

SCHOOL DISTRICT
OF
GREENWICH TOWNSHIP

Greenwich Township School District
Board of Education
Stewartsville, Warren County
New Jersey

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2012

Comprehensive Annual

Financial Report

of the

Greenwich Township School District

Board of Education

Stewartsville, New Jersey

For the Fiscal Year Ending June 30, 2012

Prepared by

Greenwich Township School District

Board of Education

Finance Department

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Introductory Section

GREENWICH TOWNSHIP SCHOOL DISTRICT

Maria Eppolite, Superintendent
Ext. 130

Office of the Superintendent
101 Wyndham Farm Boulevard
Stewartsville, NJ 08886
Telephone: 908-859-2022
Facsimile: 908-859-4522

Janet Weber, Business Administrator
Ext. 124

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

Dear Board Members,

The comprehensive annual financial audit of the Greenwich Township School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This 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 Governments", 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: The Greenwich 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 Greenwich Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include services for regular as well as special needs students. The District completed the 2011-2012 fiscal year with an enrollment of 871 students, which is 35 students below the previous June 30th enrollment. The following details the changes in the student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2001-02	847.8	11.03
2002-03	882.4	4.10
2003-04	908.1	2.91
2004-05	949.3	4.53
2005-06	968.7	2.04
2006-07	991.7	2.37
2007-08	1003.9	1.23
2008-09	986.0	(1.78)
2009-10	974.8	(1.13)
2010-11	905.8	(7.08)
2011-12	870.7	(3.88)

2) ECONOMIC CONDITION AND OUTLOOK: Greenwich Township continues to be a community committed to ensuring the delivery of quality and meaningful educational programming to all of its students. This commitment is balanced with an understanding that the cost of living, including property taxes, continues to grow. Both the Township Committee and the Board of Education remain focused on addressing the needs of the students in a financially efficient and responsible way. The school budget has been extremely lean, however, providing the best possible education for the student enrollment. Efforts have been made to attract alternative funding for special school projects. The school district has been successful in acquiring a number of federal, state and private grants totaling more than \$800,000. Additionally, the district continues to enjoy the strong support of the Greenwich Township PTO and Greenwich Township Autism Alliance, which annually fund a variety of programs and services for the students. Through efforts in the expansion of shared services arrangements, we continue to

maximize the efficiency of the district. Due to the Board's commitment to fiscal responsibility, efforts were made to establish reserve accounts in the areas of Tuition Reserve, Maintenance Reserve, Emergency Reserve and Capital Reserve. The effective management of future budgets continues to be a priority for the Board of Education.

3) MAJOR INITIATIVES: District goals emphasize the implementation of K-8 programming across all curricular areas along with the use and infusion of technology to support and differentiate instruction. Our initiatives are a response to those goals as determined by various committees inclusive of parents, teachers, community members and district administration. Meeting the needs of all students continues to be the underlying theme with an emphasis on inclusive programming for children with exceptional needs, i.e. special education and gifted education.

The district engaged in curriculum revision using the Rubicon Atlas Curriculum Mapping software. This project was conducted by teachers under the direction of the Curriculum Coordinator and in alignment with the NJDOE curriculum revision calendar.

Other initiatives included the purchase of technology in the form of laptops and interactive white boards, technology infrastructure upgrades, multi-modal mathematics, language arts, and social studies programs that infuse technology into ongoing classroom instruction, include a parent and an online component, and are differentiated to meet the needs of struggling learners, grade level students, and gifted students. Reading specialists at both school and Spanish teachers at both schools continue to assist in the provision of effective programming and instruction K-8

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 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 approved for capital improvements are accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

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, Special Revenue and Debt Service Fund revenues for the fiscal year ended June 30, 2012 and the amount and percentage of increases or decreases in relation to prior years.

Revenue Source	Amount	Percent of Total	Increase(Decrease) Amount	Percent
Local	\$ 8,270,563	52.26%	\$ 394,191	5.00%
State	7,113,457	44.95%	(434,620)	(5.76%)
Federal	442,652	2.80%	51,020	13.03%
Total	\$15,826,672	100.00%	\$ 793,613	0.07%

The following schedule presents a summary of General, Special Revenue, Capital Projects and Debt Service Fund expenditures for the fiscal year ended June 30, 2012 and the percentage of increases and decreases in relation to prior years.

Expenditures	Amount	Percent of		Increase(Decrease)	
		Total		Amount	Percent
Current Expense:					
Instruction	\$ 4,135,513	24.97%		\$ 90,376	2.23%
Undistributed	8,944,363	54.00%		232,102	2.66%
Total	13,079,876	78.97%		322,478	2.53%
Capital Outlay	1,383,592	8.35%		1,185,330	597.86%
Capital Projects:					
Debt Service	1,857,458	11.21%		87,504	4.94%
Special Revenue	242,618	1.46%		(149,014)	(38.05%)
Total	\$16,563,544	100.00%		\$1,446,298	9.57%

8) DEBT ADMINISTRATION:

As of June 30, 2012, the District had \$1,864,800 in authorized bond anticipation notes outstanding. This amount was issued on March 14, 2012 at an annual interest rate of 2.0%. This amount was approved by the voters on January 25, 2011 for a various school improvement projects, and is anticipated to be permanently financed through future school bonds of \$1,101,858 and State Grants of \$762,942. Two years of the 2008 Refunding School Bonds remained, with a total of \$715,000 outstanding, Six years of the 2005 Refunding School Bonds remained, with a total of \$4,935,000 outstanding, and eleven years of the 2006 Refunding School Bonds remained, with a total of \$3,995,000 outstanding. Total outstanding bonded debt as of June 30, 2012 was \$9,645,000.

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 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, workers compensation, hazard and theft insurance on property and contents, and fidelity bonds.

11) OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Co., LLP was appointed by the Greenwich 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 and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

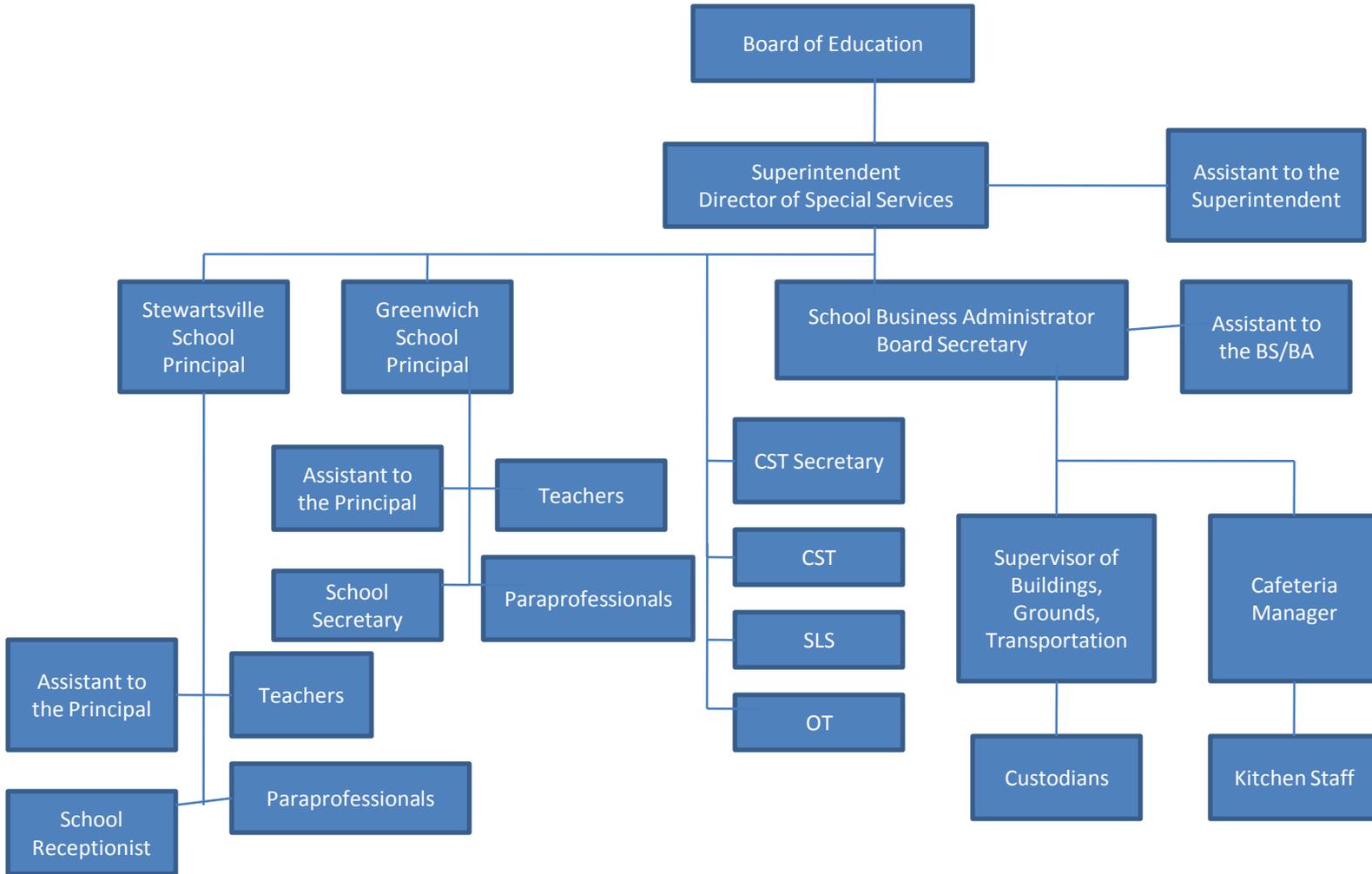
12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Greenwich Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

Maria Eppolite
Superintendent

Janet Weber
Business Administrator/
Board Secretary

Greenwich Township School District Organization Chart



**GREENWICH TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Christopher Wittmann, President	2013
Diane Lein, Vice President	2013
Brian Cenci	2015
Beth Rooney	2015
Kevin Bayne	2014
Victoria Little	2013
Michele Faychak	2015
Denise Valle	2014
Brad Perrone	2014

Other Officials

Maria Eppolite, Superintendent

Victoria L. Stevens, Business Administrator/Board Secretary

Teresa E. Barna, Treasurer

Joanne L. Butler, Esquire, Attorney

**GREENWICH TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

Audit Firm

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1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825**

Attorney

**Joanne L. Butler, Esquire
Schenk, Price, Smith & King, LLP
220 Park Avenue, PO Box 991
Florham Park, New Jersey 07932**

Official Depository

**INVESTORS BANK
101 JFK Parkway
Short Hills, NJ 07078**

Financial Section

Independent Auditor's Report



ARDITO & Co., LLP

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

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Greenwich Township School District
County of Warren
Stewartsville, New Jersey 08886

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 Greenwich Township School District in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Greenwich 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. 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 Greenwich Township School District Board of Education in the County of Warren, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, 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 19, 2012, on our consideration of the Greenwich 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 7.8, and 36 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance is 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 is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements information, long-term debt schedules, and schedule of expenditures of state financial assistance has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements information, long-term debt schedules, and schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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

Date: October 19, 2012

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

GREENWICH TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

The discussion and analysis of Greenwich Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. 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 2012 are as follows:

- ◆ In total, net assets increased \$1,606,720 which represents a 27.3 percent increase from 2011.
- ◆ General revenues accounted for \$8,277,275 in revenue or 51.1 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 \$7,909,753 or 48.9 percent of total revenues of \$16,187,028.
- ◆ Total assets of governmental activities increased by \$925,927 as cash and cash equivalents decreased by \$37,528, receivables increased by \$133,241, and capital assets increased by \$832,787.
- ◆ The School District had \$14,580,308 in expenses; only \$7,909,753 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$8,277,275 were adequate to provide for these programs.
- ◆ Among major funds, the General Fund had \$13,753,533 in revenues and \$13,139,053 in expenditures. The General Fund's surplus balance increased \$614,480 over 2011.

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 Greenwich 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 Greenwich Township School District, the General Fund is by far the most significant fund.

GREENWICH TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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 2012?" 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.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. The School District operates a cafeteria, which is accounted for as a business like activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. 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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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 2012 compared to 2011.

Table 1
Net Assets

	<u>2012</u>	<u>2011</u>
Assets		
Current and Other Assets	\$ 3,641,219	\$ 3,548,079
Capital Assets	<u>16,832,191</u>	<u>15,999,404</u>
Total Assets	<u>20,473,410</u>	<u>19,547,483</u>
Liabilities		
Long-Term Liabilities	8,325,738	9,864,788
Other Liabilities	<u>4,661,787</u>	<u>3,803,530</u>
Total Liabilities	<u>12,987,525</u>	<u>13,668,318</u>
Net Assets		
Invested in Capital Assets, Net of Debt	7,187,191	5,285,206
Restricted	1,326,234	574,309
Unrestricted	<u>(1,027,540)</u>	<u>19,650</u>
Total Net Assets	<u>\$ 7,485,885</u>	<u>\$ 5,879,165</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Total assets increased \$1,606,720. Receivables increased by \$133,241 due to federal grants not yet reimbursed, and capital assets increased by \$832,787, net of depreciation expense, due to capital project spending.

Table 2 shows the changes in net assets from fiscal year 2011.

Table 2
Changes in Net Assets

	<u>2012</u>	<u>2011</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 308,221	\$ 290,131
Federal and State Aid on Capital Projects		762,942
Operating Grants and Contributions	7,601,532	7,215,886
General Revenues:		
Property Taxes	8,099,081	7,795,053
Other	178,194	78,844
Total Revenues	<u>16,187,028</u>	<u>16,142,856</u>
Program Expenses		
Instruction	6,606,282	6,544,109
Support Services:		
Tuition	3,073,629	3,076,798
Pupils and Instructional Staff	1,327,221	1,335,706
General Administration, School Administration, Business	1,025,744	1,076,465
Operations and Maintenance of Facilities	952,956	943,374
Pupil Transportation	653,682	658,841
Business-Type Activities	398,165	250,631
Interest and Fiscal Charges	542,629	546,008
Total Expenses	<u>14,580,308</u>	<u>14,431,932</u>
Increase in Net Assets	<u>\$ 1,606,720</u>	<u>\$ 1,710,924</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

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 50.0 percent of revenues for governmental activities for the Greenwich Township School District for the fiscal year 2012.

Instruction comprises 45.3 percent of district expenses. Support services expenses make up 48.2 percent of the expenses. Support services includes tuition expenses of \$3,073,629 or 21.1 percent of all expenditures, to send township students to high school and other special schools.

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 2011. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>
Instruction	\$ 6,606,282	\$ 3,167,468	\$6,544,109	\$3,273,803
Support Services:				
Tuition	3,073,629	1,583,709	3,076,798	1,706,405
Pupils and Instructional Staff	1,327,221	677,709	1,335,706	702,243
General Admin., School Admin., Business	1,025,744	528,521	1,076,465	597,012
Operation and Maintenance of Facilities	952,956	491,017	943,374	523,199
Pupil Transportation	653,682	336,814	658,841	365,396
Business-Type Activities	398,165	44,521	250,631	(76,119)
Interest and Fiscal Charges	542,629	(159,204)	546,008	(166,024)
Total Expenses	<u>\$14,580,308</u>	<u>\$ 6,670,555</u>	<u>\$14,431,932</u>	<u>\$6,925,915</u>

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

Tuition includes tuition expenses to send township resident students to high school and other special schools.

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

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 and child care.

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 47.9 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 51.4 percent. The community, as a whole, is the primary support for the Greenwich Township School District.

The School District's Funds

Information about the School District's major funds starts on page 10. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$15,826,672 and expenditures of \$16,563,544. The change in fund balance for the year was most significant in the Capital Projects Fund, a decrease of \$1,313,350 due to current year projects spending. Currently a temporary notes payable in the amount of \$1,864,800, including both local and state share, has been issued to provide cash flow for the capital projects.

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 2012 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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf and reimbursed TPAF items, was \$12,966,431, \$247,119 over original budgeted estimates of \$12,719,312. This difference was due primarily to additional state aid in the form of transportation, security, extraordinary, and non-public transportation state aid of \$245,777.

The General fund revenues and other financing sources of the School District exceeded expenditures by approximately \$648,039, while a \$317,208 deficit was budgeted. The district was able, through additional state aid revenues and expense cost savings, to overcome the original budgeted deficit and reserve \$385,280 of additional funds into the tuition reserve account for use in future periods.

Capital Assets

At the end of the fiscal year 2012, the School District had \$16,832,191 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2012 balances compared to 2011.

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

	<u>2012</u>	<u>2011</u>
Land Improvements	\$ 26,247	\$ 34,015
Buildings and Improvements	16,498,926	15,663,164
Machinery and Equipment	<u>307,018</u>	<u>302,225</u>
Totals	<u>\$ 16,832,191</u>	<u>\$ 15,999,404</u>

Increases in capital assets (primarily buildings and improvements, machinery and equipment due to capital projects spending) were offset by depreciation expenses for the year.

Debt Administration

At June 30, 2012, the School District had \$9,710,738 as outstanding debt. Of this amount \$65,738 is for compensated absences and the balance of \$9,645,000 is for bonds for school construction.

At June 30, 2012, the School District's overall legal debt margin was \$22,718,021 and the unvoted debt margin was \$13,073,021.

GREENWICH TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

For the Future

The Greenwich Township School District is in good financial condition presently. A major concern is the increased reliance on local property taxes in light of continued decreases in state aid. However, future finances are not without challenges as the community continues to grow and state funding is decreased.

Greenwich Township School District successfully passed the 2012-2013 school budget. It has been increasingly difficult to balance educational needs with increases in property tax rates. The steady decrease in state aid to offset local property taxes and the economic downturn is thought to be the main reasons for the problem. In the past, the District garnered local support of its budget for over 10 years. This problem seems to be statewide and is not exclusive to the Greenwich Township School District. The Greenwich Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden.

In conclusion, the Greenwich 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 future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Janet Weber, School Business Administrator/Board Secretary at Greenwich Township School District, 101 Wyndham Farm Blvd., Stewartsville, NJ 08886, or E-mail at weberjanet@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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET ASSETS

June 30, 2012

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and Cash Equivalents	\$ 1,753,594	\$ 110,085	\$ 1,863,679
Receivables, Net	1,112,806	757	1,113,563
Interfund Receivable	9,848	4,689	14,537
Inventory		7,059	7,059
Restricted Assets:			
Capital Reserve Account - Cash	50,001		50,001
Maintenance Reserve Account - Cash	50,000		50,000
Emergency Reserve Account - Cash	25,000		25,000
Tuition Reserve Account - Cash	517,380		517,380
Capital Assets, Net (Note 5):	16,780,030	52,161	16,832,191
Total Assets	<u>20,298,659</u>	<u>174,751</u>	<u>20,473,410</u>
LIABILITIES			
Accounts Payable	10,665		10,665
Interfund Payable	4,689	4,518	9,207
Notes Payable	1,864,800		1,864,800
Deferred Revenue	1,185,614	7,925	1,193,539
Accrued Interest	198,576		198,576
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,385,000		1,385,000
Due Beyond One Year	8,325,738		8,325,738
Total Liabilities	<u>12,975,082</u>	<u>12,443</u>	<u>12,987,525</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,135,030	52,161	7,187,191
Restricted for:			
Other Purposes	1,326,234		1,326,234
Unrestricted	(1,137,687)	110,147	(1,027,540)
Total Net Assets	<u>\$ 7,323,577</u>	<u>\$ 162,308</u>	<u>\$ 7,485,885</u>

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 4,794,881		\$ 2,560,750		\$ (2,234,131)		\$ (2,234,131)
Special Education	1,509,108		731,530		(777,578)		(777,578)
Other Special Instruction	302,293		146,534		(155,759)		(155,759)
Support Services:							
Tuition	3,073,629		1,489,920		(1,583,709)		(1,583,709)
Student & Instruction Related Serv.	1,327,221		649,512		(677,709)		(677,709)
School Administrative Services	441,338		213,936		(227,402)		(227,402)
General and Business Admin. Serv.	584,406		283,287		(301,119)		(301,119)
Plant Operations and Maintenance	952,956		461,939		(491,017)		(491,017)
Pupil Transportation	653,682		316,868		(336,814)		(336,814)
Interest on Long-Term Debt	490,288		701,833		211,545		211,545
Unallocated Depreciation	52,341				(52,341)		(52,341)
Total Governmental Activities	14,182,143	-	7,556,109		(6,626,034)		(6,626,034)
Business-Type Activities:							
Food Service	208,907	130,925	45,423		\$ (32,559)		(32,559)
Pre-School Services	29,614	41,114			11,500		11,500
Child Care	159,644	136,182			(23,462)		(23,462)
Total Business-Type Activities	398,165	308,221	45,423	-	-	(44,521)	(44,521)
Total Primary Government	\$ 14,580,308	\$ 308,221	\$ 7,601,532		\$ (6,626,034)	\$ (44,521)	\$ (6,670,555)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 6,981,458		\$ 6,981,458
Taxes Levied for Debt Service					1,117,623		1,117,623
Investment Earnings					11,971		11,971
Miscellaneous Income					159,511	\$ 6,712	166,223
Total General Revenues, Special Items, Extraor. Items & Transfers					8,270,563	6,712	8,277,275
Change in Net Assets					1,644,529	(37,809)	1,606,720
Net Assets—Beginning					5,679,048	200,117	5,879,165
Net Assets—Ending					\$ 7,323,577	\$ 162,308	\$ 7,485,885

The accompanying Notes to Basic Financial Statements are an integral part of this statement. 9

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2012

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,992,950		\$ 402,921	\$ 104	\$ 2,395,975
Interfund Receivables	142,489				142,489
Receivables from Other Governments	188,392	\$ 161,472	762,942		1,112,806
TOTAL ASSETS	\$ 2,323,831	\$ 161,472	\$ 1,165,863	\$ 104	\$ 3,651,270
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 10,665				\$ 10,665
Temporary Notes Payable			\$ 1,864,800		1,864,800
Interfund Payable	4,689	\$ 132,641			137,330
Deferred Revenue	1,156,783	28,831			1,185,614
Total Liabilities	1,172,137	161,472	1,864,800	-	3,198,409
Fund Balances:					
<u>Restricted for:</u>					
Capital Reserve Account	50,001				50,001
Maintenance Reserve Account	50,000				50,000
Emergency Reserve Account	25,000				25,000
Tuition Reserve Account	517,380				517,380
<u>Assigned to:</u>					
Year-End Encumbrances	27,003		107,135		134,138
General Fund-Designated for Subsequent Year's Expend.	683,853				683,853
Capital Projects Fund			(806,072)		(806,072)
Debt Service Fund				\$ 104	104
<u>Unassigned:</u>					
General Fund - Undesignated	(201,543)				(201,543)
Total Fund Balances	1,151,694	-	(698,937)	104	452,861
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,323,831	\$ 161,472	\$ 1,165,863	\$ 104	\$ 3,651,270

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 \$23,817,043 and the accumulated depreciation is \$7,037,013.	\$ 16,780,030
Accrued Interest on 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 6)	(198,576)
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 6)	<u>(9,710,738)</u>
Net assets of governmental activities	<u>\$ 7,323,577</u>

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local Tax Levy	\$ 6,981,458			\$ 1,117,623	\$ 8,099,081
Miscellaneous	160,417		\$ 11,065		171,482
Total - Local Sources	7,141,875		11,065	1,117,623	8,270,563
State Sources	6,411,624			701,833	7,113,457
Federal Sources	200,034	\$ 242,618			442,652
Total Revenues	13,753,533	242,618	11,065	1,819,456	15,826,672
EXPENDITURES					
Current:					
Regular Instruction	2,807,579	236,467			3,044,046
Special Education Instruction	1,106,324				1,106,324
Other Special Instruction	221,610				221,610
Support services and undistributed costs:					
Tuition	3,073,629				3,073,629
Student and Instruction Related Services	966,832	6,151			972,983
School Administrative Services	323,544				323,544
Other Administrative Services	428,427				428,427
Plant Operations and Maintenance	698,610				698,610
Pupil Transportation	653,682				653,682
Unallocated Benefits	2,799,639				2,799,639
Debt Service:					
Principal				1,360,000	1,360,000
Interest and Other Charges				497,458	497,458
Capital Outlay	59,177		1,324,415		1,383,592
Total Expenditures	13,139,053	242,618	1,324,415	1,857,458	16,563,544
Excess (Deficiency) of Revenues Over Expenditures	614,480		(1,313,350)	(38,002)	(736,872)
Net Change in Fund Balances	614,480		(1,313,350)	(38,002)	(736,872)
Fund Balance—July 1	537,214		614,413	38,106	1,189,733
Fund Balance—June 30	\$ 1,151,694	-	\$ (698,937)	\$ 104	\$ 452,861

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

**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, 2012**

Total Net Change in Fund Balances - Governmental Funds (from B-2) (\$736,872)

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	\$ (523,411)	
	Capital Outlays	<u>1,368,362</u>	844,951

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 1,360,000

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This is the amount by which current year's amount of interest accrual exceeds the prior year's amount. 22,400

Payment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. Additionally, any unpaid earned compensated absence is not reported as an expenditure in the governmental funds, but is recorded as an expenditure in the statement of activities. 154,050

Change in Net Assets of Governmental Activities \$1,644,529

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

STATEMENT OF PROPRIETARY NET ASSETS
PROPRIETARY FUNDS

June 30, 2012

	Business-Type Activities- Enterprise Funds			<u>Totals</u>
	<u>Food Service</u>	<u>Pre-School Services</u>	<u>Child Care</u>	
ASSETS				
Current assets:				
Cash and Cash Equivalents	\$ 3,341	\$ 59,308	\$ 47,436	\$ 110,085
Accounts Receivable	757			757
Interfund Receivables	4,689			4,689
Inventories	7,059			7,059
Total Current Assets	<u>15,846</u>	<u>59,308</u>	<u>47,436</u>	<u>122,590</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	216,300			216,300
Less Accumulated Depreciation	(164,139)			(164,139)
Total Noncurrent Assets	<u>52,161</u>			<u>52,161</u>
Total Assets	<u>68,007</u>	<u>59,308</u>	<u>47,436</u>	<u>174,751</u>
LIABILITIES				
Current liabilities:				
Interfund Payables			4,518	4,518
Deferred Revenue	2,925	5,000		7,925
Total Current Liabilities	<u>2,925</u>	<u>5,000</u>	<u>4,518</u>	<u>12,443</u>
Total Liabilities	<u>2,925</u>	<u>5,000</u>	<u>4,518</u>	<u>12,443</u>
NET ASSETS				
Invested in Capital Assets Net of Related Debt	52,161			52,161
Unrestricted	12,921	54,308	42,918	110,147
Total Net Assets	<u>\$ 65,082</u>	<u>\$ 54,308</u>	<u>\$ 42,918</u>	<u>\$ 162,308</u>

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities-			Total
	Enterprise Fund			
	Food	Pre-School	Child	Total
	Service	Services	Care	Enterprise
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 84,901			\$ 84,901
Daily Sales - Non-Reimbursable Programs	46,024			46,024
Miscellaneous	6,712	41,114	\$ 136,182	184,008
Total Operating Revenues	137,637	41,114	136,182	314,933
Operating Expenses:				
Cost of Sales	90,488			90,488
Salaries	101,956	29,614	78,519	210,089
Other Purchased Professional Services	4,299		81,125	85,424
Depreciation	12,164			12,164
Total Operating Expenses	208,907	29,614	159,644	398,165
Operating Income (Loss)	(71,270)	11,500	(23,462)	(83,232)
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	1,666			1,666
Federal Sources:				
National School Lunch Program	29,588			29,588
Food Distribution Program	14,169			14,169
Total Nonoperating Revenues (Expenses)	45,423			45,423
Income (Loss) Before Contributions and Transfers	(25,847)	11,500	(23,462)	(37,809)
Total Net Assets—Beginning	90,929	42,808	66,380	200,117
Total Net Assets—Ending	\$ 65,082	\$ 54,308	\$ 42,918	\$ 162,308

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds			
	<u>Food Service</u>	<u>Pre-School Services</u>	<u>Child Care</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 136,854	\$ 46,114	\$ 137,886	\$ 320,854
Payments to Employees	(102,615)	(29,614)	(78,519)	(210,748)
Payments to Suppliers	(77,894)		(81,125)	(159,019)
Net Cash Provided by (used for) Operating Activities	(43,655)	16,500	(21,758)	(48,913)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources		1,413		1,413
Federal Sources		24,976		24,976
Operating Transfers from Other Funds		1,680		1,680
Net Cash Provided by (used for) Non-Capital Financing Activities		28,069		28,069
Net Increase (Decrease) in Cash and Cash Equivalents	(15,586)	16,500	(21,758)	(20,844)
Balances—Beginning of Year	18,927	42,808	69,194	130,929
Balances—End of Year	\$ 3,341	\$ 59,308	\$ 47,436	\$ 110,085
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:				
Operating Income (Loss)	\$ (71,270)	\$ 11,500	\$ (23,462)	\$ (83,232)
Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	12,164			12,164
Federal Commodities	14,169			14,169
(Increase) Decrease in Inventories	2,522			2,522
(Increase) Decrease in Receivables	(1,240)	5,000	1,704	5,464
Total Adjustments	27,615	5,000	1,704	34,319
Net Cash Provided by (used for) Operating Activities	\$ (43,655)	\$ 16,500	\$ (21,758)	\$ (48,913)

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-7

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

June 30, 2012

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>293,498</u>
Total Assets	\$ <u>293,498</u>
LIABILITIES	
Payroll Deductions and Withholdings	\$ 70,178
Accrued Salaries and Wages-Summer Plan	183,870
Accrued Salaries and Wages	161
Interfund Payable	776
Payable to Student Groups	<u>38,513</u>
Total Liabilities	\$ <u>293,498</u>

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

Notes to Financial Statements

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Greenwich 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, 2011.

A. Reporting Entity:

The Greenwich 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 nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Greenwich Township School District had an approximate enrollment at June 30, 2012, of 870 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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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.

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

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

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	15
Grounds Equipment	15

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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 and/or retirement, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee at initial employment.

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, 2012, but which were levied to finance fiscal year 2013 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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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.

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

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, 2012, 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, 2012, cash and cash equivalents and investments 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	\$ 1,863,679	\$ 293,498	\$2,157,177
Checking Accounts-Reserves	642,381		642,381
	\$2,506,060	\$293,498	\$2,799,558

The carrying amount of the Board's cash and cash equivalents at June 30, 2012, was \$2,799,588 and the bank balance was \$3,445,110. 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, \$250,000 was covered by federal depository insurances and \$3,195,110 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2012, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government-Wide Financial Statements</u>
State Aid	\$946,096	\$946,135
Federal Aid	166,710	167,428
Gross Receivable	1,112,806	1,113,563
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	\$1,112,806	\$1,113,563

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2012, consisted of the following:

Food	\$	6,001
Supplies		<u>1,058</u>
		<u><u>\$ 7,059</u></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: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
Governmental Activities:				
Total Capital Assets Not Being Depreciated	-	-	-	-
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	\$ 153,163			\$ 153,163
Buildings and Building Improvements	21,916,526	\$ 1,324,415		23,240,941
Machinery and Equipment	378,992	43,947		422,939
Total at Historical Cost	<u>22,448,681</u>	<u>1,368,362</u>	-	<u>23,817,043</u>
Less Accumulated Depreciation for:				
Land Improvements	(119,148)	(7,768)		(126,916)
Building and Improvements	(6,253,362)	(488,653)		(6,742,015)
Equipment	(141,092)	(26,990)		(168,082)
Total Accumulated Depreciation	<u>(6,513,602)</u>	<u>(523,411)</u>	-	<u>(7,037,013)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>15,935,079</u>	<u>844,951</u>	-	<u>16,780,030</u>
Government Activity Capital Assets, Net	<u>\$ 15,935,079</u>	<u>\$ 844,951</u>	<u>\$ -</u>	<u>\$ 16,780,030</u>

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	\$	471,070
Unallocated		<u>52,341</u>
Total		<u><u>\$ 523,411</u></u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 6: 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, 2012, are as follows:

	Balance		Balance	Amounts
	<u>7/1/11</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/12</u>
				<u>Due Within</u>
				<u>One Year</u>
Governmental Activities:				
Bonds Payable:				
General Obligation Debt	\$ 11,005,000		\$ (1,360,000)	\$ 9,645,000
Other Liabilities:				
Compensated Absences Payable	219,788		(154,050)	65,738
Total	<u>\$ 11,224,788</u>	<u>\$ -</u>	<u>\$ (1,514,050)</u>	<u>\$ 9,710,738</u>
				<u>\$ 1,385,000</u>

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, 2012, it is not necessary for the Board to establish a liability for arbitrage rebate.

	Government Activities			
	<u>Issue</u>	<u>Interest</u>	<u>Date of</u>	<u>Balance</u>
	<u>Dates</u>	<u>Rates</u>	<u>Maturity</u>	<u>6/30/12</u>
Refund of 1998 Bonds-Series 2010	7/15/10	3.0%	1/15/14	\$ 715,000
Refund of 1998 Bonds-Series 2005	6/15/05	3.00-5.00%	1/15/18	4,935,000
Refund of 2001 Bonds-Series 2006	7/6/06	3.50-4.25%	7/1/22	3,995,000
Total Bonds				<u>\$ 9,645,000</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 6: LONG-TERM OBLIGATIONS (Continued)

B. Debt Service Requirements:

Debt Service requirements on serial bonds payable at June 30, 2012, is as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,385,000	\$ 412,007	\$ 1,797,007
2014	1,410,000	365,894	1,775,894
2015	1,105,000	305,388	1,410,388
2016	1,165,000	253,132	1,418,132
2017	1,225,000	197,301	1,422,301
Thereafter	<u>3,355,000</u>	<u>356,802</u>	<u>3,711,802</u>
	<u>\$9,645,000</u>	<u>\$1,890,524</u>	<u>\$11,535,524</u>

C. Temporary Financing:

As of June 30, 2012, the District had \$1,864,800 in authorized bond anticipation notes outstanding. This amount was issued on March 14, 2012 at an annual interest rate of 1.5%. This amount was approved by the voters on January 25, 2011 for a various school improvement projects, and is anticipated to be permanently financed through future school bonds of \$1,101,858 and State Grants of \$762,942. The maturity date is March 13, 2013.

D. Advance Refunding:

The 2005 School Bonds were issued to advance refund a portion (\$7,470,000) of the 1998 School Bonds. The 2011 School Bonds were issued on July 15, 2011 to advance refund the remaining portion (\$1,425,000) of the 1998 School Bonds. The balance outstanding on the refunded 1998 School Bonds was zero at June 30, 2012.

On July 6, 2006, school bonds were issued to advance refund a portion (\$4,365,000) of the 2001 School Bonds. The balance outstanding on the refunded 2001 School Bonds was zero at June 30, 2012.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 7: 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.

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 7: PENSION PLANS (Continued)

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

Year <u>Funding</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2012	\$108,677	100 %	-0-
6/30/2011	\$95,522	100	-0-
6/30/2010	\$75,307	100	-0-

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

Year <u>Funding</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2012	-0-	100 %	-0-
6/30/2011	-0-	100	-0-
6/30/2010	-0-	100	-0-

During the fiscal year ended June 30, 2012, the State of New Jersey did contribute \$466,483 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 \$354,178 during the year ended June 30, 2012, 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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 8: 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, 2011 there were 93,323 retirees receiving 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

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.

NOTE 9: 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 National Life

NOTE 10: 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 and/or retirement, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee at initial employment.

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 10: COMPENSATED ABSENCES (Continued)

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, 2012, no liability existed for compensated absences in the proprietary fund types.

NOTE 11: RISK MANAGEMENT

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

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.

NOTE 12: 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.

ARBITRAGE REBATE

As part of a major school building program, bonded debt was issued in excess of limits that could require payment of arbitrage rebates as required under applicable provisions of the Internal Revenue Code. Arbitrage reporting and tracking is maintained by the District and estimated future value of such liability, if any, will be determined at completion of the capital project.

LITIGATION

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

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,151,694 General Fund fund balance at June 30, 2012, \$27,003 has been reserved for encumbrances, \$50,001 has been reserved in the Capital Reserve Account; \$50,000 has been reserved in the Maintenance Reserve Account; \$25,000 has been reserved in the Emergency Reserve Account; 517,380 has been reserved for Tuition Adjustments; \$683,853 is designated for subsequent year's expenditures as anticipated revenue for the year ending June 30, 2013; and, (\$201,543) is unreserved and undesignated.

Debt Service Fund (Exhibit B-1) - Of the \$104 fund balance at June 30, 2012, \$104 is appropriated and included as revenue anticipated for the year ending June 30, 2013.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Greenwich Township School District Board of Education by inclusion of \$1. on October 11, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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 or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ 50,001
Ending Balance, June 30, 2012	<u>\$ 50,001</u>

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2012, 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 emergency reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance July 1, 2011	\$ 50,000
Ending balance June 30, 2012	<u>\$ 50,000</u>

NOTE 16: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the School District Board of Education in fiscal year 2012, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance July 1, 2011	\$ 25,000
Ending balance June 30, 2012	<u>\$ 25,000</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 17: TUITION ADJUSTMENTS

The district has established a tuition reserve for future tuition adjustments, pursuant to N.J.A.C. 6A:23-3.1(f), in an amount not more than 10% of the formal receiving/sending contract with Phillipsburg School District. \$132,100 has been reserved for the 2010-2011 tuition adjustment due in fiscal year 2012-2013 and \$385,280 has been reserved for the 2011-2012 tuition adjustment due in fiscal year 2013-2014. These amounts will be anticipated as revenue in the 2012-2013 and 2013-2014 budget years and are expected to partially offset the actual certified tuition adjustment charges.

NOTE 18: 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, 2012 is zero.

NOTE 19: DEFICIT FUND BALANCES

The District has an accumulated deficit of \$698,937 in the Capital Projects Fund as of June 30, 2012. This deficit is the result of the district utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

NOTE 20: RETROACTIVE RESTATEMENT OF NET ASSETS

Restatement of Prior Period:

As an ongoing process of maintaining records in accordance with GASB#34, the district conducted a physical appraisal of capital assets as of June 30, 2012. The appraisal revealed asset activity that that should be recorded as of June 30, 2011. Accordingly, a restatement of net assets as of June 30, 2011 was necessary.

<u>Governmental Activities Net Assets:</u>	
Net Assets (per A-1), June 30, 2011	\$ 6,095,172
Restatement of Capital Assets	<u>(416,124)</u>
Fund balance (per A-1), June 30, 2011, as Restated	<u>\$ 5,679,048</u>

NOTE 21: DEFERRED REVENUE

On June 28, 2012, the District collected \$1,156,783 in advance payment of the 2012-2013 tax levy from the Township of Greenwich. This amount is deferred and will be recognized as revenue in the 2012-2013 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,981,458		\$ 6,981,458	\$ 6,981,458	
Miscellaneous	165,151		165,151	160,417	(4,734)
Total - Local Sources	<u>7,146,609</u>		<u>7,146,609</u>	<u>7,141,875</u>	<u>(4,734)</u>
State Sources:					
Equalization Aid	4,572,039		4,572,039	4,572,039	
Special Education Aid	664,582		664,582	664,582	
Transportation Aid			-	115,111	115,111
Security Aid	69,389		69,389	91,112	21,723
Other State Aid	72,735		72,735	181,678	108,943
TPAF Pension (On-Behalf - Non-Budgeted)				466,483	466,483
TPAF Social Security (Reimbursed - Non-Budgeted)				354,178	354,178
Total State Sources	<u>5,378,745</u>	<u>-</u>	<u>5,378,745</u>	<u>6,445,183</u>	<u>1,066,438</u>
Federal Sources:					
Education Jobs Grant	193,958	6,076	200,034	200,034	
Total Federal Sources	<u>193,958</u>	<u>6,076</u>	<u>200,034</u>	<u>200,034</u>	
TOTAL REVENUES	<u>12,719,312</u>	<u>6,076</u>	<u>12,725,388</u>	<u>13,787,092</u>	<u>1,061,704</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	107,586	9,630	117,216	116,573	643
Grades 1-5 - Salaries of Teachers	1,585,610	45,256	1,630,866	1,626,635	4,231
Grades 6-8 - Salaries of Teachers	829,457	(26,475)	802,982	794,268	8,714

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Regular Programs - Home Instruction:					
Salaries of Teachers	7,000	1,110	8,110	5,310	2,800
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	2,000	(1,110)	890	416	474
Purchased Technical Services	15,000	4,484	19,484	19,484	
Other Purchased Services (400-500 series)	95,000	(4,476)	90,524	86,812	3,712
General Supplies	257,815	(94,538)	163,277	143,994	19,283
Textbooks	12,315	10,497	22,812	13,522	9,290
Other Objects	2,510		2,510	565	1,945
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,914,293	(55,622)	2,858,671	2,807,579	51,092
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	62,128	1,010	63,138	63,138	
Other Salaries for Instruction	17,136	(538)	16,598	16,443	155
General Supplies	213	94	307	307	
Total Multiple Disabilities	79,477	566	80,043	79,888	155
Resource Room/Resource Center:					
Salaries of Teachers	861,629	(29,442)	832,187	829,454	2,733
Other Salaries for Instruction	110,638	15,442	126,080	126,065	15
General Supplies	2,459	(625)	1,834	1,202	632
Total Resource Room/Resource Center	974,726	(14,625)	960,101	956,721	3,380
Preschool Disabilities - Part-Time:					
Salaries of Teachers	48,453	1,364	49,817	49,817	
Other Salaries for Instruction	19,479	274	19,753	19,748	5
General Supplies	150		150	150	
Other Objects	150	(45)	105		105
Total Preschool Disabilities - Part-Time	68,232	1,593	69,825	69,715	110
Home Instruction:					
Salaries of Teachers	5,000	404	5,404		5,404
Purchased Professional-Educational Services	1,000	1,000	2,000		2,000
Total Home Instruction	6,000	1,404	7,404		7,404
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,128,435	(11,062)	1,117,373	1,106,324	11,049

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	95,706	67,487	163,193	162,345	848
Other Salaries for Instruction	10,909	(3,450)	7,459	5,872	1,587
General Supplies	300		300	300	
Total Basic Skills/Remedial - Instruction	106,915	64,037	170,952	168,517	2,435
Summer School - Instruction:					
Salaries	40,880	(10,353)	30,527	30,527	
Purchased Professional and Technical Services	3,100	(1,324)	1,776	1,776	
Supplies and Materials	8,200	13,077	21,277	20,790	487
Total Summer School - Instruction	52,180	1,400	53,580	53,093	487
TOTAL INSTRUCTION	4,201,823	(1,247)	4,200,576	4,135,513	65,063
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State-Regular	2,393,370	12,056	2,405,426	2,404,504	922
Tuition to Other LEAs Within the State-Special	153,174	(1,147)	152,027	125,769	26,258
Tuition to County Voc. School District-Regular	33,918	1,373	35,291	33,918	1,373
Tuition to County Voc. School District-Special	26,000		26,000	26,000	
Tuition to CSSD & Regional Day Schools	150,400		150,400	130,189	20,211
Tuition to Private Schools for the Disabled-Within State	290,625	93,647	384,272	353,249	31,023
Total Instruction	3,047,487	105,929	3,153,416	3,073,629	79,787
Health Services:					
Salaries	112,550	1,706	114,256	114,256	
Purchased Professional and Technical Services	6,000	(740)	5,260	4,800	460
Other Purchased Services (400-500 series)	230	(6)	224	94	130
Supplies and Materials	2,106	136	2,242	2,242	
Other Objects	200		200	170	30
Total Health Services	121,086	1,096	122,182	121,562	620
Other Supp. Services Students-Related Services:					
Salaries	122,519	720	123,239	123,239	
Purchased Professional - Educational Services	28,000	(6,000)	22,000	16,764	5,236
Total Other Supp. Services Students-Related Services	150,519	(5,280)	145,239	140,003	5,236
Other Supp. Services Students-Extra.Services:					
Purchased Professional - Educational Services	180,135		180,135	173,168	6,967
Total Other Supp. Services Students-Extra.Services	180,135		180,135	173,168	6,967
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	123,092	1,060	124,152	124,152	
Other Purchased Services (400-500 series)		662	662	662	
Supplies and Materials	1,800	(593)	1,207	453	754
Total Other Supp. Services Students-Regular	124,892	1,129	126,021	125,267	754

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	168,390	1,818	170,208	170,208	
Salaries of Secretarial & Clerical Assistants	10,950		10,950	10,950	
Purchased Professional - Educational Services	5,000	(894)	4,106	1,250	2,856
Other Purchased Services (400-500 series O/than Resid.Costs)	700		700	230	470
Total Other Supp. Services Students-Special	185,040	924	185,964	182,638	3,326
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction		31,276	31,276	30,500	776
Salaries of Other Professional Staff	111,912	(39,008)	72,904	45,148	27,756
Other Salaries	4,500		4,500	337	4,163
Supplies and Materials	3,000		3,000	39	2,961
Total Improvement of Instruction Services	119,412	(7,732)	111,680	76,024	35,656
Educational Media Services/School Library:					
Salaries	83,851	590	84,441	84,440	1
Other Purchased Services (400-500 series)	8,000	4,928	12,928	12,928	
Supplies and Materials	26,159	(4,928)	21,231	21,215	16
Total Educational Media Services/School Library	118,010	590	118,600	118,583	17
Instructional Staff Training Services:					
Purchased Professional - Educational Services	25,000	894	25,894	25,894	
Other Purchased Services (400-500 series)	6,000	198	6,198	3,693	2,505
Total Instructional Staff Training Services	31,000	1,092	32,092	29,587	2,505
Supp. Services - General Administration:					
Salaries	143,126	12,000	155,126	155,126	
Legal Services	30,000	8,520	38,520	34,903	3,617
Audit Fees	12,000		12,000	11,782	218
Architectural/Engineering Fees		3,500	3,500	2,500	1,000
Other Purchased Professional Services	10,770	6,480	17,250	6,915	10,335
Communications/Telephone	25,976		25,976	14,456	11,520
BOE Other Purchased Services	2,000	273	2,273	2,273	
Other Purchased Services (400-500 series)	24,500	14,773	39,273	29,097	10,176
General Supplies	5,218	20	5,238	2,641	2,597
BOE In-House Training/Meeting Supplies Judgements	300	(60)	240	140	100
Miscellaneous Expenditures	5,500	(2,174)	3,326	2,260	1,066
BOE Membership Dues and Fees	5,200	2,168	7,368	7,368	
Total Supp. Services - General Administration	264,590	45,500	310,090	269,461	40,629

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	162,776		162,776	162,776	
Salaries of Other Professional Staff	44,100	6,000	50,100	50,100	
Salaries of Secretarial and Clerical Assistants	98,704	2,165	100,869	100,869	
Other Purchased Professional and Tech. Svcs		4,870	4,870	2,619	2,251
Other Purchased Services (400-500 series)	4,200	(75)	4,125	996	3,129
Supplies and Materials	12,221	(760)	11,461	5,065	6,396
Other Objects	2,178		2,178	1,119	1,059
Total Support Services - School Administration	324,179	12,200	336,379	323,544	12,835
Central Services:					
Salaries	113,342		113,342	113,342	
Purchased Professional Services	8,735		8,735	8,475	260
Miscellaneous Purchased Services (400-500 series)	13,000	(2,500)	10,500	8,861	1,639
Supplies and Materials	2,500		2,500	609	1,891
Other Objects	1,600		1,600	1,134	466
Total Central Services	139,177	(2,500)	136,677	132,421	4,256
Admin Info. Tech.:					
Purchased Technical Services	26,500	2,500	29,000	26,545	2,455
Total Admin Info. Tech.	26,500	2,500	29,000	26,545	2,455
Required Maintenance for School Facilities:					
Salaries	15,361	80	15,441	15,361	80
Cleaning, Repair and Maintenance Services	60,900	5,675	66,575	66,575	
General Supplies	10,000	1,090	11,090	11,090	
Total Required Maintenance for School Facilities	86,261	6,845	93,106	93,026	80
Other Operations and Maintenance of Plant:					
Salaries	232,258	(1,771)	230,487	211,658	18,829
Purchased Professional & Technical Services	750	(360)	390	350	40
Cleaning, Repair and Maintenance Services	19,800	360	20,160	19,298	862
Other Purchased Property Services	78,000	10,523	88,523	71,571	16,952
Insurance	20,000	356	20,356	16,855	3,501
Miscellaneous Purchased Services	596		596	441	155
General Supplies	23,121	4,610	27,731	19,883	7,848
Energy (Natural Gas)	60,000	533	60,533	42,621	17,912
Energy (Electricity)	262,000	(5,621)	256,379	211,619	44,760
Total Other Operations and Maintenance of Plant	696,525	8,630	705,155	594,296	110,859

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	34,000	(1,388)	32,612	10,404	22,208
General Supplies	3,000		3,000	884	2,116
Total Care and Upkeep of Grounds:	<u>37,000</u>	<u>(1,388)</u>	<u>35,612</u>	<u>11,288</u>	<u>24,324</u>
Student Transportation Services:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	51,779	1,200	52,979	52,979	
Management Fee	13,000	(1,200)	11,800	8,770	3,030
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	37,128	(1,768)	35,360	29,528	5,832
Contracted Services (Between Home and School)-Vendors	306,675	1,736	308,411	308,252	159
Contracted Services (Between Home and School)-Joint Agrmts.	7,677	1,228	8,905	1,228	7,677
Contracted Services (Special Education Students)-Vendors	291,000	(296)	290,704	235,053	55,651
Contracted Services (Special Education Students)-Joint Agrmts	78,000	(900)	77,100	17,872	59,228
Total Student Transportation Services	<u>785,259</u>	<u></u>	<u>785,259</u>	<u>653,682</u>	<u>131,577</u>
UNALLOCATED BENEFITS :					
Social Security Contributions	106,542	(2,623)	103,919	95,513	8,406
Other Retirement Contributions - Regular	114,337		114,337	108,677	5,660
Unemployment Compensation	20,064	2,623	22,687	22,687	
Workmen's Compensation	45,000		45,000	42,782	2,218
Health Benefits	2,006,452	(73,378)	1,933,074	1,646,219	286,855
Tuition Reimbursement	40,000		40,000	24,367	15,633
Other Employee Benefits	50,000		50,000	38,733	11,267
TOTAL UNALLOCATED BENEFITS	<u>2,382,395</u>	<u>(73,378)</u>	<u>2,309,017</u>	<u>1,978,978</u>	<u>330,039</u>
On-behalf TPAF pension Contrib. (non-budgeted)				466,483	(466,483)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				354,178	(354,178)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>820,661</u>	<u>(820,661)</u>
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	<u>2,382,395</u>	<u>(73,378)</u>	<u>2,309,017</u>	<u>2,799,639</u>	<u>(490,622)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>8,819,467</u>	<u>96,157</u>	<u>8,915,624</u>	<u>8,944,363</u>	<u>(28,739)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>13,021,290</u>	<u>94,910</u>	<u>13,116,200</u>	<u>13,079,876</u>	<u>36,324</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures-Instruction		52,880	52,880	43,947	8,933
Total Equipment		52,880	52,880	43,947	8,933
Facilities Acquisition and Construction:					
Other Objects	15,230		15,230	15,230	
Total Facilities Acquisition and Construction	15,230		15,230	15,230	
TOTAL CAPITAL OUTLAY	15,230	52,880	68,110	59,177	8,933
TOTAL EXPENDITURES	13,036,520	147,790	13,184,310	13,139,053	45,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	(317,208)	(141,714)	(458,922)	648,039	1,106,961
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(317,208)	(141,714)	(458,922)	648,039	1,106,961
Fund Balance, July 1	1,033,396		1,033,396	1,033,396	
Fund Balance, June 30	\$ 716,188	\$ (141,714)	\$ 574,474	\$ 1,681,435	\$ 1,106,961

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 50,001	
Maintenance Reserve				50,000	
Emergency Reserve				25,000	
Tuition Reserve - FY 2010-2011, Due FY 2012-2013				132,100	
Tuition Reserve - FY 2011-2012, Due FY 2013-2014				385,280	
Assigned to:					
Year-End Encumbrances				27,003	
Designated for Subsequent Year's Expenditures				683,853	
Unassigned:					
Unrestricted Fund Balance				<u>328,198</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				1,681,435	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(529,741)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 1,151,694</u>	

GREENWICH TOWNSHIP SCHOOL DISTRICT
APPROPRIATIONS COMBINING SCHEDULE - FUNDS 11 AND 18
EDUCATION JOBS FUND - FUND 18
GENERAL FUND
 Fiscal Year Ended June 30, 2012

Line	Description	Account #	Fund 11/12/13 Approps	Fund 18 Approps	Schedule C-1 Total General Fund Approps
Undist. Expend.-Custodial Services					
2520	Grades 1-5 - Salaries of Teachers	11-120-100-101	1,620,559	6,076	1,626,635
12680	Health Benefits	11-000-291-270	1,452,261	193,958	1,646,219
TOTAL EXPENDITURES			3,072,820	200,034	3,272,854

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Sources		\$ 6,938	\$ 6,938	\$ 775	\$ (6,163)
Federal Sources	\$ 208,170	52,029	260,199	241,964	(18,235)
Total Revenues	208,170	58,967	267,137	242,739	(24,398)
EXPENDITURES:					
Instruction					
Salaries of Teachers	9,595	(7,795)	1,800	1,800	
Other Salaries for Instruction		10,588	10,588	10,588	
Purchased Professional Services	18,818	(18,818)	-	-	
Tuition (400-500 Series)	169,490	30,335	199,825	199,825	
General Supplies		40,581	40,581	21,786	18,795
Total Instruction	197,903	54,891	252,794	233,999	18,795
Support Services					
Purchased Profess.-Educ. Serv.	10,230	(2,967)	7,263	6,894	369
Other Purchased Serv. (400-500 Series)		4,080	4,080	-	4,080
Supplies and Materials	37	2,963	3,000	1,846	1,154
Total Support Services	10,267	4,076	14,343	8,740	5,603
Total Expenditures	208,170	58,967	267,137	242,739	24,398
Total Outflows	\$ 208,170	\$ 58,967	\$ 267,137	\$ 242,739	\$ 24,398
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance per Governmental Funds(Budgetary Basis)				None	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				N/A	
Fund Balance per Governmental Funds(GAAP Basis)				<u>None</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2012

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

	General Fund	Special Revenue Fund
	<hr/>	<hr/>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 13,787,092	\$ 242,739
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 Balance	N/A	4,313
Current Year Balance	N/A	(4,434)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	496,182	N/A
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(529,741)</u>	<u>N/A</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 13,753,533</u>	<u>\$ 242,618</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 13,139,053	\$ 242,739
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 Balance	N/A	4,313
Current Year Balance	N/A	(4,434)
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	<hr/>	<hr/>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 13,139,053</u>	<u>\$ 242,618</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.

GREENWICH 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, 2012

	Title I	Title I I Part A	IDEA Basic	IDEA Preschool	Autism Alliance	Totals
REVENUES						
Local Sources					\$ 775	\$ 775
Federal Sources	\$ 19,676	\$ 8,740	\$ 202,645	\$ 10,903		241,964
TOTAL REVENUES	19,676	8,740	202,645	10,903	775	242,739
EXPENDITURES:						
Instruction:						
Salaries of Teachers	1,800					1,800
Other Salaries for Instruction	10,588					10,588
Tuition (400-500 Series)			189,158	10,667		199,825
General Supplies	7,288		13,487	236	775	21,786
Total Instruction	19,676	-	202,645	10,903	775	233,999
Support Services:						
Purchased Profess.-Educ. Serv.		6,894				6,894
Supplies and Materials		1,846				1,846
Total Support Services	-	8,740	-	-	-	8,740
TOTAL EXPENDITURES	19,676	8,740	202,645	10,903	775	242,739
Total Outflows	\$ 19,676	\$ 8,740	\$ 202,645	\$ 10,903	\$ 775	\$ 242,739
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

**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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit F-1

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

For the Fiscal Year Ended June 30, 2012

	<u>Approval</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
				<u>Prior Years</u>	<u>Current Year</u>	
Stewartsville School Window/Roof Replacement/Greenwich School Site Drainage Improvements	Voters	1/25/11	\$ 1,864,800	\$ 150,094	\$ 1,324,415	\$ 390,291
Project Totals			<u>\$ 1,864,800</u>	<u>\$ 150,094</u>	<u>\$ 1,324,415</u>	<u>\$ 390,291</u>
						Cummulative Premiums on Notes 7,781
						Cummulative Interest Earnings <u>4,849</u>
						Subtotal - Budgetary Fund Balance (Exhibit F-2) 402,921
						SDA Grant Approval 762,942
						Issuance of Temporary Notes <u>(1,864,800)</u>
						Fund Balances, June 30, 2012 (Exhibit B-1 and B-2) <u><u>(698,937)</u></u>

GREENWICH 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, 2012

Revenues and Other Financing

Sources

Interest Earned	\$ 3,585
Premium on Notes	7,480
Total Revenues	<u>11,065</u>

Expenditures and Other Financing

Uses

Professional Fees	20,144
Construction Services	1,304,271
Total Expenditures	<u>1,324,415</u>

Excess(deficiency) of revenues over(under)
expenditures

(1,313,350)

Fund Balance - Beginning

1,716,271

Fund Balance - Ending

\$ 402,921

CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
STEWARTSVILLE SCHOOL WINDOW/ROOF REPLACEMENT; GREENWICH SCHOOL SITE/DRAINAGE
IMPROVEMENTS

From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
Revenues and Other Financing Sources				
Temporary Notes	\$ 1,864,800		\$ 1,864,800	\$ 1,101,858
SDA Grant	762,942		762,942	762,942
Total Revenues	2,627,742	-	2,627,742	1,864,800
Expenditures and Other Financing Sources				
Professional Fees	134,031	\$ 20,144	154,175	
Construction Services	16,063	1,304,271	1,320,334	\$ 1,864,800
Total Expenditures	150,094	1,324,415	1,474,509	1,864,800
Excess(deficiency) of revenues over(under) expenditures			\$ 2,477,648	\$ (1,324,415)
			\$ 1,153,233	
Less: Temporary Notes Issued in Anticipation of State SDA Grants				(762,942)
			Project Fund Balance, 6/30/12	\$ 390,291
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	1/25/11			
Bonds and Notes Authorized	\$1,864,800			
Bonds and Notes Issued	\$1,864,800			
Original Authorized Cost	\$1,864,800			
Additional Authorized Cost				
Revised Authorized Cost	\$1,864,800			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	56%			
Original Target Completion Date	6/30/2012			
Revised Target Completion Date	9/30/2012			

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2012**

	<u>AGENCY FUNDS</u>		
	<u>STUDENT</u>	<u>PAYROLL</u>	
	<u>ACTIVITY</u>	<u>AGENCY</u>	<u>TOTALS</u>
ASSETS:			
Cash and Cash Equivalents	\$ 39,289	\$ 254,209	\$ 293,498
TOTAL ASSETS	<u>\$ 39,289</u>	<u>\$ 254,209</u>	<u>\$ 293,498</u>
 LIABILITIES:			
Liabilities:			
Payroll Deductions and Withholdings		\$ 70,178	\$ 70,178
Accrued Salaries and Wages-Summer Plan		183,870	183,870
Accrued Salaries and Wages		161	161
Interfund Payable	\$ 776		776
Payable to Student Groups	<u>38,513</u>	<u>-</u>	<u>38,513</u>
Total Liabilities	<u>39,289</u>	<u>254,209</u>	<u>293,498</u>
 NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 39,289</u>	<u>\$ 254,209</u>	<u>\$ 293,498</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<u>ACTIVITY</u>	<u>BALANCE July 1, 2011</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE June 30, 2012</u>
Activities Account	\$ 41,996	\$ 121,896	\$ 124,603	\$ 39,289
	<u>\$ 41,996</u>	<u>\$ 121,896</u>	<u>\$ 124,603</u>	<u>\$ 39,289</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>BALANCE JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 241,950	\$ 6,866,893	\$ 6,854,634	\$ 254,209
Total Assets	<u>241,950</u>	<u>\$ 6,866,893</u>	<u>\$ 6,854,634</u>	<u>\$ 254,209</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 57,505	\$ 2,800,450	\$ 2,787,777	\$ 70,178
Accrued Salaries and Wages-Summer Plan	184,403	183,870	184,403	183,870
Accrued Salaries and Wages	<u>42</u>	<u>3,882,573</u>	<u>3,882,454</u>	<u>161</u>
Total Liabilities	<u>241,950</u>	<u>\$ 6,866,893</u>	<u>\$ 6,854,634</u>	<u>\$ 254,209</u>

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

**SCHEDULE OF SERIAL BONDS
AS OF ENDED JUNE 30, 2012**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE July 1, 2011	REFUNDED	RETIRED	BALANCE June 30, 2012						
			DATE	AMOUNT											
School Addition Project/ Refunding 1998 Refunded School Bonds	7/15/10	\$ 1,440,000	1/15/13	\$ 365,000	3.00%	\$ 1,095,000		\$ (380,000)	\$ 715,000						
			1/15/14	350,000	3.00%										
Refunding 1998 School Bonds	6/15/05	7,500,000	1/15/13	\$ 730,000	3.000%	5,640,000		(705,000)	4,935,000						
			1/15/14	760,000	to										
			1/15/15	795,000	5.000%										
			1/15/16	840,000											
			1/15/17	880,000											
			1/15/18	930,000											
School Addition Project/ Refunding 2001 School Bonds	7/6/06	4,520,000	7/1/12	\$ 290,000	3.500%	4,270,000		(275,000)	3,995,000						
			7/1/13	300,000	to										
			7/1/14	310,000	4.250%										
			7/1/15	325,000											
			7/1/16	345,000											
			7/1/17	360,000											
			7/1/18	375,000											
			7/1/19	395,000											
			7/1/20	410,000											
			7/1/21	435,000											
			7/1/22	450,000											
			Total										\$ 11,005,000	\$ (1,360,000)	\$ 9,645,000

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,117,623		\$ 1,117,623	\$ 1,117,623	
State Sources:					
Debt Service Aid Type II	701,833		701,833	701,833	
Total - State Sources	<u>701,833</u>		<u>701,833</u>	<u>701,833</u>	
TOTAL REVENUES	<u>1,819,456</u>		<u>1,819,456</u>	<u>1,819,456</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	497,562		497,562	497,458	(\$104)
Redemption of Principal	<u>1,360,000</u>		<u>1,360,000</u>	<u>1,360,000</u>	
Total Regular Debt Service	<u>1,857,562</u>		<u>1,857,562</u>	<u>1,857,458</u>	(104)
TOTAL EXPENDITURES	<u>1,857,562</u>		<u>1,857,562</u>	<u>1,857,458</u>	(104)
Excess (Deficiency) of Revenues Over Expenditures	<u>(38,106)</u>	<u>-</u>	<u>(38,106)</u>	<u>(38,002)</u>	<u>104</u>
Fund Balance, July 1	<u>38,106</u>	<u>-</u>	<u>38,106</u>	<u>38,106</u>	
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 104</u>	<u>\$104</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 104</u>	

Greenwich Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	54-59
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	60-63
Debt Capacity (J-10 thru J-13) 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.	64-67
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	68-69
Operating Information (J-16 thru J-20) 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.	70-74

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.

**Greenwich Township School District
Net Assets by Component,
Last Ten Fiscal Years**

(accrual basis of accounting)

Exhibit J-1

	2003	2004	2005	2006	Fiscal Year Ending June 30,		2009	2010	2011	2012
	<u>N/A</u>				2007	2008				
Governmental activities										
Invested in capital assets, net of related debt		\$ 658,666	\$ 779,102	\$ 2,260,927	\$ 2,537,365	\$ 3,080,352	\$ 3,891,031	\$ 4,402,005	\$ 5,637,005	\$ 7,135,030
Restricted		2,733,303	2,364,760	2,601,348	2,875,923	2,045,733	1,659,424	747,180	574,309	1,326,234
Unrestricted		(368,205)	149,338	(27,703)	(382,603)	(366,449)	(680,748)	(688,793)	(116,142)	(1,137,687)
Total governmental activities net assets	<u>-</u>	<u>\$ 3,023,764</u>	<u>\$ 3,293,200</u>	<u>\$ 4,834,572</u>	<u>\$ 5,030,685</u>	<u>\$ 4,759,636</u>	<u>\$ 4,869,707</u>	<u>\$ 4,460,392</u>	<u>\$ 6,095,172</u>	<u>\$ 7,323,577</u>
Business-type activities										
Invested in capital assets, net of related debt	-	\$ 121,094	\$ 104,503	\$ 87,962	\$ 102,884	\$ 91,790	\$ 85,098	\$ 76,489	\$ 64,325	\$ 52,161
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	32,877	36,123	51,876	50,494	51,672	51,751	47,484	135,792	110,147
Total business-type activities net assets	<u>-</u>	<u>\$ 153,971</u>	<u>\$ 140,626</u>	<u>\$ 139,838</u>	<u>\$ 153,378</u>	<u>\$ 143,462</u>	<u>\$ 136,849</u>	<u>\$ 123,973</u>	<u>\$ 200,117</u>	<u>\$ 162,308</u>
District-wide										
Invested in capital assets, net of related debt	-	\$ 779,760	\$ 883,605	\$ 2,348,889	\$ 2,640,249	\$ 3,172,142	\$ 3,976,129	\$ 4,478,494	\$ 5,701,330	\$ 7,187,191
Restricted	-	2,733,303	2,364,760	2,601,348	2,875,923	2,045,733	1,659,424	747,180	574,309	1,326,234
Unrestricted	-	(335,328)	185,461	24,173	(332,109)	(314,777)	(628,997)	(641,309)	19,650	(1,027,540)
Total district net assets	<u>-</u>	<u>\$ 3,177,735</u>	<u>\$ 3,433,826</u>	<u>\$ 4,974,410</u>	<u>\$ 5,184,063</u>	<u>\$ 4,903,098</u>	<u>\$ 5,006,556</u>	<u>\$ 4,584,365</u>	<u>\$ 6,295,289</u>	<u>\$ 7,485,885</u>

Source: CAFR Schedule A-1

Greenwich Township School District
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities									
Instruction									
Regular	\$ 4,163,280	\$ 4,609,970	\$ 4,229,557	\$ 4,538,871	\$ 5,023,907	\$ 4,963,085	\$ 5,156,261	\$ 4,845,458	\$ 4,794,881
Special education	830,052	1,142,800	1,341,947	1,580,345	1,621,193	1,683,557	1,538,025	1,499,990	1,509,108
Other special education	113,536	143,336	129,992	257,104	331,154	286,852	243,918	198,661	302,293
Support Services:									
Tuition	2,791,249	2,763,719	2,821,643	2,306,045	2,573,939	2,777,661	2,628,589	3,076,798	3,073,629
Student & instruction related services	942,015	1,080,418	1,038,146	1,230,693	1,304,833	1,358,650	1,685,994	1,335,706	1,327,221
General administrative services	647,614	700,653	663,730	768,304	872,204	830,816	859,182	680,084	584,406
School administrative services	230,115	269,774	278,659	306,813	317,029	330,982	332,110	396,381	441,338
Business administrative services									
Plant operations and maintenance	684,003	726,879	837,527	950,832	1,186,874	1,163,493	1,154,066	943,374	952,956
Pupil transportation	704,462	660,824	657,533	780,797	795,535	990,879	963,560	658,841	653,682
Non-Budgeted Contributions									
Special Schools									
Charter Schools									
Interest on long-term debt	912,928	712,061	793,146	702,022	654,190	607,393	562,794	499,144	490,288
Unallocated depreciation	69,891	58,737	62,456	47,582	46,835	49,959	46,864	46,864	52,341
Total governmental activities expenses	<u>12,089,145</u>	<u>12,869,171</u>	<u>12,854,336</u>	<u>13,469,408</u>	<u>14,727,693</u>	<u>15,043,327</u>	<u>15,171,363</u>	<u>14,181,301</u>	<u>14,182,143</u>
Business-type activities:									
Food service	158,249	159,799	178,229	195,628	193,643	199,510	224,799	205,138	208,907
Pre-School Services									29,614
Child Care								45,493	159,644
Total business-type activities expense	<u>158,249</u>	<u>159,799</u>	<u>178,229</u>	<u>195,628</u>	<u>193,643</u>	<u>199,510</u>	<u>224,799</u>	<u>250,631</u>	<u>398,165</u>
Total district expenses	<u>\$ 12,247,394</u>	<u>\$ 13,028,970</u>	<u>\$ 13,032,565</u>	<u>\$ 13,665,036</u>	<u>\$ 14,921,336</u>	<u>\$ 15,242,837</u>	<u>\$ 15,396,162</u>	<u>\$ 14,431,932</u>	<u>\$ 14,580,308</u>
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction-Regular		\$ 19,359	\$ 37,900	\$ 35,451	\$ 44,000	\$ 47,900	\$ 15,250	\$ 2,500	\$ -
Business and other support services									
Operating grants and contributions	\$ 5,641,806	6,172,743	6,119,821	6,292,468	6,620,727	7,190,179	7,297,465	7,176,767	7,556,109
Capital grants and contributions									-
Total governmental activities program revenues	<u>5,641,806</u>	<u>6,192,102</u>	<u>6,157,721</u>	<u>6,327,919</u>	<u>6,664,727</u>	<u>7,238,079</u>	<u>7,312,715</u>	<u>7,179,267</u>	<u>7,556,109</u>
Program Revenues -(Continued)									
Business-type activities:									
Charges for services									
Food service	115,832	122,786	147,637	151,188	152,534	159,884	160,177	132,950	130,925
Pre-School Services								42,808	41,114
Child Care								111,873	136,182
Operating grants and contributions	22,883	23,610	29,730	29,077	31,085	34,486	42,109	39,119	45,423
Capital grants and contributions	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>138,715</u>	<u>146,396</u>	<u>177,367</u>	<u>180,265</u>	<u>183,619</u>	<u>194,370</u>	<u>202,286</u>	<u>326,750</u>	<u>353,644</u>
Total district program revenues	<u>\$ 5,780,521</u>	<u>\$ 6,338,498</u>	<u>\$ 6,335,088</u>	<u>\$ 6,508,184</u>	<u>\$ 6,848,346</u>	<u>\$ 7,432,449</u>	<u>\$ 7,515,001</u>	<u>\$ 7,506,017</u>	<u>\$ 7,909,753</u>
Net (Expense)/Revenue									
Governmental activities	\$ (6,447,339)	\$ (6,677,069)	\$ (6,696,615)	\$ (7,141,489)	\$ (8,062,966)	\$ (7,805,248)	\$ (7,858,648)	\$ (7,002,034)	\$ (6,626,034)
Business-type activities	(19,534)	(13,403)	(862)	(15,363)	(10,024)	(5,140)	(22,513)	76,119	(44,521)
Total district-wide net expense	<u>\$ (6,466,873)</u>	<u>\$ (6,690,472)</u>	<u>\$ (6,697,477)</u>	<u>\$ (7,156,852)</u>	<u>\$ (8,072,990)</u>	<u>\$ (7,810,388)</u>	<u>\$ (7,881,161)</u>	<u>\$ (6,925,915)</u>	<u>\$ (6,670,555)</u>

Greenwich Township School District
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	<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>2012</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, n	\$ 5,938,551	\$ 5,816,846	\$ 6,030,549	\$ 6,508,815	\$ 6,678,820	\$ 6,699,025	\$ 6,699,025	\$ 6,699,025	\$ 6,981,458
Taxes levied for debt service	972,022	987,262	979,067	857,472	918,756	899,772	934,188	1,096,028	1,117,623
Unrestricted grants and contributions									
Federal and State Aid for Capital Assets Projects								762,942	
Investment earnings	12,812	72,889	142,633	190,832	131,790	36,393	8,934	4,253	11,971
Miscellaneous income	121,196	69,508	55,149	68,401	62,551	89,384	67,606	74,566	159,511
Transfers						(4,434)			
Total governmental activities	<u>7,044,581</u>	<u>6,946,505</u>	<u>7,207,398</u>	<u>7,625,520</u>	<u>7,791,917</u>	<u>7,720,140</u>	<u>7,709,753</u>	<u>8,636,814</u>	<u>8,270,563</u>
Business-type activities:									
Miscellaneous Income	737	58	74	94	108	93	3,637	25	6,712
Transfers						4,434			
Total business-type activities	<u>737</u>	<u>58</u>	<u>74</u>	<u>94</u>	<u>108</u>	<u>4,527</u>	<u>3,637</u>	<u>25</u>	<u>6,712</u>
Total district-wide	<u>\$ 7,045,318</u>	<u>\$ 6,946,563</u>	<u>\$ 7,207,472</u>	<u>\$ 7,625,614</u>	<u>\$ 7,792,025</u>	<u>\$ 7,724,667</u>	<u>\$ 7,713,390</u>	<u>\$ 8,636,839</u>	<u>\$ 8,277,275</u>
Change in Net Assets									
Governmental activities	\$ 597,242	\$ 269,436	\$ 510,783	\$ 484,031	\$ (271,049)	\$ (85,108)	\$ (148,895)	\$ 1,634,780	\$ 1,644,529
Business-type activities	(18,797)	(13,345)	(788)	(15,269)	(9,916)	(613)	(18,876)	76,144	(37,809)
Total district	<u>\$ 578,445</u>	<u>\$ 256,091</u>	<u>\$ 509,995</u>	<u>\$ 468,762</u>	<u>\$ (280,965)</u>	<u>\$ (85,721)</u>	<u>\$ (167,771)</u>	<u>\$ 1,710,924</u>	<u>\$ 1,606,720</u>

Source: CAFR Schedule A-2

**Greenwich Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

(modified accrual basis of accounting)

Exhibit J-3

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2010	2012
General Fund										
Reserved	\$ 1,397,645	\$ 2,001,284	\$ 1,651,792	\$ 2,601,348	\$ 2,875,923	\$ 2,045,733	\$ 1,659,424	\$ 793,101	\$ 637,055	\$ 1,353,237
Unreserved	329,762	87,831	472,797	313,785	58,226	60,993	(181,222)	(303,203)	(99,841)	(201,543)
Total general fund	<u>\$ 1,727,407</u>	<u>\$ 2,089,115</u>	<u>\$ 2,124,589</u>	<u>\$ 2,915,133</u>	<u>\$ 2,934,149</u>	<u>\$ 2,106,726</u>	<u>\$ 1,478,202</u>	<u>\$ 489,898</u>	<u>\$ 537,214</u>	<u>\$ 1,151,694</u>
All Other Governmental Funds										
Reserved	\$ 145,050		\$ 26,773						\$ 1,464,795	\$ 107,135
Unreserved, reported in:										
Special revenue fund	(2,516)									-
Capital projects fund	944,408	\$ 732,019	686,195						(850,382)	(806,072)
Debt service fund	19,318			\$ 167,482	\$ 16,447				\$ 38,106	104
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,106,260</u>	<u>\$ 732,019</u>	<u>\$ 712,968</u>	<u>\$ 167,482</u>	<u>\$ 16,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 652,519</u>	<u>\$ (698,833)</u>

Source: CAFR Schedule B-1

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

Exhibit J-4

	<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>2012</u>
Revenues										
Tax levy	\$ 6,368,587	\$ 6,910,573	\$ 6,804,108	\$ 7,009,616	\$ 7,366,287	\$ 7,597,576	\$ 7,598,797	\$ 7,633,213	\$ 7,795,053	\$ 8,099,081
Tuition	8,200			37,900	35,451	44,000	47,900	15,250	2,500	4,920
Interest earnings	8,357									
Miscellaneous	99,334	134,008	161,756	197,782	259,233	194,341	125,777	76,540	78,819	166,562
State sources	7,372,660	5,491,434	5,994,121	5,913,332	6,071,675	6,295,961	6,844,661	6,009,095	7,548,077	7,113,457
Federal sources	115,542	150,372	178,622	206,489	220,793	324,766	345,518	1,288,370	391,632	442,652
Total revenue	<u>13,972,680</u>	<u>12,686,387</u>	<u>13,138,607</u>	<u>13,365,119</u>	<u>13,953,439</u>	<u>14,456,644</u>	<u>14,962,653</u>	<u>15,022,468</u>	<u>15,816,081</u>	<u>15,826,672</u>
Expenditures										
Instruction										
Regular Instruction	2,335,583	2,721,424	2,914,847	2,775,264	3,113,348	3,384,413	3,313,130	3,479,123	3,147,100	3,044,046
Special education instruction	499,162	667,991	861,068	1,040,106	1,174,762	1,229,527	1,257,497	1,163,571	1,104,802	1,106,324
Other special instruction	77,615	91,369	107,999	100,753	191,120	251,150	214,258	184,533	146,322	221,610
Support Services:										
Tuition	2,586,501	2,791,249	2,763,719	2,821,643	2,306,045	2,573,939	2,777,661	2,628,589	3,076,798	3,073,629
Student & instruction related services	607,366	758,094	814,065	804,638	914,846	989,597	1,014,815	1,275,515	983,800	972,983
General administrative services	528,439	521,172	527,923	514,439	571,125	610,072	620,560	650,002	480,481	428,427
School Administrative services	98,971	185,187	203,267	215,981	228,072	240,438	247,220	251,253	291,950	323,544
Business administrative services	120,634									
Plant operations and maintenance	514,135	550,457	547,683	649,144	706,809	900,136	869,046	873,092	694,832	698,610
Pupil transportation	542,713	704,462	660,824	657,533	780,797	795,535	990,879	963,560	658,841	653,682
Unallocated employee benefits	1,196,072	1,482,577	1,835,867	1,847,148	2,332,209	2,580,383	2,595,768	2,714,870	2,564,104	2,799,639
Special Revenue	180,877									
Capital outlay	1,467,431	377,815	45,397	36,639	17,597	17,000	9,400	85,030	198,262	1,383,592
Debt service:										
Principal	720,000	914,000	950,000	980,000	1,010,000	1,050,000	1,050,000	1,155,000	1,250,000	1,360,000
Interest and other charges	975,693	933,123	889,525	676,773	738,728	678,324	626,509	585,634	519,954	497,458
Total expenditures	<u>12,451,192</u>	<u>12,698,920</u>	<u>13,122,184</u>	<u>13,120,061</u>	<u>14,085,458</u>	<u>15,300,514</u>	<u>15,586,743</u>	<u>16,009,772</u>	<u>15,117,246</u>	<u>16,563,544</u>
Excess (Deficiency) of revenues over (under) expenditures	1,521,488	(12,533)	16,423	245,058	(132,019)	(843,870)	(624,090)	(987,304)	698,835	(736,872)
Other Financing Sources (uses)										
Bond proceeds										
Transfers in	8,357									
Transfers out	(8,357)						(4,434)			
Total other financing sources (uses)	-	-	-	-	-	-	(4,434)	-	-	-
Net change in fund balances	<u>\$ 1,521,488</u>	<u>\$ (12,533)</u>	<u>\$ 16,423</u>	<u>\$ 245,058</u>	<u>\$ (132,019)</u>	<u>\$ (843,870)</u>	<u>\$ (628,524)</u>	<u>\$ (987,304)</u>	<u>\$ 698,835</u>	<u>\$ (736,872)</u>
Debt service as a percentage of noncapital expenditures	15.4%	15.0%	14.1%	12.7%	12.4%	11.3%	10.8%	10.9%	11.9%	12.2%

Source: CAFR Schedule B-2

GREENWICH 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>Prior Year</u> <u>Expenditures</u>	<u>Tuition</u>	<u>Donations</u>	<u>Transportation</u> <u>Courtesy</u> <u>Busing</u>	<u>Building</u> <u>Use</u>	<u>Recreation</u> <u>Club</u> <u>Fees</u>	<u>Summer</u> <u>Program</u>	<u>Miscellaneous</u>	<u>Total</u>
2003	\$ 19,525	\$ 12,002	\$ 8,200	\$ 53,040		\$ 6,150	\$ 14,671		\$ 2,303	\$ 115,891
2004	7,170	2,458	16,150	15,648			17,985	\$ 33,090	35,865	128,366
2005	72,889	2,018	19,359	12,196			22,455		32,839	161,756
2006	123,211	2,305	37,900	14,896			23,148		14,800	216,260
2007	190,832	19,793	35,451	9,260			20,434		18,914	294,684
2008	131,790		1,959	1,000			20,765		38,827	194,341
2009	36,393		47,900	13,646			28,390		47,348	173,677
2010	8,934	3,019	15,250	6,031					56,014	89,248
2011	2,989	38,895	2,500	1,980					33,390	79,754
2012	11,971	2,469	4,920						141,057	160,417

SOURCE: District Records

**Greenwich 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>
2003	\$9,840,300	\$439,280,970	\$9,245,000	\$2,408,600	\$38,511,500	\$14,709,000	-	\$524,703,710	\$8,285,960	\$2,422,380	\$516,417,750	\$1.232	\$449,734,434
2004	3,615,000	456,680,690	9,780,200	2,420,500	66,312,000	14,709,000	-	564,166,408	8,287,260	2,361,758	555,879,148	1.245	549,187,993
2005	3,875,000	461,184,690	10,865,400	2,412,000	77,021,200	14,709,000	-	581,132,211	8,777,460	2,287,461	572,354,751	1.186	593,567,140
2006	3,244,500	464,024,890	11,269,300	2,399,700	76,932,100	14,698,000	-	583,604,861	8,993,660	2,042,711	574,611,201	1.220	656,944,800
2007	3,406,900	468,353,590	11,312,500	2,252,200	77,099,500	14,947,300	-	590,004,622	10,995,260	1,637,372	579,009,362	1.273	764,587,649
2008	4,047,000	470,971,990	11,579,300	2,201,200	87,616,600	14,947,300	-	604,347,324	11,359,760	1,624,174	592,987,564	1.283	810,621,323
2009	2,631,200	473,284,390	11,673,600	2,186,100	86,629,100	14,947,300	-	604,711,699	11,616,960	1,743,049	593,094,739	1.280	828,914,477
2010	1,878,700	474,696,200	11,730,800	2,217,500	88,422,900	14,947,300	-	607,362,891	11,705,250	1,764,241	595,657,641	1.283	835,757,738
2011	1,539,200	475,227,800	11,741,100	2,134,800	90,179,400	14,947,300	-	610,204,634	12,688,750	1,746,284	597,515,884	1.305	803,071,826
2012	2,265,100	476,841,900	11,692,900	1,825,400	91,303,500	14,947,300	-	613,741,836	13,260,050	1,605,686	600,481,786	1.348	763,817,299

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

**Greenwich 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,	Greenwich Township Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Greenwich Township	Library	Warren County	
2003	\$1.097	\$0.135	\$1.232	\$0.162	\$0.053	\$0.570	\$2.017
2004	\$1.078	\$0.167	\$1.245	\$0.185	\$0.053	\$0.617	\$2.100
2005	\$1.016	\$0.170	\$1.186	\$0.257	\$0.055	\$0.639	\$2.137
2006	\$1.049	\$0.171	\$1.220	\$0.384	\$0.059	\$0.677	\$2.340
2007	\$1.125	\$0.148	\$1.273	\$0.398	\$0.068	\$0.761	\$2.500
2008	\$1.128	\$0.155	\$1.283	\$0.398	\$0.073	\$0.766	\$2.520
2009	\$1.128	\$0.152	\$1.280	\$0.414	\$0.073	\$0.778	\$2.545
2010	\$1.126	\$0.157	\$1.283	\$0.425	\$0.073	\$0.762	\$2.543
2011	\$1.122	\$0.183	\$1.305	\$0.455	\$0.065	\$0.759	\$2.584
2012	\$1.162	\$0.186	\$1.348	\$0.478	\$0.062	\$0.749	\$2.637

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 calcu

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.

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

Exhibit J-8

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Greenwich Station	\$ 19,485,500	1	3.27%			
Lowe's Home Centers, Inc.	14,295,500	2	2.40%			
Inland Western Pburg Greenwich, LLC	14,000,000	3	2.35%			
Medarex, Inc.	11,467,800	4	1.93%			
Target Corp.	10,000,000	5	1.68%			
Starwood, Ceruzzi Phillipsburg, LLC	7,202,600	6	1.21%			
Greenwich Commons, II, LLC	3,250,000	7	0.55%			
OM SAI, Inc.	2,388,900	8	0.40%			
Polaris Warren, LLC	2,130,400	9	0.36%			
Rellum Realty	1,987,800	10	0.33%	\$ 963,700	7	0.59%
Koh-I-Noor, Inc.				6,933,750	1	4.25%
Tamburro Realty				2,205,100	2	1.35%
Greenwich Chase				1,330,500	4	0.82%
New Jersey Bell				1,249,016	5	0.77%
Phillipsburg Easton Honda				1,040,600	6	0.64%
Preston Trucking				738,000	8	0.45%
Quaker City Motor Parts				700,900	9	0.43%
Superior Quartz				685,800	10	0.42%
Total	<u>\$ 86,208,500</u>		<u>14.47%</u>	<u>\$ 15,847,366</u>		<u>9.72%</u>

Source: District CAFR & Municipal Tax Assessor

**Greenwich 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	
2003	\$ 5,438,463	\$ 5,438,463	100.00%	-
2004	\$ 5,938,551	\$ 5,938,551	100.00%	-
2005	\$ 5,816,846	\$ 5,816,846	100.00%	-
2006	\$ 6,030,549	\$ 6,030,549	100.00%	-
2007	\$ 6,508,815	\$ 6,508,815	100.00%	-
2008	\$ 6,678,820	\$ 6,678,820	100.00%	-
2009	\$ 6,699,025	\$ 6,699,025	100.00%	-
2010	\$ 6,699,025	\$ 6,699,025	100.00%	-
2011	\$ 6,699,025	\$ 6,699,025	100.00%	-
2012	\$ 6,981,458	\$ 6,981,458	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.

**Greenwich 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		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2003	\$ 19,164,000	-	-	-	-0-	\$ 19,164,000	10.94%	\$3,776.90
2004	\$ 18,250,000	-	-	-	-0-	\$ 18,250,000	9.94%	\$3,538.19
2005	\$ 17,330,000	-	-	-	-0-	\$ 17,330,000	9.10%	\$3,360.48
2006	\$ 16,350,000	-	-	-	-0-	\$ 16,350,000	8.02%	\$3,166.15
2007	\$ 15,495,000	-	-	-	-0-	\$ 15,495,000	7.18%	\$3,006.40
2008	\$ 14,445,000	-	-	-	-0-	\$ 14,445,000	6.43%	\$2,819.64
2009	\$ 13,395,000	-	-	-	-0-	\$ 13,395,000	6.08%	\$2,620.31
2010	\$ 12,240,000	-	-	-	-0-	\$ 12,240,000	5.44%	\$2,404.72
2011	\$ 11,005,000	-	-	-	-0-	\$ 11,005,000	4.36%	\$1,926.98
2012	\$ 9,645,000	-	-	-	-0-	\$ 9,645,000	3.84%	\$1,694.48

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

Greenwich 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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	\$ 19,164,000	-0-	\$ 19,164,000	3.71%	\$ 3,777
2004	\$ 18,250,000	-0-	\$ 18,250,000	3.28%	\$ 3,538
2005	\$ 17,330,000	-0-	\$ 17,330,000	3.03%	\$ 3,360
2006	\$ 16,350,000	-0-	\$ 16,350,000	2.85%	\$ 3,166
2007	\$ 15,495,000	-0-	\$ 15,495,000	2.68%	\$ 3,006
2008	\$ 14,445,000	-0-	\$ 14,445,000	2.44%	\$ 2,820
2009	\$ 13,395,000	-0-	\$ 13,395,000	2.26%	\$ 2,620
2010	\$ 12,240,000	-0-	\$ 12,240,000	2.05%	\$ 2,405
2011	\$ 11,005,000	-0-	\$ 11,005,000	1.84%	\$ 1,927
2012	\$ 9,645,000	-0-	\$ 9,645,000	1.61%	\$ 1,694

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.

**Greenwich Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2012**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Greenwich Township	\$ 1,265,000	100.000%	\$ 1,265,000
Other debt Warren County	8,760,000	5.957%	<u>521,852</u>
Subtotal, overlapping debt			1,786,852
Greenwich Township School District Direct Debt			<u>9,645,000</u>
Total direct and overlapping debt			<u><u>\$ 11,431,852</u></u>

Sources: Greenwich 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.

**Greenwich Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years**

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized valuation basis
	2011 \$ 717,904,699
	2010 756,725,010
	2009 797,172,349
	[A] \$ <u>2,271,802,058</u>
Average equalized valuation of taxable property	[A/3] \$ 757,267,353
Debt limit (3 % of average equalization value)	[B] 22,718,021
Net bonded school debt	[C] 9,645,000
Legal debt margin	[B-C] \$ <u>13,073,021</u>

	Fiscal Year									
	<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>2012</u>
Debt limit	\$12,550,116	\$16,475,640	\$17,299,744	\$19,785,436	\$21,941,101	\$23,690,775	\$24,427,134	\$24,515,570	\$23,827,014	22,718,021
Total net debt applicable to limit	19,164,000	18,250,000	17,330,000	16,350,000	15,495,000	14,445,000	13,395,000	12,240,000	11,005,000	9,645,000
Legal debt margin	<u>(\$6,613,884)</u>	<u>(\$1,774,360)</u>	<u>(\$30,256)</u>	<u>\$3,435,436</u>	<u>\$6,446,101</u>	<u>\$9,245,775</u>	<u>\$11,032,134</u>	<u>\$12,275,570</u>	<u>\$12,822,014</u>	<u>\$13,073,021</u>
Total net debt applicable to the limit as a percentage of debt limit	152.70%	110.77%	100.17%	82.64%	70.62%	60.97%	54.84%	49.93%	46.19%	42.46%

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2003	5,074	\$ 175,129,110	\$34,515 R	5.2%
2004	5,158	\$ 183,681,538	\$35,611 R	3.9%
2005	5,157	\$ 190,515,051	\$36,943 R	2.5%
2006	5,164	\$ 203,936,688	\$39,492 R	2.7%
2007	5,154	\$ 215,767,056	\$41,864 R	2.5%
2008	5,123	\$ 224,525,721	\$43,827 R	3.3%
2009	5,112	\$ 220,178,952	\$43,071 R	6.0%
2010	5,090	\$ 224,891,470	\$44,183 P	6.1%
2011	5,711	\$ 252,329,113	\$44,183 *	5.7%
2012	5,692	\$ 251,489,636	\$44,183 *	*

Source:

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

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

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

P =Projected

R =Revised

* =Current data unavailable

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

**Exhibit J-15
N/A**

<u>Employer</u>	<u>2012</u>			<u>2003</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		1	0.00%	-	1	0.00%
		2	0.00%	-	2	0.00%
		3	0.00%	-	3	0.00%
		4	0.00%	-	4	0.00%
		5	0.00%	-	5	0.00%
		6	0.00%	-	6	0.00%
		7	0.00%	-	7	0.00%
		8	0.00%	-	8	0.00%
		9	0.00%	-	9	0.00%
		10	0.00%	-	10	0.00%
	<u>-</u>			<u>-</u>		
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:
No reliable information for Employer
Data available at Local or County level

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

Exhibit J-16

<u>Function/Program</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>2012</u>
Instruction										
Regular	53	60	60	58	51	61	65	59	45	47
Special education	22	25	30	35	47	35	29	33	29	33
Other special education	-	-	-	-						
Other instruction	-	-	-	-						
Support Services:										
Student & instruction related services	13	14	17	16	14	20	18	15	13	14
General administrative services	4	4	4	5	4	5	5	5	2	2
School administrative services	2	3	4	4	4	4	4	4	5	5
Central Services	2	3	3	3	3	3	3	2	2	2
Plant operations and maintenance	9	10	10	11	10	11	10	11	7	7
Special Schools	-	-	-	-	-	-	-	-		
Total	105	119	128	132	133	139	134	129	103	110

Source: District Personnel Records

**Greenwich Township School District
Operating Statistics
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2003	899	\$ 9,288,068	\$ 10,332	12.30%	74	1:18		882.4	845.3	4.08%	95.80%
2004	922	\$ 10,473,982	\$ 11,360	9.96%	82	1:19	1:22	908.1	873.0	2.91%	96.13%
2005	952	\$ 11,237,262	\$ 11,804	3.91%	90	1:20	1:21	949.3	909.2	4.54%	95.78%
2006	969	\$ 11,224,623	\$ 11,584	-1.86%	84	*	*	968.7	927.0	2.04%	95.70%
2007	986	\$ 12,113,720	\$ 12,286	6.06%	84	*	*	991.7	950.0	2.37%	95.80%
2008	999	\$ 12,113,720	\$ 12,126	-1.30%	96	*	*	1,003.9	962.5	1.23%	95.88%
2009	983	\$ 13,564,716	\$ 13,799	13.80%	94	*	*	986.0	934.0	-1.78%	94.73%
2010	968	\$ 13,800,689	\$ 14,257	3.32%	90	*	*	974.8	922.4	-1.14%	94.62%
2011	903	\$ 12,805,566	\$ 14,181	-0.53%	77	*	*	905.8	868.9	-7.08%	95.93%
2012	870	\$ 13,139,053	\$ 15,102	6.50%	80	*	*	870.7	838.3	-3.88%	96.28%

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).

* Pupil/Teacher Ratio based on School Report Card data--not available

**Greenwich Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

<u>District Building</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>2012</u>
<u>Elementary</u>										
Greenwich (2001)										
Square Feet	91,146	91,146	91,146	91,146	91,146	91,146	91,146	91,146	91,146	91,146
Capacity (students)	720	720	720	720	720	720	720	720	720	720
Enrollment	636	661	676	690	690	687	669	661	584	557
<u>Middle School</u>										
Stewartsville (1969)										
Square Feet	54,815	54,815	54,815	54,815	54,815	54,815	54,815	54,815	54,815	54,815
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	265	262	276	279	279	312	314	307	319	313

Number of Schools at June 30, 2012

Source: District records, ASSA

Elementary = 1
Middle School = 1

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.

GREENWICH TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2012

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>2012</u>	<u>Total</u>
Stewartsville School	070	\$ 7,937	\$ 21,120	\$ 26,842	\$ 28,383	\$ 33,833	\$ 39,520	\$ 40,706	\$ 48,729	\$ 48,729	\$ 48,729	\$ 344,528
Greenwich School	999	8,599	34,460	43,795	46,308	55,202	64,480	65,394	79,506	29,994	44,297	472,035
Total School Facilities		16,536	55,580	70,637	74,691	89,035	104,000	106,100	128,235	78,723	93,026	816,563
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
Grand Total		<u>\$ 16,536</u>	<u>\$ 55,580</u>	<u>\$ 70,637</u>	<u>\$ 74,691</u>	<u>\$ 89,035</u>	<u>\$ 104,000</u>	<u>\$ 106,100</u>	<u>\$ 128,235</u>	<u>\$ 78,723</u>	<u>\$ 93,026</u>	<u>\$ 816,563</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2012

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy-SAIF		
Property-Blanket Building and Contents	\$ 250,000,000	\$ 1,000
Comprehensive General Liability	5,000,000	1,000
Comprehensive Automobile Liability	5,000,000	1,000
Workers' Compensation	5,000,000	1,000
Crime - AIG		
Employee Dishonesty	500,000	1,000
Money & Securities	50,000	
Forgery	50,000	
Computer Fraud	50,000	
Surety Bonds-Selective Insurance Co.		
Board Secretary	205,000	
Board Treasurer	193,000	

SOURCE: District Records

Single Audit Section



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**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
 Greenwich Township School District
 County of Warren
 Stewartsville, New Jersey 08886

We have audited the financial statements of the Board of Education of the Greenwich Township School District in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated October 19, 2012. 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

Management of the Greenwich Township School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Greenwich 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 Greenwich Township School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Greenwich Township School District Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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.

-Continued-

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 Greenwich 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.

We noted certain matters that we reported to the Board of Education of the Greenwich Township School District in a separate report entitled, Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance dated October 19, 2012.

This report is intended solely for the information and use of the audit committee, management, the Greenwich 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 19, 2012



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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04

Honorable President and
 Members of the Board of Education
 Greenwich Township School District
 County of Warren
 Stewartsville, New Jersey 08886

Compliance

We have audited the compliance of the Greenwich 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 state programs for the fiscal year ended June 30, 2012. The Greenwich 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 Greenwich Township School District Board of Education's management. Our responsibility is to express an opinion on the Greenwich 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 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.

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

-Continued-

In our opinion the Board of Education of the Greenwich 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, 2012.

Internal Control Over Compliance

The management of the Board of Education of the Greenwich 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 Greenwich 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 Greenwich 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.

We noted certain matters that we reported to the Board of Education of the Greenwich Township School District in a separate report entitled, Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance dated October 19, 2012.

This report is intended solely for the information and use of the audit committee, management, the Greenwich 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 19, 2012

GREENWICH TOWNSHIP SCHOOL DISTRICT

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2012

Schedule B
K-4

State Grantor/Pass-Through Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30 2011	Carryover/ Walkover Amount	Cash Received	Budget Expenditures	Adjust.	Repayment of Prior Years' Balances	BALANCE AT JUNE 30, 2012			MEMO		
			From	To							Accounts Receivable	Interfund Payable/ Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expend.	
STATE DEPARTMENT OF EDUCATION																
General Fund:																
Equalization Aid	12-495-034-5120-078	\$ 4,572,039	7/1/11	6/30/12			\$ 4,572,039	\$ (4,572,039)						*	\$ 444,987	\$ 4,572,039
Special Education Aid	12-495-034-5120-089	664,582	7/1/11	6/30/12			664,582	(664,582)						*	64,682	664,582
Transportation Aid	12-495-034-5120-014	115,111	7/1/11	6/30/12			115,111	(115,111)						*	11,204	115,111
Security Aid	12-495-034-5120-084	91,112	7/1/11	6/30/12			91,112	(91,112)						*	8,868	91,112
Extraordinary Aid	11-495-034-5120-044		7/1/10	6/30/11	\$ (137,716)		137,716	-						*		-
Extraordinary Aid	12-495-034-5120-044	164,925	7/1/11	6/30/12				(164,925)		\$ (164,925)				*		164,925
Non-Public Transportation Aid	11-495-034-5120-044		7/1/10	6/30/11	(13,986)		13,986	-						*		-
Non-Public Transportation Aid	12-495-034-5120-044	16,753	7/1/11	6/30/12				(16,753)		(16,753)				*		16,753
On-behalf TPAF Pension Contrib.	12-495-034-5095-001	466,483	7/1/11	6/30/12			466,483	(466,483)						*		466,483
Reimbursed TPAF Soc.Sec.Contrib.	12-495-034-5095-002	354,178	7/1/11	6/30/12	(15,949)		368,651	(354,178)		(1,476)				*		354,178
Total General Fund					(167,651)		6,429,680	(6,445,183)		(183,154)				*	529,741	6,445,183
Debt Service Fund																
Debt Service Aid Type 2	12-100-034-5120-124	701,833	7/1/11	6/30/12			701,833	(701,833)						*		701,833
Total Debt Service							701,833	(701,833)						*		701,833
Capital Projects Fund:																
SDA Grant - Section 13A Grant - Drainage	1840-040-10-1001	57,237	7/1/10	6/30/11				(57,237)		(57,237)				*		57,237
SDA Grant - Section 13A Grant - Window Replacement	1840-040-10-1002	110,628	7/1/10	6/30/11				(110,628)		(110,628)				*		110,628
SDA Grant - Section 13A Grant - Roof Replacement	1840-040-10-1003	595,077	7/1/10	6/30/11				(595,077)		(595,077)				*		595,077
Total Capital Projects Fund							-	(762,942)		(762,942)				*		762,942
Enterprise Fund:																
Nat.School Lunch Prog.(State Share)	12-100-010-3350-023	1,666	7/1/11	6/30/12			1,627	(1,666)		(39)				*		1,666
Total Enterprise Fund							1,627	(1,666)		(39)				*		1,666
TOTAL STATE FINANCIAL ASSISTANCE					\$ (167,651)		- \$ 7,133,140	\$ (7,911,624)		- \$ (946,135)				*	\$ 529,741	\$ 7,911,624

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

NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Greenwich 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 state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of 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 (\$33,559) for the general fund and (\$121) 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 FEDERAL AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 200,034	\$ 6,411,624	\$ 6,611,658
Special Revenue Fund	242,618	-	242,618
Debt Service Fund		701,833	701,833
Food Service Fund	<u>43,757</u>	<u>1,666</u>	<u>45,423</u>
Total Financial Assistance	<u>\$ 486,409</u>	<u>\$ 7,115,123</u>	<u>\$ 7,601,532</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. 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, 2012. 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, 2012.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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>12-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>12-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>12-495-034-5095-002</u>	<u>Reimbursed TPAF Soc. Sec. Contrib.</u>
<u>12-100-034-5120-124</u>	<u>Debt Service Type II Aid</u>
<u>1840-040-10-1002</u>	<u>SDA Grant - Window Replacement</u>
<u>1840-040-10-1003</u>	<u>SDA Grant - Roof Replacement</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Section II-Financial Statement Findings

There are no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

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, 2012

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