276	2,076	2,067	9
Purchased Professional and Technical Services		-	-	-	
Purchased Professional Educational Services	111,200	53,634	164,834	109,449	55,385
Supplies & Materials	13,800	29,582	43,382	41,768	1,614
<b>Total Support Services</b>	<b>126,800</b>	<b>83,492</b>	<b>210,292</b>	<b>153,284</b>	<b>57,008</b>
<b>Total Expenditures</b>	<b>\$ 250,500</b>	<b>\$ 100,988</b>	<b>\$ 351,488</b>	<b>\$ 294,204</b>	<b>\$ 57,284</b>
<b>Total Outflows</b>	<b>\$ 250,500</b>	<b>\$ 100,988</b>	<b>\$ 351,488</b>	<b>\$ 294,204</b>	<b>\$ 57,284</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>	<u>None</u>				
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis	<u>None</u>				
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>	<u>None</u>				

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2011

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 8,446,248	\$ 294,204
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	66,253
Current Year Encumbrances	N/A	(90,513)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	284,517	N/A
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(245,329)	N/A
	<u>\$ 8,485,436</u>	<u>\$ 269,944</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 8,314,221	\$ 294,204
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	66,253
Current Year Encumbrances	N/A	(90,513)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	N/A	N/A
	<u>\$ 8,314,221</u>	<u>\$ 269,944</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 8,314,221</u>	<u>\$ 269,944</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

Exhibit E-1

**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2011

	Title I Part A	Title II Part A	Title IV	IDEA Basic	IDEA Preschool	ARRA IDEA Basic	ARRA IDEA Preschool	Non- Public Textbook	Non- Public Nursing	Non- Public Speech	Non- Public Aux. Comp Ed.	Non- Public Aux. ESL	Non- Public Handicap Exam	Non- Public Handicap Supplem.	Local	Totals	
<b>REVENUES</b>																	
Local Sources																\$ 1,150	\$ 1,150
State Sources								\$ 6,537	\$ 7,746	\$ 6,102	\$ 27,630	\$ 598	\$ 11,162	\$ 7,643			67,418
Federal Sources	\$ 29,486	\$ 13,836	\$ 921	\$ 162,360	\$ 9,578	\$ 8,770	\$ 685										225,636
<b>TOTAL REVENUES</b>	<b>29,486</b>	<b>13,836</b>	<b>921</b>	<b>162,360</b>	<b>9,578</b>	<b>8,770</b>	<b>685</b>	<b>6,537</b>	<b>7,746</b>	<b>6,102</b>	<b>27,630</b>	<b>598</b>	<b>11,162</b>	<b>7,643</b>	<b>1,150</b>	<b>294,204</b>	
<b>EXPENDITURES:</b>																	
<b>Instruction:</b>																	
Salaries of Teachers	14,124									6,102							20,226
Other Salaries for Instruction																	-
Purchased Profess. & Tech. Serv.											27,630	598	11,162	7,643	150		47,183
General Supplies	7,474			59,500													66,974
Textbooks								6,537									6,537
<b>Total Instruction</b>	<b>21,598</b>	<b>-</b>	<b>-</b>	<b>59,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,537</b>	<b>-</b>	<b>6,102</b>	<b>27,630</b>	<b>598</b>	<b>11,162</b>	<b>7,643</b>	<b>150</b>	<b>140,920</b>	
<b>Support Services:</b>																	
Personal Services-Employee Bene.	2,067																2,067
Purchased Profess. & Tech Svcs																	-
Purchased Profess. Educ. Svcs	5,821	9,671		76,633	9,578				7,746								109,449
Supplies and Materials		4,165	921	26,227		8,770	685									1,000	41,768
<b>Total Support Services</b>	<b>7,888</b>	<b>13,836</b>	<b>921</b>	<b>102,860</b>	<b>9,578</b>	<b>8,770</b>	<b>685</b>	<b>-</b>	<b>7,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>153,284</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 29,486</b>	<b>\$ 13,836</b>	<b>\$ 921</b>	<b>\$ 162,360</b>	<b>\$ 9,578</b>	<b>\$ 8,770</b>	<b>\$ 685</b>	<b>\$ 6,537</b>	<b>\$ 7,746</b>	<b>\$ 6,102</b>	<b>\$ 27,630</b>	<b>\$ 598</b>	<b>\$ 11,162</b>	<b>\$ 7,643</b>	<b>\$ 1,150</b>	<b>\$ 294,204</b>	
<b>Total Outflows</b>	<b>\$ 29,486</b>	<b>\$ 13,836</b>	<b>\$ 921</b>	<b>\$ 162,360</b>	<b>\$ 9,578</b>	<b>\$ 8,770</b>	<b>\$ 685</b>	<b>\$ 6,537</b>	<b>\$ 7,746</b>	<b>\$ 6,102</b>	<b>\$ 27,630</b>	<b>\$ 598</b>	<b>\$ 11,162</b>	<b>\$ 7,643</b>	<b>\$ 1,150</b>	<b>\$ 294,204</b>	
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>																	

**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

Exhibit F-1

**CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES**

For the Fiscal Year Ended June 30, 2011

	<b>Original Date</b>	<b>Original Appropriations</b>	<b>Revised Appropriations</b>	<b>Expenditures to Date</b>		<b>Unexpended Balance June 30, 2011</b>
				<b>Prior Years</b>	<b>Current Year</b>	
Port Colden Secured Office Addition						
Wash. Twsp BOE - Capital Reserve	6/14/10	\$ 374,200	\$ 347,726	\$ 11,609	\$ 336,117	-
		\$ 374,200	\$ 347,726	\$ 11,609	\$ 336,117	-

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit F-2

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

For the Fiscal Year Ended June 30, 2011

**Revenues and Other Financing**

**Sources**

Transfers from Capital Reserve	\$ (26,474)
Total Revenues	<u>(26,474)</u>

**Expenditures and Other Financing**

**Sources**

Purchase Professional & Technical Services	\$ 15,200
Construction Services	<u>320,917</u>
Total Expenditures	<u>336,117</u>

Excess(deficiency) of revenues over(under) expenditures	(362,591)
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Fund Balance - Beginning	<u>362,591</u>
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Fund Balance - Ending	<u><u>-</u></u>
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WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit F-2a

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**  
**AND PROJECT STATUS-BUDGETARY BASIS**  
**PORT COLDEN SECURITY ADDITION PROJECT**

From Inception and for the Fiscal Year Ended June 30, 2011

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	374,200	\$ (26,474)	\$ 347,726	\$ 347,726
Total Revenues	<u>374,200</u>	<u>(26,474)</u>	<u>347,726</u>	<u>347,726</u>
<b>Expenditures and Other Financing Sources</b>				
Purchase Professional & Technical Services	11,609	15,200	26,809	26,809
Construction Services		320,917	320,917	320,917
Total Expenditures	<u>11,609</u>	<u>336,117</u>	<u>347,726</u>	<u>347,726</u>
Excess(deficiency) of revenues over(under) expenditures	<u>362,591</u>	<u>(362,591)</u>	<u>-</u>	

Project Fund Balance, 6/30/11 \$ -

**Additional project information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$374,000
Additional Authorized Cost	-\$26,474
Revised Authorized Cost	\$347,526
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100.0%
Original Target Completion Date	6/30/2011
Revised Target Completion Date	6/30/2011

<p style="text-align: center;"><b>PROPRIETARY FUND DETAIL STATEMENTS</b></p>
--

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 Services Fund** - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

<p style="text-align: center;"><b>FIDUCIARY FUND DETAIL STATEMENTS</b></p>
--

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.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2011**

	UNEMPLOYMENT COMPENSATION INSURANCE <u>TRUST</u>	STUDENT <u>ACTIVITY</u>	<u>AGENCY FUNDS</u> SCHOOL PAYROLL <u>HOUSE FUND</u> <u>AGENCY</u>		<u>TOTALS</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$99,247	\$ 19,988	\$2,246	\$ 3,240	\$ 124,721
<b>TOTAL ASSETS</b>	<b>99,247</b>	<b>19,988</b>	<b>2,246</b>	<b>3,240</b>	<b>124,721</b>
<b>LIABILITIES:</b>					
Liabilities:					
Accounts Payable				3,240	3,240
Payable to Student Groups		19,988			19,988
<b>Total Liabilities</b>		<b>19,988</b>		<b>3,240</b>	<b>23,228</b>
<b>NET ASSETS</b>					
Held in Trust for School Restoration			2,246		2,246
Held in Trust for Unemployment Claims and Other Purposes	99,247				99,247
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>99,247</b>	<b>\$ 19,988</b>	<b>\$2,246</b>	<b>\$ 3,240</b>	<b>\$ 124,721</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEARS ENDED JUNE 30, 2011

	<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST</b>	<b>TOTALS</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 37,000	\$ 37,000
Plan Member	8,842	8,842
Total Contributions	<u>45,842</u>	<u>45,842</u>
Investment Earnings:		
Interest	320	320
Net Investment Earnings	<u>320</u>	<u>320</u>
<b>Total Additions</b>	<b><u>46,162</u></b>	<b><u>46,162</u></b>
<b>DEDUCTIONS</b>		
Unemployment Claims	<u>37,317</u>	<u>37,317</u>
<b>Total Deductions</b>	<b><u>37,317</u></b>	<b><u>37,317</u></b>
Change in Net Assets	<u>8,845</u>	<u>8,845</u>
Net Assets—Beginning of the Year	<u>90,402</u>	<u>90,402</u>
<b>Net Assets—End of the Year</b>	<b><u>\$ 99,247</u></b>	<b><u>\$ 99,247</u></b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>ACTIVITY</u>	<u>BALANCE July 1, 2010</u>	<u>TRANSFERS</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE June 30, 2011</u>
Interest Income		\$ (11)	\$ 11		
Class Trips	\$ 8,908	1	8,375	\$ 14,079	\$ 3,205
Stokes Trip	5,625	3	12,557	12,330	5,855
6th Grade - NYC	3,362	1	21,111	24,403	71
Publishing Co.	23		669	669	23
Family Assistance	1,906	1	280	789	1,398
Port Colden	3,389	2	831	693	3,529
Hope for Allie			1,482	1,482	-
Brass Castle	5,822	3	-	305	5,520
Angie C Account			387		387
<b>Totals</b>	<b>\$ 29,035</b>	<b>-</b>	<b>\$ 45,703</b>	<b>\$ 54,750</b>	<b>\$ 19,988</b>

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

**Exhibit H-4**

	<u>BALANCE</u> <u>July 1, 2010</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2011</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 18,090	\$ 5,879,744	\$ 5,894,594	\$ 3,240
<b>Total Assets</b>	<u>\$ 18,090</u>	<u>\$ 5,879,744</u>	<u>\$ 5,894,594</u>	<u>\$ 3,240</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 18,090	\$ 2,321,796	\$ 2,336,646	\$ 3,240
Accrued Net Payroll		3,557,948	3,557,948	-
<b>Total Liabilities</b>	<u>\$ 18,090</u>	<u>\$ 5,879,744</u>	<u>\$ 5,894,594</u>	<u>\$ 3,240</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit H-5

**SCHEDULE OF ACTIVITY  
PORT COLDEN SCHOOL HOUSE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>PORT COLDEN SCHOOL HOUSE FUND</b>
<b>ADDITIONS</b>	
Contributions:	
Contributions	
Total Contributions	_____ -
Investment Earnings:	
Interest	_____ 10
Net Investment Earnings	_____ 10
<b>Total Additions</b>	<b>_____ 10</b>
<b>DEDUCTIONS</b>	_____ 570
<b>Total Deductions</b>	<b>_____ 570</b>
Change in Net Assets	(560)
Net Assets—Beginning of the Year	_____ 2,806
<b>Net Assets—End of the Year</b>	<b>\$ _____ 2,246</b>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

N/A

Washington Township School District  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	66-71
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	72-75
<b>Debt Capacity (J-10 thru J-13)</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	76-79
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	80-81
<b>Operating Information (J-16 thru J-20)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	82-86

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

**Washington Township School District  
Net Assets by Component,  
Last Nine Fiscal Years**

**Exhibit J-1**

*(accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	<b>N/A</b>	\$ 1,522,558	\$ 1,613,137	\$ 1,695,399	\$ 2,175,663	\$ 240,766	\$ 2,861,484	\$ 2,932,168	\$ 3,088,135
Restricted		98,281	97,189	397,685	591,169	843,169	262,026	108,626	451,341
Unrestricted		326,755	446,726	243,319	554,801	320,338	463,549	690,421	183,978
<b>Total governmental activities net assets</b>	<b>-</b>	<b>\$ 1,947,594</b>	<b>\$ 2,157,052</b>	<b>\$ 2,336,403</b>	<b>\$ 3,321,633</b>	<b>\$ 1,404,273</b>	<b>\$ 3,587,059</b>	<b>\$ 3,731,215</b>	<b>\$ 3,723,454</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt		\$ 20,963	\$ 16,583	\$ 12,203	\$ 7,823	\$ 3,443			-
Restricted		-	-	-	-	-	-	-	-
Unrestricted		8,583	8,307	12,137	7,407	28,240	\$ 43,107	\$ 59,359	\$ 68,513
<b>Total business-type activities net assets</b>		<b>\$ 29,546</b>	<b>\$ 24,890</b>	<b>\$ 24,340</b>	<b>\$ 15,230</b>	<b>\$ 31,683</b>	<b>\$ 43,107</b>	<b>\$ 59,359</b>	<b>\$ 68,513</b>
<b>District-wide</b>									
Invested in capital assets, net of related debt		\$ 1,543,521	\$ 1,629,720	\$ 1,707,602	\$ 2,183,486	\$ 2,044,209	\$ 2,861,484	\$ 2,932,168	\$ 3,088,135
Restricted		98,281	97,189	397,685	591,169	843,169	262,026	108,626	451,341
Unrestricted		335,338	455,033	255,456	562,211	348,578	506,656	749,780	252,491
<b>Total district net assets</b>		<b>\$ 1,977,140</b>	<b>\$ 2,181,942</b>	<b>\$ 2,360,743</b>	<b>\$ 3,336,866</b>	<b>\$ 3,235,956</b>	<b>\$ 3,630,166</b>	<b>\$ 3,790,574</b>	<b>\$ 3,791,967</b>

Source: CAFR Schedule A-1

**Washington Township School District**  
**Changes in Net Assets, Last Nine Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities									
Instruction									
Regular	N/A	\$ 3,310,917	\$ 3,131,398	\$ 3,197,796	\$ 3,380,622	\$ 3,546,670	\$ 3,326,943	\$ 3,820,901	\$ 3,681,459
Special education		647,677	627,009	656,937	652,181	818,657	748,356	857,460	723,499
Other special education		50,863	111,588	69,153	176,579	242,910	296,009	287,136	364,604
Support Services:									
Tuition		57,208	55,162	81,078	84,735	107,759	24,823	3,450	-
Student & instruction related services		1,159,777	1,419,874	1,584,360	1,664,902	1,753,010	1,576,498	1,534,277	1,589,623
General administrative services		442,955	517,353	575,941	593,256	594,291	569,845	590,094	584,792
School administrative services		362,799	364,307	347,602	420,628	430,165	412,428	455,652	452,437
Business administrative services									
Plant operations and maintenance		642,988	746,335	789,233	691,484	749,127	729,122	724,476	719,761
Pupil transportation		500,046	528,820	556,795	614,116	624,255	566,907	524,910	539,038
Non-Budgeted Contributions									
Special Schools									
Charter Schools									
Interest on long-term debt		80,066	66,941	53,816	40,612	26,800	11,816	-	
Unallocated depreciation	-	92,014	92,014	93,069	93,931	95,363	95,363	97,863	104,762
Total governmental activities expenses	-	<u>7,347,310</u>	<u>7,660,801</u>	<u>8,005,780</u>	<u>8,413,046</u>	<u>8,989,007</u>	<u>8,358,110</u>	<u>8,896,219</u>	<u>8,759,975</u>
Business-type activities:									
Food service		149,159	134,376	136,056	146,571	141,701	147,833	155,503	145,594
Child Care						34,748	50,111	40,104	54,658
Total business-type activities expense	-	<u>149,159</u>	<u>134,376</u>	<u>136,056</u>	<u>146,571</u>	<u>176,449</u>	<u>197,944</u>	<u>195,607</u>	<u>200,252</u>
Total district expenses		<u><u>\$ 7,496,469</u></u>	<u><u>\$ 7,795,177</u></u>	<u><u>\$ 8,141,836</u></u>	<u><u>\$ 8,559,617</u></u>	<u><u>\$ 9,165,456</u></u>	<u><u>\$ 8,556,054</u></u>	<u><u>\$ 9,091,826</u></u>	<u><u>\$ 8,960,227</u></u>
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
Instruction (regular & special education)									
Business and other support services				58,188	45,000	50,000	50,600	68,069	\$ 60,254
Operating grants and contributions		\$ 3,384,625	\$ 3,560,979	\$ 3,647,602	\$ 4,014,421	\$ 4,101,427	\$ 3,749,063	\$ 3,950,227	\$ 3,478,335
Capital grants and contributions									-
Total governmental activities program revenues	-	<u>3,384,625</u>	<u>3,560,979</u>	<u>3,705,790</u>	<u>4,059,421</u>	<u>4,151,427</u>	<u>3,799,663</u>	<u>4,018,296</u>	<u>3,538,589</u>

**Washington Township School District**  
**Changes in Net Assets, Last Nine Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Charges for services									
Food service		98,393	101,095	105,523	108,144	102,511	105,545	113,345	100,704
Child care	-	-	-	-	-	60,468	65,161	56,674	63,618
Operating grants and contributions		28,780	28,625	29,983	29,251	29,246	32,656	39,295	41,902
Capital grants and contributions	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	-	127,173	129,720	135,506	137,395	192,225	203,362	209,314	206,224
Total district program revenues		<u>\$ 3,511,798</u>	<u>\$ 3,690,699</u>	<u>\$ 3,841,296</u>	<u>\$ 4,196,816</u>	<u>\$ 4,343,652</u>	<u>\$ 4,003,025</u>	<u>\$ 4,227,610</u>	<u>\$ 3,744,813</u>
<b>Net (Expense)/Revenue</b>									
Governmental activities		\$ (3,962,685)	\$ (4,099,822)	\$ (4,299,990)	\$ (4,353,625)	\$ (4,837,580)	\$ (4,558,447)	\$ (4,877,923)	\$ (5,221,386)
Business-type activities	-	(21,986)	(4,656)	(550)	(9,176)	15,776	5,418	13,707	5,972
Total district-wide net expense		<u>\$ (3,984,671)</u>	<u>\$ (4,104,478)</u>	<u>\$ (4,300,540)</u>	<u>\$ (4,362,801)</u>	<u>\$ (4,821,804)</u>	<u>\$ (4,553,029)</u>	<u>\$ (4,864,216)</u>	<u>\$ (5,215,414)</u>
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Property taxes levied for general purposes, net		\$ 3,968,353	\$ 4,044,207	\$ 4,233,040	\$ 4,628,909	\$ 4,880,734	\$ 4,880,734	\$ 4,880,734	\$ 5,198,441
Taxes levied for debt service		182,239	170,849	163,683	157,939	162,534	162,534	162,534	
Unrestricted grants and contributions									
Payments in lieu of taxes			-	-	-	-	-	-	-
Investment earnings		16,916	31,604	66,706	101,020	77,691	77,691	77,691	9,203
Miscellaneous income		52,537	62,619	15,912	304,459	55,134	55,134	55,134	9,147
Transfers	-	-	-	-	-	-	-	-	(3,166)
Total governmental activities	-	<u>4,220,045</u>	<u>4,309,279</u>	<u>4,479,341</u>	<u>5,192,327</u>	<u>5,176,093</u>	<u>5,176,093</u>	<u>5,176,093</u>	<u>5,213,625</u>
Business-type activities:									
Investment earnings	-	-	-	-	66	677	677	677	16
Transfers	-	-	-	-	-	-	-	-	3,166
Total business-type activities	-	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>677</u>	<u>677</u>	<u>677</u>	<u>3,182</u>
Total district-wide		<u>\$ 4,220,045</u>	<u>\$ 4,309,279</u>	<u>\$ 4,479,341</u>	<u>\$ 5,192,393</u>	<u>\$ 5,176,770</u>	<u>\$ 5,176,770</u>	<u>\$ 5,176,770</u>	<u>\$ 5,216,807</u>
<b>Change in Net Assets</b>									
Governmental activities		\$ 257,360	\$ 209,457	\$ 179,351	\$ 838,702	\$ 338,513	\$ 617,646	\$ 298,170	\$ (7,761)
Business-type activities	-	(21,986)	(4,656)	(550)	(9,110)	16,453	6,095	14,384	9,154
Total district	-	<u>\$ 235,374</u>	<u>\$ 204,801</u>	<u>\$ 178,801</u>	<u>\$ 829,592</u>	<u>\$ 354,966</u>	<u>\$ 623,741</u>	<u>\$ 312,554</u>	<u>\$ 1,393</u>

Source: CAFR Schedule A-2

**Washington Township School District  
Fund Balances, Governmental Funds,  
Last Nine Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	\$ 256,224	\$ 305,191	\$ 296,812	\$ 409,016	\$ 850,701	\$ 881,676	\$ 437,299	\$ 432,803	\$ 601,570
Unreserved	214,075	233,636	341,372	323,580	113,305	108,929	(29,448)	43,233	68,989
Total general fund	<u>\$ 470,299</u>	<u>\$ 538,827</u>	<u>\$ 638,184</u>	<u>\$ 732,596</u>	<u>\$ 964,006</u>	<u>\$ 990,605</u>	<u>\$ 407,851</u>	<u>\$ 476,036</u>	<u>\$ 670,559</u>
All Other Governmental Funds									
Reserved	\$ 17,228				\$ 70,375	\$ 36,759	\$ 86,821	\$ 331,091	
Unreserved, reported in:									
Special revenue fund	(1,487)								
Capital projects fund									
Debt service fund		\$ 2,112			189,713	186,963	269,443	31,500	
Trust and agency fund	1,052	-	-	-	-	-	-	-	
Total all other governmental funds	<u>\$ 16,793</u>	<u>\$ 2,112</u>	<u>-</u>	<u>-</u>	<u>\$ 260,088</u>	<u>\$ 223,722</u>	<u>\$ 356,264</u>	<u>\$ 362,591</u>	<u>-</u>

Source: CAFR Schedule B-1

**Washington Township School District  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

**Exhibit J-4**

	<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>
<b>Revenues</b>										
Tax levy	\$ 3,805,507	\$ 4,008,122	\$ 4,150,592	\$ 4,215,056	\$ 4,396,723	\$ 4,786,848	\$ 5,043,268	\$ 4,901,723	\$ 4,997,216	\$ 5,198,441
Tuition charges	27,171	1,396	3,715	9,657	16,188	-	-	-	-	-
Interest earnings	700	100	1,084	1,020	4,300	11,484	22,000	5,000	5,000	1,300
Miscellaneous	137,538	64,752	64,654	83,546	120,318	438,995	160,825	90,710	90,432	77,304
State sources	3,166,400	2,955,781	3,189,734	3,350,039	3,438,883	3,800,229	3,880,673	3,813,131	3,366,572	3,270,228
Federal sources	172,644	180,585	194,891	210,940	208,719	214,193	220,754	195,234	583,655	208,107
<b>Total revenue</b>	<b>7,309,960</b>	<b>7,210,736</b>	<b>7,604,670</b>	<b>7,870,258</b>	<b>8,185,131</b>	<b>9,251,749</b>	<b>9,327,520</b>	<b>9,005,798</b>	<b>9,042,875</b>	<b>8,755,380</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,427,154	2,281,522	2,680,606	2,551,766	2,571,090	2,595,290	2,691,869	2,704,680	2,933,834	2,806,262
Special education instruction	518,571	514,794	528,790	511,378	530,312	504,329	640,688	612,031	665,250	558,816
Other special instruction	16,693	16,367	41,527	91,009	55,824	136,548	190,103	242,086	222,771	281,613
Other instruction	26,931	23,963								-
<b>Support Services:</b>										
Tuition	137,100	85,965	46,707	44,989	65,450	65,525	84,333	20,301	2,677	-
Student & instruction related services	868,922	844,676	946,890	1,158,025	1,278,975	1,287,463	1,371,920	1,286,168	1,190,350	1,227,792
General administrative services	209,466	242,372	361,647	421,944	464,928	458,763	465,097	466,039	457,817	451,681
School administrative services	249,314	251,018	258,181	259,100	273,248	290,418	308,597	309,244	322,008	291,037
Plant operations and maintenance	392,825	455,676	524,292	608,028	635,455	533,069	584,489	594,517	560,292	554,145
Pupil transportation	570,838	451,909	405,858	428,897	447,073	472,494	488,547	463,636	407,245	415,917
Unallocated employee benefits	1,229,034	1,577,951	1,317,076	1,383,468	1,514,802	1,876,766	1,918,622	1,746,309	1,954,880	1,949,218
Transfer to Charter School							8,956	16,029	17,378	20,886
Capital Outlay	316,789	60,313	163,170	69,733	22,012	316,161	354,141	775,445	231,361	362,915
<b>Debt service:</b>										
Principal	150,000	175,000	175,000	175,000	175,000	180,000	200,000	199,000	-	-
Interest and other charges	82,175	95,925	82,800	69,675	56,550	43,425	29,925	14,925	-	-
<b>Total expenditures</b>	<b>7,195,812</b>	<b>7,077,451</b>	<b>7,532,544</b>	<b>7,773,012</b>	<b>8,090,719</b>	<b>8,760,251</b>	<b>9,337,287</b>	<b>9,450,410</b>	<b>8,965,863</b>	<b>8,920,282</b>
Excess (Deficiency) of revenues over (under) expenditures	114,148	133,285	72,126	97,246	94,412	491,498	(9,767)	(444,612)	77,012	(164,902)
<b>Other Financing Sources (uses)</b>										
<b>Transfers in</b>										
Transfers out	(278,610)	(77,350)						(5,600)	(2,500)	(3,166)
<b>Total other financing sources (uses)</b>	<b>(278,610)</b>	<b>(77,350)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,600)</b>	<b>(2,500)</b>	<b>(3,166)</b>
<b>Net change in fund balances</b>	<b>\$ (164,462)</b>	<b>\$ 55,935</b>	<b>\$ 72,126</b>	<b>\$ 97,246</b>	<b>\$ 94,412</b>	<b>\$ 491,498</b>	<b>\$ (9,767)</b>	<b>\$ (450,212)</b>	<b>\$ 74,512</b>	<b>\$ (168,068)</b>
Debt service as a percentage of noncapital expenditures	3.4%	3.9%	3.5%	3.2%	2.9%	2.6%	2.6%	2.5%	0.0%	0.0%

Source: CAFR Schedule B-2

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest on</u> <u>Cap.Reserve</u> <u>Account</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Rentals</u>	<u>Special Ed.</u> <u>Medicare Init.</u> <u>(SEMI)-Reimburse.</u>	<u>Transportation</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2002	\$ 46,364	\$ 700	\$ 5,433		\$ 12,121	\$ 38,145	\$ 27,171	\$ 4,940	\$ 134,874
2003	16,497	100	5,688			35,000	1,396	5,147	63,828
2004	15,832	1,084	9,035			36,000	3,715	3,787	69,453
2005	30,584	1,020	11,082			41,210	9,657	670	94,223
2006	62,406	4,300	15,387			42,000	16,188	525	140,806
2007	89,536	11,484	29,899			45,000		760	176,679
2008	55,691	22,000	37,479			50,000	16,441	1,214	182,825
2009	17,681	5,000	14,871			50,600		6,670	94,822
2010	11,899	5,000	9,552			68,069		440	94,960
2011	7,903	1,300	5,045			60,254		1,542	76,044

SOURCE: District Records

**Washington Township School District  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years**

**Exhibit J-6**

<u>Fiscal Year Ended June 30.</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2002	\$14,107,400	\$339,028,699	\$14,546,200	\$2,307,525	\$55,135,300	\$3,552,300	\$1,814,200	\$477,665,339	\$45,421,048	\$1,752,667	\$432,244,291	\$0.876	\$455,152,874
2003	20,269,700	343,785,399	14,365,500	2,242,785	57,178,800	3,552,300	1,814,200	491,233,330	46,352,948	1,671,698	444,880,382	\$0.896	486,349,503
2004	27,306,200	458,299,999	20,257,600	2,176,900	61,685,500	4,014,200	1,880,300	634,552,472	56,390,248	2,541,525	578,162,224	\$0.715	535,231,821
2005	26,694,000	481,071,299	21,021,700	2,581,575	62,827,800	4,014,200	1,880,300	656,068,616	53,391,248	2,586,494	602,677,368	\$0.697	613,917,480
2006	19,982,500	508,931,299	21,757,600	2,527,750	66,999,100	3,807,200	1,880,300	681,810,811	54,149,448	1,775,614	627,661,363	\$0.699	683,634,930
2007	14,628,800	536,884,999	22,414,900	2,476,950	64,846,300	3,501,200	1,880,300	703,760,363	55,543,393	1,583,521	648,216,970	\$0.743	775,005,637
2008	12,837,300	549,201,899	22,711,000	2,359,325	66,817,300	3,501,200	1,880,300	719,898,703	58,981,148	1,609,231	660,917,555	\$0.763	868,978,308
2009	12,393,800	555,261,299	23,399,000	2,416,625	67,642,300	3,501,200	1,880,300	725,579,495	57,633,148	1,451,823	667,946,347	\$0.734	916,654,088
2010	11,825,300	558,724,549	25,067,700	2,221,900	67,930,800	3,501,200	1,880,300	730,065,657	57,381,248	1,532,660	672,684,409	\$0.743	929,965,653
2011	11,583,100	559,661,851	25,506,800	2,366,600	68,327,500	3,501,200	1,780,300	731,464,521	57,198,448	1,538,722	674,266,073	\$0.771	907,913,314

Source: District records Tax list summary & 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 ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Washington Township School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Washington Township Board of Education			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Regional School District	Washington Township	Library	Warren County	
2002	\$0.833	\$0.043	\$0.876	\$0.973	\$0.343	\$0.065	\$0.748	\$3.005
2003	\$0.855	\$0.041	\$0.896	\$1.045	\$0.377	\$0.064	\$0.713	\$3.095
2004	\$0.682	\$0.033	\$0.715	\$0.908	\$0.365	\$0.050	\$0.578	\$2.616
2005	\$0.667	\$0.030	\$0.697	\$0.811	\$0.363	\$0.054	\$0.622	\$2.547
2006	\$0.672	\$0.027	\$0.699	\$0.835	\$0.379	\$0.057	\$0.647	\$2.617
2007	\$0.715	\$0.028	\$0.743	\$0.908	\$0.395	\$0.062	\$0.675	\$2.783
2008	\$0.739	\$0.024	\$0.763	\$0.940	\$0.415	\$0.068	\$0.734	\$2.920
2009	\$0.711	\$0.023	\$0.734	\$0.892	\$0.451	\$0.072	\$0.764	\$2.913
2010	\$0.743	\$0.000	\$0.743	\$0.944	\$0.469	\$0.072	\$0.769	\$2.997
2011	\$0.771	\$0.000	\$0.771	\$0.989	\$0.495	\$0.065	\$0.760	\$3.080

Source: District Records and Municipal Tax Collector

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

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

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

**Washington Township School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2011			2001		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Asbury Farms (including Golf Course)	\$12,817,500	1	1.90%			
Washington Shopping Centers, Inc.-A&P	7,965,900	2	1.18%	\$ 5,125,600	1	1.38%
Desapio Properties, #3, LLC	3,499,300	3	0.52%			
Ed Mark 31, LLC	3,243,900	4	0.48%			
Fitzgibbon, Smith & Smith	3,134,900	5	0.46%			
Village Supermarket - Shop-Rite	2,778,200	6	0.41%	2,491,000	3	0.67%
Washington Realty, LLC	2,261,500	7	0.34%			
Individual Taxpayer #1	2,221,700	8	0.33%			
I. C. Washington Inc., - Eckerd Drug	1,875,400	9	0.28%	2,300,000	4	0.62%
Individual Taxpayer #2	1,862,899	10	0.28%			
Levin Properties, L.P.				2,500,000	2	0.67%
Oakwood Lanes				1,323,800	5	0.36%
Heights Equities, Inc.				1,300,000	6	0.35%
Five Corp. Co.				1,269,200	7	0.34%
Secure Storage Venture II				1,234,800	8	0.33%
Brass Castle Enterprise #1				1,081,700	9	0.29%
Washington Mini-Mall				1,023,900	10	0.28%
<b>Total</b>	<b>\$ 41,661,199</b>		<b>6.18%</b>	<b>\$ 19,650,000</b>		<b>5.29%</b>

Source: District CAFR & Municipal Tax Assessor

**Washington Township School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$3,621,215	\$3,621,215	100.00%	-
2003	\$3,816,605	\$3,816,605	100.00%	-
2004	\$4,150,592	\$4,150,592	100.00%	-
2005	\$4,215,056	\$4,215,056	100.00%	-
2006	\$4,396,723	\$4,396,723	100.00%	-
2007	\$4,786,848	\$4,786,848	100.00%	-
2008	\$5,043,268	\$5,043,268	100.00%	-
2009	\$4,901,723	\$4,901,723	100.00%	-
2010	\$4,997,216	\$4,997,216	100.00%	-
2011	\$5,198,441	\$5,198,441	100.00%	-

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

**Note:**

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 is the amount voted upon or certified prior to the end of the school year.

**Washington Township School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2002	\$ 1,279,000	-	-	-	-0-	\$ 1,279,000	0.60%	\$202.57
2003	1,104,000	-	-	-	-0-	1,104,000	0.50%	\$172.55
2004	929,000	-	-	-	-0-	929,000	0.40%	\$141.57
2005	754,000	-	-	-	-0-	754,000	0.30%	\$112.05
2006	579,000	-	-	-	-0-	579,000	0.21%	\$84.32
2007	399,000	-	-	-	-0-	399,000	0.14%	\$57.94
2008	199,000	-	-	-	-0-	199,000	0.07%	\$29.05
2009	-	-	-	-	-0-	-	0.00%	\$0.00
2010	-	-	-	-	-0-	-	0.00%	\$0.00
2011	-	-	-	-	-0-	-	0.00%	\$0.00

Source: District CAFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Washington Township School District  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	\$ 1,279,000	-0-	\$ 1,279,000	0.30%	\$ 203 R
2003	\$ 1,104,000	-0-	\$ 1,104,000	0.25%	\$ 173 R
2004	\$ 929,000	-0-	\$ 929,000	0.16%	\$ 142 R
2005	\$ 754,000	-0-	\$ 754,000	0.13%	\$ 112 R
2006	\$ 579,000	-0-	\$ 579,000	0.09%	\$ 84 R
2007	\$ 399,000	-0-	\$ 399,000	0.06%	\$ 58 R
2008	\$ 199,000	-0-	\$ 199,000	0.03%	\$ 29 R
2009	-	-0-	-	0.00%	- R
2010	-	-0-	-	0.00%	- R
2011	-	-0-	-	0.00%	- *

**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.

R Revised

\* Current data unavailable

**Washington Township School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2011**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b> Township of Washington	\$ 12,119,957	100.000%	\$ 12,119,957
<b>Other debt</b> Warren County	7,775,000	6.768%	<u>526,200</u>
Subtotal, overlapping debt			12,646,157
<b>Washington Township School District Direct Debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 12,646,157</u></u>

**Sources:** Township Finance Officer, Warren County Finance Office and Utility Authorities

**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 the district. 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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis
	2008 919,049,261
	2009 901,358,782
	2010 860,925,712
	<b>[A]</b> \$ <u>2,681,333,755</u>
Average equalized valuation of taxable property	<b>[A/3]</b> \$ 893,777,918
Debt limit (3 % of average equalization value)	<b>[B]</b> 26,813,338
Net bonded school debt	<b>[C]</b> -
Legal debt margin	<b>[B-C]</b> \$ <u>26,813,338</u>

	Fiscal Year									
	<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>
Debt limit	\$12,679,509	\$14,053,589	\$16,056,955	\$17,544,176	\$18,895,590	\$22,454,753	\$24,966,669	\$26,696,370	\$27,229,520	\$ 26,813,338
Total net debt applicable to limit	1,279,000	1,104,000	929,000	754,000	579,000	399,000	199,000	-	-	-
Legal debt margin	<u>\$11,400,509</u>	<u>\$12,949,589</u>	<u>\$15,127,955</u>	<u>\$16,790,176</u>	<u>\$18,316,590</u>	<u>\$22,055,753</u>	<u>\$24,767,669</u>	<u>\$26,696,370</u>	<u>\$27,229,520</u>	<u>\$26,813,338</u>
Total net debt applicable to the limit as a percentage of debt limit	10.09%	7.86%	5.79%	4.30%	3.06%	1.78%	0.80%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

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

**Washington Township School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2002	6,314	\$ 213,697,330	\$33,845 R	3.6%
2003	6,398	\$ 220,826,970	\$34,515 R	3.9%
2004	6,562	\$ 233,462,836	\$35,578 R	2.9%
2005	6,729	\$ 248,178,978	\$36,882 R	4.6%
2006	6,867	\$ 270,889,416	\$39,448 R	5.2%
2007	6,886	\$ 288,716,208	\$41,928 R	4.8%
2008	6,851	\$ 294,414,874	\$42,974 R	6.4%
2009	6,865	\$ 292,661,815	\$42,631 P	11.3%
2010	6,843	\$ 291,723,933	\$42,631 *	11.6%
2011	6,843	* \$ 291,723,933	\$42,631 *	*

**Source:**

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

<sup>b</sup> Personal income provided by US Dept Commerce

<sup>c</sup> Per Capita provided by NJ Dept of Labor

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

P =Projected

R =Revised

\* Current data unavailable

Washington Township School District  
Principal Employers,  
Current Year and Nine Years Ago

Exhibit J-15  
N/A

Employer	2011			2002		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
	-			-		0.00%
	-			-		0.00%
	-			-		0.00%
	-		0.00%	-		0.00%

**Source:**  
No reliable information is available at the local or county level.

**Washington Township School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit J-16**

<u>Function/Program</u>	<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>
Instruction										
Regular	38.9	35.9	38.6	38.5	40.6	39.1	39.1	39.0	35.1	38.0
Special education	12.1	11.1	9.0	10.0	10.0	11.9	13.4	12.0	12.5	12.8
Other instruction	39.5	35.0	38.0	35.5	30.0	18.6	19.9	20.3	20.3	15.3
Support Services:										
Tuition										
Student & instruction related services	6.4	6.2	6.5	6.5	6.4	7.0	9.8	9.8	11.2	9.1
General administrative services	2.5	2.5	2.5	2.5	2.5	1.8	1.8	1.7	1.5	2.7
School administrative services	4.5	4.5	4.5	4.5	4.5	4.7	4.7	4.7	4.7	4.5
Business administrative services	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5
Plant operations and maintenance	5.5	5.5	5.5	5.5	5.5	6.0	6.4	5.4	6.6	6.5
Pupil transportation	1.5	1.5	2.0	2.0	2.0	1.8	2.0	1.6	1.4	1.5
Food Service	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.8	3.8	3.8
Child Care							1.4	1.5	1.5	1.5
Total	<u>116.9</u>	<u>108.2</u>	<u>112.6</u>	<u>111.0</u>	<u>107.5</u>	<u>95.9</u>	<u>103.5</u>	<u>101.3</u>	<u>100.1</u>	<u>97.2</u>

**Source:** District Personnel Records

Washington Township School District  
 Operating Statistics  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2002	665	\$ 6,621,848	\$ 9,958	9.10%	61	14:2	642.6	613.7	-5.98%	95.5%	
2003	649	\$ 6,746,213	\$ 10,395	4.39%	57	13:8	636.4	607.2	-1.06%	95.4%	
2004	695	\$ 7,111,574	\$ 10,232	-1.56%	58	15:3	666.7	636.7	4.86%	95.5%	
2005	669	\$ 7,458,604	\$ 11,149	8.96%	59	13:2	663.7	635.0	-0.27%	95.7%	
2006	662	\$ 7,837,157	\$ 11,839	6.19%	51	13:2	662.9	632.3	-0.43%	95.4%	
2007	670	\$ 8,220,665	\$ 12,270	3.64%	51	13:1	671.7	643.0	1.69%	95.7%	
2008	645	\$ 8,744,265	\$ 13,557	10.49%	53	12:1	651.2	624.1	-2.94%	95.8%	
2009	646	\$ 8,445,011	\$ 13,073	-3.57%	52	12:1	638.7	612.2	-1.91%	95.9%	
2010	648	\$ 8,717,124	\$ 13,452	2.90%	51	12:1	649.7	620.0	1.72%	95.4%	
2011	615	\$ 8,536,481	\$ 13,880	3.18%	51	12:1	613.1	586.4	-5.63%	95.6%	

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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**

**Exhibit J-18**

<u>District Building</u>	<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>
<b><u>Elementary</u></b>										
Brass Castle (1961)										
Square Feet	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400
Capacity (students)	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6
Enrollment	381.4	397.0	421.6	385.6	372.3	413.8	423.1	390.8	391.0	363.0
Port Colden (1932)										
Square Feet	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450
Capacity (students)	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4
Enrollment	261.2	239.3	245.1	278.1	290.6	257.9	228.1	247.9	257.0	252.0
Old School House (District Office)										
Square Feet	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
Capacity (students)	N/A									
Enrollment	N/A									

Number of Schools at June 30, 2011

**Source:** District records, ASSA

Elementary = 2

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and/or additions. Enrollment is based on the annual October district count.

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**Last Nine Fiscal Years Ending June 30, 2011**

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>	<u>Total</u>
Brass Castle	040	\$61,196	\$93,535	\$140,350	\$144,823	\$84,734	\$84,898	\$85,035	\$86,547	\$84,366	\$865,484
Port Colden	050	42,527	64,999	99,259	96,549	56,489	56,599	56,690	57,698	56,244	587,054
<b>Total School Facilities</b>		<b>103,723</b>	<b>158,534</b>	<b>239,609</b>	<b>241,372</b>	<b>141,223</b>	<b>141,497</b>	<b>141,725</b>	<b>144,245</b>	<b>140,610</b>	<b>743,238</b>
Other Facilities											
<b>Grand Total</b>		<b>\$103,723</b>	<b>\$158,534</b>	<b>\$239,609</b>	<b>\$241,372</b>	<b>\$141,223</b>	<b>\$141,497</b>	<b>\$141,725</b>	<b>\$144,245</b>	<b>\$140,610</b>	<b>\$1,452,538</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

**INSURANCE SCHEDULE**

**June 30, 2011**

**UNAUDITED**

**Exhibit J-20**

<b><u>POLICY TYPE</u></b>	<b><u>COVERAGE</u></b>	<b><u>DEDUCTIBLE</u></b>
<b>SCHOOL PACKAGE POLICY - SAIF</b>		
*Property-Blanket Building and Contents	\$ 250,000,000	\$ 1,000
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Comprehensive Crime Coverage (each loss)	50,000	1,000
Blanket Dishonesty Bond (each person)	100,000	1,000
<b>BOILER AND MACHINERY - SAIF</b>		
*Property Damage	100,000,000	1,000
<b>UMBRELLA LIABILITY- SAIF</b>		
Umbrella Policy	5,000,000	Per Occurrence
<b>SCHOOL BOARD LEGAL LIABILITY - SAIF</b>		
Directors and Officers Policy	5,000,000	5,000
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE</b>		
<b>BLANKET POSITION BOND - Selective Insurance</b>		
Board Administrator	35,000	
Treasurer	180,000	

\* School Alliance Insurance Fund (SAIF)

SOURCE: District Records

# Single Audit Section



## **ARDITO & Co., LLP**

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 Anthony F. Ardito, PA, RMA, PSA

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

Honorable President and  
 Members of the Board of Education  
 Washington Township School District  
 County of Warren  
 Washington, New Jersey 07882

We have audited the financial statements of the Board of Education of the Washington Township School District in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated October 15, 2011. 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.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Washington Township School District 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 School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Washington Township School District Board of Education's internal control over financial reporting.

-Continued-

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Washington Township School District 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 solely for the information and use of the audit committee, management, the Washington Township School District Board of Education, the New Jersey State Department of Education, and other 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.



Licensed Public School Accountant No.2369  
ARDITO & CO., LLP

Date: October 15, 2011



## **ARDITO & Co., LLP**

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 Douglas R. Williams, CPA, RMA, PSA  
 Anthony F. Ardito, PA, RMA, PSA

### **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 NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and  
 Members of the Board of Education  
 Washington Township School District  
 County of Warren  
 Washington, New Jersey 07882

#### **Compliance**

We have audited the compliance of the Washington Township School District in the County of Warren, State of New Jersey, with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011. The Washington Township School District 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 School District Board of Education's management. Our responsibility is to express an opinion on the Washington Township School District 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; and the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and New Jersey OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

-Continued-

An audit includes examining, on a test basis, evidence about the Washington Township School District 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 on the Washington Township School District Board of Education's compliance with those requirements.

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

### **Internal Control Over Financial Reporting**

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 state programs. In planning and performing our audit, we considered the Washington Township School District of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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 School District 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 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 state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, the Washington Township School District Board of Education, the New Jersey State Department of Education, and other 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.



Licensed Public School Accountant No.2369  
ARDITO & CO., LLP

Date: October 15, 2011

WASHINGTON TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2011

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2010	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2011			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>State Department of Education</b>															
<b>General Fund</b>															
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	\$ 1,715,914			\$ 1,715,914	\$ (1,715,914)							\$ 170,996	\$ 1,715,914
Transportation Aid	11-495-034-5120-014	7/1/10-6/30/11	255,194			255,194	(255,194)							25,431	255,194
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	312,744			312,744	(312,744)							31,166	312,744
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	46,651			46,651	(46,651)							4,649	46,651
Adjustment Aid	11-495-034-5120-085	7/1/10-6/30/11	131,328			131,328	(131,328)							13,087	131,328
Extraordinary Aid	11-495-034-5120-044	7/1/10-6/30/11	113,934				(113,934)			\$ (113,934)					113,934
Extraordinary Aid	10-495-034-5120-044	7/1/09-6/30/10		\$ (117,801)		117,801									
Non- Public Transportation Aid	10-100-034-5120-068	7/1/09-6/30/10	3,155			3,155	(3,155)								3,155
On-behalf TPAF Pension Contrib.	11-495-034-5095-001	7/1/10-6/30/11	290,995			290,995	(290,995)								290,995
Reimb. TPAF Soc.Secur.Contrib.	11-495-034-5095-002	7/1/10-6/30/11	301,848	(28,631)		303,205	(301,848)				(27,274)				301,848
<b>Total General Fund</b>				<b>(146,432)</b>		<b>3,176,987</b>	<b>(3,171,763)</b>				<b>(141,208)</b>			<b>245,329</b>	<b>3,171,763</b>
<b>Special Revenue Fund</b>															
N.J. Nonpublic Aid:															
Textbooks Aid	11-100-034-5120-064	7/1/10-6/30/11	6,537	223		6,537	(6,537)				\$ 223				6,537
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	7,746			7,746	(7,746)								7,746
Auxiliary Services:															
Compensatory Education	11-100-034-512a-067	7/1/10-6/30/11	27,630			27,630	(27,630)								27,630
ESL	11-100-034-512b-067	7/1/10-6/30/11	598			598	(598)								598
Handicapped Services:															
Examination and Classification	11-100-034-512b-066	7/1/10-6/30/11	11,162			11,162	(11,162)								11,162
Corrective Speech	11-100-034-512a-066	7/1/10-6/30/11	6,102			6,102	(6,102)								6,102
Supplementary Instruction	11-100-034-512c-066	7/1/10-6/30/11	7,643			7,643	(7,643)								7,643
<b>Total Special Revenue Fund</b>				<b>223</b>		<b>67,418</b>	<b>(67,418)</b>				<b>223</b>				<b>67,418</b>
<b>Department of Community Affairs</b>															
<b>Office of Smart Growth</b>															
<b>Capital Projects Fund:</b>															
NJ Historic Trust	2008.2008	7/1/08-6/30/09	273,800	(13,690)		13,690									-
				(13,690)		13,690									-
<b>State Department of Agriculture</b>															
<b>Enterprise Fund:</b>															
Nat.School Lunch Prog.(State Share)	10-100-034-5120-122	7/1/09-6/30/10		(183)		183									
Nat.School Lunch Prog.(State Share)	11-100-034-5120-122	7/1/10-6/30/11	1,709			1,589	(1,709)				(120)				1,709
<b>Total Enterprise Fund</b>				<b>(183)</b>		<b>1,772</b>	<b>(1,709)</b>				<b>(120)</b>				<b>1,709</b>
<b>Total State Financial Assistance</b>				<b>\$ (160,082)</b>		<b>\$ 3,259,867</b>	<b>\$ (3,240,890)</b>				<b>\$ (141,328)</b>	<b>\$ 223</b>		<b>\$ 245,329</b>	<b>\$ 3,240,890</b>

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2011

**NOTE 1. GENERAL**

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Washington Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

**NOTE 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 *N.J.S.A. 18A:22-44.2*. 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 \$39,188 for the general fund and (\$24,260) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2011

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 3,210,951	\$ 3,210,951
Special Revenue Fund	\$ 208,107	59,277	267,384
Food Service Fund	<u>40,193</u>	<u>1,709</u>	<u>41,902</u>
Total Financial Assistance	<u>\$ 248,300</u>	<u>\$ 3,271,937</u>	<u>\$ 3,520,237</u>

**NOTE 4. OTHER**

Revenues 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 employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part I - Summary of Auditor's Results

**Financial Statement Section**

- A) Type of auditor's report issued: Unqualified
  
- B) Internal control over financial reporting:
  - 1) Material weakness(es) identified? \_\_\_ Yes x No
  - 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes  
x None  
Reported
  
- C) Noncompliance material to financial statements noted? \_\_\_ Yes x No

**Federal Awards Section**

N/A

- D) Dollar threshold used to determine Type A programs: \$300,000
  
- E) Auditee qualified as low-risk auditee? \_\_\_ Yes \_\_\_ No
  
- F) Type of auditor's report on compliance for major programs: Unqualified
  
- G) Internal Control over compliance:
  - 1) Material weakness(es) identified? \_\_\_ Yes \_\_\_ No
  - 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes \_\_\_ No
  
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133(Section .510(a))? \_\_\_ Yes \_\_\_ No
  
- I) Identification of major programs:

**CFDA NUMBER(S)**

**NAME OF FEDERAL PROGRAM OR CLUSTER**

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part I - Summary of Auditor's Results

**State Financial Assistance Section**

- J) Dollar threshold used to determine Type A programs: \$300,000
- K) Auditee qualified as low-risk auditee? (1) x\_yes\_\_no
- L) Type of auditor's report on compliance for major programs: Unqualified
- M) Internal Control over compliance:
  - 1) Material weakness(es) identified? \_\_\_yes x\_no
  - 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_yes x\_none reported
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? \_\_\_yes x\_no
- O) Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

<u>11-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>11-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>11-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>11-495-034-5095-002</u>	<u>Reimbursed TPAF Soc. Security Contrib.</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**Section II-Financial Statement Findings**

There were no matters of noncompliance or reportable conditions noted, that are required to be reported in accordance with Government Auditing Standards.

**Section III - State Financial Assistance Findings and Questioned Costs**

**STATE FINANCIAL ASSISTANCE**-There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 04-04.

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

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There were no prior year findings.