COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Township of Warren Board of Education
Warren, New Jersey

For the Fiscal Year Ended June 30, 2010

Prepared by

Township of Warren Board of Education
Finance Department

BOARD OF EDUCATION
TOWNSHIP OF WARREN SCHOOL DISTRICT

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Introductory Section

July 28, 2010

Honorable President & Members of the Board of Education
Warren Township School District
County of Somerset
Warren, New Jersey 07059

Dear Board Members:

The comprehensive annual financial report of the Warren Township School District for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Warren Township Board of Education. 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. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendment of 1996 and the U. S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations," and the State Treasury Circular Letter 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 Warren Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Warren Township Board of Education and all its schools constitute the District's reporting entity.

   The District delivers a full educational experience for grade levels K through 8 (as well as a preschool disabled, or "PSD," program). Regular education as well as special education for students with disabilities is provided. The District's average daily enrollment for the 2009-2010 school year was 2,226, an increase of 0.54% compared to the year before. The following chart documents the increase in recent years.

ENROLLMENT DATA

School Year	Average Daily Enrollment	Percent Change
2009-2010	2226	0.54%
2008-2009	2214	0.57%
2007-2008	2201	-1.04%
2006-2007	2224	-1.64%
2005-2006	2261	-0.57%
2004-2005	2274	2.16%
2003-2004	2226	2.44%
2002-2003	2173	5.08%
2001-2002	2068	5.03%
2000-2001	1969	2.50%

2) **ECONOMIC CONDITION AND OUTLOOK:** The industrial and residential construction has slowed from recent high levels of activity. The Board of Education continues to upgrade its facilities to keep up with evolving educational requirements.

3) **MAJOR INITIATIVES**: The Warren Township School District is committed to providing its students with quality educational experiences. Over 2200 students will be served in four K-5 elementary schools and one 6-8 middle school in the 2010-2011 school year. Academic class size guidelines range from 20 in kindergarten to 26 in grades 6-8. Instruction in integrated language arts, mathematics, science, and social studies is provided, as is instruction in art, computer/technology, music, and physical education/health. To ensure the efficacy of this K-8 instructional program, a systematic curriculum and textbook adoption cycle is used, and extensive staff development opportunities are available.

Through the Board of Education's long range planning efforts, curriculum needs are assessed, goals are established, facility implications identified, and the children of the district are reaping the benefits of this process. A comprehensive technology plan is now in place. Automated libraries are at each site, six state-of-the-art computer labs are at the Middle School, computers are provided to every classroom (K-8) and on-going technology training is provided for staff.

4) **INTERNAL ACCOUNTING CONTROLS:** District management 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 is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the district management.

As part of the district's single audit, 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 Warren. Annual appropriated budgets are adopted for each of the district's funds, and project-length budgets are developed for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

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) **DEBT ADMINISTRATION:** At June 30, 2010, the District's outstanding debt issues are $4,655,000 from the School Refunding Bonds (Series 2005).

8) **RISK MANAGEMENT:** The district purchases an extensive array of insurance coverage, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

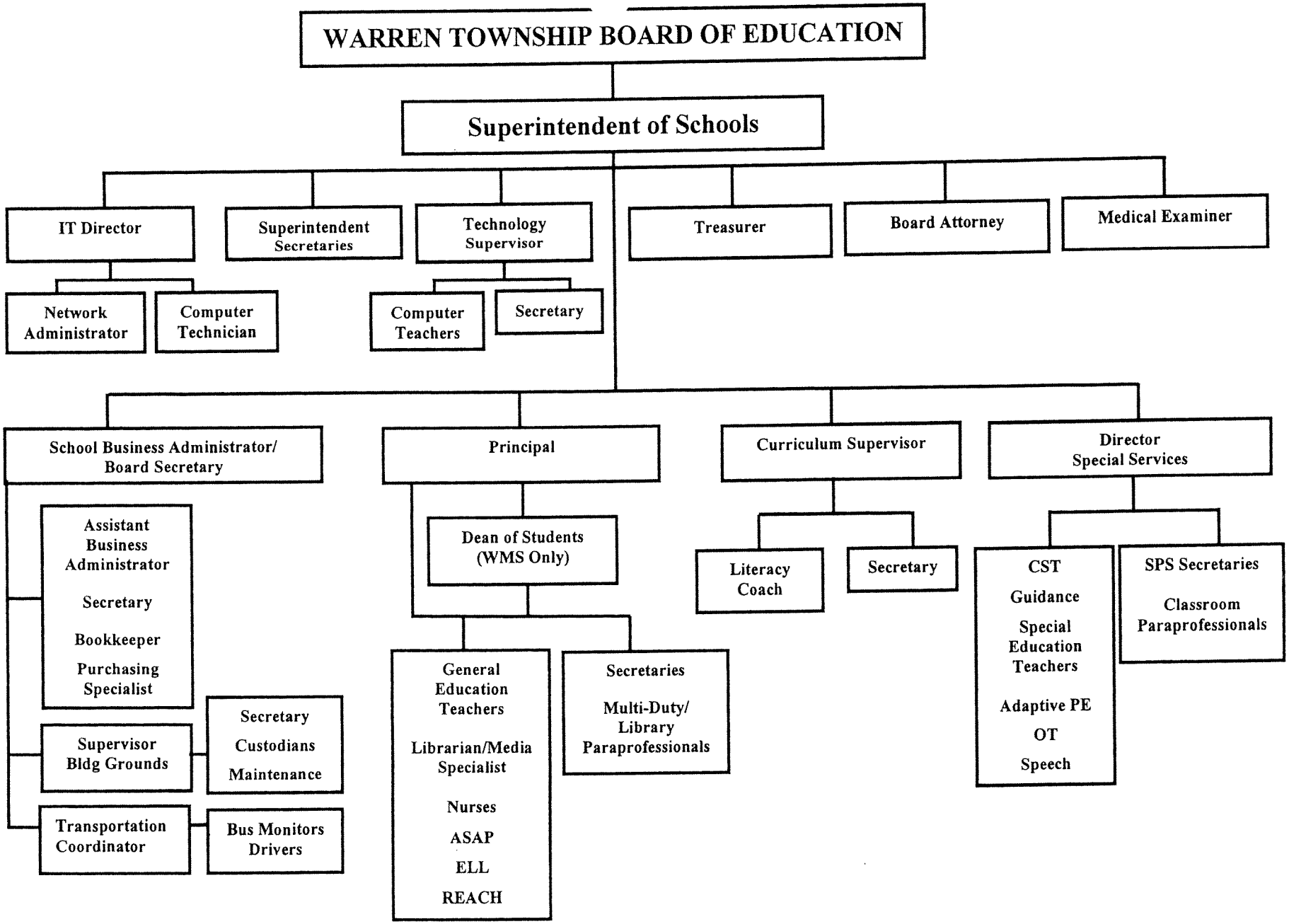
9) **OTHER INFORMATION:** **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of T.M. Vrabel & Associates, LLC has been selected by the Warren Board of Education to conduct the district's audit. 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 Amendment 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.

10) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Warren Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of Warren, and, thereby, contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff, to whom we offer our thanks as well.

Respectfully submitted,

Tami Crader, Ed.D.
Superintendent of Schools

Peter Daquila
School Business Administrator



Revised 4/26/10

WARREN TOWNSHIP SCHOOLS

CLIENT ORGANIZATION

1) Officials:

Title	Name
Superintendent	Dr. Tami Crader
Administrator/Board Secretary	Mr. Peter Daquila
Treasurer	Mrs. Ruth M. Davies
Cafeteria Manager	N/A

Internal School Accounts Custodians:

1.	Activity Fund	Mr. Scott Cook
2.	Athletic Fund	Mr. Scott Cook

Other: (Specify)

2) Board Members:

Title	Name	Expiration of Term
Year 2010:		
Mrs. Sue Burman	MEMBER	2012
Mr. Don Huber	MEMBER	2013
Mrs. Roberta Monahan	MEMBER	2013
Dr. Gregory Przybylski	PRESIDENT	2012
Mt. Tony Sardis	MEMBER	2011
Mr. James Sena	MEMBER	2013
Mrs. Mildred Spiller	MEMBER	2011
Mrs. Patricia Toubin	MEMBER	2012
Mrs. Kathleen Winter	VICE-PRESIDENT	2011

3) Legal Counsel

Name	Firm Name	Address	Phone Number
Anthony Sciarrillo	Lindabury, McCormick & Estabrook	53 Cardinal Dr. P.O. Box 2369 Westfield, NJ 07091	908 233-6800

TOWNSHIP OF WARREN

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Architect
U.S.A. Architects Planners & Interior Designers
20 N. Doughty Ave.
Somerville, New Jersey 08876

Audit Firm
T. M. Vrabel & Associates, LLC
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Denville, New Jersey 07834

Attorney
Mr. Anthony Sciarrillo
Lindabury, McCormick & Estabrook
3 Cardinal Dr
P.O. Box 2369
Westfield, NJ 07091

General Funds
Debt Service Payments
Bank of America
Government Banking
1125 Rt. 22 West, 3rd. Floor
Bridgewater, NJ 08807

Debt Service Payments
The Depository Trust Company
7 Hanover Square
New York, NY 1004

Financial Section

Independent Auditor's Report

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Warren School District as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Warren School District's management. Our responsibility is to express an opinion on these basic 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Warren School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 30, 2010 on our consideration of the Township of Warren School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting 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.

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The Management's Discussion and Analysis on page 14 through 20 and budgetary comparison information on schedules C-1 and C-2 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Timothy M. Vrabel
Public School Accountant
License No. CS000698

Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

July 30, 2010

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Warren Township School District financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on
page 23.

FINANCIAL HIGHLIGHTS

- The district's net assets increased $1.6 million as a result of this year's operations. Net assets of the district's business-type activities decreased $9,000 and net assets of governmental activities increased by $1.6 million, or 7.1 percent.
- Total cost of all of the district's programs was $41.2 million in 2009-2010 compared to $39.6 million in 2008-2009.
- During the year, the district had expenses for governmental activities that were $399,000 more than the $42.2 million generated in tax and other program revenues.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 23 and 24) provide information about the activities of the district as a whole and present a longer-term view on the district's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the district's operation in more detail than the government-wide statements by providing information about the district's most financially significant funds

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the district as a whole begins on page 16. One of the most important questions asked about the district's finances is "Is the district as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the district as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the district's *net assets* and changes in them. You can think of the district's net assets, the difference between assets and liabilities, as one way to measure the district's financial health, or *financial position.* Over time, *increases* or *decreases* in the district's net assets are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the district's property tax base, and the condition of the district's capital assets to assess the overall *health* of the district.

In the Statement of Net Assets and the Statement of Activities, we divide the district into two kinds of activities:

- Governmental activities: Most of the district's basic services are reported here, including general administration. Local taxes, tuition and state and federal aid finance most of these activities.

- Business-type-activities: The district has two proprietary funds as shown on pages 32 and 33.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the district's major funds begins on page 18. The fund financial statements begin on page 27 and provide detailed information about the most significant funds-not the district as a whole. Some funds are required to be established by state law. The district's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: most of the district's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 district's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on page 29.

Proprietary funds: when the district charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the district's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The district is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the district's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 35 and 36. We exclude these activities from the district's other financial statements because the district cannot use these assets to finance its operations. The district is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

The district's *combined* net assets changed from a year ago, *increasing* from $22.7 million to $24.3 million. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the district's governmental and business-type activities as of June 30.

Table 1
Net Assets (in Thousands)

	Governmental Activities		Business-type Activites		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	3,211	3,288	21	26	3,232	3,314
Long term receivables	338					
Capital assets	25,923	25,392	13	16	25,936	25,408
Total assets	29,472	28,680	34	42	29,168	28,722
Long-term debt outstanding	4,926	5,836			4,926	5,836
Other liabilities	259	168	5	4	264	172
Total liabilities	5,185	6,004	5	4	5,190	6,008
Net assets:						
Invested in capital assets, net of debt	21,258	19,932	13	16	21,271	19,948
Restricted	2,639	2,344			2,639	2,344
Unrestricted (deficit)	390	400	16	22	406	422
Total net assets	24,287	22,676	29	38	24,316	22,714

Net assets of the district's governmental activities increased by 716 percent. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased $10,000. Restricted net assets, those restricted mainly for encumbrances and capital reserve account increased by $295,000. The investment in capital assets, net of debt category increased by $1,326,000.

Table 2
Changes in Net Assets (in thousands)

	Governmental Activities		Business-type Activites		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for Services	153	164	49	46	202	210
Operating Grants and Contributions	5,092	5,573	28	29	5,120	5,602
General revenues:					-	-
Property Taxes	36,191	35,055			36,191	35,055
Tuition	12	5			12	5
Federal and State Aid	559	215			559	215
Interest and Investment Earnings	6	26			6	26
N.J.S.D.A. Grants	557				557	-
Other General Revenues	153	101	-	-	153	101
Total Revenues:	42,723	41,139	77	75	42,800	41,214
Program expenses including indirect expenses						
Instruction:						
Regular	17,409	16,723			17,409	16,723
Special	5,874	5,367			5,874	5,367
Other instruction	1,848	1,735			1,848	1,735
Support services:					-	-
Tuition	684	874			684	874
Student and instruction related services	5,869	5,645			5,869	5,645
School administrative services	1,737	1,692			1,737	1,692
General and business administrative services	1,403	1,283			1,403	1,283
Plant operations and maintenance	3,628	3,701			3,628	3,701
Pupil transportation	2,299	2,128			2,299	2,128
Special Schools	155	130			155	130
Interest on long-term debt	207	262			207	262
Business-type activities:					-	-
Milk Fund			73	60	73	60
Water/Juice Fund	-	-	12	12	12	12
Total Expenses	41,113	39,540	85	72	41,198	39,612
Increase (Decrease) in Net Assets	1,610	1,599	(8)	3	1,602	1,602

THE DISTRICT'S FUNDS
Governmental Activities
Table 3
Information below compares revenues and expenditures for all governmental fund types for 2009-2010 and 2008-2009

.

($000 omitted) Revenues by Source:	2009-2010	2008-2009	% Change
Local Tax Levy	36,191	35,055	3.24%
Tuition Charges	98	84	16.67%
Transportation Fees	67	86	-22.09%
Interest Earned to Investments	6	26	-76.92%
Miscellaneous	274	197	39.09%
Total - Local Sources	36,636	35,448	3.35%
State Sources	4,619	5,170	-10.66%
Federal Sources	911	522	74.52%
Total Revenues	42,166	41,140	2.49%

($000 omitted) Expenditures by Function:	2009-2010	2008-2009	% Change
Current:			
Regular Instruction	12,267	11,962	2.55%
Special education	4,301	3,999	7.55%
Other instruction	1,320	1,276	3.45%
Support Services and undistributed costs:			
Tuition	684	874	-21.74%
Student and instruction related services	4,374	4,281	2.17%
School administrative services	1,223	1,194	2.43%
General and Business administrative services	1,084	1,020	6.27%
Plant operations and maintenance	2,910	3,088	-5.76%
Pupil transportation	2,072	1,952	6.15%
Employee Benefits	9,638	8,458	13.95%
Capital Outlay	1,523	1,096	38.96%
Special Schools	155	130	19.23%
Debt Service:			
Principal	795	1,315	-39.54%
Interest on long-term debt	219	286	-23.43%
Total Expenditures	42,565	40,931	3.99%

Business-type Activities
The district's two enterprise funds consist of the Milk Fund and the Water/Juice Fund. The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates return on ending assets and return on ending net assets.

Table 4

($000 omitted)

	Milk Fund	Water/Juice Fund
Total Assets	28	6
Net Assets	25	5
Change in Net Assets	-8	0
Return on Ending Total Assets	-28.57%	0.00%
Return on Ending Net Assets	-32.00%	0.00%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
Table 5

Capital Assets at Year-end
(Net of Depreciation, in thousands)

	Governmental Activities		Business-type Activites		Totals	
	2010	2009	2010	2009	2010	2009
Land	239	239			239	239
Buildings	32,920	32,680			32,920	32,680
Machinery and Equipment	3,741	3,115	73	73	3,814	3,188
Construction-in-progress	657	-	-	-	657	-
Subtotal	37,557	36,034	73	73	37,630	36,107
Accumulated Depreciation	(11,634)	(10,642)	(60)	(57)	(11,694)	(10,699)
Totals	25,923	25,392	13	16	25,936	25,408

This year's major capital acquisitions and improvements in the governmental activities category included building improvements and . various equipment.There were no major capital acquisitions and improvements in the business-type activities category.

The district's 2010-2011 capital budget anticipates spending approximately $26,425 for various capital projects. More detailed information about the district capital assets is presented in Note III:C. to the basic financial statements

DEBT

At year – end the district had total debt of $4.665 million outstanding versus $5.460 million last year – a decrease of 14.6 percent – as shown in Table 6.

Outstanding Debt, at year –end (in thousands)
Table 6

	Governmental Activities	
	2010	2009
Serial Bonds	4,665	5,460
Loans		
Lease Purchase Agreement		
Temporary Notes		
Authorized but not Issued	-	-
	4,665	5,460

An analysis of district debt is presented in Note III:D. to the basic financial statements.

BUDGETS

The variances between the originally adopted budget for the year 2009-2010, and the final budget were caused by the treatment of encumbrances that are added to the original budget and appropriating an additional $271,514 of Capital Reserve funds. In addition, the State pension payments, which are paid by the State on behalf of employees are not budgeted, however they are counted as an expense in the audit.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the district's finances and to show the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, Warren Township School District, Warren, New Jersey

BASIC FINANCIAL STATEMENTS

Section A

DISTRICT – WIDE FINANCIAL STATEMENTS

Exhibit A-1

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,154,421.17	$ 18,939.99	$ 1,173,361.16
Receivables, net	728,450.20	2,326.88	730,777.08
Restricted assets:			
Cash and cash equivalents	336,004.14		336,004.14
Capital reserve account - cash	1,329,720.36		1,329,720.36
Capital assets, net (Note III:C.):	25,923,164.10	13,196.06	25,936,360.16
Total Assets	29,471,759.97	34,462.93	29,506,222.90
LIABILITIES			
Accounts payable		4,769.69	4,769.69
Deferred revenue	207,455.56		207,455.56
Interest payable	51,703.75		51,703.75
Noncurrent liabilities (Note IV:B.):			
Due within one year	800,000.00		800,000.00
Due beyond one year	4,126,292.12	-	4,126,292.12
Total liabilities	5,185,451.43	4,769.69	5,190,221.12
NET ASSETS			
Invested in capital assets, net of related debt	21,258,164.10	13,196.06	21,271,360.16
Restricted for:			
Capital projects	1,751,845.70		1,751,845.70
Debt service	(37,476.79)		(37,476.79)
Permanent endowment - nonexpendable	940.00		940.00
Other purposes	922,759.74		922,759.74
Unrestricted	390,075.79	16,497.18	406,572.97
Total Net Assets	$ 24,286,308.54	$ 29,693.24	$ 24,316,001.78

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

Exhibit A-2

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:							
Instruction:							
Regular	$ 17,408,629.31	$ -	$ 1,309,040.27	$ -	$ (16,099,589.04)	$ -	$ (16,099,589.04)
Special education	5,874,138.39		1,667,013.45		(4,207,124.94)		(4,207,124.94)
Other instruction	1,848,077.83		139,326.44		(1,708,751.39)		(1,708,751.39)
Support services:							
Tuition	683,729.50		416,895.13		(266,834.37)		(266,834.37)
Student and instruction related services	5,869,081.05		489,985.42		(5,379,095.63)		(5,379,095.63)
School administrative services	1,737,062.64		125,174.16		(1,611,888.48)		(1,611,888.48)
General and business administrative services	1,403,238.56		77,158.63		(1,326,079.93)		(1,326,079.93)
Plant operations and maintenance	3,627,599.91		182,656.78		(3,444,943.13)		(3,444,943.13)
Pupil transportation	2,298,543.64	66,565.57	477,371.13		(1,754,606.94)		(1,754,606.94)
Special schools	155,513.68	86,815.65			(68,698.03)		(68,698.03)
Interest on long-term debt	206,888.88	-	206,888.88		-		-
Total governmental activities	41,112,503.39	153,381.22	5,091,510.29		(35,867,611.88)	-	(35,867,611.88)
Business-type activities:							
Milk Fund	73,075.84	37,232.18	28,115.20			(7,728.46)	(7,728.46)
Water/Juice Fund	11,535.59	11,438.02	-			(97.57)	(97.57)
Total business-type activities	84,611.43	48,670.20	28,115.20	-	-	(7,826.03)	(7,826.03)
Total primary government	$ 41,197,114.82	$ 202,051.42	$ 5,119,625.49	$ -	$ (35,867,611.88)	$ (7,826.03)	$ (35,875,437.91)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					$ 35,534,274.00		$ 35,534,274.00
Property taxes, levied for debt service principal					656,558.00		656,558.00
Federal and State aid not restricted					559,160.88		559,160.88
Tuition (other than special schools)					11,651.80		11,651.80
Investment Earnings					6,230.45		6,230.45
Miscellaneous Income					152,555.01		152,555.01
N.J. Schools Development Authority Grants					557,143.00		557,143.00
Total general revenues, special items, extraordinary items and transfers					37,477,573.14	-	37,477,573.14
Change in Net Assets					1,609,961.26	(7,826.03)	1,602,135.23
Net Assets—beginning					22,676,347.28	37,519.27	22,713,866.55
Net Assets—ending					$ 24,286,308.54	$ 29,693.24	$ 24,316,001.78

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

Section B

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,118,572.24	$ 20,126.31	$ 336,004.14	$ 14,226.96	$ 1,495.66	$ 1,490,425.31
Receivables from other governments	306,823.00	83,971.00	337,656.20			728,450.20
Restricted cash and cash equivalents	1,329,720.36	-	-	-	-	1,329,720.36
Total Assets	$ 2,755,115.60	$ 104,097.31	$ 673,660.34	$ 14,226.96	$ 1,495.66	$ 3,548,595.87
LIABILITIES AND FUND BALANCES						
Liabilities:						
Deferred revenue	$ 103,358.25	$ 104,097.31	$ -	$ -	$ -	$ 207,455.56
Total Liabilities	103,358.25	104,097.31				207,455.56
Fund Balances:						
Reserved for:						
Encumbrances	90,543.37		251,535.00			342,078.37
Capital reserve account	1,329,720.36					1,329,720.36
Excess surplus	208,180.42					208,180.42
Excess surplus – designated for subsequent year's expenditures	372,500.95					372,500.95
Other purposes					940.00	940.00
Unreserved, reported in:						-
General fund	650,812.25					650,812.25
Capital projects fund			422,125.34			422,125.34
Debt service fund				14,226.96		14,226.96
Permanent fund	-		-	-	555.68	555.66
Total Fund Balances	2,651,757.35	-	673,660.34	14,226.96	1,495.66	3,341,140.31
Total Liabilities and Fund Balances	$ 2,755,115.60	$ 104,097.31	$ 673,660.34	$ 14,226.96	$ 1,495.66	

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

Adjustment to Debt Service Fund net assets for the accrual of interest expense.	$ (51,703.75)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $37,557,879.43 and the accumulated depreciation is $11,634,715.33.	25,923,164.10
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 IV:B.)	(4,926,292.12)
Net assets of governmental activities	$ 24,286,308.54

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

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES						
Local sources:						
Local tax levy	$ 35,534,274.00	$ -	$ -	$ 656,558.00	$ -	$ 36,190,832.00
Tuition charges	98,467.45					98,467.45
Transportation fees	66,565.57					66,565.57
Interest earned on investments	6,051.97				1.49	6,053.46
Interest earned on Capital Reserve Funds	176.99					176.99
Miscellaneous	145,755.01	127,771.86	-	-	-	273,526.87
Total - Local Sources	35,851,290.99	127,771.86	-	656,558.00	1.49	36,635,622.34
State sources	4,259,393.74	2,135.00		357,545.00		4,619,073.74
Federal sources	-	910,625.57	-	-	-	910,625.57
Total Revenues	40,110,684.73	1,040,532.43	-	1,014,103.00	1.49	42,165,321.65
EXPENDITURES						
Current:						
Regular instruction	12,186,258.31	81,038.83				12,267,297.14
Special education instruction	3,758,052.20	543,422.36				4,301,474.56
Other instruction	1,319,616.47					1,319,616.47
Support services and undistributed costs:						
Tuition	683,729.50					683,729.50
Student and instruction related services	4,281,786.70	92,282.24				4,374,068.94
School administrative services	1,222,686.56					1,222,686.56
General and business administrative services	1,083,570.31					1,083,570.31
Plant operations and maintenance	2,909,659.18					2,909,659.18
Pupil transportation	2,071,891.51					2,071,891.51
Unallocated benefits	9,626,823.20	11,541.00				9,638,364.20
Special schools	155,513.68					155,513.68
Capital outlay	554,073.10	312,248.00	656,996.66			1,523,317.76
Debt service:						
Principal				795,000.00		795,000.00
Interest and other charges	-	-	-	219,090.75		219,090.75
Total Expenditures	39,853,660.72	1,040,532.43	656,996.66	1,014,090.75	-	42,565,280.56
Excess (Deficiency) of revenues over expenditures	257,024.01	-	(656,996.66)	12.25	1.49	(399,958.91)
OTHER FINANCING SOURCES AND (USES)						
N.J.Schools Development Authority Grants			557,143.00			557,143.00
Transfers in			773,514.00			773,514.00
Transfers (out)	(773,514.00)		-			(773,514.00)
Total Other Financing Sources and (Uses)	(773,514.00)		1,330,657.00	-	-	557,143.00
Net change in fund balances	(516,489.99)	-	673,660.34	12.25	1.49	157,184.09
Fund Balance—July 1	3,168,247.34	-	-	14,214.71	1,494.17	3,183,956.22
Fund Balance—June 30	$ 2,651,757.35	$ -	$ 673,660.34	$ 14,226.96	$ 1,495.66	$ 3,341,140.31

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

BOARD OF EDUCATION
TOWNSHIP OF WARREN
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, 2010

Total net change in fund balances - governmental funds (from B-2)			$ 157,184.09
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
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. The difference in accrued interest is an addition in the reconciliation. (+)			
	Interest paid	$ 219,090.75	
	Interest accrued	(206,888.88)	
			12,201.87
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	(992,169.02)	
	Capital outlays (exclusive of capital lease principal payments)	1,523,317.76	
			531,148.74
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)			-
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).			114,426.56
Payment of long-term liability 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.			
	Debt principal		795,000.00
	Capital lease principal		-
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.			
	Proceeds of long-term debt (Refunding Bonds)		
	Capital lease proceeds		-
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)			-
Change in net assets of governmental activities			$ 1,609,961.26

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

PROPRIETARY FUNDS

Exhibit B-4

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds		
	Milk Fund	Water/Juice Fund	Totals
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 15,127.66	$ 3,812.33	$ 18,939.99
Accounts receivable	2,326.88	-	2,326.88
Total Current Assets	17,454.54	3,812.33	21,266.87
Noncurrent assets:			
Furniture, machinery and equipment	70,263.94	3,121.84	73,385.78
Less accumulated depreciation	(59,409.27)	(780.45)	(60,189.72)
Total Noncurrent Assets	10,854.67	2,341.39	13,196.06
Total Assets	28,309.21	6,153.72	34,462.93
LIABILITIES			
Current Liabilities:			
Accounts payable	3,791.35	978.34	4,769.69
Total Current Liabilities	3,791.35	978.34	4,769.69
Total Liabilities	3,791.35	978.34	4,769.69
NET ASSETS			
Invested in capital assets, net of related debt	10,854.67	2,341.39	13,196.06
Unrestricted	13,663.19	2,833.99	16,497.18
Total Net Assets	$ 24,517.86	$ 5,175.38	$ 29,693.24

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

Exhibit B-5

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds		
	Milk Fund	Water/Juice Fund	Totals
Operating Revenues:			
Charges for services:			
Daily sales - reimbursable programs	$ 37,232.18	$ -	$ 37,232.18
Daily sales - non-reimbursable programs	-	11,438.02	11,438.02
Total Operating Revenues	37,232.18	11,438.02	48,670.20
Operating Expenses:			
Cost of sales	44,262.92	10,012.32	54,275.24
Salaries	19,194.32	1,263.12	20,457.44
Supplies	4,711.70		4,711.70
Cleaning, repair and maintenance services	2,383.15		2,383.15
Depreciation	2,523.75	260.15	2,783.90
Total Operating Expenses	73,075.84	11,535.59	84,611.43
Operating Income (Loss)	(35,843.66)	(97.57)	(35,941.23)
Nonoperating Revenues (Expenses):			
Federal sources:			
Special milk program	28,115.20		28,115.20
Total Nonoperating Revenues (Expenses)	28,115.20	-	28,115.20
Income (loss) before contributions and transfers	(7,728.46)	(97.57)	(7,826.03)
Change in net assets	(7,728.46)	(97.57)	(7,826.03)
Total Net Assets—Beginning	32,246.32	5,272.95	37,519.27
Total Net Assets—Ending	$ 24,517.86	$ 5,175.38	$ 29,693.24

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

Exhibit B-6

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds		
	Milk Fund	Water/Juice Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 37,466.37	$ 11,438.02	$ 48,904.39
Payments to employees	(19,194.32)	(1,263.12)	(20,457.44)
Payments to suppliers	(50,746.79)	(10,095.90)	(60,842.69)
Net cash provided by (used for) operating activities	(32,474.74)	79.00	(32,395.74)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal Sources	28,115.20		28,115.20
Net cash provided by (used for) non-capital financing activities	28,115.20	-	28,115.20
Net increase (decrease) in cash and cash equivalents	(4,359.54)	79.00	(4,280.54)
Balances—beginning of year	19,487.20	3,733.33	23,220.53
Balances—end of year	$ 15,127.66	$ 3,812.33	$ 18,939.99
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (35,843.66)	$ (97.57)	$ (35,941.23)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	2,523.75	260.15	2,783.90
(Increase) decrease in accounts receivable, net	234.19	-	234.19
Increase (decrease) in accounts payable	610.98	(83.58)	527.40
Total adjustments	3,368.92	176.57	3,545.49
Net cash provided by (used for) operating activities	$ (32,474.74)	$ 79.00	$ (32,395.74)

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

FIDUCIARY FUNDS

Exhibit B-7

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and cash equivalents	$ 323,620.64	$ 21,556.15
Total Assets	$ 323,620.64	$ 21,556.15
LIABILITIES		
Flexible Spending		16,833.08
Payable to student groups		4,480.26
Payroll deductions and withholdings		242.81
Total Liabilities		$ 21,556.15
NET ASSETS		
Held in trust for unemployment claims and other purposes	$ 323,620.64	

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

Exhibit B-8

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2010

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan members	$ 67,083.57
Board of Education	200,000.00
Total Contributions	267,083.57
Investment earnings:	
Interest	136.33
Net investment earnings	136.33
Total Additions	267,219.90
DEDUCTIONS	
Unemployment claims	70,656.22
Total Deductions	70,656.22
Change in Net Assets	196,563.68
Net Assets—beginning	127,056.96
Net Assets—ending	$ 323,620.64

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Township of Warren (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 District is required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This Statement established new financial reporting requirements for state and local governments throughout the United States. It required new information and restructuring much of the information that governments had presented in the past. The District began implementing these standards for the fiscal year ending June 30, 2003.

Other GASB Statements were also required to be implemented in conjunction with GASB Statements No. 34. Therefore, the District implemented for the fiscal year ending June 30, 2003 (or June 30, 2004), Statement No. 37 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus, and Statement No. 38 – Certain Financial Statement Note Disclosures.

B. Reporting Entity

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

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

C. Basic Financial Statements- Government-Wide Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Note I: Summary of Significant Accounting Policies(Continued)

C. Basic Financial Statements- Government-Wide Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities 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) 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.

D. Basic Financial Statements- Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

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 and, excluding equipment, with County Superintendent approval.

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

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

Note I: Summary of Significant Accounting Policies(Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

Permanent Fund – A permanent fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The generally accepted accounted principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

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

The District's Enterprise Fund are comprised of the Special Milk Fund and Water/Juice Fund operations.

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

Special Milk Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (Unemployment Compensation and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

E. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, property taxes, grants entitlements and donations.

Note I: Summary of Significant Accounting Policies(Continued)

E. Measurement Focus and Basis of Accounting (Continued)

Government 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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. 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.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Appropriation of capital reserve funds in the amount of $271,514.00 and prior year encumbrances in the amount of $194,161.88 were made during the year ended June 30, 2010. The significant budget transfers and amendments approved in the school year are presented on Exhibit C-1.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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.

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 reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Exhibit C-3.

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

2. Short – term Interfund Receivables/Payables

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

3. Inventories

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

Enterprise fund inventories are valued at cost, which approximates market, using the first–in–first–out (FIFO) method.

4. Capital Assets

Capital assets purchased or acquired with an original cost of $2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight – line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years
Other Infrastructure	10-50 years

Land and Construction in Progress are not depreciated.

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets (Continued)

GASB No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006.

5. Compensated Absences

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations. (See Note IX)

6. Deferred Revenue

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

7. Long – term Obligations

Long – term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long – term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations.

8. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

9. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates

Note II: Reconciliation of Government Wide and Fund Financial Statements

Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Assets

"Total fund balances" of the District's governmental funds in B-1 differs from "net assets" of governmental activities reported in the statement of net assets in A-1. This difference primarily results from the long - term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Balance Sheet/Statement of Net Assets

Assets	Total Governmental Funds	Long - term Assets Liabilities (1)	Reclassifications and Eliminations	Statement of Net Assets Totals
Cash and cash equivalents	$ 1,490,425.31	$ -	$ (336,004.14)	$ 1,154,421.17
Receivables, net			728,450.20	728,450.20
Receivables from Other Governments	728,450.20		(728,450.20)	-
Restricted assets:				-
Cash and cash equivalents			336,004.14	336,004.14
Capital Reserve Account - cash	1,329,720.36			1,329,720.36
Capital Assets, net	-	25,923,164.10	-	25,923,164.10
Total Assets	$ 3,548,595.87	$ 25,923,164.10	$ -	$ 29,471,759.97
Liabilities				
Deferred Revenue	$ 207,455.56	$ -	$ -	$ 207,455.56
Interest Payable			51,703.75	51,703.75
Noncurrent Liabilities	-	4,665,000.00	261,292.12	4,926,292.12
Total Liabilities	207,455.56	4,665,000.00	312,995.87	5,185,451.43
Fund Balances/Net Assets				
Net Assets				
Invested in capital assets, net of related debt		21,258,164.10		21,258,164.10
Restricted for:				-
Capital projects	1,751,845.70			1,751,845.70
Debt Service	14,226.96		(51,703.75)	(37,476.79)
Permanent endowment - nonexpendable	940.00			940.00
Other purposes	922,759.74			922,759.74
Unrestricted	651,367.91	-	(261,292.12)	390,075.79
Total Fund Balances/Net Assets	3,341,140.31	21,258,164.10	(312,995.87)	24,286,308.54
Total Liabilities and Fund Balances/Net Assets	$ 3,548,595.87	$ 25,923,164.10	$ -	$ 29,471,759.97

1. When Capital Assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the District as a whole.

Cost of capital assets	$ 37,557,879.43
Accumulated depreciation	(11,634,715.33)
	$ 25,923,164.10

Long - term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long - term are reported in the statement of net assets.

Serial Bonds	$ 4,665,000.00
Compensated Absences	261,292.12
	$ 4,926,292.12

Adjustment to Debt Service Fund net assets for the accrual of interest expense.	$ (51,703.75)

Note II: Reconciliation of Government Wide and Fund Financial Statements (Continued)

Explanation of Differences between Governmental Funds Operating Statement of Activities

The "net change in fund balances" for governmental funds in B-2 differs from the "change in net assets" for governmental activities reported in the statement of activities in A-2. The difference arise primarily for the long - term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities

Revenues and Other Sources	Total Governmental Funds	Long - term Revenue, Expenses (2)	Capital Related Items (3)	Long - term Debt Transactions (4)	Reclassifications and Eliminations (5)	Statement of Activities Totals
Local Tax Levy	$ 36,190,832.00	$ -	$ -	$ -	$ -	$ 36,190,832.00
Tuition Charges	98,467.45					98,467.45
Transportation Fees	66,565.57					66,565.57
Interest Earned on Investments	6,230.45					6,230.45
Miscellaneous	273,526.87					273,526.87
State Sources	4,619,073.74					4,619,073.74
Federal Sources	910,625.57	-	-	-	-	910,625.57
Total	42,165,321.65	-	-	-	-	42,165,321.65
Expenditures						
Current:						
Regular instruction	12,267,297.14		728,511.83	(94,106.55)	4,506,926.89	17,408,629.31
Special education	4,301,474.56		93,045.54		1,479,618.29	5,874,138.39
Other instruction	1,319,616.47				528,461.36	1,848,077.83
Support Services and undistributed costs:						
Tuition	683,729.50					683,729.50
Student and instruction related services	4,374,068.94		35,372.42		1,459,639.69	5,869,081.05
School administrative services	1,222,686.56		44,864.53	(20,481.49)	489,993.04	1,737,062.64
General and business administrative services	1,083,570.31		12,462.43		307,205.82	1,403,238.56
Plant operations and maintenance	2,909,659.18		47,946.38	161.48	669,832.87	3,627,599.91
Pupil transportation	2,071,891.51		29,965.89		196,686.24	2,298,543.64
Unallocated Benefits	9,638,364.20				(9,638,364.20)	-
Special Schools	155,513.68					155,513.68
Capital Outlay	1,523,317.76		(1,523,317.76)			-
Debt Service:						
Principal	795,000.00			(795,000.00)		-
Interest	219,090.75	(12,201.87)	-	-	-	206,888.88
Total	42,565,280.56	(12,201.87)	(531,148.74)	(909,426.56)	-	41,112,503.39
Other Financing Uses/Changes in Net Assets:						
N.J. Schools Development Authority Grants	557,143.00					557,143.00
Total	557,143.00	-	-	-	-	557,143.00
Net Change for the Year	$ 157,184.09	$ 12,201.87	$ 531,148.74	$ 909,426.56	$ -	$ 1,609,961.26

2. 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. The accrued interest is an addition in the reconciliations. (+) $ 12,201.87

3. 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 which capital outlays exceeded depreciation in the period.

Depreciation expense	$ (992,169.02)
Capital outlays (exclusive of capital lease principal payments)	1,523,317.76
	$ 531,148.74

3. In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

4. In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the differences is an addition to the reconciliation (+). $ 114,426.56

Payment of long-term liability principal is an expenditure in the government funds, but the payment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities. -

Debt principal	795,000.00
Capital lease principal	-
	$ 909,426.56

4. Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long - term liabilities in the statement of net assets.

Proceeds of long - term debt	$ -
Capital lease proceeds	-
	$ -

5. Allocate Benefits expenditures

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

N.J.S.A. 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At June 30, 2010 the Township of Warren School District's cash and cash equivalent's amounted to $4,141,138.76. Of this amount, $250,000.00 was covered by federal depository insurance (F.D.I.C.) and $3,891,138.76 was covered by a collateral pool maintained by the banks as required by GUDPA

At June 30, 2010 the Township of Warren School District had no participation in the State of New Jersey Cash Management Fund.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Township of Warren will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2010, none of the Township of Warren School District's cash and cash equivalents was exposed to custodial credit risk.

Investments

New Jersey statutes (N.J.S.A. 18A:20-37) permit the Township of Warren School District to purchase the following types of securities:

a. When authorized by resolution adopted by a majority vote of all its members the board of education of any school district may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the school district;

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
(2) Government money market mutual funds;
(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
(4) Bonds or other obligations of the school district or bonds or other obligations of local unit or units within which the school district is located;

Note III: Detailed Disclosure Regarding Assets and Revenues(Continued)

A. Deposits and Investments(Continued)

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by school district;

(6) Local government investment pools:

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Warren School District had no investments as described in Note I:G.1 at June 30, 2010.

B. Interfund Receivables and Payables

As of June 30, 2010, there were no interfund receivables and payables.

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

C. Capital Assets

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

	Beginning Balance	Additions	Adjustment	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 239,123.48	$ -	$ -	$ 239,123.48
Construction in Progress	-	656,996.66	-	656,996.66
Total Capital assets not being depreciated	239,123.48	656,996.66	-	896,120.14
Buildings and Improvements	32,680,482.61	239,862.17		32,920,344.78
Machinery and Equipment	3,114,955.58	626,458.93	-	3,741,414.51
Totals at historical cost	35,795,438.19	866,321.10	-	36,661,759.29
Less accumulated depreciation for:				
Buildings and Improvements	(9,094,844.98)	(637,395.13)		(9,732,240.11)
Machinery and Equipment	(1,547,701.33)	(354,773.89)		(1,902,475.22)
Total accumulated depreciation	(10,642,546.31)	(992,169.02) (1)	-	(11,634,715.33)
Net capital assets being depreciated	25,152,891.88	(125,847.92)	-	25,027,043.96
Governmental activities capital assets, net	$ 25,392,015.36	$ 531,148.74	$ -	$ 25,923,164.10
Business - type activities:				
Equipment	73,385.78			73,385.78
Less accumulated depreciation	(57,405.82)	(2,783.90)	-	(60,189.72)
Business - type activities capital assets, net	$ 15,979.96	$ (2,783.90)	$ -	$ 13,196.06

(1) Depreciation expense was charged to governmental functions as follows:

Instruction	$ 728,511.83
Special Education	93,045.54
Student and Instruction Related Services	35,372.42
School Administrative Services	44,864.53
General and Business Administrative Services	12,462.43
Plant Operations and Maintenance	47,946.38
Pupil Transportation	29,965.89
	$ 992,169.02

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has no commitments to lease equipment under operating leases.

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Long - Term debt:					
Serial Bonds	$ 5,460,000.00	$ -	$ (795,000.00)	$ 4,665,000.00	$ 800,000.00
Total debt payable	5,460,000.00	-	(795,000.00) (1)	4,665,000.00	800,000.00
Other liabilities:					
Compensated absences	375,718.68	15,207.00	(129,633.56)	261,292.12	-
Total other liabilities	375,718.68	15,207.00	(129,633.56) (2)	261,292.12	-
Governmental activities long - term liabilities	$ 5,835,718.68	$ 15,207.00	$ (924,633.56)	$ 4,926,292.12	$ 800,000.00

(1) Paid by debt service fund
(2) Paid by general fund

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2010 consisted of the following:

Description	Interest Rate	Due Date	Maturity Date	Amount Issued	Amount Outstanding
Refunding of 2005	3.80%	3/15	2016	$ 4,870,000.00	$ 4,665,000.00
				$ 4,870,000.00	$ 4,665,000.00

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

Year ending June 30,	Principal	Interest	Total
2011	$ 800,000.00	$ 177,270.00	$ 977,270.00
2012	790,000.00	146,870.00	936,870.00
2013	780,000.00	116,850.00	896,850.00
2014	775,000.00	87,210.00	862,210.00
2015	765,000.00	57,760.00	822,760.00
2016	755,000.00	28,690.00	783,690.00
	$ 4,665,000.00	$ 614,650.00	$ 5,279,650.00

2. Temporary Notes

As of June 30, 2010 the Board had no Temporary Notes.

3. Bonds Authorized But Not Issued

As of June 30, 2010 the Board had no authorized but nor issued bonds.

4. Capital Leases Payable

As of June 30, 2010 the Board had no Capital Leases Payable.

Note V: Detailed Disclosure Regarding Fund Equity

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701),the designation for Reserved Fund Balance—Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is $580,681.37. The reserved fund balance of $372,500.95 has been appropriated in the fiscal year 2010-2011 and $208,180.42 will be appropriated in the fiscal year 2011-2012.

B. Capital Reserve Account

During fiscal year 1999-2000 the Board passed a resolution for the establishment of a capital reserve account. The 2000-2001 certified budget included an increase in the capital reserve account of $400,000 comprised of a voter approved tax levy.

A summary of the account's transactions is as follows:

2000-2001 Budget (described above)	$ 400,000.00
2000-2001 Investment Income	22,540.32
2001-2002 Budget (Tax Levy)	1,400,000.00
2001-2002 Investment Income	57,442.83
2001-2002 Withdrawal (School Facilities Project)	(641,504.00)
2002-2003 Budget (Tax Levy)	1,150,000.00
2002-2003 Investment Income	37,546.91
2002-2003 Withdrawal (School Facilities Project)	(2,222,911.91)
2003-2004 Budget (Tax Levy)	50,000.00
2003-2004 Investment Income	5,011.05
2004-2005 Budget (Tax Levy)	1,800,000.00
2004-2005 Investment Income	2,772.59
2004-2005 Withdrawal (School Facilities Project)	(1,950,000.00)
2005-2006 Budget (Tax Levy)	1,200,000.00
2005-2006 Withdrawal (School Facility Project)	(1,200,000.00)
2005-2006 Investment Income	3,728.83
2005-2006 Cancellation (School Facility Project)	516,286.72
2006-2007 Budget (Tax Levy)	1,000,000.00
2006-2007 Withdrawal (Other Capital Project)	(1,303,978.07)
2006-2007 Investment Income	6,144.83
2006-2007 Cancellation (School Facility Project)	12,064.09
2007-2008 Budget (Tax Levy)	875,000.00
2007-2008 Withdrawal (Other Capital Project)	(237,467.76)
2007-2008 Investment Income	4,615.43
2008-2009 Budget (Fund Balance)	500,000.00
2008-2009 Investment Income	765.51
2009-2010 Budget (Fund Balance)	500,000.00
2009-2010 Investment Income	176.99
2009-2010 Withdrawal (School Facility Project)	658,514.00
Balance June 30, 2010	$ 1,329,720.36

Note V: Detailed Disclosure Regarding Fund Equity (Continued)

B. Capital Reserve Account (Continued)

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:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects at June 30, 2010 is $1,345,000.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost sharing plan with special funding situations as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The PERS is considered a cost sharing multiple-employer defined benefit plan.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

The Teachers' Pension and Annuity Fund (TPAF) was established in January 1955, under the provisions of N.J.S.A. 18:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Note VI: Pension Plans (Continued)

Retirement Benefits

For PERS and TPAF employees, the benefits will be 1/55 of the average of the three highest years compensation for each year of service. However, for PERS and TPAF who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

Significant Legislation

P.L. 2009, c.19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L.2008, c.89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c.103, certain parts effective July 1, 2007, provided for the following: changed employee contribution rates of TPAF, State PERS, and DCRP to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 5.5 percent for TPAF and 5.0 percent for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of living adjustments and funding for post-retirement medical premiums.

During the year ended June 30, 2009, for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, annual pension cost equals contributions made.

Note VI: Pension Plans (Continued)

Contributions – Actual (Continued)

The District's total payroll for the year ended June 30, 2010 was $25,006,941.38 and covered payroll was $18,524,199.00 for TPAF and $4,391,181.00 for PERS. Contributions to the TPAF and the PERS for the three years ended June 30, made by the employees, the Board, and the State of New Jersey on behalf of the Board were as follows:

		TPAF	Percent of Covered Payroll	PERS	Percent of Covered Payroll
Employees	6/30/08	955,554.13	5.51%	205,713.70	5.61%
	6/30/09	980,796.92	5.52%	232,358.29	5.66%
	6/30/10	1,022,784.94	5.52%	246,084.67	5.60%
Board of Education	6/30/08	N/A	N/A	199,048.80	5.43%
	6/30/09	N/A	N/A	290,377.00	7.08%
	6/30/10	N/A	N/A	332,183.00	7.56%
State of New Jersey	6/30/08	1,895,397.00	10.93%	N/A	N/A
	6/30/09	1,152,842.00	6.49%	N/A	N/A
	6/30/10	1,212,142.00	6.54%	N/A	N/A

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $1,387,272.74 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

Note VII: Post-Retirement Medical Benefits

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, respectively, to fund post-retirement medical benefits for those 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 education employees. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits, and the State contributed $837.7 million on their behalf. 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 benefits 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 $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

Note VIII: Risk Management

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

The following table is a summary of district contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district's trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2009-2010	$200,000.00	$ 67,083.57	$ 70,656.22	$323,620.64
2008-2009	-0-	60,535.58	37,545.85	127,056.96
2007-2008	-0-	48,334.60	51,054.79	103,557.60

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

The District is a member of the School Alliance Insurance Fund. (the "Fund"). The Fund is both an insured and self-administered group of school districts established for the purpose of providing certain Property Damage, Employer's Liability, Automobile and Equipment Liability, School Board Legal Liability and Boiler and Machinery insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Fund and should it be determined that payments received by the Fund are deficient, additional assessments may be levied. Additionally, the Fund maintains a contract of excess insurance with a commercial reinsuror to secure the payment of benefits.

The District is also a member of the New Jersey School Board Association Insurance Group (the "Group").

The Group is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost workers' compensation coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Group and should it be determined that payments received by the Group are deficient, additional assessments may be levied. Additionally, the Group maintains a contract of excess insurance with a commercial reinsuror to secure the payment of benefits.

The Township of Warren School District continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note IX: Compensated Absences

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

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

Qualified teachers would be paid $35.00 per day to a maximum of $7,500.00; qualified administrators would be paid 1/260 of salary per day to a maximum of $20,000.00; Buildings and Grounds personnel would be paid $20.00 per day with no maximum limit. At present time there are no qualified secretaries or paraprofessionals.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010, no liability existed for compensated absences in the Food Service Fund.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

Section C

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:						
Local Sources:		$ 35,534,274.00	$ -	$ 35,534,274.00	$ 35,534,274.00	$ -
Local Tax Levy		80,000.00		80,000.00	98,467.45	18,467.45
Tuition		25,000.00	-	25,000.00	66,565.57	41,565.57
Transportation Fees		50,000.00		50,000.00	8,051.97	(43,948.03)
Interest Earned on Investments		2,000.00	-	2,000.00	176.99	(1,823.01)
Interest Earned on Capital Reserve Funds		32,000.00	-	32,000.00	145,755.01	113,755.01
Miscellaneous		35,723,274.00	-	35,723,274.00	35,851,290.99	128,016.99
Total - Local Sources						
State Sources:						
Categorical Transportation Aid		630,469.00	-	630,469.00	409,805.00	(220,664.00)
Categorical Special Education Aid		1,274,026.00	-	1,274,026.00	858,575.00	(415,451.00)
Categorical Security Aid		169,183.00	-	169,183.00	109,969.00	(59,214.00)
Extraordinary Aid		210,000.00	-	210,000.00	286,539.00	76,539.00
Nonpublic Transportation Aid			-		20,284.00	20,284.00
TPAF Pension (On-Behalf - Non-Budgeted)			-		1,212,142.00	1,212,142.00
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	1,387,272.74	1,387,272.74
Total State Sources		2,283,678.00	-	2,283,678.00	4,284,586.74	2,000,908.74
Total Revenues		38,006,952.00	-	38,006,952.00	40,135,877.73	2,128,925.73
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	110-100-101	913,291.00	21,280.00	934,571.00	928,627.79	5,943.21
Grades 1-5 - Salaries of Teachers	120-100-101	6,485,228.00	(271,290.00)	6,213,938.00	6,210,301.16	3,636.84
Grades 6-8 - Salaries of Teachers	130-100-101	4,146,893.00	(53,690.00)	4,093,203.00	4,092,863.65	339.35
Regular Programs - Home Instruction:			-			
Salaries of Teachers	150-100-101	5,700.00	18,150.00	23,850.00	23,840.00	10.00
Purchased Professional-Educational Services	150-100-320	2,100.00	(750.00)	1,350.00	1,322.72	27.28
Regular Programs - Undistributed Instruction			-			
Other Salaries for Instruction	190-100-106	95,986.00	(3,650.00)	92,336.00	91,893.67	442.33
Purchased Professional-Educational Services	190-100-320	10,000.00	4,990.00	14,990.00	14,741.34	248.66
Other Purchased Services (400-500 series)	190-100-500	11,520.00	(1,000.00)	10,520.00	6,304.05	4,215.95
General Supplies	190-100-610	625,279.00	83,380.00	708,659.00	697,817.37	10,841.63
Textbooks	190-100-640	121,200.00	(10,260.00)	110,940.00	97,174.06	13,765.94
Other Objects	190-100-800	42,400.00	-	42,400.00	21,372.50	21,027.50
TOTAL REGULAR PROGRAMS - INSTRUCTION		12,459,597.00	(212,840.00)	12,246,757.00	12,186,258.31	60,498.69
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	204-100-101	297,391.00	450.00	297,841.00	297,349.50	491.50
Other Salaries for Instruction	204-100-106	143,243.00	(9,080.00)	134,163.00	127,966.82	6,196.18
General Supplies	204-100-610	5,000.00	(1,000.00)	4,000.00	3,989.71	10.29
Textbooks	204-100-640	2,400.00	-	2,400.00	-	2,400.00
Total Learning and/or Language Disabilities		448,034.00	(9,630.00)	438,404.00	429,306.03	9,097.97
Resource Room/Resource Center:						
Salaries of Teachers	213-100-101	2,382,609.00	47,650.00	2,430,259.00	2,429,278.99	980.01
Other Salaries for Instruction	213-100-106	494,069.00	94,920.00	588,989.00	588,904.27	84.73
General Supplies	213-100-610	12,500.00	2,250.00	14,750.00	14,702.28	47.72
Textbooks	213-100-640	1,000.00	(250.00)	750.00	142.40	607.60
Total Resource Room/Resource Center		2,890,178.00	144,570.00	3,034,748.00	3,033,027.94	1,720.06
Preschool Disabilities - Full-Time:						
Salaries of Teachers	216-100-101	99,608.00	19,510.00	119,118.00	117,551.07	1,566.93
Other Salaries for Instruction	216-100-106	163,480.00	11,570.00	175,050.00	174,967.67	82.33
General Supplies	216-100-610	4,000.00	(550.00)	3,450.00	3,199.49	250.51
Total Preschool Disabilities - Full-Time		267,088.00	30,530.00	297,618.00	295,718.23	1,899.77
TOTAL SPECIAL EDUCATION - INSTRUCTION		3,605,300.00	165,470.00	3,770,770.00	3,758,052.20	12,717.80
Basic Skills/Remedial - Instruction						
Salaries of Teachers	230-100-101	950,390.00	24,280.00	974,670.00	966,465.02	8,204.98
Other Salaries for Instruction	230-100-106	3,450.00	550.00	4,000.00	4,000.00	-
General Supplies	230-100-610	11,500.00	4,000.00	15,500.00	15,055.88	444.12
Total Basic Skills/Remedial - Instruction		965,340.00	28,830.00	994,170.00	985,520.90	8,649.10
Bilingual Education - Instruction						
Salaries of Teachers	240-100-101	178,456.00	22,000.00	200,456.00	200,428.46	27.54
Other Salaries for Instruction	240-100-106	4,025.00	-	4,025.00	4,000.00	25.00
General Supplies	240-100-610	700.00	650.00	1,350.00	1,308.88	41.12
Total Bilingual Education - Instruction		183,181.00	22,650.00	205,831.00	205,737.34	93.66
School-Spon. Cocurricular Actvts. - Inst.						
Salaries	401-100-100	85,000.00	(650.00)	84,350.00	84,328.06	21.94
Supplies and Materials	401-100-600	3,800.00	(1,850.00)	2,150.00	1,446.98	703.02
Total School-Spon. Cocurricular Actvts. - Inst.		88,800.00	(2,300.00)	86,500.00	85,775.04	724.96

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Athletics - Instruction						
Salaries	402-100-100	$ 31,000.00	$ 3,800.00	$ 34,800.00	$ 34,755.72	$ 44.28
Purchased Services (300-500 series)	402-100-500	5,600.00	(1,500.00)	4,100.00	4,052.92	47.08
Supplies and Materials	402-100-600	4,200.00	-	4,200.00	3,774.55	425.45
Total School-Spon. Athletics - Instruction		40,800.00	2,300.00	43,100.00	42,583.19	516.81
Total Instruction		17,343,018.00	4,110.00	17,347,128.00	17,263,926.98	83,201.02
Undistributed Expenditures - Instruction:						
Tuition to Other LEAs Within the State - Special	000-100-562	751,819.00	(21,590.00)	730,229.00	497,455.84	232,773.16
Tuition to Private Schools for the Disabled - Within State	000-100-566	208,434.00	-	208,434.00	186,273.66	22,160.34
Total Undistributed Expenditures - Instruction:		960,253.00	(21,590.00)	938,663.00	683,729.50	254,933.50
Undistributed Expend. - Attend. & Social Work						
Other Purchased Services (400-500 series)	000-211-500	1,000.00		2,000.00	1,260.00	740.00
Total Undistributed Expend. - Attend. & Social Work		1,000.00		2,000.00	1,260.00	740.00
Undist. Expend. - Health Services						
Salaries	000-213-100	371,361.00	(4,100.00)	367,261.00	358,286.12	8,974.88
Purchased Professional and Technical Services	000-213-300	5,200.00	-	5,200.00	4,419.87	780.13
Supplies and Materials	000-213-600	9,031.00	-	9,031.00	7,950.45	1,080.55
Total Undistributed Expenditures - Health Services		385,592.00	(4,100.00)	381,492.00	370,656.44	10,835.56
Undist. Expend. - Speech,OT,PT & Related Services						
Salaries of Other Professional Staff	000-216-100	483,714.00	4,100.00	487,814.00	487,701.60	112.40
Purchased Professional - Educational Services	000-216-320	500.00	1,100.00	1,600.00	1,600.00	-
Supplies and Materials	000-216-600	6,300.00	800.00	7,100.00	6,813.42	286.58
Total Undist. Expend. - Speech,OT,PT & Related Services		490,514.00	6,000.00	496,514.00	496,115.02	398.98
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.						
Salaries of Other Professional Staff	000-217-100	194,396.00	(12,000.00)	182,396.00	182,338.85	57.15
Purchased Professional - Educational Services	000-217-320	245,000.00	-	245,000.00	226,145.25	18,854.75
Supplies and Materials	000-217-600	5,000.00	(800.00)	4,200.00	1,928.53	2,271.47
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.		444,396.00	(12,800.00)	431,596.00	410,412.63	21,183.37
Undist. Expend. - Guidance						
Salaries of Other Professional Staff	000-218-104	573,307.00	(24,070.00)	549,237.00	547,493.33	1,743.67
Salaries of Secretarial and Clerical Assistants	000-218-105	54,376.00	(600.00)	53,776.00	53,737.20	38.80
Other Purchased Prof. and Tech. Services	000-218-390	30,000.00	-	30,000.00	21,499.00	8,501.00
Supplies and Materials	000-218-600	7,645.00	-	7,645.00	2,867.61	4,777.39
Total Undist. Expend. - Guidance		665,328.00	(24,670.00)	640,658.00	625,597.14	15,060.86
Undist. Expend. - Child Study Team						
Salaries of Other Professional Staff	000-219-104	818,543.00	33,600.00	852,143.00	825,427.45	26,715.55
Salaries of Secretarial and Clerical Assistants	000-219-105	97,367.00	1,670.00	99,037.00	99,034.24	2.76
Other Purchased Prof. and Tech. Services	000-219-390	16,000.00	5,000.00	21,000.00	17,772.00	3,228.00
Misc. Pur. Serv. (400-500 series) Other Than Residential Costs	000-219-592	2,500.00	-	2,500.00	1,534.63	965.37
Supplies and Materials	000-219-600	17,000.00	(1,000.00)	16,000.00	13,234.57	2,765.43
Other Objects	000-219-800	1,800.00	1,000.00	2,800.00	2,554.00	246.00
Total Undist. Expend. - Child Study Team		953,210.00	40,270.00	993,480.00	959,556.89	33,923.11
Undist. Expend. - Improvement of Inst. Serv.						
Salaries of Supervisor of Instruction	000-221-102	133,868.00	-	133,868.00	133,824.96	43.04
Salaries of Secr and Clerical Assist.	000-221-105	48,683.00	-	48,683.00	48,237.12	445.88
Other Salaries	000-221-110	52,900.00	-	52,900.00	48,035.00	4,865.00
Salaries of Facilitators, Math & Literacy Coaches	000-221-176	68,836.00	(8,900.00)	59,936.00	59,887.10	48.90
Other Purch Services (400-500)	000-221-500	3,300.00	-	3,300.00	1,958.70	1,341.30
Supplies and Materials	000-221-600	9,000.00	-	9,000.00	3,389.87	5,610.13
Other Objects	000-221-800	1,800.00	-	1,800.00	1,795.00	5.00
Total Undist. Expend. - Improvement of Inst. Serv.		318,387.00	(8,900.00)	309,487.00	297,127.75	12,359.25
Undist. Expend. - Edu. Media Serv./Sch. Library						
Salaries	000-222-100	736,936.00	(14,150.00)	722,786.00	718,960.70	5,825.30
Salaries of Technology Coordinators	000-222-177	98,053.00	200.00	98,253.00	98,245.92	7.08
Purchased Professional and Technical Services	000-222-300	33,000.00	200.00	33,200.00	32,844.20	355.80
Other Purchased Services (400-500 series)	000-222-500	148,880.00	(9,700.00)	139,180.00	132,124.06	7,055.94
Supplies and Materials	000-222-600	60,850.00	14,060.00	74,910.00	69,180.16	5,729.84
Other Objects	000-222-800	1,500.00	-	1,500.00	775.00	725.00
Total Undist. Expend. - Edu. Media Serv./Sch. Library		1,079,219.00	(9,390.00)	1,069,829.00	1,050,130.04	19,698.96
Undist. Expend. - Instructional Staff Training Serv.						
Other Salaries	000-223-110	39,714.00	5,000.00	44,714.00	29,497.00	15,217.00
Purchased Professional - Educational Service	000-223-320	33,000.00	(5,000.00)	28,000.00	18,136.19	9,863.81
Other Purchased Services (400-500 series)	000-223-500	20,900.00	1,900.00	22,800.00	15,595.64	7,204.36
Supplies and Materials	000-223-600	9,000.00	-	9,000.00	7,701.96	1,298.04
Total Undist. Expend. - Instructional Staff Training Serv.		102,614.00	1,900.00	104,514.00	70,930.79	33,583.21
Undist. Expend. - Supp. Serv. - General Admin.						
Salaries	000-230-100	308,847.00	(420.00)	308,427.00	308,209.20	217.80
Legal Services	000-230-331	47,000.00	(7,550.00)	39,450.00	39,445.82	4.18
Audit Fees	000-230-332	20,385.00	1,000.00	21,385.00	21,100.00	285.00
Expenditure & Internal Control Audit Fees	000-230-333	2,000.00	(2,000.00)			-
Architectural/Engineering Services	000-230-334	20,000.00	7,230.00	27,230.00	27,222.72	7.28
Other Purchased Professional Services	000-230-339	1,000.00	19,590.00	20,590.00	20,584.57	5.43
Communications/Telephone	000-230-530	57,000.00	(22,150.00)	34,850.00	34,846.54	3.46
BOE Other Purchased Services	000-230-585	6,500.00	(5,440.00)	1,060.00	1,037.31	22.69
Other Purchased Services (400-500 series)	000-230-590	57,160.00	3,570.00	60,730.00	60,724.36	5.64
Supplies and Materials	000-230-610	34,000.00	68,470.00	102,470.00	102,269.67	200.33
BOE In-House Training/Meeting Supplies	000-230-630	3,000.00	(3,000.00)			-
Miscellaneous Expenditures	000-230-890	3,300.00	-	3,300.00	3,250.00	50.00
BOE Membership Dues and Fees	000-230-895	33,000.00	3,200.00	36,200.00	36,138.24	61.76
Total Undist. Expend. - Supp. Serv. - General Admin.		593,192.00	62,500.00	655,692.00	654,828.43	863.57

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Admin.						
Salaries of Principals/Assistant Principals	000-240-103	$ 911,004.00	$ (42,300.00)	$ 868,704.00	$ 868,645.72	$ 58.28
Salaries of Secretarial and Clerical Assistants	000-240-105	276,391.00	17,750.00	294,141.00	293,894.01	246.99
Other Purchased Services (400-500 series)	000-240-500	9,880.00	-	9,880.00	9,378.34	501.66
Supplies and Materials	000-240-600	69,100.00	-	69,100.00	44,006.49	25,093.51
Other Objects	000-240-800	9,100.00	-	9,100.00	6,762.00	2,338.00
Total Undist. Expend. - Support Serv. - School Admin.		1,275,475.00	(24,550.00)	1,250,925.00	1,222,686.56	28,238.44
Undist. Expend. - Central Services						
Salaries	000-251-100	333,763.00	1,800.00	335,563.00	335,408.08	154.92
Purchased Professional Services	000-251-330	4,500.00	7,500.00	12,000.00	11,915.28	84.72
Miscellaneous Purchased Services (400-500 series)	000-251-592	5,500.00	(130.00)	5,370.00	1,014.48	4,355.52
Supplies and Materials	000-251-600	4,000.00	-	4,000.00	3,944.98	55.02
Other Objects	000-251-890	1,000.00	130.00	1,130.00	1,130.00	-
Total Undist. Expend. - Central Services		348,763.00	9,300.00	358,063.00	353,412.82	4,650.18
Undist. Expend. - Admin. Info Technology						
Salaries	000-252-100	69,479.00	6,580.00	76,059.00	72,984.06	3,074.94
Purchased Professional Services	000-252-330	6,200.00	(3,200.00)	3,000.00		3,000.00
Other Purchased Services (400-500 series)	000-252-500	1,700.00	-	1,700.00	1,650.00	50.00
Other Objects	000-252-800	500.00	200.00	700.00	695.00	5.00
Total Undist. Expend. - Admin. Info Technology		77,879.00	3,580.00	81,459.00	75,329.06	6,129.94
Undist. Expend. - Allowable Maint. For School Facilities						
Salaries	000-261-100	217,006.00	-	217,006.00	212,066.09	4,939.91
Cleaning, Repair and Maintenance Services	000-261-420	199,000.00	(39,000.00)	160,000.00	98,775.86	61,224.14
General Supplies	000-261-610	48,500.00	39,000.00	87,500.00	69,144.08	18,355.92
Total Undist. Expend. - Allowable Maint. For School Facilities		464,506.00	-	464,506.00	379,986.03	84,519.97
Undist. Expend. - Oth. Oper. & Maint. of Plant						
Salaries	000-262-100	1,108,483.00	20,800.00	1,129,283.00	1,116,105.72	13,177.28
Salaries of Non-Instructional Aides	000-262-107	319,751.00	27,000.00	346,751.00	326,303.67	20,447.33
Purchased Professional and Technical Services	000-262-300	84,000.00	-	84,000.00	33,149.41	50,850.59
Cleaning, Repair and Maintenance Services	000-262-420	100,162.00	-	100,162.00	62,874.56	37,287.44
Other Purchased Property Services	000-262-490	52,644.00	-	52,644.00	51,869.58	774.42
Insurance	000-262-520	90,500.00	(1,000.00)	89,500.00	77,408.00	12,092.00
Miscellaneous Purchased Services	000-262-590	2,500.00	-	2,500.00	2,004.00	496.00
General Supplies	000-262-610	233,000.00	7,000.00	240,000.00	235,817.48	4,182.52
Energy (Natural Gas)	000-262-621	391,225.00	(89,950.00)	301,275.00	187,980.94	113,294.06
Energy (Electricity)	000-262-622	467,807.00	-	467,807.00	336,700.22	131,106.78
Energy (Oil)	000-262-624	11,322.00	-	11,322.00	7,527.86	3,794.14
Other Objects	000-262-800	3,500.00	1,400.00	4,900.00	4,875.92	24.08
Total Undist. Expend. - Other Oper. & Maint. Of Plant		2,864,894.00	(34,750.00)	2,830,144.00	2,442,617.36	387,526.64
Undist. Expend. - Care and Upkeep of Grounds						
Salaries	000-263-100	42,008.00	-	42,008.00	41,927.04	80.96
Purchased Professional and Technical Services	000-263-300		-			-
Cleaning, Repair and Maintenance Services	000-263-420	66,000.00	(17,500.00)	48,500.00	31,646.60	16,853.40
General Supplies	000-263-610	3,000.00	17,500.00	20,500.00	13,380.15	7,119.85
Other Objects	000-263-800	300.00	-	300.00	102.00	198.00
Total Undist. Expend. - Care and Upkeep of Grounds		111,308.00	-	111,308.00	87,055.79	24,252.21
Undist. Expend. - Student Transportation Serv.						
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160	42,281.00	120.00	42,401.00	42,399.84	1.16
Salaries for Pupil Trans. (Between Home & School) - Special	000-270-161	359,411.00	99,300.00	458,711.00	457,574.31	1,136.69
Other Purchased Professional and Technical Services	000-270-390	2,200.00	5,000.00	7,200.00	4,075.00	3,125.00
Cleaning, Repair and Maintenance Services	000-270-420	73,116.00	-	73,116.00	68,000.17	5,115.83
Rental Payments - School Buses	000-270-442		10,805.00	10,805.00	9,860.00	945.00
Contracted Services (Between Home and School) - Vendors	000-270-511	1,004,238.00	-	1,004,238.00	1,004,235.11	2.89
Contracted Services (Other than Between Home and School) - Vendo	000-270-512	61,200.00	(32,300.00)	28,900.00	27,835.00	1,065.00
Contracted Services (Special Education Students) - Vendors	000-270-514	6,000.00	-	8,000.00	7,811.23	188.77
Contracted Services (Special Education Students) - Joint Agreements	000-270-515	48,152.00	(28,000.00)	20,152.00	19,988.25	163.75
Contracted Services (Regular Students) - ESCs	000-270-517	93,049.00	(24,500.00)	68,549.00	68,068.00	481.00
Contracted Services (Special Education Students) - ESCs	000-270-518	72,800.00	(4,605.00)	68,195.00	68,190.63	4.37
Contracted Services - Aid in Lieu of Payments - Non- public	000-270-503	74,340.00	(9,400.00)	64,940.00	60,254.42	4,685.58
Miscellaneous Purchased Services - Transportation	000-270-593	25,300.00	2,300.00	27,600.00	27,245.00	355.00
Supplies and Materials	000-270-600	43,000.00	14,700.00	57,700.00	53,183.80	4,516.20
Miscellaneous Expenditures	000-270-890	1,500.00	-	1,500.00	1,333.75	166.25
Total Undist. Expend. - Student Transportation Serv.		1,908,587.00	33,420.00	1,942,007.00	1,920,054.51	21,952.49
Student Transportation Services- Employee Benefits						
Social Security Contributions	000-270-220	20,538.00		20,538.00	20,538.00	
Workmen's Compensation	000-270-260	11,000.00		11,000.00	11,000.00	
Health Benefits	000-270-270	120,299.00		120,299.00	120,299.00	
Total Student Transportation Services- Employee Benefits		151,837.00		151,837.00	151,837.00	
UNALLOCATED BENEFITS						
Social Security Contributions	000-291-220	495,674.00	17,150.00	512,824.00	512,779.25	44.75
Other Retirement Contributions - Regular	000-291-241	376,000.00	(38,000.00)	338,000.00	332,183.00	5,817.00
Unemployment Compensation	000-291-250		200,000.00	200,000.00	200,000.00	-
Workmen's Compensation	000-291-260	163,200.00	-	163,200.00	154,277.49	8,922.51
Health Benefits	000-291-270	6,061,813.00	(562,855.00)	5,498,958.00	5,495,607.79	3,350.21
Tuition Reimbursement	000-291-280	187,000.00	6,200.00	193,200.00	193,138.50	61.50
Other Employee Benefits	000-291-290	101,500.00	38,000.00	139,500.00	139,422.43	77.57
TOTAL UNALLOCATED BENEFITS		7,385,187.00	(339,505.00)	7,045,682.00	7,027,408.46	
On-behalf TPAF pension Contributions (non-budgeted)			-		1,212,142.00	(1,212,142.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)					1,387,272.74	(1,387,272.74)
TOTAL ON-BEHALF CONTRIBUTIONS		-	-	-	2,599,414.74	(2,599,414.74)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS		7,385,187.00	(339,505.00)	7,045,682.00	9,626,823.20	(2,581,141.20)
TOTAL UNDISTRIBUTED EXPENDITURES		20,582,141.00	(323,285.00)	20,259,856.00	21,880,146.96	(1,620,290.96)
TOTAL GENERAL CURRENT EXPENSE		37,925,159.00	(319,175.00)	37,606,984.00	39,144,073.94	(1,537,089.94)

Exhibit C-1

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY						
Equipment						
Regular Programs - Instruction:						
Grades 1-5	120-100-730	$ 20,000.00	$ 48,890.00	$ 68,890.00	$ 66,615.74	$ 2,274.26
Grades 6-8	130-100-730	10,000.00	13,900.00	23,900.00	23,373.26	526.74
Undistributed Expenditures - School Admin.	000-240-730		42,105.00	42,105.00	42,100.96	
Undistributed Expenditures - Operation of Plant Services	000-260-730	58,000.00	84,823.86	142,823.86	132,817.97	9,805.89
Undistributed Expenditures - Student Transportation:			-			-
School Buses - Special	000-270-734	-	134,953.00	134,953.00	49,303.00	85,650.00
Total Equipment		88,000.00	324,471.86	412,471.86	314,210.93	98,260.93
Facilities Acquisition and Construction Services						
Other Purchased Professional and Technical Services	000-400-390	-	22,248.48	22,248.48	20,205.90	2,042.58
Construction Services	000-400-450	195,000.00	29,916.54	224,916.54	219,656.27	5,260.27
Total Facilities Acquisition and Construction Services		195,000.00	52,165.02	247,165.02	239,862.17	7,302.85
TOTAL CAPITAL OUTLAY		283,000.00	378,636.88	659,636.88	554,073.10	105,563.78
SPECIAL SCHOOLS						
Summer School - Instruction						
Salaries of Teachers	422-100-101	59,135.00	39,030.00	98,165.00	98,161.20	3.80
Other Salaries for Instruction	422-100-106	10,757.00	7,560.00	18,317.00	18,305.00	12.00
Salaries of Teacher Tutors	422-100-178		12,750.00	12,750.00	12,741.20	8.80
Salaries of Reading Specialists	422-100-179	50,000.00	(38,870.00)	11,130.00	11,129.60	0.40
Other Purchased Services (400-500 series)	422-100-500		1,050.00	1,050.00	1,024.00	26.00
General Supplies	422-100-610	2,800.00	(550.00)	2,250.00	2,236.68	13.32
Total Summer School - Instruction		122,692.00	20,970.00	143,662.00	143,597.68	64.32
Summer School - Support Services						
Salaries	422-200-100	4,477.00	-	4,477.00	4,474.00	3.00
Personal Services - Employee Benefits	422-200-200	7,442.00	-	7,442.00	7,442.00	-
Supplies and Materials	422-200-600	300.00	(270.00)	30.00	-	30.00
Total Summer School - Support Services		12,219.00	(270.00)	11,949.00	11,916.00	33.00
Total Summer School		134,911.00	20,700.00	155,611.00	155,513.68	130.32
TOTAL SPECIAL SCHOOLS		134,911.00	20,700.00	155,611.00	155,513.68	97.32
TOTAL EXPENDITURES		38,343,070.00	78,161.88	38,422,231.88	39,853,660.72	(1,431,428.84)
Excess (Deficiency) of Revenues Over (Under) Expenditures		(336,118.00)	(78,161.88)	(415,279.88)	282,217.01	697,496.89
Other Financing Sources (Uses):						
Operating Transfer Out:						
Transfer to Capital Projects Fund		(387,000.00)		(773,514.00)	(773,514.00)	-
Total Other Financing Sources (Uses)		(387,000.00)	-	(773,514.00)	(773,514.00)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)		(723,118.00)	(78,161.88)	(1,188,793.88)	(491,296.99)	697,496.89
Fund Balance, July 1		3,349,620.34	-	3,349,620.34	3,349,620.34	-
Fund Balance, June 30		$ 2,626,502.34	$ (78,161.88)	$ 2,160,626.46	$ 2,858,323.35	$ 697,496.89
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses):						
Increase in Capital Reserve		$ 2,000.00	-	$ 2,000.00	$ 500,176.99	$ 498,176.99
Withdrawal from Capital Reserve		(387,000.00)	(271,514.00)	(658,514.00)	(658,514.00)	-
Adjustment for Prior Year Encumbrances			(194,161.88)	(194,161.88)	(592,989.78)	(398,827.90)
Budgeted Fund Balance		(338,118.00)	-	(338,118.00)	260,029.80	598,147.80
Total		$ (723,118.00)	$ (465,675.88)	$ (1,188,793.88)	$ (491,296.99)	$ 897,496.89
Analysis of Fund Balance June 30, 2010:						
Reserved:					$ 90,543.37	
Encumbrances					208,180.42	
Excess Surplus (2%)					372,500.95	
Excess Surplus (2%) - Designated for Subsequent Year's Expenditures					1,329,720.36	
Capital Reserve Account					0.05	
Unreserved:					857,378.20	
Designated for Subsequent Year's Expenditures						
Undesignated					$ 2,858,323.35	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					$ 2,858,323.35	
Fund Balance June 30, 2010					(206,566.00)	
Last Two Current Year State Aid Payments Not Realized on GAAP Basis					$ 2,651,757.35	

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	$ -	$ 2,135.00	$ 2,135.00	$ 2,135.00	$ -
Federal Sources	500,000.00	488,870.00	988,870.00	965,244.53	23,625.47
Local Sources	20,000.00	133,624.74	153,624.74	127,771.86	25,852.88
Total Revenues	$ 520,000.00	$ 624,629.74	$ 1,144,629.74	$ 1,095,151.39	$ 49,478.35
EXPENDITURES:					
Instruction					
Personal Services - Salaries	$ 20,000.00	$ 34,983.01	$ 54,983.01	$ 54,815.54	$ 167.47
Purchased Professional and Technical Services		980.00	980.00	980.00	-
Other Purchased Services (400-500 series)	500,000.00	27,785.00	527,785.00	527,785.00	-
General Supplies		42,448.23	42,448.23	39,903.65	2,544.58
Textbooks	-	977.00	977.00	977.00	-
Total Instruction	520,000.00	107,173.24	627,173.24	624,461.19	2,712.05
Support Services					
Personal Services - Salaries		30,016.57	30,016.57	9,493.41	20,523.16
Personal Services - Employee Benefits		11,541.00	11,541.00	11,541.00	-
Purchased Professional and Technical Services		3,759.86	3,759.86	1,158.00	2,601.86
Other Purchased Services (400-500 series)		4,022.04	4,022.04	1,550.00	2,472.04
Supplies and Materials		97,869.03	97,869.03	80,080.83	17,788.20
Total Support Services		147,208.50	147,208.50	103,823.24	43,385.26
Facilities Acquisition and Construction Services:					
Instructional Equipment		312,248.00	312,248.00	312,248.00	-
Noninstructional Equipment		58,000.00	58,000.00	54,618.96	3,381.04
Total Facilities Acquisition and Construction Services	-	370,248.00	370,248.00	366,866.96	3,381.04
Total Expenditures	520,000.00	624,629.74	1,144,629.74	1,095,151.39	49,478.35
Total Outflows	$ 520,000.00	$ 624,629.74	$ 1,144,629.74	$ 1,095,151.39	$ 49,478.35

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2010

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

	Exhibit	General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1&C-2]	$ 40,135,877.73	$ 1,095,151.39
Difference - budget to GAAP:			
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		(25,193.00)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	(54,618.96)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	$ 40,110,684.73	$ 1,040,532.43
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-2]	$ 39,853,660.72	$ 1,095,151.39
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for *financial reporting* purposes.		-	(54,618.96)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	$ -		
	-		
Net transfers (outflows) to general fund		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	$ 39,853,660.72	$ 1,040,532.43

OTHER SUPPLEMENTARY INFORMATION

Section D

SCHOOL LEVEL SCHEDULES

Section E

SPECIAL REVENUE FUND

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

		Total	State Aid	Federal Aid	Local Aid
REVENUES					
State Sources		$ 2,135.00	$ 2,135.00	$ -	$ -
Federal Sources		965,244.53	-	965,244.53	-
Local Sources		127,771.86	-	-	127,771.86
Total Revenues		$ 1,095,151.39	$ 2,135.00	$ 965,244.53	$ 127,771.86
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	100-100	$ 54,815.54	$ -	$ 30,896.00	$ 23,919.54
Purchased Professional and Technical Services	100-300	980.00	-	-	980.00
Other Purchased Services (400-500 series)	100-500	527,785.00	-	527,785.00	-
General Supplies	100-600	39,903.65	-	26,882.16	13,021.49
Textbooks	100-640	977.00	977.00	-	-
Total Instruction		624,461.19	977.00	585,563.16	37,921.03
Support Services:					
Personal Services - Salaries	200-100	9,493.41	-	8,073.41	1,420.00
Personal Services - Employee Benefits	200-200	11,541.00	-	11,541.00	-
Purchased Professional and Technical Services	200-300	1,158.00	1,158.00	-	-
Other Purchased Services (400-500 series)	200-500	1,550.00	-	-	1,550.00
Supplies and Materials	200-600	80,080.83	-	-	80,080.83
Total Support Services		103,823.24	1,158.00	19,614.41	83,050.83
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	400-731	312,248.00	-	305,448.00	6,800.00
Noninstructional Equipment	400-732	54,618.96	-	54,618.96	-
Total Facilities Acquisition and Const. Serv.		366,866.96	-	360,066.96	6,800.00
Total Expenditures		$ 1,095,151.39	$ 2,135.00	$ 965,244.53	$ 127,771.86

Exhibit E-1a

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Special Revenue Fund
Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

		Total	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Services
REVENUES				
State Sources		$ 2,135.00	$ 977.00	$ 1,158.00
Total State Revenues		$ 2,135.00	$ 977.00	$ 1,158.00
EXPENDITURES:				
Instruction:				
Textbooks	100-640	$ 977.00	$ 977.00	$ -
Total Instruction		977.00	977.00	
Support Services:				
Purchased Professional and Technical Services	200-300	1,158.00		1,158.00
Total Support Services		1,158.00	-	1,158.00
Total Expenditures		$ 2,135.00	$ 977.00	$ 1,158.00

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Special Revenue Fund
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

			E.S.E.A.			I.D.E.A. Part B		ARRA I.D.E.A. Part B	
		Total	Title II	Title III	Title IV	Basic	Preschool	Basic	Preschool
REVENUES									
Federal Sources		$ 965,244.53	$ 28,856.00	$ 19,463.80	$ 3,175.00	$ 458,942.00	$ 16,408.00	$ 422,762.37	$ 15,637.36
Total Federal Revenues		$ 965,244.53	$ 28,856.00	$ 19,463.80	$ 3,175.00	$ 458,942.00	$ 16,408.00	$ 422,762.37	$ 15,637.36
EXPENDITURES:									
Instruction:									
Personal Services - Salaries	100-100	$ 30,896.00	$ 24,047.00	$ 6,849.00	$ -	$ -	$ -	$ -	$ -
Other Purchased Services (400-500 series)	100-500	527,785.00				458,942.00	16,408.00	52,435.00	
General Supplies	100-600	26,882.16	-	11,244.80				-	15,637.36
Total Instruction		585,563.16	24,047.00	18,093.80		458,942.00	16,408.00	52,435.00	15,637.36
Support Services:									
Personal Services - Salaries	200-100	8,073.41			2,646.00			5,427.41	
Personal Services - Employee Benefits	200-200	11,541.00	4,809.00	1,370.00	529.00			4,833.00	
Total Support Services		19,614.41	4,809.00	1,370.00	3,175.00			10,260.41	
Facilities Acquisition and Const. Serv.:									
Instructional Equipment	400-731	305,448.00						305,448.00	
Noninstructional Equipment	400-732	54,618.96						54,618.96	
Total Facilities Acquisition and Const. Serv.		360,066.96	-	-	-	-	-	360,066.96	-
Total Expenditures		$ 965,244.53	$ 28,856.00	$ 19,463.80	$ 3,175.00	$ 458,942.00	$ 16,408.00	$ 422,762.37	$ 15,637.36

Exhibit E-1c

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Special Revenue Fund
Combining Schedule of Local Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

		Total	PTO Gifts	Preschool Program	Central School Parent Donation	Safety Grant	Various Other Local
REVENUES							
Local Sources		$ 127,771.86	$ 75,438.73	$ 21,950.00	$ 6,800.00	$ 6,655.00	$ 16,928.13
Total Local Revenues		$ 127,771.86	$ 75,438.73	$ 21,950.00	$ 6,800.00	$ 6,655.00	$ 16,928.13
EXPENDITURES:							
Instruction:							
Personal Services - Salaries	100-100	$ 23,919.54	$ -	$ 21,950.00	$ -	$ -	$ 1,969.54
Purchased Professional and Technical Services	100-300	980.00		-	-	-	980.00
General Supplies	100-600	13,021.49	11,760.00	-	-	-	1,261.49
Total Instruction		37,921.03	11,760.00	21,950.00	-	-	4,211.03
							-
Support Services:							
Personal Services - Salaries	200-100	1,420.00		-	-	-	1,420.00
Other Purchased Services (400-500 series)	200-500	1,550.00		-	-	-	1,550.00
Supplies and Materials	200-600	80,080.83	63,678.73	-	-	6,655.00	9,747.10
Total Support Services		83,050.83	63,678.73	-	-	6,655.00	12,717.10
Facilities Acquisition and Const. Serv.:							
Instructional Equipment	400-731	6,800.00		-	6,800.00	-	-
Total Facilities Acquisition and Const. Serv.		6,800.00	-	-	6,800.00	-	-
Total Expenditures		$ 127,771.86	$ 75,438.73	$ 21,950.00	$ 6,800.00	$ 6,655.00	$ 16,928.13

Section F

CAPITAL PROJECTS FUND

Exhibit F-1

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2010

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2009
			Prior Years	Current Year	
Central School Roof Project-Phase II	7/22/2009	$ 430,000.00	$ -	$ 383,260.00	$ 46,740.00
Central School Tile Project	7/22/2009	261,957.00	-	44,137.72	217,819.28
Mt. Horeb School Tile Project	10/1/2009	343,275.00	-	50,856.19	292,418.81
Angelo L. Tomaso School HVAC Replacement	7/22/2009	123,611.00	-	110,478.66	13,132.34
Mt. Horeb School Toilet Room Upgrade	5/28/2010	43,589.00	-	35,349.09	8,239.91
Central School Corridor Improvements	5/28/2010	128,225.00	-	32,915.00	95,310.00
Totals		$ 1,330,657.00	$ -	$ 656,996.66	$ 673,660.34

Exhibit F-2

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2010

REVENUES AND OTHER FINANCING SOURCES	
State Sources - SCC Grant	$ 557,143.00
Bond Proceeds	-
Contribution from private sources	-
Transfer from capital reserve	658,514.00
Transfer from capital outlay	115,000.00
Total Revenues	1,330,657.00
EXPENDITURES AND OTHER FINANCING USES	
Equipment (73X)	-
Salaries (100)	-
Legal Services (331)	-
Other Purchased Professional and Technical Services (390)	71,083.00
Construction Services (450)	585,913.66
General Supplies (610)	-
Land and Improvements (710)	-
Lease Purchase Agreements - Principal (721)	-
Buildings other than Lease Purchase Agreements - Principal (722)	-
Other Objects (800)	-
Total Expenditures	656,996.66
Excess (deficiency) of revenues over (under) expenditures	673,660.34
Fund Balance - July 1	-
Fund Balance - June 30	$ 673,660.34

Exhibit F-2a

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Central School Roof Project-Phase II
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ 189,500.00	$ 189,500.00	$ 189,500.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		240,500.00	240,500.00	284,250.00
Transfer from capital outlay	-	-	-	-
Total Revenues	-	430,000.00	430,000.00	473,750.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	43,750.00
Construction Services (450)		383,260.00	383,260.00	430,000.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	383,260.00	383,260.00	473,750.00
Excess (deficiency) of revenues over (under) expenditures	-	46,740.00	46,740.00	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SDA5470-030-09-0XAM
Grant Date	7/22/09
Bond Authorization Date	N/A
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 473,750.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 473,750.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	80.90%
Original Target Completion Date	9/1/09
Revised Target Completion Date	9/1/09

Exhibit F-2b

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Central School Tile Project
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ 104,783.00	$ 104,783.00	$ 104,783.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		42,174.00	42,174.00	42,174.00
Transfer from capital outlay	-	115,000.00	115,000.00	115,000.00
Total Revenues	-	261,957.00	261,957.00	261,957.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		22,525.22	22,525.22	25,000.00
Construction Services (450)		21,612.50	21,612.50	236,957.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	44,137.72	44,137.72	261,957.00
Excess (deficiency) of revenues over (under) expenditures	-	217,819.28	217,819.28	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SDA5470-030-09-0XAN
Grant Date	7/22/09
Bond Authorization Date	N/A
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 261,957.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 261,957.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	16.85%
Original Target Completion Date	9/1/10
Revised Target Completion Date	9/1/10

Exhibit F-2c

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Mt. Horeb School Tile Project
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ 137,310.00	$ 137,310.00	$ 137,310.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		205,965.00	205,965.00	205,965.00
Transfer from capital outlay	-	-	-	-
Total Revenues	-	343,275.00	343,275.00	343,275.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		27,771.19	27,771.19	30,000.00
Construction Services (450)		23,085.00	23,085.00	313,275.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	50,856.19	50,856.19	343,275.00
Excess (deficiency) of revenues over (under) expenditures	-	292,418.81	292,418.81	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SDA5470-035-09-0XAO
Grant Date	10/1/09
Bond Authorization Date	N/A
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 343,275.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 343,275.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	14.81%
Original Target Completion Date	9/1/10
Revised Target Completion Date	9/1/10

Exhibit F-2d

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Angelo L. Tomaso School HVAC Replacement
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ 56,824.00	$ 56,824.00	$ 56,824.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		66,787.00	66,787.00	85,237.00
Transfer from capital outlay	-	-	-	-
Total Revenues	-	123,611.00	123,611.00	142,061.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)			-	18,450.00
Construction Services (450)		110,478.66	110,478.66	123,611.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	110,478.66	110,478.66	142,061.00
Excess (deficiency) of revenues over (under) expenditures	-	13,132.34	13,132.34	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SDA5470-040-09-0XAP
Grant Date	7/22/09
Bond Authorization Date	N/A
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 142,061.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 142,061.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	77.77%
Original Target Completion Date	9/1/09
Revised Target Completion Date	9/1/09

Exhibit F-2e

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Mt. Horeb School Toilet Room Upgrade
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ -	$ 17,436.00	$ 17,436.00	$ 17,436.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		26,153.00	26,153.00	26,153.00
Transfer from capital outlay	-	-	-	-
Total Revenues	-	43,589.00	43,589.00	43,589.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		10,149.09	10,149.09	12,000.00
Construction Services (450)		25,200.00	25,200.00	31,589.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	35,349.09	35,349.09	43,589.00
Excess (deficiency) of revenues over (under) expenditures	-	8,239.91	8,239.91	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SDA5470-035-09-00CP
Grant Date	5/28/10
Bond Authorization Date	N/A
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 43,589.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 43,589.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	81.10%
Original Target Completion Date	9/1/10
Revised Target Completion Date	9/1/10

Exhibit F-2f

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Central School Corridor Improvements
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ -	$ 51,290.00	$ 51,290.00	$ 51,290.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve		76,935.00	76,935.00	76,935.00
Transfer from capital outlay	-	-	-	-
Total Revenues	-	128,225.00	128,225.00	128,225.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		10,637.50	10,637.50	16,935.00
Construction Services (450)		22,277.50	22,277.50	111,290.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	32,915.00	32,915.00	128,225.00
Excess (deficiency) of revenues over (under) expenditures	-	95,310.00	95,310.00	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SDA5470-030-09-00AX
Grant Date	5/28/10
Bond Authorization Date	N/A
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 128,225.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 128,225.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	25.67%
Original Target Completion Date	9/1/10
Revised Target Completion Date	9/1/10

Section G

PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

Section H

FIDUCIARY FUND

Exhibit H-3

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

Schools	Balance June 30, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
Middle School Activity	$ 4,236.85	$ 36,626.17	$ 36,382.76	$ 4,480.26
Middle School Athletic	-	5,200.08	5,200.08	-
	$ 4,236.85	$ 41,826.25	$ 41,582.84	$ 4,480.26

Exhibit H-4

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	Balance June 30, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
Payroll Deductions and Withholdings	$ 34.54	$ 11,437,395.13	$ 11,437,186.86	$ 242.81
Net Salaries and Wages		19,111,299.98	19,111,299.98	-
Flexible Spending Account	17,296.59	151,240.17	151,703.68	16,833.08
	$ 17,331.13	$ 30,699,935.28	$ 30,700,190.52	$ 17,075.89

Section I

LONG – TERM DEBT

Exhibit I-1

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2010

Purpose	Date of Issue	Amount of Issue	Annual Maturities of Bonds Outstanding June 30, 2010 Date	Amount	Interest Rate	Balance June 30, 2009	Retired Current Year	Balance June 30, 2010
School	3/15/00	$ 9,800,000.00 ($1,000.00 Canceled)		$ -		$ 750,000.00	$ 750,000.00	$ -
Refunding	10/27/05	4,870,000.00	3/15/11	800,000.00	3.80%	4,710,000.00	45,000.00	4,665,000.00
			3/15/12	790,000.00				
			3/15/13	780,000.00				
			3/15/14	775,000.00				
			3/15/15	765,000.00				
			3/15/16	755,000.00		-	-	-
						$ 5,460,000.00	$ 795,000.00	$ 4,665,000.00

Exhibit I-3

BOARD OF EDUCATION
TOWNSHIP OF WARREN
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 656,558.00	$ -	$ 656,558.00	$ 656,558.00	$ -
State Sources:		-			-
Debt Service Aid Type II	357,545.00		357,545.00	357,545.00	
Total - State Sources	1,014,103.00		1,014,103.00	1,014,103.00	
Total Revenues					
EXPENDITURES:					
Regular Debt Service:					
Interest	219,105.00	-	219,105.00	219,090.75	14.25
Redemption of Principal	795,000.00	-	795,000.00	795,000.00	-
Total Regular Debt Service	1,014,105.00	-	1,014,105.00	1,014,090.75	14.25
Total Expenditures	1,014,105.00	-	1,014,105.00	1,014,090.75	14.25
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2.00)	-	(2.00)	12.25	14.25
Fund Balance, July 1	14,214.71	-	14,214.71	14,214.71	-
Fund Balance, June 30	$ 14,212.71	$ -	$ 14,212.71	$ 14,226.96	$ 14.25
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	$ (2.00)	$ -	$ (2.00)	$ 12.25	14.25

STATISTICAL SECTION
(UNAUDITED)

GASB requires that ten years of statistical data be presented. Pursuant to State of New Jersey Department of Education requirements issued for the fiscal year ended June 30, 1994, only two years statistical data needed to be presented. Additional year's data will be included each year thereafter until ten years of data is presented.

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1	Net Assets by Component
J-2	Changes in Net Assets
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Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property
J-7	Direct and Overlapping Property Tax Rates
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Debt Capacity

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Certain Exhibits do not contain ten years of information since GASBS No. 44 was implemented as of the fiscal year ending June 30,2006.

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities								
Invested in capital assets, net of related debt	$ 21,258,164.10	$ 19,932,015.36	$ 18,445,469.03	$ 16,174,450.47	$ 13,679,953.56	$ 11,151,922.08	$ 8,751,335.40	$ 5,154,515.92
Restricted	2,638,068.65	2,344,087.29	2,155,714.48	2,197,748.60	1,790,067.62	2,038,337.07	2,102,864.26	3,238,038.05
Unrestricted	390,075.79	400,244.63	475,514.40	367,541.55	337,459.57	820,921.45	966,341.21	1,114,895.47
Total governmental activities net assets	$ 24,286,308.54	$ 22,676,347.28	$ 21,076,697.91	$ 18,739,740.62	$ 15,807,480.75	$ 14,011,180.60	$ 11,820,540.87	$ 9,507,449.44
Business-type activities								
Invested in capital assets, net of related debt	$ 13,196.06	$ 15,979.96	$ 19,118.32	$ 22,452.42	$ 17,594.25	$ 21,665.94	$ 26,277.23	$ 28,876.55
Restricted						-	-	-
Unrestricted	16,497.18	21,539.31	14,954.40	11,206.23	13,975.95	11,446.55	13,974.08	27,782.60
Total business-type activities net assets	$ 29,693.24	$ 37,519.27	$ 34,072.72	$ 33,658.65	$ 31,570.20	$ 33,112.49	$ 40,251.31	$ 56,659.15
District-wide								
Invested in capital assets, net of related debt	$ 21,271,360.16	$ 19,947,995.32	$ 18,464,587.35	$ 16,196,902.89	$ 13,697,547.81	$ 11,173,588.02	$ 8,777,612.63	$ 5,183,392.47
Restricted	2,638,068.65	2,344,087.29	2,155,714.48	2,197,748.60	1,790,067.62	2,038,337.07	2,102,864.26	3,238,038.05
Unrestricted	406,572.97	421,783.94	490,468.80	378,747.78	351,435.52	832,368.00	980,315.29	1,142,678.07
Total district net assets	$ 24,316,001.78	$ 22,713,866.55	$ 21,110,770.63	$ 18,773,399.27	$ 15,839,050.95	$ 14,044,293.09	$ 11,860,792.18	$ 9,564,108.59

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities								
Instruction								
Regular	$17,408,629.31	$ 16,722,975.34	$ 16,545,822.34	$ 15,819,354.46	$ 14,347,073.72	$ 13,483,481.56	$ 12,332,530.77	$ 11,725,821.61
Special education	5,874,138.39	5,367,410.26	5,332,078.83	4,838,506.06	4,306,616.43	3,972,616.36	3,663,179.48	3,140,145.65
Other instruction	1,848,077.83	1,734,850.06	1,283,738.35	1,399,906.92	1,305,469.09	1,216,267.50	1,091,364.83	729,620.36
Support Services:								
Tuition	683,729.50	874,008.32	853,723.23	620,111.98	762,296.18	545,358.83	577,146.20	585,833.75
Student and instruction related services	5,869,081.05	5,645,157.18	5,414,515.26	4,868,201.61	4,415,537.89	3,959,218.62	3,750,420.02	3,577,674.23
School administrative services	1,737,062.64	1,691,542.86	1,636,841.25	1,610,321.54	1,548,478.61	1,558,254.11	1,467,623.22	1,400,200.76
General and business administrative services	1,403,238.56	1,283,023.26	1,224,709.41	1,242,989.61	1,385,875.94	1,184,833.87	1,245,273.99	1,276,405.34
Plant operations and maintenance	3,627,599.91	3,701,201.10	3,544,099.36	3,258,177.56	2,942,329.96	2,852,439.87	2,748,774.45	2,371,194.42
Pupil transportation	2,298,543.64	2,128,064.27	2,033,852.61	1,835,893.41	1,890,777.66	1,683,053.98	1,632,661.90	1,492,706.30
Special Schools	155,513.68	129,665.76	135,896.44	134,795.77	133,018.57	120,803.25	124,712.39	104,611.22
Charter Schools							7,966.00	3,739.00
Interest on long-term debt	206,888.88	262,531.34	329,569.80	395,510.00	448,975.61	575,340.25	631,735.46	685,455.66
Total governmental activities expenses	41,112,503.39	39,540,429.75	38,334,846.88	36,023,768.92	33,486,449.66	31,151,668.20	29,273,388.71	27,093,408.30
Business-type activities:								
Milk Fund	73,075.84	60,310.62	45,064.21	38,446.45	45,101.87	51,570.81	46,409.17	33,900.83
Water/Juice Fund	11,535.59	11,619.85	10,464.18	10,362.41	11,640.89	16,709.67	22,325.10	13,818.24
Total business-type activities expense	84,611.43	71,930.47	55,528.39	48,808.86	56,742.76	68,280.48	68,734.27	47,719.07
Total district-wide expenses	41,197,114.82	39,612,360.22	38,390,375.27	36,072,577.78	33,543,192.42	31,219,948.68	29,342,122.98	27,141,127.37
Program Revenues								
Governmental activities:								
Charges for services:								
Pupil transportation	66,565.57	85,941.75	32,278.82	19,865.42	16,478.72	28,311.45	34,904.62	7,370.25
Special Schools	86,815.65	78,589.50	61,971.00	51,340.00	66,750.00	85,880.00	87,845.00	71,881.00
Operating grants and contributions	5,091,510.29	5,572,746.83	6,124,499.13	6,060,447.04	4,853,939.18	4,685,697.55	4,739,510.20	4,295,734.41
Total governmental activities program revenues	5,244,891.51	5,737,278.08	6,218,748.95	6,131,652.46	4,937,167.90	4,799,889.00	4,862,259.82	4,374,985.66

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities:								
Charges for services	$ 37,232.18	$ 34,500.72	$ 19,196.81	$ 17,310.85	$ 17,344.85	$ 17,266.50	$ 16,165.25	$ 17,124.45
Milk Fund	11,438.02	11,591.25	9,464.51	10,324.39	13,662.28	16,643.31	16,983.59	16,652.00
Ice Cream/OJ	28,115.20	29,285.05	27,281.14	23,262.07	24,193.34	27,231.85	19,177.59	21,494.61
Operating grants and contributions	76,785.40	75,377.02	55,942.46	50,897.31	55,200.47	61,141.66	52,326.43	55,271.06
Total business-type activities program revenues	5,321,676.91	5,812,655.10	6,274,691.41	6,182,549.77	4,992,368.37	4,861,030.66	4,914,586.25	4,430,256.72
Total district-wide program revenues								
Net (Expense)/Revenue								
Governmental activities	(35,867,611.88)	(33,803,151.67)	(32,116,097.93)	(29,892,116.46)	(28,549,281.76)	(26,351,779.20)	(24,411,128.89)	(22,718,422.64)
Business-type activities	(7,826.03)	3,446.55	414.07	2,088.45	(1,542.29)	(7,138.82)	(16,407.84)	7,551.99
Total district-wide net expense	(35,875,437.91)	(33,799,705.12)	(32,115,683.86)	(29,890,028.01)	(28,550,824.05)	(26,358,918.02)	(24,427,536.73)	(22,710,870.65)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:	-	-	-	-	-	-	-	-
Property taxes, levied for general purposes	35,534,274.00	33,825,780.00	32,524,788.00	31,010,603.00	28,762,124.00	26,889,120.00	24,732,635.00	23,924,700.00
Property taxes, levied for debt service principal	656,558.00	1,229,123.00	1,333,237.00	1,302,903.00	1,279,975.39	1,161,901.75	1,111,121.54	1,060,341.34
Federal and State aid not restricted	559,160.88	215,409.30	374,210.98	215,517.83	210,520.30	253,150.67	102,764.76	32,806.65
Tuition (other than special schools)	11,651.80	5,421.20	1,088.10	28,740.92	43,580.25	48,563.60	29,282.95	65,975.64
Investment earnings	6,230.45	26,136.39	146,473.32	181,225.61	118,323.74	82,760.07	46,649.11	82,171.92
Miscellaneous income	152,555.01	100,931.15	73,257.81	85,385.97	195,459.54	40,722.84	70,782.10	67,975.50
Proceeds of long-term debt (Refunding Bonds)					(341,000.00)			
N.J. Economic/Schools Development Authority grants	557,143.00				76,598.69	66,200.00	850,168.00	1,406,895.00
Total governmental activities	37,477,573.14	35,402,801.04	34,453,055.21	32,824,376.33	30,345,581.91	28,542,418.93	26,943,403.46	26,640,866.05
Business-type activities:								
Investment earnings								
Transfers	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-
Total district-wide general revenues	37,477,573.14	35,402,801.04	34,453,055.21	32,824,376.33	30,345,581.91	28,542,418.93	26,943,403.46	26,640,866.05
Change in Net Assets								
Governmental activities	1,609,961.26	1,599,649.37	2,336,957.28	2,932,259.87	1,796,300.15	2,190,639.73	2,532,274.57	3,922,443.41
Business-type activities	(7,826.03)	3,446.55	414.07	2,088.45	(1,542.29)	(7,138.82)	(16,407.84)	7,551.99
Total district-wide change in net assets	$ 1,602,135.23	$ 1,603,095.92	$ 2,337,371.35	$ 2,934,348.32	$ 1,794,757.86	$ 2,183,500.91	$ 2,515,866.73	$ 3,929,995.40

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Fund Balances - Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
General Fund								
Reserved	$ 2,000,945.10	$ 2,392,838.20	$ 2,228,352.05	$ 2,295,069.38	$ 1,131,356.23	$ 190,900.35	$ 1,056,673.45	$ 408,599.54
Unreserved	650,812.25	775,409.14	731,013.25	639,826.67	562,369.78	1,022,187.06	1,165,443.63	1,318,247.47
Total general fund	$ 2,651,757.35	$ 3,168,247.34	$ 2,959,365.30	$ 2,934,896.05	$ 1,693,726.01	$ 1,213,087.41	$ 2,222,117.08	$ 1,726,847.01
All Other Governmental Funds								
Reserved	$ 252,475.00	$ 940.00	$ 940.00	$ 940.00	$ 724,659.99	$ 1,993,003.42	$ 244,003.90	$ 2,238,211.58
Unreserved, reported in:								(4,393.20)
Special revenue fund					55,215.18	30,572.47	999,695.31	595,090.10
Capital projects fund	422,125.34				15,212.26	1.68	1.18	0.68
Debt service fund	14,226.96	14,214.71	14,208.26	14,210.26	543.88	536.06	532.52	529.35
Permanent fund	555.66	554.17	551.38	548.42				
Total all other governmental funds	$ 689,382.96	$ 15,708.88	$ 15,699.64	$ 15,698.68	$ 795,631.31	$ 2,024,113.63	$ 1,244,232.91	$ 2,829,438.51
Total Fund Balances	$ 3,341,140.31	$ 3,183,956.22	$ 2,975,064.94	$ 2,950,594.73	$ 2,489,357.32	$ 3,237,201.04	$ 3,466,349.99	$ 4,556,285.52

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Changes in Fund Balances - Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Revenues								
Tax levy	$ 36,190,832.00	$ 35,054,903.00	$ 33,858,025.00	$ 32,344,561.00	$ 30,133,119.00	$ 28,275,849.00	$ 26,133,365.00	$ 25,337,699.00
Tuition charges	98,467.45	84,010.70	63,059.10	80,080.92	110,330.25	134,443.60	117,127.95	137,856.64
Transportation fees	66,565.57	85,941.75	32,278.82	19,865.42	16,478.72	28,311.45	34,904.62	7,370.25
Interest earnings	6,230.45	26,136.39	146,473.32	181,225.61	118,323.74	82,760.07	46,649.11	82,171.92
Miscellaneous	273,526.87	197,160.32	169,764.13	85,385.97	195,459.54	75,616.99	70,762.10	85,027.74
State sources	4,619,073.74	5,169,439.96	5,890,450.87	5,741,877.79	4,441,330.87	4,165,477.08	4,095,143.50	3,562,615.62
Federal sources	910,625.57	522,487.00	511,752.92	503,032.08	532,109.00	513,649.74	457,523.00	396,215.54
Total revenues	42,165,321.65	41,140,079.12	40,671,804.16	38,956,028.79	35,547,151.12	33,276,107.93	30,955,475.28	29,608,956.71
Expenditures								
Instruction								
Regular Instruction	12,267,297.14	11,961,675.41	11,608,504.07	11,182,102.74	10,569,045.74	10,235,829.19	9,457,579.51	9,198,271.07
Special education instruction	4,301,474.56	3,998,899.13	3,881,848.78	3,553,550.09	3,290,225.22	3,102,938.33	2,903,396.14	2,313,454.05
Other instruction	1,319,616.47	1,275,571.20	1,187,988.99	1,009,813.42	981,493.02	932,332.77	849,699.24	729,620.36
Support Services:								
Tuition	683,729.50	874,008.32	853,723.23	620,111.98	762,296.18	545,358.83	577,146.20	585,833.75
Student and instruction related services	4,374,068.94	4,281,346.63	4,010,993.28	3,614,447.68	3,397,837.83	3,086,540.79	2,994,878.91	2,919,767.72
School administrative services	1,222,686.56	1,194,426.83	1,156,748.59	1,151,565.36	1,132,787.39	1,179,104.57	1,130,956.17	1,107,996.07
General and business administrative services	1,083,570.31	1,020,180.77	950,456.83	995,455.82	1,121,104.54	964,622.28	1,031,353.88	1,075,953.96
Plant operations and maintenance	2,909,659.18	3,088,011.84	2,934,398.71	2,682,639.65	2,501,453.26	2,490,473.10	2,421,812.36	2,101,423.60
Pupil transportation	2,071,891.51	1,951,595.00	1,860,109.48	1,682,610.20	1,761,432.50	1,567,659.89	1,463,066.73	1,423,233.92
Employee benefits	9,638,364.20	8,458,123.18	8,579,841.09	8,174,462.31	6,667,545.56	5,814,358.44	5,179,948.48	4,369,036.53
Special Schools	155,513.68	129,665.76	135,896.44	134,795.77	133,018.57	120,803.25	124,712.39	104,611.22
Charter Schools							7,966.00	3,739.00
Capital outlay	1,523,317.76	1,096,272.22	1,802,569.46	1,993,821.36	2,339,613.30	1,794,193.94	3,010,206.30	1,964,315.99
Debt service:								
Principal	795,000.00	1,315,000.00	1,330,000.00	1,280,000.00	1,225,000.00	1,140,000.00	1,090,000.00	1,040,000.00
Interest and other charges	219,090.75	286,411.55	354,255.00	419,415.00	488,740.42	597,241.50	652,856.50	705,796.50
Total expenditures	42,565,280.56	40,931,187.84	40,647,333.95	38,494,791.38	36,371,593.53	33,571,456.88	32,895,578.81	29,643,053.74
Excess (Deficiency) of revenues over (under) expenditures	(399,958.91)	208,891.28	24,470.21	461,237.41	(824,442.41)	(295,348.95)	(1,940,103.53)	(34,097.03)

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Changes in Fund Balances - Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Other Financing sources (uses)								
N.J. Economic Development Authority Grants	557,143.00				76,598.69	66,200.00	850,168.00	1,406,895.00
Transfers in	773,514.00			12,064.09	683,713.28	1,969,377.98	11,992.04	2,234,065.93
Transfers out	(773,514.00)			(12,064.09)	(683,713.28)	(1,969,377.98)	(11,992.04)	(2,234,065.93)
Total other financing sources (uses)	557,143.00	-	-	-	76,598.69	66,200.00	850,168.00	1,406,895.00
Net change in fund balances	$ 157,184.09	$ 208,891.28	$ 24,470.21	$ 461,237.41	$ (747,843.72)	$ (229,148.95)	$ (1,089,935.53)	$ 1,372,797.97
Debt service as a percentage of noncapital expenditures	2.55%	4.02%	4.34%	4.66%	5.04%	5.47%	5.83%	6.31%

Source: District records

Exhibit J-5

BOARD OF EDUCATION
TOWNSHIP OF WARREN

General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

Fiscal Year Ended June 30,	Total	Tuition	Interest	Transportation Fees	Rentals	Reimbursements
2001	$ 451,697.74	$ 226,671.14	$ 164,712.08	$ 5,762.90	$ 30,174.16	$ 24,377.46
2002	376,363.99	117,263.02	101,588.15	6,750.00	2,320.00	148,442.82
2003	284,211.33	137,856.64	71,008.94	7,370.25	11,145.00	56,830.50
2004	236,243.53	117,127.95	34,653.90	34,904.62	10,260.00	39,297.06
2005	266,856.44	134,443.60	63,378.55	28,311.45	11,850.00	28,872.84
2006	307,695.83	110,330.25	118,315.92	16,478.72	7,210.00	55,360.94
2007	340,860.66	80,080.92	181,221.07	19,865.42	9,275.00	50,418.25
2008	315,069.05	63,059.10	146,473.32	32,278.82	8,970.00	64,287.81
2009	297,017.20	84,010.70	26,133.60	85,941.75	8,485.00	92,446.15
2010	317,018.48	98,467.45	6,230.45	66,565.57	2,740.00	143,015.01

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2001	$ 164,937,610	$ 1,939,454,100	$ 19,006,300	$ 533,751,780	$ 44,814,500		$ 2,701,964,290	$ 6,197,142	$ 2,708,161,432	$ 2,483,849,434	0.833
2002	150,484,700	2,167,007,300	19,818,090	565,040,380	47,744,200		2,950,094,670	6,391,268	2,956,485,938	2,916,807,926	0.824
2003	129,185,200	2,501,646,300	22,981,150	596,656,260	49,235,500		3,299,704,410	6,650,431	3,306,354,841	3,255,330,722	0.779
2004	75,791,900	2,573,150,100	28,150,650	626,052,160	47,235,400		3,350,380,210	6,349,943	3,356,730,153	3,567,519,732	0.811
2005	81,998,000	3,118,738,500	29,355,800	633,593,000	45,913,500		3,909,598,800	6,303,984	3,915,902,784	3,874,924,394	0.746
2006	115,052,000	3,331,304,900	31,297,383	671,564,280	46,781,700		4,196,000,263	5,859,339	4,201,859,602	4,360,484,879	0.744
2007	115,876,200	3,550,591,500	36,577,523	711,025,200	45,402,300		4,459,472,723	5,757,334	4,465,230,057	4,890,434,789	0.743
2008	116,300,200	3,549,805,200	30,078,210	736,177,000	46,560,400		4,478,921,010	6,220,170	4,485,141,180	4,969,952,684	0.768
2009	112,692,900	3,386,006,000	27,304,620	729,782,400	46,236,000		4,302,021,920	6,786,628	4,308,808,548	4,972,630,638	0.826
2010	101,108,900	3,048,149,900	24,980,900	650,772,200	37,653,900		3,862,665,800	7,378,865	3,870,044,665	4,567,425,015	0.945

Source: Municipal Tax Assessor

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)
Unaudited

	School District Direct Rate			Overlapping Rates			
Fiscal Year Ended December 31,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	Regional School District	County	Total Direct and Overlapping Tax Rate
2001	0.782	0.051	0.833	0.200	0.261	0.436	1.730
2002	0.765	0.059	0.824	0.211	0.277	0.438	1.750
2003	0.726	0.053	0.779	0.214	0.295	0.412	1.700
2004	0.759	0.052	0.811	0.229	0.334	0.426	1.800
2005	0.702	0.044	0.746	0.270	0.325	0.309	1.650
2006	0.703	0.041	0.744	0.206	0.304	0.376	1.630
2007	0.705	0.038	0.743	0.213	0.319	0.375	1.650
2008	0.730	0.038	0.768	0.224	0.336	0.375	1.703
2009	0.789	0.037	0.826	0.246	0.364	0.385	1.821
2010	0.919	0.026	0.945	0.246	0.364	0.385	1.940

Source: Municipal Tax Collector

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

Fiscal Year Ended June 30,	2010 Taxable Assessed Value	2010 % of Total District Net Assessed Value	2000 Taxable Assessed Value	2000 % of Total District Net Assessed Value
Lucent Technology			$ 132,868,700	4.49%
King George Property Co.	$ 110,492,700	2.86%	-	
Somerset Assoc. c/o Chubb & Son	83,148,000	2.15%	83,000,000	2.81%
Mount Bethel Corp.	80,732,200	2.09%	50,906,500	1.72%
Greenwood Meadows			70,556,900	2.39%
JT Warren LP			33,250,000	1.12%
30 Independence Blvd One, LLC	33,237,000	0.86%		
Bellemead Development			32,611,500	1.10%
Liberty Assoc.	31,015,800	0.80%		
Sumitomo & Glenborough			29,928,400	1.01%
K.Hovnanian at Warren	24,986,400	0.65%		
Vicendese Family	21,141,700	0.55%		
Warren 2001,LLC	17,655,000	0.46%		
PW/MS			16,873,900	0.57%
10 Independence SPE	16,513,000	0.43%		
Normandy Warren Holdings,LLC	16,513,000	0.43%		
Total	$ 435,434,800	11.25%	$ 317,127,200	10.73%

Source: Municipal Tax Assessor

Exhibit J-9

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	$ 43,843,549	$ 43,275,567	98.70%	$ -	$ 43,275,567	98.70%
2001	48,182,227	47,599,637	98.79%	527,821	48,127,458	99.88%
2002	52,825,957	51,546,964	97.57%	479,114	52,026,078	98.48%
2003	57,356,486	56,792,770	99.01%	762,971	57,555,741	100.34%
2004	61,835,074	60,756,425	98.25%	455,533	61,211,958	98.99%
2005	65,305,644	64,644,637	98.98%	551,915	65,196,552	99.83%
2006	69,464,579	68,409,552	98.48%	558,521	68,968,073	99.28%
2007	74,232,612	73,159,357	98.55%	853,278	74,012,635	99.70%
2008	76,874,285	75,884,885	98.71%	928,377	76,813,262	99.92%
2009	78,801,109	77,710,091	98.61%		77,710,091	98.61%

Source: Municipal Tax Collector

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	Per Capita
2001	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2002	13,359,000		46,999			13,405,999	1.70%	892
2003	12,499,000					12,499,000	1.52%	823
2004	11,409,000					11,409,000	1.34%	746
2005	10,269,000					10,269,000	1.16%	667
2006	9,385,000					9,385,000	1.03%	607
2007	8,105,000					8,105,000	0.86%	521
2008	6,775,000					6,775,000	0.69%	432
2009	5,460,000					5,460,000	0.53%	344
2010	4,665,000					4,665,000	0.44%	294

Exhibit J-11

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2001	$ 14,519,000	$ -	$ 14,519,000	0.54%	$ 988
2002	13,539,000		13,539,000	0.46%	901
2003	12,499,000		12,499,000	0.38%	823
2004	11,409,000		11,409,000	0.34%	746
2005	10,269,000		10,269,000	0.26%	667
2006	9,385,000		9,385,000	0.22%	607
2007	8,105,000		8,105,000	0.18%	521
2008	6,775,000		6,775,000	0.15%	432
2009	5,460,000		5,460,000	0.13%	344
2010	4,665,000		4,665,000	0.12%	294

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Direct and Overlapping Governmental Activities Debt
As of December 31,2009
Unaudited

Net Direct Debt of School District as of December 31,2009		$ 5,460,000.00
Net Overlapping Debt of School District:		
Township of Warren (100%)	$ 15,090,246.76	
Township of Warren Sewerage Authority (100%)	12,275,973.29	
County of Somerset - Township's share (7.9776%)	540,482.40	
		27,906,702.45
Total Direct and Overlapping Bonded Debt as of December 31,2009		$ 33,366,702.45

Source: Township of Warren Chief Financial Officer and Somerset County Treasurer's Office.

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2007	4,911,313,572
2008	4,931,646,124
2009	4,526,538,215
	$ 14,369,497,911
Average equalized valuation of taxable property	$ 4,789,832,637
Debt limit (3 % of average equalization value)	143,694,979
Total Net Debt Applicable to Limit	4,665,000
Legal debt margin	$ 139,029,979

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt limit	$ 115,901,814	$ 129,232,709	$ 140,552,497	$ 146,556,152	$ 143,694,979
Total net debt applicable to limit	9,385,000	8,105,000	6,775,000	5,460,000	4,665,000
Legal debt margin	$ 106,516,814	$ 121,127,709	$ 133,777,497	$ 141,096,152	$ 139,029,979
Total net debt applicable to the limit as a percentage of debt limit	8.10%	6.27%	4.82%	3.73%	3.25%

	Fiscal Year				
	2001	2002	2003	2004	2005
Debt limit	$ 64,765,823	$ 73,892,925	$ 83,929,396	$ 94,799,391	$ 104,391,462
Total net debt applicable to limit	14,519,000	13,539,000	12,499,000	11,409,000	10,269,000
Legal debt margin	$ 50,246,823	$ 60,353,925	$ 71,430,396	$ 83,390,391	$ 94,122,462
Total net debt applicable to the limit as a percentage of debt limit	22.42%	18.32%	14.89%	12.03%	9.84%

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

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	14,688	748,489,464	50,959	3.3
2002	15,032	789,000,029	52,488	5.3
2003	15,196	821,536,308	54,063	5.2
2004	15,294	851,639,483	55,685	4.4
2005	15,385	882,407,980	57,355	1.7
2006	15,471	913,960,733	59,076	2.0
2007	15,568	947,281,812	60,848	1.8
2008	15,689	983,283,754	62,673	2.4
2009	15,871	1,024,531,031	64,554	4.3
2010	15,871 Est.	1,055,266,962	66,490	

Sources:
Population information provided by the NJ Dept of Labor and Workforce Development
Personal income has been estimated based upon the municipal population and per capita personal income presented
Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Principal Employers
Current Year and Ten Years Ago
Unaudited

	2010			2000		
Employer	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**
Lucent Technology				3600	1	
Citicorp	3100	1				
Chubb Corporation	1683	2		2000	2	
AT&T Technology				590	3	
Anadigics				570	4	
Public Schools	395	3		320	5	
Cordis	300	4		220	6	
Andrew Corp.	145	5				
Boller Engineering	108	6				
PP&S	180	7				
Somerset Hills Hotel	106	8		110	7	
	6017		0.00%	7410		0.00%

Source: _____

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction				213.9	229.3	226.8	228.3	216.1	221	220
Regular				41.4	38.4	40.2	41.7	37.6	35.7	38.7
Special education				18	20	20	20	23	24	25
Other instruction				31	31.5	35	35	40	38	38
School sponsored/other instructional										
Support Services:				14	14.6	14.6	14.6	14.6	14.6	14.6
School administrative services				3	4	3.6	3.6	3.6	3.6	3.6
General and business administrative services				11	11	11	11	11	11	11
Central Services				3	3	3	3	3	3	3
Administrative information technology				6	6	6	6	27	28	28
Plant operations and maintenance				8	11	12	12	12	12	13
Pupil transportation										
Total	0	0	0	349.3	368.8	372.2	375.2	387.9	390.9	394.9

Source: District Personnel Records
Fall Report - Cetified and Non-Certified Staff

WARREN TOWNSHIP SCHOOLS
TOWNSHIP OF WARREN

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2001	1,975	21,175,581	10,722	5.50%	202.9	10.6	10.7	0	1,929.9	1,850.2	0.85%	95.87%
2002	2,070	22,844,130	11,036	2.93%	201.4	10.6	11.6	0	2,065.8	1,990.9	7.04%	96.37%
2003	2,175	25,381,715	11,670	5.74%	222.3	9.9	10.7	0	2,163.2	2,083.1	4.71%	96.30%
2004	2,227	27,619,593	12,402	6.28%	209.3	10.6	11.3	0	2,206.7	2,127.8	2.01%	96.42%
2005	2,277	30,040,021	13,193	6.38%	211.7	10.5	10.3	0	2,274.2	2,190.7	3.06%	96.33%
2006	2,299	32,318,240	14,058	6.55%	212.0	10.3	10.3	0	2,261.0	2,174.3	-0.58%	96.17%
2007	2,236	34,801,555	15,564	10.72%	214.8	10.3	10.4	0	2,224.1	2,137.0	-1.63%	96.08%
2008	2,212	37,160,509	16,800	7.94%	216.1	10.2	9.9	0	2,201.0	2,117.4	-1.04%	96.20%
2009	2,227	38,233,504	17,168	2.19%	221.0	10.0	10.0	0	2,213.6	2,128.1	0.57%	96.14%
2010	2,224	40,027,872	17,998	4.83%	222.0	10.0	9.8	0	2,226.0	2,144.6	0.56%	96.34%

Source: District records

Note: Enrollment based on annual October district count.

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

BOARD OF EDUCATION
TOWNSHIP OF WARREN

School Building Information
Last Ten Fiscal Years
Unaudited

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
District Building										
Elementary										
Angelo L. Tomaso School (1959)										
Square Feet	45,487	45,487	45,487	57,455	57,455	57,455	57,455	57,455	57,455	57,455
Capacity (students)	400	400	400	500	500	500	500	500	500	500
Enrollment	344	342	363	355	374	375	360	380	378	361
Central School (1932)										
Square Feet	53,040	53,040	53,040	53,040	53,040	53,040	62,890	62,890	62,890	62,890
Capacity (students)	450	450	450	450	450	550	550	550	550	550
Enrollment	337	359	380	378	376	386	376	345	342	334
Mt. Horeb School (1965)										
Square Feet	61,414	61,414	61,414	61,414	61,414	61,414	61,414	61,414	61,414	61,414
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	273	328	393	406	412	415	419	410	382	378
Woodland School (1950)										
Square Feet	61,660	61,660	61,660	61,660	61,660	61,660	61,660	61,660	61,660	61,660
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	342	319	326	318	325	329	332	338	356	376
Middle School										
Warren Middle School (1976)										
Square Feet	124,087	124,087	124,087	124,087	124,087	124,087	124,087	124,087	124,087	124,087
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	663	694	693	742	768	766	730	716	763	780
High School										
N/A										
Other										
Central Administration (2000)										
Square Feet	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Buildings & Grounds / Transportation (1950)										
Square Feet	8,766	8,766	8,766	8,766	8,766	8,766	8,766	8,766	8,766	8,766

Number of Schools at June 30, 2010
- Elementary = 4
- Middle School = 1
- Senior High School = 0
- Other = 2

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count (Fall Report).

BOARD OF EDUCATION
TOWNSHIP OF WARREN

General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

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

*School Facility	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	Ten Year Total	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Central School	Roof - Phase II (SDA5470-030-09-0XAM)	62,890	$ 798,886	$ 53,495	$ 95,270	$ 87,008	$ 82,982	$ 83,574	$ 80,555	$ 81,284	$ 68,288	$ 87,777	$ 78,653
	Tile Project (SDA5470-030-09-0XAN)												
	Corridor Improvements (SDA5470-030-09-0OAX)												
Middle School		124,087	1,639,636	134,973	125,222	156,088	110,519	129,865	188,458	190,165	214,982	205,355	184,009
Mt. Horeb School	Tile Project (SDA5470-035-09-0XAO)	61,414	869,184	68,176	96,799	100,217	62,469	63,770	93,273	94,118	97,655	101,636	91,071
	Toilet Room Upgrade (SDA5470-035-09-0OCP)												
Angelo Tomaso School	HVAC Replacement (SDA5470-040-09-0XAP)	57,455	710,478	63,718	85,209	94,277	68,541	58,562	69,084	69,709	58,647	75,278	67,453
Woodland School		61,660	779,976	59,624	97,264	68,470	67,228	54,911	93,646	94,495	50,859	102,043	91,436
		367,506	$4,798,160	$ 379,986	$ 499,765	$ 506,060	$ 391,739	$ 390,682	$ 525,015	$ 529,771	$ 490,431	$ 572,089	$ 512,622

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

Source: District records

Exhibit J-20

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Insurance Schedule
As of June 30, 2010
Unaudited

CARRIER	INSURANCE	COVERAGE	DEDUCTIBLE
SAIF	Blanket Building & Contents (Property)	$69,761,534	$5,000
	Comprehensive General Liability	5,000,000	
	Commercial Crime Coverage	100,000	
	Comprehensive Automobile Liability	5,000,000	500
	Excess Liability	5,000,000	
	Environmental	1,000,000	
NJSBAIG	Workers Compensation	2,000,000	
	Errors & Omissions	10,000,000	5,000
CHUBB	Supplemental Workers Comp - Weekly Maximum	1,750	
Firemen's Fund	Catastrophe Umbrella Liability	50,000,000	
Bollinger Insurance Co.	Student Accident Insurance	5,000,000	
	Volunteers	25,000	
Selective	Surety Bond - Board Secretary/Business Administrator	100,000	
	Surety Bond - Treasurer of School Moneys	260,000	

Source: District records

Single Audit Section

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

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

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

We have audited the basic financial statements of the Township of Warren School District as of and for the year ended June 30, 2010, and have issued our report thereon dated July 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

Compliance and Other Matters

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

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

Timothy M. Vrabel
Public School Accountant
License No. CS000698

Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

Dated: July 30, 2010

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04

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

Compliance

We have audited the compliance of the Township of Warren School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2010. Township of Warren School District major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Township of Warren School District's management. Our responsibility is to express an opinion on Township of Warren School District's compliance based on our audit.

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

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In our opinion, the Board of Education of the Township of Warren School District in the County of Somerset, State of New Jersey, complied , in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

A *deficiency in internal control over compliance* 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, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state 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 would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Timothy M. Vrabel
Public School Accountant
License No. CS000698

Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

Dated: July 30, 2010

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2009	Adjustments	BUDGETARY EXPENDITURES Cash Received	Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2010 Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture Passed - Through State Department of Education:														
Special Milk Program	10.556	7/1/09-6/30/10	$ 28,115.20	$ -	$ -	$ 25,788.32	$ 28,115.20	$ -	$ -	$ 28,115.20	$ -	$ (2,326.88)	$ -	$ -
Special Milk Program	10.556	7/1/08-6/30/09	29,285.05	(2,561.07)		2,561.07	-			-		-		
Total U.S. Department of Agriculture				(2,561.07)		28,349.39	28,115.20			28,115.20		(2,326.88)		
U.S. Department of Education Passed - Through State Department of Education:														
E.S.E.A. Title II A	84.367A	7/1/09-6/30/10	28,856.00			26,932.00	28,856.00			28,856.00		(1,924.00)		
E.S.E.A. Title II A	84.367A	9/1/08-8/31/09	27,993.00	(2.00)		2.00				-		-		
E.S.E.A. Title III	84.365A	7/1/09-6/30/10	19,465.00			11,406.00	19,463.80			19,463.80		(8,059.00)	1.20	
E.S.E.A. Title III	84.365A	9/1/08-8/31/09	16,434.00	(43.00)		43.00				-		-		
E.S.E.A. Title IV	84.186A	7/1/09-6/30/10	3,175.00			3,175.00	3,175.00			3,175.00		-		
I.D.E.A. Part B, Basic	84.027A	7/1/09-6/30/10	458,942.00			458,942.00	458,942.00			458,942.00		-		
I.D.E.A. Part B, Preschool	84.173A	7/1/09-6/30/10	16,408.00			16,408.00	16,408.00			16,408.00		-		
ARRA I.D.E.A., Basic	84.391	7/1/09-8/31/11	445,883.00			372,397.00	368,143.41		54,618.96	422,762.37		(73,486.00)	23,120.63	
ARRA I.D.E.A., Preschool	84.392	7/1/09-8/31/11	16,141.00	-		15,639.00	15,637.36		-	15,637.36		(502.00)	503.64	
Total U.S. Department of Education				(45.00)	-	904,944.00	910,625.57	-	54,618.96	965,244.53	-	(83,971.00)	23,625.47	-
Total Federal Financial Assistance				$ (2,606.07)	$ -	$ 933,293.39	$ 938,740.77	$ -	$ 54,618.96	$ 993,359.73	$ -	$ (86,297.88)	$ 23,625.47	$ -

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

BOARD OF EDUCATION
TOWNSHIP OF WARREN

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2009	Adjustments	Cash Received	BUDGETARY EXPENDITURES Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2010 Accounts Receivable	Deferred Revenue	Due to Grantor
State Department of Education:														
General Funds:														
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	$ 630,469.00	$ -	$ 220,664.00 (1)	$ 348,389.65	$ 630,469.00	$ -	$ -	$ 630,469.00	$ -	$ (61,415.35)	$ -	$ -
Categorical Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	589,845.00	(54,863.75)		54,863.75				-				
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	1,274,026.00	-	415,451.00 (1)	729,904.83	1,274,026.00			1,274,026.00		(128,670.17)		
Categorical Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	1,257,243.00	(116,941.01)		116,941.01				-				
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	169,183.00		59,214.00 (1)	93,488.52	169,183.00			169,183.00		(16,480.48)		
Categorical Security Aid	09-495-034-5120-084	7/1/08-6/30/09	165,080.00	(9,568.24)		9,568.24				-				
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	286,539.00				286,539.00			286,539.00		(286,539.00)		
Extraordinary Aid	09-100-034-5120-473	7/1/08-6/30/09	411,828.00	(411,828.00)		411,828.00				-				
Non-Public Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	20,284.00				20,284.00			20,284.00		(20,284.00)		
Non-Public Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	28,465.94	(28,465.94)		28,465.94				-				
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	7/1/09-6/30/10	1,387,272.74			1,387,272.74	1,387,272.74			1,387,272.74		-		
On-Behalf TPAF Pension Contributions	10-495-034-5095-001	7/1/09-6/30/10	1,212,142.00	-	-	1,212,142.00	1,212,142.00			1,212,142.00		-		
Total General Funds				(621,666.94)	695,329.00	4,392,864.68	4,979,915.74			4,979,915.74		(513,389.00)		
Special Revenue Funds:														
New Jersey Nonpublic Aid:														
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	977.00			977.00	977.00			977.00		-		
Textbook Aid	09-100-034-5120-064	7/1/08-6/30/09	629.00	379.00						-	379.00	-		
Nursing Services	10-100-034-5120-070	7/1/09-6/30/10	1,158.00			1,158.00	1,158.00			1,158.00		-		
Technology Initiative	09-100-034-5120-373	7/1/08-6/30/09	440.00	302.30		-	-			-	302.30	-	-	-
Total Special Revenue Funds				681.30		2,135.00	2,135.00			2,135.00	681.30	-		
Capital Project Funds:														
N.J. Schools Development Authority Grant	SDA5470-030-09-0XAM		189,500.00			170,836.08	189,500.00			189,500.00		(18,663.92)		
N.J. Schools Development Authority Grant	SDA5470-030-09-0XAN		104,783.00				104,783.00			104,783.00		(104,783.00)		
N.J. Schools Development Authority Grant	SDA5470-035-09-0XAO		137,310.00				137,310.00			137,310.00		(137,310.00)		
N.J. Schools Development Authority Grant	SDA5470-040-09-0XAP		56,824.00			48,650.72	56,824.00			56,824.00		(8,173.28)		
N.J. Schools Development Authority Grant	SDA5470-035-09-00CP		17,436.00				17,436.00			17,436.00		(17,436.00)		
N.J. Schools Development Authority Grant	SDA5470-030-09-00AX		51,290.00			-	51,290.00			51,290.00		(51,290.00)		
Total Capital Project Funds						219,486.80	557,143.00			557,143.00		(337,656.20)		
Debt Service Funds:														
Debt Service Aid - State Support	10-495-034-5120-017	7/1/09-6/30/10				357,545.00	357,545.00			357,545.00				
Total Debt Service Funds				-	-	357,545.00	357,545.00	-	-	357,545.00	-	-	-	-
Total All Funds				$ (620,985.64)	$ 695,329.00	$ 4,972,031.48	$ 5,896,738.74	$ -	$ -	$ 5,896,738.74	$ 681.30	$ (851,045.20)	$ -	$ -

(1) Canceled

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

BOARD OF EDUCATION
TOWNSHIP OF WARREN SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2010

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Township of Warren School District Board of Education. The Board of Education is defined in Note I:B. to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

BOARD OF EDUCATION
TOWNSHIP OF WARREN SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2010
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($25,193.00) for the general fund and ($54,618.96) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP 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 follows:

	Federal	State	Total
General Fund	$	$4,259,393.74	$4,259,393.74
Special Revenue Fund	910,625.57	2,135.00	912,760.57
Debt Service Fund		372,295.00	357,545.00
Food Service Fund	28,115.20	-0-	28,115.20
Total Awards and Financial Assistance	$938,740.77	$4,619,073.74	$5,557,814.51

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for post-retirement medical benefits and the normal and accrued liability pension costs for the year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

BOARD OF EDUCATION
TOWNSHIP OF WARREN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

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 basic financial statements noted? ____yes __X__no

Federal Awards Section

D) Dollar threshold used to determine Type A programs $ 300,000.00

E) Auditee qualified as low-risk auditee? __X__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 __X__no
2) Were significant deficiencies identified that were not considered to be material weaknesses? ____yes __X__none reported

H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510 (a))? ____yes __X__no

I) Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027 A	I.D.E.A. Part B., Basic
84.391	ARRA I.D.E.A., Basic

BOARD OF EDUCATION
TOWNSHIP OF WARREN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor's Results (Continued)

State Financial Assistance Section

J) Dollar threshold used to determine Type A Programs	$300,000.00
K) Auditee qualified as low-risk auditee?	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 N.J. OMB Circular 04-04?	____ yes X no

O) Identification of major programs:

GMIS Number(s)	Name of State Program
09-495-034-5120-014	Transportation Aid
09-495-034-5120-089	Special Education Aid
09-495-034-5095-002	Reimbursed T.P.A.F. Social Security Contribution
09-100-034-5120-473	Extraordinary Aid
09-495-034-5120-017	Debt Service Aid

BOARD OF EDUCATION
TOWNSHIP OF WARREN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

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

Not Applicable

BOARD OF EDUCATION
TOWNSHIP OF WARREN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)

Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

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

Not Applicable

BOARD OF EDUCATION
TOWNSHIP OF WARREN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2010

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

Not Applicable