

**Comprehensive Annual
Financial Report**

of the

City of Absecon Board of Education

Absecon, New Jersey

For the Fiscal Year Ended June 30, 2010

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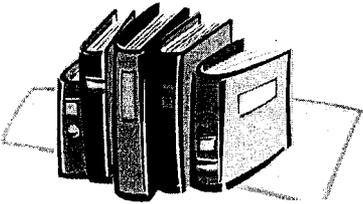
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INTRODUCTORY SECTION



ABSECON PUBLIC SCHOOLS

800 Irelan Avenue, Absecon, NJ 08201

James A. Giaquinto
Superintendent
(609) 641-5375
Ext. 1012

November 3, 2010

Tina Davisson
Business Administrator
(609) 641-5375
Ext. 1010

Honorable President and Members of the Board of Education
Citizens of Absecon
Absecon School District
Absecon, New Jersey 08201

Dear Board Members:

The Comprehensive Annual Financial Report of the Absecon City Board of Education 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 Absecon 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

FAX
(609) 641-8692

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains the table of contents, this Letter of Transmittal, the District's organizational chart and a roster of officials.
- The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis;
- The Single Audit Section--The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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.

Reporting Entity

The City of Absecon Board of Education is an independent reporting entity within the criteria adopted by the GASB Statement No. 14 as established by NCGA Statement No. 3. All funds of the District are included in this report. The Absecon City Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped students. The District completed the 2009-10 fiscal year with an average daily enrollment of 815 (according to the New Jersey State Attendance Records). The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-10	815.1	0.31%
2008-09	812.6	-0.17%
2007-08	814.0	-6.10%
2006-07	819.0	-1.43%
2005-06	830.9	-8.00%
2004-05	903.2	-6.63%
2003-04	967.3	-1.40%
2002-03	981.0	2.19%
2001-02	960.0	3.45%
2000-01	928.0	-3.33%

Economic Condition and Outlook

The Absecon area is experiencing an economic slowdown which is a result of the economic downslide, particularly in the tourism industry. Despite the economic slowdown, there is a slight increase in student enrollment. Hopefully, additional commercial growth will occur to further increase the tax base.

Major Initiatives

Major emphasis in the district in 2009-10 continued to be in the area of curriculum development. A new math program was adopted and will be implemented during the 2010-2011 school year.

Staff development continues to be a priority to ensure the efficient and effective operation of the school district. Teachers and support staff are provided with training programs in the district, at seminars, and through college tuition reimbursement programs. Improving student achievement in language arts, meeting the needs of special learners, and the integration of technology into everyday instruction were a major focus.

The heat pump system in the Marsh School was replaced in the summer of 2009. The 2010 summer facility focus was replacement of asphalt and concrete around the outside of the school buildings. The new five year facility plan is in process and should be completed during the fall of 2010.

Financial Information

Internal Accounting Controls

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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's Management.

As part of the District's single audit described earlier, tests are made periodically 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.

Budgetary Controls

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2010.

Accounting System and Reports

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

Debt Administration

At June 30, 2008, the District's outstanding debt issues included \$550,000 of Certificates of Participation. In December 1992, the Board of Education refinanced the original 1988 Certificates of Participation. This refinancing resulted in an approximate savings of over 2 million dollars over the lease purchase. In September 1998, the Board of Education refinanced again through a forward purchase transaction. This resulted in a savings of \$300,000 over the remaining lease purchase. The Certificates were paid in full December 2008.

On August 8, 2003, the District issued bonds in the amount of \$2,442,000 to undertake repairs and renovations to the H. Ashton Marsh School and the Emma C. Attales School. The comprehensive projects were completed, in the summer of 2004, at a total cost of \$3,881,950 and were partially funded by State grants totaling \$1,459,740. At June 30, 2009, the outstanding debt of the serial bonds for school construction was \$1,282,000. These bonds will be paid in full August 2011.

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1980 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

The Board of Education carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.L.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the basic 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.

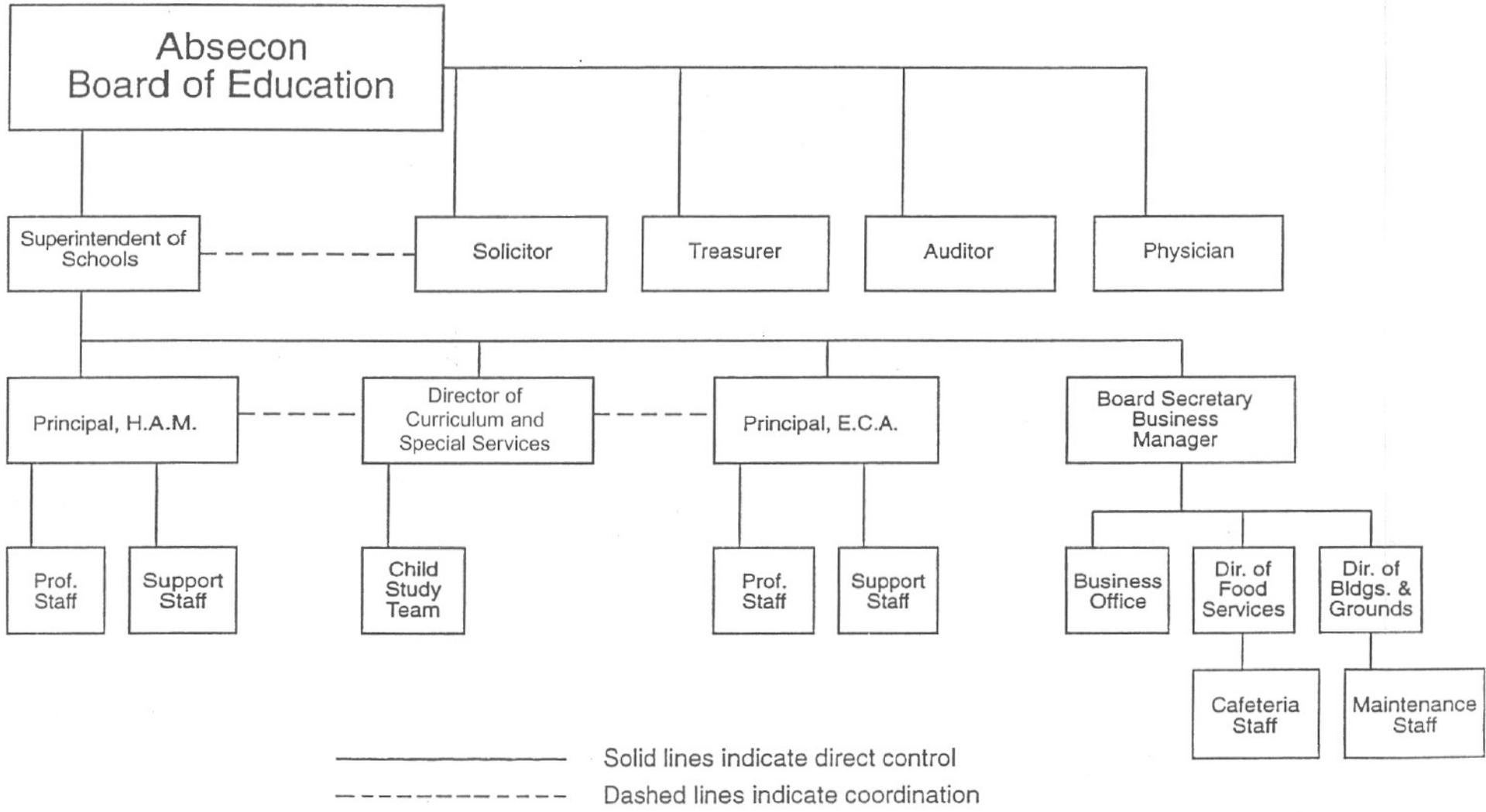
Acknowledgements

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

Respectfully submitted,

James A. Giaquinto
Superintendent

Tina Davisson
Business Administrator/
Board Secretary



**ABSECON BOARD OF EDUCATION
ABSECON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2010**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
William Thompson III, President	2013
Thomas Grites, Vice President	2011
Michael Assad	2012
Keith Bennett	2013
Alex Corkhill	2013
Mary Hughes	2012
William Neiderhofer	2011

Other Officials

James A. Giaquinto, Superintendent

Tina Davisson, Board Secretary/School Business Administrator

Jessica Thompson, Treasurer

Louis Greco, Esq., Solicitor

**ABSECON BOARD OF EDUCATION
Consultants and Advisors**

Architect

Buck Simperts Architect and Associates
Park 80 West
Plaza II, Suite 200
Saddle Brook, NJ 07663

Audit Firm

Leon P. Costello, CPA, RMA
Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
P.O. Box 538
Ocean City, NJ 08226

Attorney

Louis Greco, Esquire
800 Route 50, Suite 2B
Mays Landing, New Jersey 08330

Official Depository

TD Bank
White Horse Pike
Absecon, NJ 08201

FINANCIAL SECTION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Absecon School District
County of Atlantic
Absecon, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the City of Absecon School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal 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 City of Absecon Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the City of Absecon Board of Education, in the County of Atlantic, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2010 on our consideration of the City of Absecon Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the 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 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 considering in assessing the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Absecon Board of Education's basic financial statements. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and related major fund supporting statements and 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 and statistical sections 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 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, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 3, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED**

The discussion and analysis of the City of Absecon School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets increased \$1,369,322.44, which represents a 13 percent increase from 2009.
- General revenues accounted for \$11,648,036.52 in revenue or 81 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,770,507.99 or 19 percent of total revenues of \$14,418,544.51.
- Total assets of governmental activities increased by \$1,064,484.98 as cash and cash equivalents decreased by \$27,114.44, receivables increased by \$351,194.06, and capital assets increased by \$904,555.28, while restricted cash and cash equivalents decreased by \$158,935.20.
- The School District had \$13,049,222.07 in expenses; only \$2,770,507.99 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$11,648,036.52 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$11,980,104.72 in revenues and \$11,401,149.23, in expenditures. The General Fund's fund balance decreased \$100,799.51 over 2009. This decrease was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

Reporting the School District's Most Significant Funds (Continued)

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 30 to 48 of this report.

The School District as a Whole

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

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

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

The School District as a Whole (Continued)

Table 1 provides a summary of the School District's net assets for 2010 and 2009.

**Table 1
Net Assets**

	<u>2010</u>	<u>2009</u>
Assets		
Current and Other Assets	\$ 1,740,500.33	\$ 1,580,570.63
Capital Assets	<u>12,342,642.38</u>	<u>11,438,087.10</u>
Total Assets	<u>14,083,142.71</u>	<u>13,018,657.73</u>
Liabilities		
Long-Term Liabilities	1,579,917.50	2,132,732.50
Other Liabilities	<u>724,629.27</u>	<u>476,651.73</u>
Total Liabilities	<u>2,304,546.77</u>	<u>2,609,384.23</u>
Net Assets		
Invested in Capital Assets, Net of Debt	11,059,562.38	9,604,547.10
Restricted	641,303.97	732,455.74
Unrestricted	<u>77,729.59</u>	<u>72,270.66</u>
Total Net Assets	<u>\$ 11,778,595.94</u>	<u>\$ 10,409,273.50</u>

The District's combined net assets were \$11,778,595.94 on June 30, 2010. This was an increase of 13 percent from the prior year.

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year 2010 and 2009.

**Table 2
Changes in Net Assets**

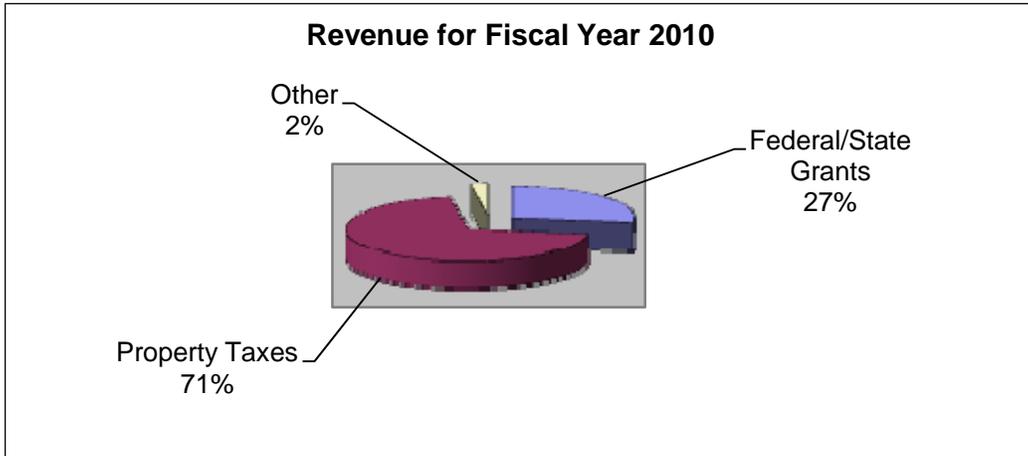
	2010	2009
Revenues		
Program Revenues:		
Charges for Services	\$ 248,779.30	\$ 279,474.17
Operating Grants and Contributions	2,521,728.69	2,283,525.95
General Revenues:		
Property Taxes	10,166,985.00	10,015,701.96
Grants and Entitlements	1,408,418.00	1,019,077.34
Other	72,633.52	95,582.98
Total Revenues	14,418,544.51	13,693,362.40
 Program Expenses		
Instruction	7,644,878.08	7,083,767.33
Support Services:		
Tuition	792,370.00	753,634.96
Pupils and Instructional Staff	1,594,354.26	1,447,279.45
General and School Administration	1,048,500.55	922,811.86
Business and Other Support Services	68,428.81	128,856.76
Operation and Maintenance of Facilities	767,587.02	944,415.90
Pupil Transportation	409,148.72	416,543.93
Interest on Debt	43,868.91	73,711.51
Food Service	230,154.76	250,860.45
Other	449,930.96	839,131.38
Extraordinary Item:		
Loss on Disposal of Capital Asset	-	2,073.33
Total Expenses	13,049,222.07	12,861,013.53
Increase in Net Assets	\$ 1,369,322.44	\$ 832,348.87

Governmental Activities

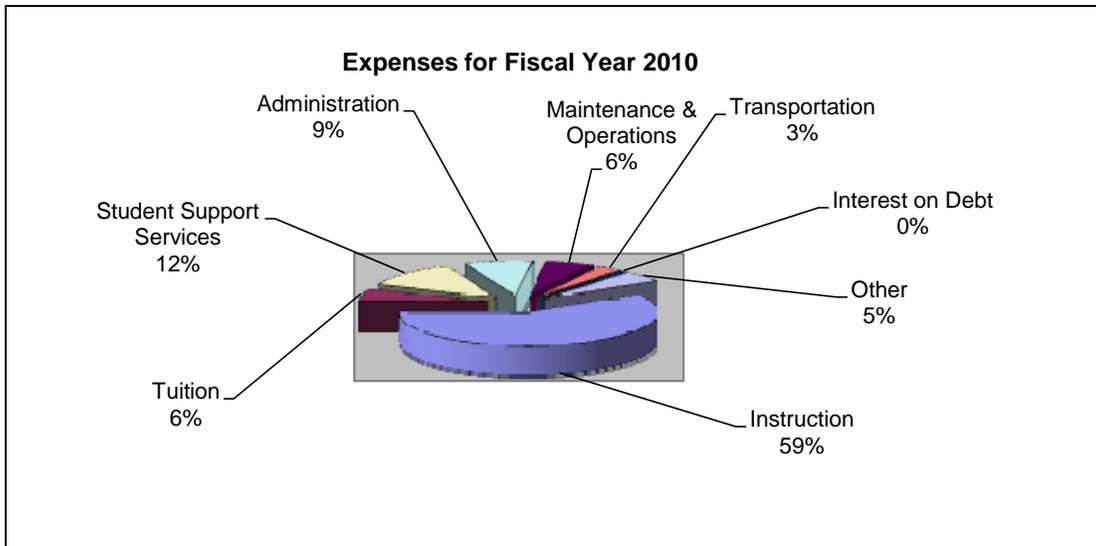
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. The District's total revenues were \$14,418,544.51 for the year ended June 30, 2010. Property taxes made up 71 percent of revenues for governmental activities for the City of Absecon School District for fiscal year 2010. Federal, state, and local grants accounted for 27 percent of the revenue. Local revenue and charges for service make up 2 percent of the revenue.

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)



The total cost of all program and services was \$13,049,222.07. Instruction comprises 59 percent of District expenses.



**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service and after school child care programs) were comprised of charges for services and federal and state reimbursements.

- Expenses exceeded revenues by \$251.88.
- Charges for services represent \$248,779.30 of revenue. This represents amounts paid by patrons for daily food service and childcare.
- For the food service operation, federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$103,983.22.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>
Instruction	\$ 7,644,878.08	\$ 5,896,647.41	\$ 7,083,767.33	\$ 5,461,298.13
Support Services:				
Pupils and Instructional Staff	2,386,724.26	2,037,912.84	2,200,914.41	1,906,573.05
General and School Administration	1,048,500.55	1,014,038.01	922,811.86	887,130.09
Business and Other Support Services	68,428.81	27,591.59	128,856.76	90,106.59
Operation and Maintenance of Facilities	767,587.02	726,686.23	944,415.90	903,954.72
Pupil Transportation	409,148.72	207,513.09	416,543.93	265,513.73
Interest and Fiscal Charges	43,868.91	43,868.91	73,711.51	70,516.85
Other	327,071.32	324,204.12	719,492.73	715,989.78
Total Expenses	<u>\$ 12,696,207.67</u>	<u>\$ 10,278,462.20</u>	<u>\$ 12,490,514.43</u>	<u>\$ 10,301,082.94</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Also included is out of district tuition.

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

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

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

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools, charter schools, and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$14,065,509.70 and expenditures were \$14,155,498.21. The net negative change in fund balance for the year of \$89,988.51 can be attributed to the decrease in state aid revenue.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds, for the fiscal year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 10,240,396.23	72.81%	\$ 120,711.46	1.19%
State Sources	2,987,242.43	21.24%	277,481.88	10.24%
Federal Sources	837,871.04	5.96%	348,392.76	71.18%
Total	<u>\$ 14,065,509.70</u>	100.00%	<u>\$ 746,586.10</u>	5.61%

Local revenues increased by \$120,711.46. The increase is due to the increase in property tax revenue from the prior year.

Revenues from state sources increased due to a SCC grant awarded to the District for a Heat Pump Replacement Project. Federal revenues increased due to the government increasing funding for the American Recovery Reform Act.

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

The School District's Funds (Continued)

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2010, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2009	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 4,785,448.05	33.81%	\$ 98,836.50	2.11%
Undistributed expenditures	7,465,953.14	52.74%	1,201,104.91	19.17%
Special/Charter Schools	317,392.04	2.24%	(41,943.96)	-11.67%
Special Revenues	985,323.98	6.96%	122,941.35	14.26%
Debt Service:				
Principal	550,000.00	3.89%	(550,000.00)	-50.00%
Interest	51,381.00	0.36%	(31,143.75)	-37.74%
Total	<u>\$ 14,155,498.21</u>	100.00%	<u>\$ 799,795.05</u>	5.99%

Changes in expenditures were the results of varying factors. The current expense increase of undistributed expenditures is attributed to tuition, transportation and health benefits.

General Fund Budgeting Highlights

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

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

- Revenue was realized from the prior year for the e-rate program and tuition adjustment for students received from other districts.
- The district applied for and received extraordinary aid.
- Tuition expense for special education students attending out-of-district placements was lower than anticipated.
- Employee benefit costs significantly increased in 2010. This can be attributed to the increased costs of health care.

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED
(CONTINUED)**

Capital Assets

At the end of the fiscal year 2010, the School District had \$12,342,642.38 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2010 balances compared to 2009.

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

	2010	2009
Land	\$ 1,956,141.00	1,956,141.00
Site Improvements	88,788.94	77,095.21
Building and Building Improvements	10,127,374.86	9,220,923.61
Machinery and Equipment	170,337.58	183,927.28
Total	\$ 12,342,642.38	\$ 11,438,087.10

Overall capital assets increased \$904,555.28 from fiscal year 2010 to fiscal year 2009. The increase is the net of added capital assets and annual depreciation. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2010, the School District had \$1,579,917.50 of outstanding debt. Of this amount, \$297,917.50 is for compensated absences; and \$1,282,000.00 of serial bonds for school construction.

At June 30, 2010, the School District's overall legal debt margin was \$28,099,972. For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Absecon School District is in good financial condition presently. The School District is proud of its community support of the public schools. However, future finances are not without challenges as State funding remains level.

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

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Tina Davisson, Business Administrator/Board Secretary at City of Absecon Board of Education, 800 Irelan Avenue, Absecon, NJ 08201, (609) 641-5375, extension 1014.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

CITY OF ABSECON SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 645,627.66	\$ 72,244.13	\$ 717,871.79
Receivables, Net	592,046.94	9,450.97	601,497.91
Inventory		781.95	781.95
Deferred Bond Issuance Costs	9,403.63		9,403.63
Restricted Assets:			
Capital Reserve Account	410,945.05		410,945.05
Capital Assets, Net (Note 6)	12,341,562.38	1,080.00	12,342,642.38
Total Assets	13,999,585.66	83,557.05	14,083,142.71
LIABILITIES			
Accounts Payable	231,549.08	5,180.22	236,729.30
Contracts Payable	1,425.51		1,425.51
Payable to State Government	51,671.61		51,671.61
Deferred Revenue	430,006.93	4,795.92	434,802.85
Noncurrent Liabilities (Note 7)			
Due Within One Year	645,000.00		645,000.00
Due Beyond One Year	931,167.50	3,750.00	934,917.50
Total Liabilities	2,290,820.63	13,726.14	2,304,546.77
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	11,059,562.38		11,059,562.38
Restricted for:			
Debt Service	(17,486.29)		(17,486.29)
Capital Projects	122,941.05		122,941.05
Other Purposes	535,849.21		535,849.21
Unrestricted	7,898.68	69,830.91	77,729.59
Total Net Assets	\$ 11,708,765.03	\$ 69,830.91	\$ 11,778,595.94

CITY OF ABSECON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2010

Function/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 5,913,087.52	\$ -	\$ 1,143,285.87	\$ -	\$ (4,769,801.65)	\$ -	\$ (4,769,801.65)
Special Education	1,380,165.40		576,579.10		(803,586.30)		(803,586.30)
Other Special Instruction	351,625.16		28,365.70		(323,259.46)		(323,259.46)
Support Services:							
Tuition	792,370.00				(792,370.00)		(792,370.00)
Student & Instruction Related Services	1,594,354.26		348,811.42		(1,245,542.84)		(1,245,542.84)
School Administrative Services	451,930.90		34,462.54		(417,468.36)		(417,468.36)
Other Administrative Services	596,569.65				(596,569.65)		(596,569.65)
Plant Operation and Maintenance	767,587.02		40,900.79		(726,686.23)		(726,686.23)
Pupil Transportation	409,148.72		201,635.63		(207,513.09)		(207,513.09)
Business and Other Support Services	68,428.81		40,837.22		(27,591.59)		(27,591.59)
Special Schools	34,218.32		2,867.20		(31,351.12)		(31,351.12)
Charter Schools	292,853.00				(292,853.00)		(292,853.00)
Interest on Long-Term Debt	43,868.91				(43,868.91)		(43,868.91)
Total Governmental Activities	<u>12,696,207.67</u>	<u>-</u>	<u>2,417,745.47</u>	<u>-</u>	<u>(10,278,462.20)</u>	<u>-</u>	<u>(10,278,462.20)</u>
Business-Type Activities:							
Food Service	230,154.76	121,948.69	103,983.22			(4,222.85)	(4,222.85)
After School Child Care	122,859.64	126,830.61				3,970.97	3,970.97
Total Business-Type Activities	<u>353,014.40</u>	<u>248,779.30</u>	<u>103,983.22</u>	<u>-</u>	<u>-</u>	<u>(251.88)</u>	<u>(251.88)</u>
Total Primary Government	<u>\$ 13,049,222.07</u>	<u>\$ 248,779.30</u>	<u>\$ 2,521,728.69</u>	<u>\$ -</u>	<u>\$ (10,278,462.20)</u>	<u>\$ (251.88)</u>	<u>\$ (10,278,714.08)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 9,565,974.00	\$ -	\$ 9,565,974.00
Taxes Levied for Debt Service					601,011.00		601,011.00
Federal and State Aid not Restricted					1,408,418.00		1,408,418.00
Tuition Received					57,747.00		57,747.00
Investment Earnings					3,396.09	272.29	3,668.38
Miscellaneous Income					11,218.14		11,218.14
Total General Revenues, Special Items, Extraordinary Items and Transfers					<u>11,647,764.23</u>	<u>272.29</u>	<u>11,648,036.52</u>
Change in Net Assets					<u>1,369,302.03</u>	<u>20.41</u>	<u>1,369,322.44</u>
Net Assets - Beginning					<u>10,339,463.00</u>	<u>69,810.50</u>	<u>10,409,273.50</u>
Net Assets - Ending					<u>\$ 11,708,765.03</u>	<u>\$ 69,830.91</u>	<u>\$ 11,778,595.94</u>

FUND FINANCIAL STATEMENTS

The individual fund financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

CITY OF ABSECON SCHOOL DISTRICT
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	\$ 593,059.37	\$ 48,155.00	\$ 4,389.60	\$ 23.69	\$ -	\$ 645,627.66
Due from Other Funds	353.69					353.69
Receivables from Other Governments	42,359.63	506,153.00	29,073.28			577,585.91
Other Receivables	3,831.87	10,629.16				14,461.03
Restricted Cash & Cash Equivalents	410,945.05					410,945.05
Total Assets	\$ 1,050,549.61	\$ 564,937.16	\$ 33,462.88	\$ 23.69	\$ -	\$ 1,648,973.34
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 99,404.89	\$ 92,193.33	\$ 22,440.88	\$ -	\$ -	\$ 214,039.10
Contracts Payable	1,425.51					1,425.51
Payable to State Government	4,513.40	47,158.21				51,671.61
Payable to Other Funds		353.69				353.69
Deferred Revenue	4,634.00	425,231.93	141.00			430,006.93
Total Liabilities	109,977.80	564,937.16	22,581.88	-	-	697,496.84
Fund Balances:						
Reserved for:						
Encumbrances	86,964.21					86,964.21
Tuition Reserve	12,600.00					12,600.00
Tuition Reserve - next years bud	53,066.00					53,066.00
Emergency Reserve	50,050.00					50,050.00
Capital Reserve Account	112,060.05					112,060.05
Waiver Offset Reserve	183,169.00					183,169.00
Excess Surplus	133,041.55					133,041.55
Excess Surplus - Designated for Subsequent Year's Expenditures	43,225.27					43,225.27
Unreserved, Reported in:						
General Fund	266,395.73					266,395.73
Special Revenue Fund						-
Debt Service Fund				23.69		23.69
Capital Projects Fund			10,881.00			10,881.00
Permanent Fund						-
Total Fund Balances	940,571.81	-	10,881.00	23.69	-	951,476.50
Total Liabilities and Fund Balances	\$ 1,050,549.61	\$ 564,937.16	\$ 33,462.88	\$ 23.69	\$ -	

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

Capital assets used in governmental activities are not resources and therefore are not reported in the funds. The cost of the assets is \$20,172,785.00 and the accumulated depreciation is \$7,831,222.62 (See Note 6)	12,341,562.38
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(17,509.98)
Bond issuance costs are reported in the governmental fund as expenditures in the year the bonds are issued but are amortized over the life of the bonds on the statement of activities. (See Note 13)	9,403.63
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 7)	(1,576,167.50)
Net assets of governmental activities	\$11,708,765.03

CITY OF ABSECON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
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	\$ 9,565,974.00	\$ -	\$ -	\$ 601,011.00	\$ -	\$ 10,166,985.00
Tuition Charges	57,747.00					57,747.00
Interest Earned on Investments	3,096.09			300.00		3,396.09
Prior Year Reimbursement	10,980.19					10,980.19
Facility/Transportation Fees	1,050.00					1,050.00
Miscellaneous	237.95					237.95
Total Local Sources	9,639,085.23	-	-	601,311.00	-	10,240,396.23
State Sources	2,184,246.49	304,225.94	498,770.00			2,987,242.43
Federal Sources	156,773.00	681,098.04				837,871.04
Total Revenues	<u>11,980,104.72</u>	<u>985,323.98</u>	<u>498,770.00</u>	<u>601,311.00</u>	<u>-</u>	<u>14,065,509.70</u>
EXPENDITURES						
Current:						
Regular Instruction	\$ 3,585,102.59	\$ 735,124.67	\$ -	\$ -	\$ -	\$ 4,320,227.26
Special Education Instruction	956,353.89					956,353.89
Other Special Instruction	243,991.57					243,991.57
Support Services:						
Tuition	792,370.00					792,370.00
Student & Instruction Related Serv.	952,709.34	250,199.31				1,202,908.65
School Administrative Services	310,670.57					310,670.57
Other Administrative Services	512,017.50					512,017.50
Plant Operation and Maintenance	690,911.07					690,911.07
Pupil Transportation	406,766.62					406,766.62
Employee Benefits	2,589,625.44					2,589,625.44
Special Schools	24,539.04					24,539.04
Transfer to Charter School	292,853.00					292,853.00
Debt Service:						
Principal				550,000.00		550,000.00
Interest and Other Charges				51,381.00		51,381.00
Capital Outlay	43,238.60		1,167,644.00			1,210,882.60
Total Expenditures	<u>11,401,149.23</u>	<u>985,323.98</u>	<u>1,167,644.00</u>	<u>601,381.00</u>	<u>-</u>	<u>14,155,498.21</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>578,955.49</u>	<u>-</u>	<u>(668,874.00)</u>	<u>(70.00)</u>	<u>-</u>	<u>(89,988.51)</u>
OTHER FINANCING SOURCES (USES)						
Transfer in/out Capital Reserve	(394,510.00)		394,510.00			-
Transfer in/out Capital Outlay	(285,245.00)		285,245.00			-
Total Other Financing Sources and Uses	<u>(679,755.00)</u>	<u>-</u>	<u>679,755.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	(100,799.51)	-	10,881.00	(70.00)	-	(89,988.51)
Fund Balance - July 1	1,041,371.32	-	-	93.69	-	1,041,465.01
Fund Balance - June 30	<u>\$ 940,571.81</u>	<u>\$ -</u>	<u>\$ 10,881.00</u>	<u>\$ 23.69</u>	<u>\$ -</u>	<u>\$ 951,476.50</u>

CITY OF ABSECON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ (89,988.51)

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

Capital outlays are reported in governmental funds as expenditures.

However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation expense	\$ (367,266.82)	
Capital outlay	<u>1,272,282.10</u>	905,015.28

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

Capital Leases Payable		550,000.00
------------------------	--	------------

The costs associated with the issuance of bonds dated August 1, 2003 are amortized over the life of the bonds.

(4,701.83)

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

1,465.00

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

7,512.09

Change in Net Assets of Governmental Activities

\$ 1,369,302.03

CITY OF ABSECON SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2010

	Business-Type Activities - Enterprise Fund		
	Food Service	After School Child Care	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 38,833.63	\$ 33,410.50	\$ 72,244.13
Accounts Receivable	8,257.05	1,193.92	9,450.97
Inventory	781.95	-	781.95
Total Current Assets	<u>47,872.63</u>	<u>34,604.42</u>	<u>82,477.05</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	137,800.00	43,300.00	181,100.00
Less: Accumulated Depreciation	<u>(136,720.00)</u>	<u>(43,300.00)</u>	<u>(180,020.00)</u>
Total Noncurrent Assets	<u>1,080.00</u>	<u>-</u>	<u>1,080.00</u>
 Total Assets	 <u>\$ 48,953</u>	 <u>\$ 34,604</u>	 <u>\$ 83,557</u>
LIABILITIES			
Current Liabilities:			
Prepaid Fees	\$ 3,270	\$ 1,910	\$ 5,180
Accounts Payable	4,417.41	378.51	4,795.92
Total Current Liabilities	<u>7,687.63</u>	<u>2,288.51</u>	<u>9,976.14</u>
Noncurrent Liabilities:			
Compensated absences	3,750.00	-	3,750.00
Total Noncurrent Liabilities	<u>3,750.00</u>	<u>-</u>	<u>3,750.00</u>
 Total Liabilities	 <u>11,437.63</u>	 <u>2,288.51</u>	 <u>13,726.14</u>
NET ASSETS			
Unrestricted	37,515.00	32,315.91	69,830.91
 Total Net Assets	 <u>\$ 37,515.00</u>	 <u>\$ 32,315.91</u>	 <u>\$ 69,830.91</u>

CITY OF ABSECON SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund		
	Food Service	After School Child Care	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 77,991.35	\$ -	\$ 77,991.35
Daily Sales - Non-reimbursable Programs	43,957.34		43,957.34
Tuition Fees		122,680.61	122,680.61
Registration Fees		4,150.00	4,150.00
Total Operating Revenue	<u>121,948.69</u>	<u>126,830.61</u>	<u>248,779.30</u>
Operating Expenses:			
Cost of Sales	93,641.10	-	93,641.10
Salaries	124,815.98	104,828.84	229,644.82
Employee Benefits	6,853.42	3,157.04	10,010.46
Depreciation	460.00		460.00
Miscellaneous	103.70	318.10	421.80
Maintenance	957.50		957.50
Supplies and Materials	3,278.76	14,555.66	17,834.42
Write Off Credit Sales	44.30	-	44.30
Total Operating Expenses	<u>230,154.76</u>	<u>122,859.64</u>	<u>353,014.40</u>
Operating Income (Loss)	(108,206.07)	3,970.97	(104,235.10)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch/Breakfast Program	4,614.56		4,614.56
Federal Sources:			
National School Lunch/Breakfast Program	99,368.66		99,368.66
Interest and Investment Income	155.54	116.75	272.29
Total Nonoperating Revenues (Expenses)	<u>104,138.76</u>	<u>116.75</u>	<u>104,255.51</u>
Income (Loss) before Contributions & Transfers	(4,067.31)	4,087.72	20.41
Transfers In (Out)			-
Changes in Net Assets	(4,067.31)	4,087.72	20.41
Total Net Assets - Beginning	<u>41,582.31</u>	<u>28,228.19</u>	<u>69,810.50</u>
Total Net Assets - Ending	<u>\$ 37,515.00</u>	<u>\$ 32,315.91</u>	<u>\$ 69,830.91</u>

CITY OF ABSECON SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund		
	Food Service	After School Center	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 121,926.36	\$ -	\$ 121,926.36
Receipts for Tuition and Registration		125,121.69	125,121.69
Payments to Employees	(124,815.98)	(104,828.84)	(229,644.82)
Payments for Employee Benefits	(8,203.42)	(3,157.04)	(11,360.46)
Payments to Suppliers	(97,510.63)	(14,994.15)	(112,504.78)
Net Cash Provided by (Used for) Operating Activities	<u>(108,603.67)</u>	<u>2,141.66</u>	<u>(106,462.01)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	194.84		194.84
Federal Sources	101,146.12		101,146.12
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>101,340.96</u>	<u>-</u>	<u>101,340.96</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	155.54	116.75	272.29
Net Cash Provided by (Used for) Investing Activities	<u>155.54</u>	<u>116.75</u>	<u>272.29</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,107.17)	2,258.41	(4,848.76)
Balance - Beginning of Year	45,940.80	31,152.09	77,092.89
Balance - End of Year	<u>\$ 38,833.63</u>	<u>\$ 33,410.50</u>	<u>\$ 72,244.13</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (108,206.07)	\$ 3,970.97	\$ (104,235.10)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	460.00		460.00
(Increase) Decrease in Inventories	512.89		512.89
(Increase) Decrease in Accounts Receivable		(1,173.92)	(1,173.92)
(Increase) Decrease in Interfund Receivable		(20.00)	
Increase (Decrease) in Accounts Payable	(42.46)	(120.39)	(162.85)
Increase (Decrease) in Compensated Absences	(1,350.00)		(1,350.00)
Increase (Decrease) in Prepaid Meals/Tuition	21.97	(515.00)	(493.03)
Total Adjustments	<u>(397.60)</u>	<u>(1,829.31)</u>	<u>(2,206.91)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (108,603.67)</u>	<u>\$ 2,141.66</u>	<u>\$ (106,442.01)</u>

CITY OF ABSECON DISTRICT
Fiduciary Funds
Statement of Net Assets
June 30, 2010

	<u>Unemployment Compensation</u>	<u>Agency Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 128,086.37	\$ 31,145.76
	<u>128,086.37</u>	<u>31,145.76</u>
Total Assets	<u>128,086.37</u>	<u>31,145.76</u>
LIABILITIES		
Payroll Deductions and Withholdings	\$ 2,587.71	6,190.65
Payable to Student Groups	-	24,955.11
Total Liabilities	<u>2,587.71</u>	<u>\$ 31,145.76</u>
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 125,498.66</u>	

CITY OF ABSECON SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2010

	Unemployment Compensation	Private Purpose Trust
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Plan Member	\$ 19,460.09	\$ 160,000.00
Total Contributions	<u>19,460.09</u>	<u>160,000.00</u>
Investment Earnings:		
Interest		
Net Investment Earnings	366.90	145.14
	<u>366.90</u>	<u>145.14</u>
Total Additions	<u>19,826.99</u>	<u>160,145.14</u>
DEDUCTIONS		
Unemployment Claims	7,698.73	
Quarterly Contributions	10,578.34	
Total Deductions	<u>18,277.07</u>	<u>-</u>
Changes in Net Assets	1,549.92	160,145.14
Net Assets - Beginning of the Year	<u>123,948.74</u>	<u>-</u>
Net Assets - End of the Year	<u>\$ 125,498.66</u>	<u>\$ 160,145.14</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is a Type II district located in Cape May County. 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 purpose of the district is to educate students in grades K-8. The District operates an Elementary School and a Middle School located in the City of Absecon.

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

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

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

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net assets and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees 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 taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

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

Governmental Funds

The District reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

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

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

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, the After School Child Care Fund and the Community Enterprise Fund.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Fund and the Tamara Duffy Memorial Fund.

Nonexpendable Trust Fund - A Nonexpendable Trust 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.

Agency Funds – Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Measurement Focus and Basis of Accounting

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgets/Budgetary Control - Continued

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

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

D. Encumbrance Accounting

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

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

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

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits 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. 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.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Cash, Cash Equivalents and Investments - Continued

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 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.

Interfund Transactions

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

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

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Net Assets

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

Fund Balance Reserves

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

Revenues – Exchange and Nonexchange Transactions

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

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

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

Operating Revenues and Expenses

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Management Estimates

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

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unity Deposit Protection Act. Of the School District's bank balance of \$1,842,069.87 as of June 30, 2010, \$543,878.77 was uninsured and uncollateralized.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 3 – RECEIVABLES

Receivables at June 30, 2010, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State Aid	\$ 577,585.91	\$ 578,116.61
Federal Aid		7,726.35
Interfunds	353.69	-
Other Receivables	14,461.03	15,654.95
Gross Receivables	592,400.63	601,497.91
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 592,400.63	\$ 601,497.91

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; and (2) repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 353.69	\$
Special Revenue Fund		353.69
Total	\$ 353.69	\$ 353.69

The general fund receivable is comprised of one interfund due from the special revenue fund in the amount of \$353.69. This interfund represents amounts paid by the general fund for non public expenses.

NOTE 5 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2010, consisted of the following:

Food	\$ 781.95
	\$ 781.95

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 6 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,956,141.00	\$ -	\$ -	\$ 1,956,141.00
Total capital assets not being depreciated	<u>1,956,141.00</u>	<u>-</u>	<u>-</u>	<u>1,956,141.00</u>
Capital assets being depreciated:				
Site Improvements	558,304.25	27,709.00		586,013.25
Buildings and building improvements	15,629,368.46	1,242,037.00		16,871,405.46
Equipment	762,189.19	2,536.10	(5,500.00)	759,225.29
Total capital assets being depreciated at historical cost	<u>16,949,861.90</u>	<u>1,272,282.10</u>	<u>(5,500.00)</u>	<u>18,216,644.00</u>
Less accumulated depreciation for:				
Site Improvements	(481,209.04)	(16,015.27)		(497,224.31)
Buildings and improvements	(6,408,444.85)	(335,585.75)		(6,744,030.60)
Equipment	(579,801.91)	(15,665.80)	5,500.00	(589,967.71)
Total capital assets being depreciated, net of accumulated depreciation	<u>9,480,406.10</u>	<u>905,015.28</u>	<u>-</u>	<u>10,385,421.38</u>
Governmental activity capital assets, net	<u>\$ 11,436,547.10</u>	<u>\$ 905,015.28</u>	<u>\$ -</u>	<u>\$ 12,341,562.38</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 137,800.00	\$ -	\$ -	\$ 137,800.00
Less accumulated depreciation	<u>(136,260.00)</u>	<u>(460.00)</u>	<u>-</u>	<u>(136,720.00)</u>
Enterprise Fund capital assets, net	<u>\$ 1,540.00</u>	<u>\$ (460.00)</u>	<u>\$ -</u>	<u>\$ 1,080.00</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2010 are as follows:

	Balance July 1, 2009	Issues or Additions	Payments or Expenditures	Balance June 30, 2010	Amounts Due Within One Year
Bonds Payable	\$ 1,832,000.00		\$ 550,000.00	\$ 1,282,000.00	\$ 645,000.00
Compensated Absences	300,732.50	(2,815.00)		297,917.50	
	<u>\$ 2,132,732.50</u>	<u>\$ (2,815.00)</u>	<u>\$ 550,000.00</u>	<u>\$ 1,579,917.50</u>	<u>\$ 645,000.00</u>

Compensated absences have been liquidated in the General Fund.

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 District are general obligation bonds.

At June 30, 2010, bonds payable consisted of the following issues:

\$2,402,000 General Obligation Bonds dated August 1, 2003, due in annual installments through August 1, 2011, bearing interest at a rate of 3.30%. The balance remaining as of June 30, 2010 is \$1,282,000.

Debt service requirements on serial bonds payable at June 30, 2010 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$ 645,000.00	\$ 31,663.50	\$ 676,663.50
2012	637,000.00	10,510.50	647,510.50
	<u>\$ 1,282,000.00</u>	<u>\$ 42,174.00</u>	<u>\$ 1,324,174.00</u>

NOTE 8 – PENSION PLANS

Substantially all of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 8 – PENSION PLANS - Continued

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost sharing contributory defined benefit pension plan which was established on January 1, 1955 under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF are required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to normal rate when such surplus assets not longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Board of Education and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS are required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to normal rate when such surplus assets not longer exist.

The School District is billed annually for its normal contribution plus an accrued liability.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 8 – PENSION PLANS - Continued

Defined Contribution Retirement Program (DCRP) – Continued - The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2010.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

During the year ended June 30, 2010, the State of New Jersey contributed \$356,385.00 to the TPAF for post-retirement benefits and contributory insurance on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$410,281.49 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 has been included in the financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2010, 2009 and 2008 were \$95,874.00, \$83,592.00 and \$77,737.50 respectively, equal to the required contributions each year.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 9 – POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (“the SHBP”), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The Division of Pension and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of \$1.38 billion for FY 2009 and \$3.22 million for FY 2008.

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 10 – COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated contracts. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees are paid by the District for unused sick leave in accordance with the District's negotiated contracts with administrators and various employee unions.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 10 – COMPENSATED ABSENCES - Continued

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

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, the liability for compensated absences in the Food Service Fund was \$3,750.00.

NOTE 11 – DEFERRED COMPENSATION

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

Equitable Life
Lincoln Investment Planning, Inc.
Thomas Seely Agency, Inc.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 12 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by City of Absecon Board of Education by the inclusion of \$1 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-2.13(g) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning balance, July 1, 2009	\$	426,314.25
Interest earnings	\$	255.80
Deposits:		
Board Resolution - June 29, 2010	80,000.00	
		80,255.80
Withdrawals:		
Budgeted withdrawal - Capital Projects		(394,510.00)
Ending balance, June 30, 2010	\$	112,060.05

NOTE 13 – DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (8 years). The costs associated with the issue of the bonds dated August 1, 2003 amounted to \$37,614.61. The amortization expense for the year ended June 30, 2010 is \$4,701.83.

NOTE 14 – RISK MANAGEMENT

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

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 14 – RISK MANAGEMENT - Continued

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	None	\$ 19,460.09	\$ 7,698.73	\$ 125,498.66
2008-2009	None	17,771.48	3,816.79	123,948.74
2007-2008	None	14,836.22	14,248.46	114,311.99

NOTE 15 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 16 – ECONOMIC DEPENDENCY

The District receives support from federal government and from the state government. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 17 – FUND BALANCE APPROPRIATED

General Fund - Of the \$940,571.81 General Fund fund balance at June 30, 2010, \$86,964.21 is reserved for encumbrances; \$133,041.55 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$112,060.05 has been reserved in the Capital Reserve Account; \$65,666.00 has been legally reserved for tuition adjustment in accordance with N.J.A.C.6A:23-3.1(f)(8); \$50,050.00 has been reserved in an emergency reserve account; \$183,169.00 has been reserved as a waiver offset; \$106,774.73 has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and \$159,621.00 is unreserved and undesignated.

Capital Projects Fund - The Capital Projects Fund fund balance at June 30, 2010 of \$10,881.00 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2010 of \$23.69 is unreserved and undesignated.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 18 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, 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 fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$133,041.55.

NOTE 19 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2010 through November 3, 2010, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,565,974.00	\$ -	\$ 9,565,974.00	\$ 9,565,974.00	\$ -
Interest Earned on Capital Reserve Funds	-	-	-	255.80	255.80
Interest Earned on Investments	2,050.00	-	2,050.00	2,840.29	790.29
Miscellaneous	100.00	-	100.00	237.95	137.95
Prior Year Reimbursement	-	-	-	10,980.19	10,980.19
Facility / Transportation Fees	5,000.00	-	5,000.00	1,050.00	(3,950.00)
Tuition	55,871.00	-	55,871.00	57,747.00	1,876.00
Total Local Sources	9,628,995.00	-	9,628,995.00	9,639,085.23	10,090.23
State Sources:					
Special Education Aid	464,825.00	-	464,825.00	464,825.00	-
Equalization Aid	707,246.00	(67,843.00)	639,403.00	639,403.00	-
Security Aid	118,539.00	(6,856.00)	111,683.00	111,683.00	-
Transportation Aid	193,838.00	-	193,838.00	193,838.00	-
Extraordinary Aid	-	-	-	15,858.00	15,858.00
Non-public Transportation Aid	-	-	-	6,042.00	6,042.00
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	356,385.00	356,385.00
TPAF Social Security (Reimbursed- Non-Budgeted)	-	-	-	410,281.49	410,281.49
Total State Sources	1,484,448.00	(74,699.00)	1,409,749.00	2,198,315.49	788,566.49
Federal Sources:					
ARRA - Education Stabilization Fund (ESF)	5,843.00	-	5,843.00	5,843.00	-
ARRA - Government Stabilization Fund (GSF)	150,930.00	-	150,930.00	150,930.00	-
Total Federal Sources	156,773.00	-	156,773.00	156,773.00	-
Total Revenues	11,270,216.00	(74,699.00)	11,195,517.00	11,994,173.72	798,656.72
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool/Kindergarten - Salaries of Teachers	263,047.00	6,956.00	270,003.00	269,998.45	4.55
Grades 1 - 5 - Salaries of Teachers	1,703,232.00	15,385.00	1,718,617.00	1,701,759.95	16,857.05
Grades 6 - 8 - Salaries of Teachers	1,311,239.00	(38,166.00)	1,273,073.00	1,269,571.55	3,501.45
Regular Programs - Home Instruction Salaries of Teachers	2,500.00	2,630.00	5,130.00	5,130.00	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	85,163.00	(5,475.00)	79,688.00	77,832.54	1,855.46
Purchased Professional - Educational Services	1,800.00	1,800.00	3,600.00	3,368.28	231.72
Purchased Technical Services	8,100.00	(1,800.00)	6,300.00	1,190.78	5,109.22
Rentals/Lease Purchase	21,221.00	-	21,221.00	21,220.69	0.31
Other Purchased Services	27,917.00	-	27,917.00	15,097.75	12,819.25
General Supplies	154,435.00	610.09	155,045.09	148,915.61	6,129.48
Textbooks	20,000.00	98,693.63	118,693.63	70,905.99	47,787.64
Other Objects	275.00	-	275.00	111.00	164.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,598,929.00	80,633.72	3,679,562.72	3,585,102.59	94,460.13
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	168,721.00	51,790.00	220,511.00	205,600.88	14,910.12
Other Salaries for Instruction	59,713.00	4,045.00	63,758.00	63,523.80	234.20
General Supplies	500.00	50.45	550.45	539.92	10.53
Textbooks	600.00	174.96	774.96	742.67	32.29
Total Learning and/or Language Disabilities	229,534.00	56,060.41	285,594.41	270,407.27	15,187.14
Multiple Disabilities					
Salaries of Teachers	107,178.00	(120.00)	107,058.00	100,218.00	6,840.00
Other Salaries for Instruction	39,568.00	3,015.00	42,583.00	42,516.44	66.56
General Supplies	1,536.00	1,581.65	3,117.65	2,664.58	453.07
Textbooks	600.00	(600.00)	-	-	-
Total Multiple Disabilities	148,882.00	3,876.65	152,758.65	145,399.02	7,359.63

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center					
Salaries of Teachers	\$ 541,652.00	\$ (86,000.00)	\$ 455,652.00	\$ 451,503.80	\$ 4,148.20
General Supplies	1,500.00	-	1,500.00	1,264.77	235.23
Textbooks	800.00	-	800.00	524.11	275.89
Total Resource Room/Resource Center	<u>543,952.00</u>	<u>(86,000.00)</u>	<u>457,952.00</u>	<u>453,292.68</u>	<u>4,659.32</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	73,509.00	365.00	73,874.00	73,846.00	28.00
Other Salaries for Instruction	14,627.00	-	14,627.00	13,043.00	1,584.00
General Supplies	500.00	-	500.00	365.92	134.08
Total Preschool Disabilities - Part Time	<u>88,636.00</u>	<u>365.00</u>	<u>89,001.00</u>	<u>87,254.92</u>	<u>1,746.08</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,011,004.00</u>	<u>(25,697.94)</u>	<u>985,306.06</u>	<u>956,353.89</u>	<u>28,952.17</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	101,234.00	(2,576.00)	98,658.00	63,442.16	35,215.84
General Supplies	1,000.00	-	1,000.00	319.46	680.54
Textbooks	2,000.00	(174.96)	1,825.04	-	1,825.04
Total Basic Skills/Remedial - Instruction	<u>104,234.00</u>	<u>(2,750.96)</u>	<u>101,483.04</u>	<u>63,761.62</u>	<u>37,721.42</u>
Bilingual Education - Instruction					
Salaries of Teachers	129,996.00	2,152.77	132,148.77	131,953.11	195.66
General Supplies	1,337.30	358.57	1,695.87	1,695.87	-
Total Bilingual Education - Instruction	<u>131,333.30</u>	<u>2,511.34</u>	<u>133,844.64</u>	<u>133,648.98</u>	<u>195.66</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	26,250.00	-	26,250.00	26,250.00	-
Total School-Spon. Cocurricular Activities - Inst.	<u>26,250.00</u>	<u>-</u>	<u>26,250.00</u>	<u>26,250.00</u>	<u>-</u>
School-Sponsored Athletics - Instruction					
Salaries	7,000.00	-	7,000.00	5,250.00	1,750.00
Total School-Sponsored Athletics - Instruction	<u>7,000.00</u>	<u>-</u>	<u>7,000.00</u>	<u>5,250.00</u>	<u>1,750.00</u>
After School Programs					
Salaries of Teachers	26,200.00	-	26,200.00	14,300.00	11,900.00
General Supplies	3,500.00	-	3,500.00	741.53	2,758.47
Total After School Programs	<u>29,700.00</u>	<u>-</u>	<u>29,700.00</u>	<u>15,041.53</u>	<u>14,658.47</u>
Community Services Programs/Operations					
Supplies and Materials	300.00	-	300.00	39.44	260.56
Total Community Services Programs/Operations	<u>300.00</u>	<u>-</u>	<u>300.00</u>	<u>39.44</u>	<u>260.56</u>
TOTAL INSTRUCTION	<u>4,908,750.30</u>	<u>54,696.16</u>	<u>4,963,446.46</u>	<u>4,785,448.05</u>	<u>177,998.41</u>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEA's Within the State - Regular	147,073.00	-	147,073.00	143,913.00	3,160.00
Tuition to County Voc School Dist - Regular	113,089.00	(6,000.00)	107,089.00	107,089.00	-
Tuition to CSSD & Regional Day Schools	483,040.00	(30,362.64)	452,677.36	405,430.36	47,247.00
Tuition to Private Schools for the Disabled - Within State	46,458.00	29,747.64	76,205.64	76,205.64	-
State Facilities	59,732.00	-	59,732.00	59,732.00	-
Total Undistributed Expenditures - Instruction	<u>849,392.00</u>	<u>(6,615.00)</u>	<u>842,777.00</u>	<u>792,370.00</u>	<u>50,407.00</u>
Undistributed Expenditures-Attendance					
Salaries	15,000.00	17,465.67	32,465.67	24,906.56	7,559.11
Purchased Professional & Technical Supplies	4,100.00	-	4,100.00	-	4,100.00
Supplies	1,150.00	-	1,150.00	1,032.00	118.00
Total Undistributed Expenditures-Attendance	<u>20,250.00</u>	<u>17,465.67</u>	<u>37,715.67</u>	<u>25,938.56</u>	<u>11,777.11</u>
Undistributed Expend. - Health Services					
Salaries	61,943.00	3,465.00	65,408.00	65,408.00	-
Purchased Services (300-500 series)	7,352.00	(240.89)	7,111.11	7,000.00	111.11
Supplies & Materials	2,000.00	273.38	2,273.38	2,273.38	-
Total Undistributed Expend. - Health Services	<u>71,295.00</u>	<u>3,497.49</u>	<u>74,792.49</u>	<u>74,681.38</u>	<u>111.11</u>

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries of Other Professional Staff	\$ 61,264.00	\$ (18,903.72)	\$ 42,360.28	\$ 37,560.10	\$ 4,800.18
Purchased Professional - Educational Services	61,000.00	(32.49)	60,967.51	52,429.00	8,538.51
Supplies & Materials	300.00	-	300.00	-	300.00
Total Undist. Expend. - Other Support Services Students - Related Services	<u>122,564.00</u>	<u>(18,936.21)</u>	<u>103,627.79</u>	<u>89,989.10</u>	<u>13,638.69</u>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	63,655.00	(838.00)	62,817.00	55,773.92	7,043.08
Purchased Professional - Educational Services	4,000.00	-	4,000.00	-	4,000.00
Supplies	500.00	893.15	1,393.15	1,200.97	192.18
Total Undist. Expend. - Other Supp. Serv. Students - Extraordinary Services	<u>68,155.00</u>	<u>55.15</u>	<u>68,210.15</u>	<u>56,974.89</u>	<u>11,235.26</u>
Undist. Expend. - Other Support Serv. Students - Regular					
Salaries of Other Professional Staff	162,963.00	838.00	163,801.00	162,773.61	1,027.39
Purchased Services (300-500 series)	8,499.52	250.00	8,749.52	4,907.58	3,841.94
Supplies & Materials	2,500.00	-	2,500.00	2,284.79	215.21
Total Undist. Expend. - Other Support Services Students - Regular	<u>173,962.52</u>	<u>1,088.00</u>	<u>175,050.52</u>	<u>169,965.98</u>	<u>5,084.54</u>
Undist. Expend. - Other Support Serv. Students - Special					
Salaries of Other Professional Staff	224,280.00	4,930.00	229,210.00	228,620.17	589.83
Salaries of Secretarial and Clerical Assistants	29,493.00	545.00	30,038.00	30,033.05	4.95
Other Salaries	5,000.00	-	5,000.00	4,495.00	505.00
Other Purchased Technical Services	3,425.00	-	3,425.00	3,325.00	100.00
Misc. Purchased Services (400-500 series o/than res	3,400.00	(11.44)	3,388.56	2,592.00	796.56
Supplies & Materials	3,288.00	1,541.44	4,829.44	4,829.44	-
Total Undist. Expend. - Other Support Services Students - Special	<u>268,886.00</u>	<u>7,005.00</u>	<u>275,891.00</u>	<u>273,894.66</u>	<u>1,996.34</u>
Undist. - Improvement of Instructional Services					
Salaries of Other Professional Staff	85,248.00	(15,337.47)	69,910.53	69,901.25	9.28
Other Salaries	8,400.00	-	8,400.00	-	8,400.00
Other Purchased Services (300-500 series)	1,500.00	5,089.47	6,589.47	5,239.47	1,350.00
Supplies & Materials	625.00	1,348.00	1,973.00	1,849.42	123.58
Other Objects	1,200.00	-	1,200.00	964.00	236.00
Total Undist. - Improvement of Instructional Services	<u>96,973.00</u>	<u>(8,900.00)</u>	<u>88,073.00</u>	<u>77,954.14</u>	<u>10,118.86</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	147,583.00	16,700.00	164,283.00	159,033.12	5,249.88
Purchased Professional and Technical Services	8,950.00	(1,925.23)	7,024.77	6,646.35	378.42
Other Purchased Services	350.00	-	350.00	74.00	276.00
Supplies and Materials	14,201.64	265.23	14,466.87	14,272.85	194.02
Total Undistributed Expenditures - Educational Media Services - School Library	<u>171,084.64</u>	<u>15,040.00</u>	<u>186,124.64</u>	<u>180,026.32</u>	<u>6,098.32</u>
Undist. Expend. - Instructional Staff Training Serv. Other Purchased Services (400-500 series)	4,216.00	-	4,216.00	3,284.31	931.69
Total Undistributed Expenditures - Instructional Staff Training Services	<u>4,216.00</u>	<u>-</u>	<u>4,216.00</u>	<u>3,284.31</u>	<u>931.69</u>

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 174,662.00	\$ 280.00	\$ 174,942.00	\$ 174,884.15	\$ 57.85
Legal Services	18,000.00	-	18,000.00	13,316.50	4,683.50
Audit Services	20,000.00	-	20,000.00	19,200.00	800.00
Other Purchased Professional/Tech Services	11,745.00	1,920.00	13,665.00	11,295.69	2,369.31
Communications/Telephone	29,000.00	205.00	29,205.00	23,936.48	5,268.52
Other Purchased Services (400-500 series)	36,000.00	(325.00)	35,675.00	30,274.86	5,400.14
BOE - Other Purchased Services	2,500.00	-	2,500.00	1,250.00	1,250.00
Supplies and Materials	2,559.90	-	2,559.90	2,554.34	5.56
Meeting Supplies - BOE	250.00	-	250.00	53.85	196.15
Miscellaneous Expenditures	5,100.00	15,989.00	21,089.00	21,002.30	86.70
Miscellaneous Expenditures - BOE	6,825.00	-	6,825.00	6,101.00	724.00
Total Undistributed Expenditures - Support Services - General Administration	<u>306,641.90</u>	<u>18,069.00</u>	<u>324,710.90</u>	<u>303,869.17</u>	<u>20,841.73</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	198,767.00	(7,500.00)	191,267.00	190,683.80	583.20
Salaries of Other Professional Staff	2,600.00	-	2,600.00	2,600.00	-
Salaries of Secretarial and Clerical Assistants	113,075.00	(11,500.00)	101,575.00	99,753.29	1,821.71
Other Purchased Services (400-500 series)	15,750.00	-	15,750.00	7,360.00	8,390.00
Supplies & Materials	8,250.00	-	8,250.00	7,975.48	274.52
Other Objects	2,400.00	-	2,400.00	2,298.00	102.00
Total Undistributed Expenditures - Support Services - School Administration	<u>340,842.00</u>	<u>(19,000.00)</u>	<u>321,842.00</u>	<u>310,670.57</u>	<u>11,171.43</u>
Undist. Expend. - Business & Other Support Serv.					
Salaries	168,472.00	5,725.00	174,197.00	172,357.27	1,839.73
Purchased Professional Services	6,250.00	7,925.00	14,175.00	5,675.00	8,500.00
Purchased Technical Services	6,500.00	7,909.00	14,409.00	14,409.00	-
Misc. Purchased Services (400-500 series o/than res)	4,750.00	(329.17)	4,420.83	2,171.76	2,249.07
Supplies & Materials	2,233.00	4,035.31	6,268.31	6,268.30	0.01
Miscellaneous Expenditures	1,000.00	115.00	1,115.00	1,115.00	-
Total Undistributed Expenditures - Business Other Support Services	<u>189,205.00</u>	<u>25,380.14</u>	<u>214,585.14</u>	<u>201,996.33</u>	<u>12,588.81</u>
Undist. Expend. - Admin Info Technology					
Purchased Technical Services	4,733.00	580.00	5,313.00	5,313.00	-
Supplies & Materials	-	839.00	839.00	839.00	-
Total	<u>4,733.00</u>	<u>1,419.00</u>	<u>6,152.00</u>	<u>6,152.00</u>	<u>-</u>
Undist. Expend. - Required Maint. For School Fac.					
Salaries	50,000.00	-	50,000.00	50,000.00	-
Cleaning, Repair and Maintenance Service	30,000.00	10,037.25	40,037.25	25,702.86	14,334.39
General Supplies	11,950.00	7,691.91	19,641.91	10,575.91	9,066.00
Miscellaneous	-	400.00	400.00	400.00	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>91,950.00</u>	<u>18,129.16</u>	<u>110,079.16</u>	<u>86,678.77</u>	<u>23,400.39</u>
Undist. Expend. - Other Oper. & Maint.of Plant					
Salaries	317,389.00	(3,000.00)	314,389.00	297,781.96	16,607.04
Cleaning, Repair and Maintenance Service	15,750.00	4,129.62	19,879.62	15,250.62	4,629.00
Other Purchased Property Services	28,800.00	2,472.00	31,272.00	29,461.53	1,810.47
Insurance	38,700.00	(10,176.92)	28,523.08	26,208.87	2,314.21
General Supplies	33,800.00	-	33,800.00	31,765.40	2,034.60
Energy(Energy and Electricity)	266,200.00	(16,558.24)	249,641.76	203,538.92	46,102.84
Other Objects	250.00	-	250.00	225.00	25.00
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	<u>700,889.00</u>	<u>(23,133.54)</u>	<u>677,755.46</u>	<u>604,232.30</u>	<u>73,523.16</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>792,839.00</u>	<u>(5,004.38)</u>	<u>787,834.62</u>	<u>690,911.07</u>	<u>96,923.55</u>
Undist. Expend. - Student Transportation Serv.					
Salaries	6,000.00	-	6,000.00	6,000.00	-
Transportation - Aid In Lieu - Non Public	12,796.00	-	12,796.00	11,153.01	1,642.99
Transportation - Aid In Lieu - Charter Schools	7,312.00	-	7,312.00	6,188.00	1,124.00
Contracted Services - (Other than Home & Sch)	500.00	-	500.00	-	500.00
Contracted Services - (Bet. Home & School)	141,988.00	(20,846.58)	121,141.42	120,138.30	1,003.12
Contr. Serv. - (Sp Ed Students) ESC's & CTSA's	238,720.00	-	238,720.00	218,295.73	20,424.27
Contr. Serv. - (Regular Students) ESC's & CTSA's	40,690.00	4,301.58	44,991.58	44,991.58	-
Total Undistributed Expenditures - Student Transportation Services	<u>448,006.00</u>	<u>(16,545.00)</u>	<u>431,461.00</u>	<u>406,766.62</u>	<u>24,694.38</u>

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Unallocated Benefits					
Social Security Contributions	\$ 107,842.00	\$ (6,000.00)	\$ 101,842.00	\$ 90,705.72	\$ 11,136.28
TPAF Contribution - ERIP	100,000.00	(4,059.30)	95,940.70	95,874.00	66.70
Workmen's Compensation	95,000.00	(8,274.50)	86,725.50	86,343.00	382.50
Health Benefits	1,663,200.00	(112,652.00)	1,550,548.00	1,473,516.57	77,031.43
Tuition Reimbursement	44,140.00	-	44,140.00	35,750.16	8,389.84
Other Employee Benefits	-	41,469.50	41,469.50	40,769.50	700.00
Total Unallocated Benefits	2,010,182.00	(89,516.30)	1,920,665.70	1,822,958.95	97,706.75
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)			-	356,385.00	(356,385.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	410,281.49	(410,281.49)
Total On-Behalf Contributions	-	-	-	766,666.49	(766,666.49)
Total Personal Services - Employee Benefits	2,010,182.00	(89,516.30)	1,920,665.70	2,589,625.44	(668,959.74)
TOTAL UNDISTRIBUTED EXPENDITURES	5,939,227.06	(75,497.44)	5,863,729.62	6,255,070.54	(391,340.92)
TOTAL GENERAL CURRENT EXPENSE	10,847,977.36	(20,801.28)	10,827,176.08	11,040,518.59	(213,342.51)
CAPITAL OUTLAY					
Regular Programs					
Special Education - Equipment	2,536.10	-	2,536.10	2,536.10	-
Admin Info Tech - Equipment	-	4,218.24	4,218.24	-	4,218.24
Required Maintenance	-	15,919.00	15,919.00	-	15,919.00
Facilities Construction- Purchased Professional Serv	12,993.00	0.50	12,993.50	12,993.50	-
Facilities Construction - Construction Services	29,000.00	(0.50)	28,999.50	27,709.00	1,290.50
TOTAL CAPITAL OUTLAY	44,529.10	20,137.24	64,666.34	43,238.60	21,427.74
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers/Aides	23,820.00	560.00	24,380.00	24,380.00	-
General Supplies	150.00	9.04	159.04	159.04	-
Total Summer School	23,970.00	569.04	24,539.04	24,539.04	-
TOTAL SPECIAL SCHOOLS	23,970.00	569.04	24,539.04	24,539.04	-
Transfer of Funds to Charter Schools	344,373.00	95.00	344,468.00	292,853.00	51,615.00
TOTAL EXPENDITURES	11,260,849.46	-	11,260,849.46	11,401,149.23	(140,299.77)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,366.54	(74,699.00)	(65,332.46)	593,024.49	658,356.95
Other Financing Sources:					
Operating Transfers In:					
Capital Reserve-Transfer to Capital Projects	(394,510.00)		(394,510.00)	(394,510.00)	-
Capital Outlay-Transfer to Capital projects	(285,245.00)		(285,245.00)	(285,245.00)	-
Total Other Financing Sources:	(679,755.00)	-	(679,755.00)	(679,755.00)	-

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (670,388.46)	\$ (394,510.00)	\$ (745,087.46)	\$ (86,730.51)	\$ 658,356.95
Fund Balance July 1	<u>906,266.21</u>	<u>-</u>	<u>906,266.21</u>	<u>1,139,581.32</u>	<u>(233,315.11)</u>
Fund Balance June 30	<u>\$ 235,877.75</u>	<u>\$ (394,510.00)</u>	<u>\$ 161,178.75</u>	<u>\$ 1,052,850.81</u>	<u>\$ 425,041.84</u>
Recapitulation:					
Reserve for Encumbrances				\$ 86,964.21	
Capital Reserve Fund Balance				32,060.05	
Capital Reserve - June, 2009				80,000.00	
Emergency Reserve - June, 2008				50,050.00	
Reserve for Tuition				12,600.00	
Waiver Offset Reserve				183,169.00	
Excess Surplus				133,041.55	
Excess Surplus - Designated for Subsequent Year's Expenditures				43,225.27	
Unreserved - Designated for Subsequent Year's Expenditures				106,774.73	
Tuition Reserve Designated for Subsequent Year's Expenditures				40,066.00	
Tuition Reserve Designated for Subsequent Year's Expenditures				13,000.00	
Unrestricted Fund Balance				<u>271,900.00</u>	
				1,052,850.81	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				112,279.00	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 940,571.81</u>	

CITY OF ABSECON SCHOOL DISTRICT
American Recovery and Reinvestment Act - Education Stabilization Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ -	\$ 150,930.00	\$ 150,930.00	\$ 150,930.00	\$ -
Total Revenues	<u>-</u>	<u>150,930.00</u>	<u>150,930.00</u>	<u>150,930.00</u>	<u>-</u>
EXPENDITURES:					
Instruction:					
Grades 1 - 5 Salaries of Teachers		150,930.00	150,930.00	150,930.00	-
Total Instruction	<u>-</u>	<u>150,930.00</u>	<u>150,930.00</u>	<u>150,930.00</u>	<u>-</u>
Other Financing Sources (Uses)					
None			-		-
Total Outflows	<u>-</u>	<u>150,930.00</u>	<u>150,930.00</u>	<u>150,930.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ABSECON SCHOOL DISTRICT
American Recovery and Reinvestment Act - Government Stabilization Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ -	\$ 5,843.00	\$ 5,843.00	\$ 5,843.00	\$ -
Total Revenues	<u>-</u>	<u>5,843.00</u>	<u>5,843.00</u>	<u>5,843.00</u>	<u>-</u>
EXPENDITURES:					
Instruction:					
Grades 1 - 5 Salaries of Teachers		5,843.00	5,843.00	5,843.00	-
Total Instruction	<u>-</u>	<u>5,843.00</u>	<u>5,843.00</u>	<u>5,843.00</u>	<u>-</u>
Other Financing Sources (Uses)					
None			-		-
Total Outflows	<u>-</u>	<u>5,843.00</u>	<u>5,843.00</u>	<u>5,843.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 346,404.00	\$ -	\$ 346,404.00	\$ 304,225.94	\$ 42,178.06
Federal Sources	1,148,079.96	-	1,148,079.96	681,098.04	466,981.92
Total Revenues	<u>1,494,483.96</u>	<u>-</u>	<u>1,494,483.96</u>	<u>985,323.98</u>	<u>509,159.98</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	157,018.00	457.06	157,475.06	146,327.21	11,147.85
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	471,329.00	-	471,329.00	485,004.52	(13,675.52)
Supplies and Materials	102,383.75	5,000.00	107,383.75	48,784.37	58,599.38
Textbooks	55,075.00	-	55,075.00	55,008.57	66.43
Total Instruction	<u>785,805.75</u>	<u>5,457.06</u>	<u>791,262.81</u>	<u>735,124.67</u>	<u>56,138.14</u>
Support Services:					
Personal Services - Employee Benefits	26,280.52	(1,060.58)	25,219.94	19,373.00	5,846.94
Purchased Professional Technical Services	256,131.00	(5,000.00)	251,131.00	79,865.37	171,265.63
Purchased Professional - Educational Services	197,354.91	-	197,354.91	144,297.12	53,057.79
Other Purchased Services (400-500 series)	220,767.78	603.52	221,371.30	5,594.82	215,776.48
Supplies & Materials	6,000.00	-	6,000.00	1,069.00	4,931.00
	2,144.00	-	2,144.00	-	2,144.00
Total Support Services	<u>708,678.21</u>	<u>(5,457.06)</u>	<u>703,221.15</u>	<u>250,199.31</u>	<u>453,021.84</u>
Total Outflows	<u>1,494,483.96</u>	<u>-</u>	<u>1,494,483.96</u>	<u>985,323.98</u>	<u>509,159.98</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ABSECON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Year Ended June 30, 2010

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 11,994,173.72	[C-2]	\$ 985,323.98
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Prior year final State Aid payment was delayed until July 2009 and is recorded as revenue in current year under GAAP.		98,210.00		
Final State Aid payment delayed until July 2010 is recorded as budgetary revenue but is not recognized under GAAP.		(112,279.00)		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 11,980,104.72</u>	[B-2]	<u>\$ 985,323.98</u>
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 11,401,149.23	[C-2]	\$ 985,323.98
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.				
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 11,401,149.23</u>	[B-2]	<u>\$ 985,323.98</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2010

	Total Brought Forward (Ex. E-1a)	Title I Part A	Title III Immigrant	Title III Carryover	I.D.E.A B-Basic Reg. Program	I.D.E.A Preschool	Totals 2010
REVENUES:							
State Sources	\$ 304,225.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,225.94
Federal Sources	246,188.20	142,610.91	548.00	13,078.44	269,926.49	8,746.00	681,098.04
Total Revenues	<u>550,414.14</u>	<u>142,610.91</u>	<u>548.00</u>	<u>13,078.44</u>	<u>269,926.49</u>	<u>8,746.00</u>	<u>985,323.98</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	32,202.15	95,757.06		10,368.00		8,000.00	146,327.21
Other Salaries for Instruction							-
Purchased Professional and Technical Services	278,585.52						278,585.52
Other Purchased Services (400-500 series)					206,419.00		206,419.00
Supplies and Materials	36,147.37	11,034.85		1,468.15		134.00	48,784.37
Textbooks	55,008.57						55,008.57
Total Instruction	<u>401,943.61</u>	<u>106,791.91</u>	<u>-</u>	<u>11,836.15</u>	<u>206,419.00</u>	<u>8,134.00</u>	<u>735,124.67</u>
Support Services:							
Personal Services - Employee Benefits	3,978.00	13,990.00		793.00		612.00	19,373.00
Purchased Professional Technical Services	65,311.00	14,554.37					79,865.37
Purchased Professional - Educational Services	73,515.00	7,274.63			63,507.49		144,297.12
Other Purchased Services (400-500 series)	4,597.53		548.00	449.29		-	5,594.82
Supplies & Materials	1,069.00						1,069.00
Total Support Services	<u>148,470.53</u>	<u>35,819.00</u>	<u>548.00</u>	<u>1,242.29</u>	<u>63,507.49</u>	<u>612.00</u>	<u>250,199.31</u>
Total Outflows	<u>550,414.14</u>	<u>142,610.91</u>	<u>548.00</u>	<u>13,078.44</u>	<u>269,926.49</u>	<u>8,746.00</u>	<u>985,323.98</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2010

	Total Brought Forward (Ex. E-1b)	Title V	Title IIA	Title IID	Title IV	Totals 2010
REVENUES:						
State Sources	\$ 304,225.94	\$ -	\$ -	\$ -	\$ -	\$ 304,225.94
Federal Sources	205,254.60	-	35,114.53	1,281.07	4,538.00	246,188.20
Total Revenues	<u>509,480.54</u>	<u>-</u>	<u>35,114.53</u>	<u>1,281.07</u>	<u>4,538.00</u>	<u>550,414.14</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	4,980.15		27,222.00			32,202.15
Other Salaries for Instruction						-
Purchased Professional and Technical Services	278,585.52					278,585.52
Other Purchased Services (400-500 series)						-
Supplies and Materials	32,080.30	-		598.07	3,469.00	36,147.37
Textbooks	55,008.57					55,008.57
Total Instruction	<u>370,654.54</u>	<u>-</u>	<u>27,222.00</u>	<u>598.07</u>	<u>3,469.00</u>	<u>401,943.61</u>
Support Services:						
Personal Services - Employee Benefits			3,978.00			3,978.00
Purchased Professional Technical Services	65,311.00					65,311.00
Purchased Professional - Educational Services	73,515.00					73,515.00
Other Purchased Services (400-500 series)			3,914.53	683.00		4,597.53
Supplies & Materials					1,069.00	1,069.00
Total Support Services	<u>138,826.00</u>	<u>-</u>	<u>7,892.53</u>	<u>683.00</u>	<u>1,069.00</u>	<u>148,470.53</u>
Total Outflows	<u>509,480.54</u>	<u>-</u>	<u>35,114.53</u>	<u>1,281.07</u>	<u>4,538.00</u>	<u>550,414.14</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2010

	Total Brought Forward (Ex. E-1c)	Title 1 ARRA	IDEIA Basic ARRA	IDEIA Preschool ARRA	Nonpublic Nursing	Nonpublic Textbooks	Totals 2010
REVENUES:							
State Sources	\$ 183,906.37	\$ -	\$ -	\$ -	\$ 65,311.00	\$ 55,008.57	\$ 304,225.94
Federal Sources	-	42,514.00	156,880.54	5,860.06	-	-	205,254.60
Total Revenues	<u>183,906.37</u>	<u>42,514.00</u>	<u>156,880.54</u>	<u>5,860.06</u>	<u>65,311.00</u>	<u>55,008.57</u>	<u>509,480.54</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	4,980.15						4,980.15
Other Salaries for Instruction							-
Purchased Professional and Technical Services	178,926.22		99,659.30				278,585.52
Supplies and Materials	-		28,220.24	3,860.06			32,080.30
Textbooks						55,008.57	55,008.57
Total Instruction	<u>183,906.37</u>	<u>-</u>	<u>127,879.54</u>	<u>3,860.06</u>	<u>-</u>	<u>55,008.57</u>	<u>370,654.54</u>
Support Services:							
Personal Services - Employee Benefits	-						-
Purchased Professional - Technical Services					65,311.00		65,311.00
Purchased Professional - Educational Services	-	42,514.00	29,001.00	2,000.00			73,515.00
Other Purchased Services (400-500 series)							-
Supplies & Materials							-
Total Support Services	<u>-</u>	<u>42,514.00</u>	<u>29,001.00</u>	<u>2,000.00</u>	<u>65,311.00</u>	<u>-</u>	<u>138,826.00</u>
Total Outflows	<u>183,906.37</u>	<u>42,514.00</u>	<u>156,880.54</u>	<u>5,860.06</u>	<u>65,311.00</u>	<u>55,008.57</u>	<u>509,480.54</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2010**

	Nonpublic Auxiliary Comp. Ed.	Nonpublic Supplemental Instruction	Nonpublic Examination & Classification	Nonpublic Speech Correction	Nonpublic Auxiliary Home Instruc'n	Totals 2010
REVENUES:						
State Sources	\$ 87,140.76	\$ 34,636.77	\$ 52,665.14	\$ 4,483.55	\$ 4,980.15	\$ 183,906.37
Federal Sources	-		-	-	-	-
Total Revenues	<u>87,140.76</u>	<u>34,636.77</u>	<u>52,665.14</u>	<u>4,483.55</u>	<u>4,980.15</u>	<u>183,906.37</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers					4,980.15	4,980.15
Other Salaries for Instruction						-
Purchased Professional and Technical Services	87,140.76	34,636.77	52,665.14	4,483.55		178,926.22
Supplies and Materials						-
Textbooks						-
Total Instruction	<u>87,140.76</u>	<u>34,636.77</u>	<u>52,665.14</u>	<u>4,483.55</u>	<u>4,980.15</u>	<u>183,906.37</u>
Support Services:						
Personal Services - Employee Benefits						-
Purchased Professional - Technical Services						-
Purchased Professional - Educational Services						-
Other Purchased Services (400-500 series)						-
Supplies & Materials						-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>87,140.76</u>	<u>34,636.77</u>	<u>52,665.14</u>	<u>4,483.55</u>	<u>4,980.15</u>	<u>183,906.37</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

ABSECON SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, Project Balance
and Project Status - Budgetary Basis
June 30, 2010

Revenues and Other Financing Sources		
State Sources - SCC Grant	\$	498,770.00
Capital Reserve and Capital Outlay		679,755.00
Total Revenues		<u>1,178,525.00</u>
Expenditures and Other Financing Uses		
Project Expenditures		1,167,644.00
Total Expenditures		<u>1,167,644.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>10,881.00</u>
Fund Balance, Beginning		-
Fund Balance, Ending	\$	<u><u>10,881.00</u></u>

CITY OF ABSECON SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Heat Pump 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 - SCC Grant	-	\$ 498,770.00	\$ 498,770.00	\$ 498,770.00
Transfer from Capital Outlay	-	285,245.00	285,245.00	285,245.00
Transfer from Capital Reserve	-	394,510.00	394,510.00	394,510.00
Total Revenues	<u>-</u>	<u>1,178,525.00</u>	<u>1,178,525.00</u>	<u>1,178,525.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	-	45,600.00	45,600.00	45,600.00
Construction Services	-	1,122,044.00	1,122,044.00	1,122,044.00
Total Expenditures	<u>-</u>	<u>1,167,644.00</u>	<u>1,167,644.00</u>	<u>1,167,644.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 10,881.00</u>	<u>\$ 10,881.00</u>	<u>\$ 10,881.00</u>

Additional Project Information:

Project Number	010-060-09-0JAL	
Grant Date	7/1/2010	
Bond Authorization Date	N/A	
Bonds Authorized	N/A	
Bonds Issued	N/A	
Original Authorized Cost	\$ 1,178,525.00	
Additional Authorized Cost	-	
Revised Authorized Cost	1,178,525.00	
Percentage Increase over Original Authorized Cost		0.00%
Percentage Completion		100.00%
Original Target Completion Date		Jun-10
Revised Target Completion Date		Aug-10

**CITY OF ABSECON SCHOOL DISTRICT
Capital Projects Funds
Summary Statement of Project Expenditures
June 30, 2010**

Project Title/Issue	Date	Original Appropriations	Expenditures to Date		Prior Years Transferred to Debt Service	Unexpended Balance June 30, 2010
			Prior Years	Current Years		
Replacement/upgrade of all heat pumps	2010	\$ 1,178,525.00	\$ -	\$ 1,167,644.00	\$ -	\$ 10,881.00
		<u>\$ 1,178,525.00</u>	<u>\$ -</u>	<u>\$ 1,167,644.00</u>	<u>\$ -</u>	<u>\$ 10,881.00</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

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

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

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

CITY OF ABSECON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2010

	<u>Unemployment Compensation Trust</u>	<u>Independent Student Fund</u>	<u>Payroll Agency Fund</u>	<u>Totals</u>
ASSETS				
Cash and Cash Equivalents	\$ 128,086.37	\$ 24,955.11	\$ 6,190.65	\$ 159,232.13
Total Assets	<u>128,086.37</u>	<u>24,955.11</u>	<u>6,190.65</u>	<u>159,232.13</u>
LIABILITIES				
Payroll Deductions & Withholdings	2,587.71		6,190.65	8,778.36
Payable to Student Groups	<u>-</u>	<u>24,955.11</u>	<u>-</u>	<u>24,955.11</u>
Total Liabilities	<u>2,587.71</u>	<u>24,955.11</u>	<u>6,190.65</u>	<u>33,733.47</u>
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 125,498.66</u>			125,498.66
Reserve for Purpose of Trust		<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total Net Assets				<u>125,498.66</u>
Total Liabilities and Net Assets				<u>\$ 159,232.13</u>

CITY OF ABSECON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2010

	Unemployment Compensation Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Plan Member	\$ 19,460.09	\$ 160,000.00	\$ 179,460.09
	-		
Total Contributions	19,460.09	160,000.00	179,460.09
Investments Earnings:			
Interest	366.90	145.14	512.04
	366.90	145.14	512.04
Net Investment Earnings	19,826.99	160,145.14	179,972.13
Total Additions			
Deductions			
Unemployment Claims	7,698.73		7,698.73
Quarterly Contributions	10,578.34		10,578.34
	18,277.07	-	18,277.07
Total Deductions			
Change in Net Assets	1,549.92	160,145.14	161,695.06
Net Assets - Beginning of the Year	123,948.74	-	123,948.74
Net Assets - End of the Year	\$ 125,498.66	\$ 160,145.14	\$ 285,643.80

CITY OF ABSECON SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Cash and Cash Equivalents	\$ 24,749.59	\$ 41,634.55	\$ 41,429.03	\$ 24,955.11
Total Assets	<u>\$ 24,749.59</u>	<u>\$ 41,634.55</u>	<u>\$ 41,429.03</u>	<u>\$ 24,955.11</u>

CITY OF ABSECON SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30, 2010</u>
ASSETS:							
Cash and Cash Equivalents	\$ 160.90	\$	6,774,088.51	\$	6,768,058.76	\$	6,190.65
Total Assets	<u>\$ 160.90</u>	<u>\$</u>	<u>6,774,088.51</u>	<u>\$</u>	<u>6,768,058.76</u>	<u>\$</u>	<u>6,190.65</u>
LIABILITIES:							
Payroll Deductions & Withholding	\$ 160.90	\$	2,317,881.09	\$	2,311,851.34	\$	6,190.65
Net Payroll	-		4,456,050.88		4,456,050.88		-
Interfund Payable	-		156.74		156.74		-
Total Liabilities	<u>\$ 160.90</u>	<u>\$</u>	<u>6,774,088.71</u>	<u>\$</u>	<u>6,768,058.96</u>	<u>\$</u>	<u>6,190.65</u>

LONG-TERM DEBT SCHEDULES

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

**CITY OF ABSECON SCHOOL DISTRICT
 Schedule of General Serial Bonds
 As of June 30, 2010**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2010		Interest Rate	Balance July 1, 2009	Increased	Decreased	Balance June 30, 2010
			Date	Amount					
Repairs and renovations to the H. Ashton Marsh School and the Emma C. Attales School	8/1/2003	\$ 2,442,000	8/1/2010	\$ 645,000.00	3.300%	\$ 1,832,000.00	\$	\$ 550,000.00	\$ 1,282,000.00
			8/1/2011	637,000.00	3.300%				
						\$ <u>1,832,000.00</u>	\$ <u>-</u>	\$ <u>550,000.00</u>	\$ <u>1,282,000.00</u>

CITY OF ABSECON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 601,011.00	\$ -	\$ 601,011.00	\$ 601,011.00	\$ -
Interest on Investments	300.00	-	300.00	300.00	-
Total - Local Sources	<u>601,311.00</u>	<u>-</u>	<u>601,311.00</u>	<u>601,311.00</u>	<u>-</u>
State Sources:					
None	-	-	-	-	-
Total - State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>601,311.00</u>	<u>-</u>	<u>601,311.00</u>	<u>601,311.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	51,381.00	-	51,381.00	51,381.00	-
Redemption of Principal-Bonds	550,000.00	-	550,000.00	550,000.00	-
Total Regular Debt Service	<u>601,381.00</u>	<u>-</u>	<u>601,381.00</u>	<u>601,381.00</u>	<u>-</u>
Total Expenditures	<u>601,381.00</u>	<u>-</u>	<u>601,381.00</u>	<u>601,381.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(70.00)</u>	<u>-</u>	<u>(70.00)</u>	<u>(70.00)</u>	<u>-</u>
Other Financing Sources(Uses):					
Operating Transfers In:					
None	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	<u>(70.00)</u>	<u>-</u>	<u>(70.00)</u>	<u>(70.00)</u>	<u>-</u>
Fund Balance, July 1	93.69		93.69	93.69	-
Fund Balance, June 30	<u>\$ 23.69</u>	<u>\$ -</u>	<u>\$ 23.69</u>	<u>\$ 23.69</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ (70.00)</u>	<u>\$ -</u>	<u>\$ (70.00)</u>	<u>\$ (70.00)</u>	<u>\$ -</u>

STATISTICAL SECTION

Absecon Board of Education
Net Assets by Component,
Last Seven Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	\$ 5,581,913.31	\$ 6,363,533.08	\$ 6,964,900.39	\$ 7,817,637.68	\$ 8,742,635.61	\$ 9,604,547.10	\$ 11,059,562.38
Restricted	267,393.64	242,160.18	730,127.90	718,662.54	789,080.44	732,455.74	641,303.97
Unrestricted	(59,143.72)	(71,156.09)	(152,197.81)	(140,074.85)	(18,588.89)	2,460.16	7,898.68
Total governmental activities net assets	<u>\$ 5,790,163.23</u>	<u>\$ 6,534,537.17</u>	<u>\$ 7,542,830.48</u>	<u>\$ 8,396,225.37</u>	<u>\$ 9,513,127.16</u>	<u>\$ 10,339,463.00</u>	<u>\$ 11,708,765.03</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted							
Unrestricted	59,473.41	47,798.07	69,204.16	77,790.25	65,870.80	69,810.50	69,830.91
Total business-type activities net assets	<u>\$ 59,473.41</u>	<u>\$ 47,798.07</u>	<u>\$ 69,204.16</u>	<u>\$ 77,790.25</u>	<u>\$ 65,870.80</u>	<u>\$ 69,810.50</u>	<u>\$ 69,830.91</u>
District-wide							
Invested in capital assets, net of related debt	\$ 5,581,913.31	\$ 6,363,533.08	\$ 6,964,900.39	\$ 7,817,637.68	\$ 8,742,635.61	\$ 9,604,547.10	\$ 11,059,562.38
Restricted	267,393.64	242,160.18	730,127.90	718,662.54	789,080.44	732,455.74	641,303.97
Unrestricted	329.69	(23,358.02)	(82,993.65)	(62,284.60)	47,281.91	72,270.66	77,729.59
Total district net assets	<u>\$ 5,849,636.64</u>	<u>\$ 6,582,335.24</u>	<u>\$ 7,612,034.64</u>	<u>\$ 8,474,015.62</u>	<u>\$ 9,578,997.96</u>	<u>\$ 10,409,273.50</u>	<u>\$ 11,778,595.94</u>

Source: CAFR Schedule A-1

Absecon Board of Education
Changes in Net Assets,
Last Seven Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
Instruction:							
Regular	\$ 4,640,639.14	\$ 4,862,046.72	\$ 5,123,180.26	\$ 5,493,935.82	\$ 5,439,316.83	\$ 5,405,141.33	\$ 5,913,087.52
Special education	1,030,458.07	1,114,406.15	1,169,130.09	1,277,228.21	1,280,665.25	1,325,164.04	1,380,165.40
Other special education	214,709.89	246,565.72	255,136.94	291,969.31	282,427.48	353,461.96	351,625.16
Support Services:							
Tuition	476,500.03	626,972.15	712,788.18	508,624.72	718,739.43	753,634.96	792,370.00
Student & instruction related services	1,284,603.36	1,206,816.30	1,239,029.09	1,439,939.38	1,453,350.15	1,447,279.45	1,594,354.26
School administrative services	478,045.70	504,188.81	483,502.10	482,501.36	470,171.70	447,490.65	451,930.90
Other administrative services	404,259.40	555,156.90	514,235.47	456,236.35	466,687.41	475,321.21	596,569.65
Plant operations and maintenance	682,005.11	646,533.93	846,547.78	895,526.17	886,305.00	944,415.90	767,587.02
Pupil transportation	315,193.57	322,348.23	363,788.32	359,504.94	387,032.34	416,543.93	409,148.72
Business administrative services	52,890.20	85,728.12	91,823.44	106,343.08	152,470.58	128,856.76	68,428.81
Special schools	2,749.00	2,488.97	24,990.12	31,465.83	33,729.23	41,888.42	34,218.32
Charter Schools	227,124.00	194,773.00	260,863.00	304,976.14	251,437.00	329,096.00	292,853.00
Interest on long-term debt	317,247.38	281,296.36	236,804.73	189,779.55	140,690.09	73,711.51	43,868.91
Unallocated depreciation	248,170.57	293,092.39	338,512.34	343,739.41	345,558.75	348,508.31	-
Total governmental activities expenses	<u>10,374,595.42</u>	<u>10,942,413.75</u>	<u>11,660,331.86</u>	<u>12,181,770.27</u>	<u>12,308,581.24</u>	<u>12,490,514.43</u>	<u>12,696,207.67</u>

Absecon Board of Education
Changes in Net Assets,
Last Seven Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Business-type activities:							
Food service	\$ 224,163.94	\$ 247,289.54	\$ 246,854.15	\$ 265,982.37	\$ 251,491.33	\$ 250,860.45	\$ 230,154.76
Child care	116,191.27	97,815.07	100,846.39	104,994.85	138,789.34	119,638.65	122,859.64
Other							
Total business-type activities expenses	<u>340,355.21</u>	<u>345,104.61</u>	<u>347,700.54</u>	<u>370,977.22</u>	<u>390,280.67</u>	<u>370,499.10</u>	<u>353,014.40</u>
Total district expenses	<u>\$ 10,714,950.63</u>	<u>\$ 11,287,518.36</u>	<u>\$ 12,008,032.40</u>	<u>\$ 12,552,747.49</u>	<u>\$ 12,698,861.91</u>	<u>\$ 12,861,013.53</u>	<u>\$ 13,049,222.07</u>
Program Revenues							
Governmental activities:							
Charges for services:							
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation					9,594.41	9,270.00	
Business and other support services							
Operating grants and contributions	2,324,716.08	2,502,090.96	2,590,596.64	2,622,161.95	2,906,574.74	2,180,161.49	2,417,745.47
Capital grants and contributions							
Total governmental activities program revenues	<u>2,324,716.08</u>	<u>2,502,090.96</u>	<u>2,590,596.64</u>	<u>2,622,161.95</u>	<u>2,916,169.15</u>	<u>2,189,431.49</u>	<u>2,417,745.47</u>
Business-type activities:							
Charges for services:							
Food service	158,629.85	145,914.77	158,505.22	166,167.57	158,208.25	145,143.06	121,948.69
Child care	105,091.77	97,679.75	112,169.08	112,477.11	126,187.94	125,061.11	126,830.61
Operating grants and contributions	85,240.96	87,667.72	86,445.95	96,128.13	90,644.03	103,364.46	103,983.22
Capital grants and contributions							
Total business-type activities program revenue	<u>348,962.58</u>	<u>331,262.24</u>	<u>357,120.25</u>	<u>374,772.81</u>	<u>375,040.22</u>	<u>373,568.63</u>	<u>352,762.52</u>
Total district program revenue	<u>\$ 2,673,678.66</u>	<u>\$ 2,833,353.20</u>	<u>\$ 2,947,716.89</u>	<u>\$ 2,996,934.76</u>	<u>\$ 3,291,209.37</u>	<u>\$ 2,563,000.12</u>	<u>\$ 2,770,507.99</u>

Absecon Board of Education
Changes in Net Assets,
Last Seven Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue							
Governmental activities	\$ (8,049,879.34)	\$ (8,440,322.79)	\$ (9,069,735.22)	\$ 2,622,161.95	\$ 2,916,169.15	\$ (10,301,082.94)	\$ (10,278,462.20)
Business-type activities	8,607.37	(13,842.37)	9,419.71	(12,177,974.68)	(12,323,821.69)	3,069.53	(251.88)
Total district-wide net expense	<u>\$ (8,041,271.97)</u>	<u>\$ (8,454,165.16)</u>	<u>\$ (9,060,315.51)</u>	<u>\$ (9,555,812.73)</u>	<u>\$ (9,407,652.54)</u>	<u>\$ (10,298,013.41)</u>	<u>\$ (10,278,714.08)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes levied for general purposes, net	\$ 6,821,751.00	\$ 7,538,953.00	\$ 7,833,923.00	\$ 8,172,525.00	\$ 8,614,387.00	\$ 8,880,961.96	\$ 9,565,974.00
Taxes levied for debt service	1,085,706.00	1,103,987.00	1,121,483.00	1,134,135.00	1,134,142.00	1,134,740.00	601,011.00
Unrestricted grants and contributions	532,412.18	579,930.64	579,792.00	954,081.54	643,596.13	1,019,077.34	1,408,418.00
Tuition Received	-	-	-	52,188.00	50,520.00	44,905.00	57,747.00
Investment earnings	69,421.42	25,580.10	45,318.55	80,398.53	57,446.57	13,524.49	3,396.09
Miscellaneous income	42,333.21	29,975.03	498,038.36	19,148.76	9,222.18	36,283.32	11,218.14
Special Items	-	(48,530.08)	-	-	-	(2,073.33)	-
Transfers	-	-	-	-	-	-	-
Total governmental activities	<u>8,551,623.81</u>	<u>9,229,895.69</u>	<u>10,078,554.91</u>	<u>10,412,476.83</u>	<u>10,509,313.88</u>	<u>11,127,418.78</u>	<u>11,647,764.23</u>
Business-type activities:							
Investment earnings	946.39	2,167.03	5,456.38	4,790.50	3,321.00	870.17	272.29
Miscellaneous	-	-	6,530.00	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total business-type activities	<u>946.39</u>	<u>2,167.03</u>	<u>11,986.38</u>	<u>4,790.50</u>	<u>3,321.00</u>	<u>870.17</u>	<u>272.29</u>
Total district-wide	<u>\$ 8,552,570.20</u>	<u>\$ 9,232,062.72</u>	<u>\$ 10,090,541.29</u>	<u>\$ 10,417,267.33</u>	<u>\$ 10,512,634.88</u>	<u>\$ 11,128,288.95</u>	<u>\$ 11,648,036.52</u>
Changes in Net Assets							
Governmental activities	\$ 501,744.47	\$ 789,572.90	\$ 1,008,819.69	\$ 13,034,638.78	\$ 13,425,483.03	\$ 826,335.84	\$ 1,369,302.03
Business-type activities	9,553.76	(11,675.34)	21,406.09	(12,173,184.18)	(12,320,500.69)	3,939.70	20.41
Total district	<u>\$ 511,298.23</u>	<u>\$ 777,897.56</u>	<u>\$ 1,030,225.78</u>	<u>\$ 861,454.60</u>	<u>\$ 1,104,982.34</u>	<u>\$ 830,275.54</u>	<u>\$ 1,369,322.44</u>

Source: CAFR Schedule A-2

Note: The Absecon Board of Education was not required to comply with GASB 34 until the year ended June 30, 2004; therefore, changes in net assets information cannot be supplied for 2003.

**Absecon Board of Education
Fund Balances, Governmental Funds,
Last Seven Fiscal Years**

Exhibit J-3

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$ 114,016.44	\$ 250,337.33	\$ 720,441.69	\$ 641,332.30	\$ 822,298.64	\$ 757,384.12	\$ 674,176.08
Unreserved	214,149.22	200,107.60	161,237.25	272,975.03	261,719.82	283,987.20	266,395.73
Total general fund	<u>\$ 328,165.66</u>	<u>450,444.93</u>	<u>\$ 881,678.94</u>	<u>\$ 914,307.33</u>	<u>\$ 1,084,018.46</u>	<u>1,041,371.32</u>	<u>940,571.81</u>
All Other Governmental Funds							
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:							
Special revenue fund	(1,790.55)	(1,790.55)	(1,790.55)	(1,790.55)	(6,391.00)	-	-
Capital projects fund	172,454.78	38,021.70	38,021.70	-	-	-	10,881.00
Debt service fund	22,316.51	4,519.80	841.23	1,136.14	617.11	93.69	23.69
Permanent fund							
Total all other governmental funds	<u>\$ 192,980.74</u>	<u>\$ 40,750.95</u>	<u>\$ 37,072.38</u>	<u>\$ (654.41)</u>	<u>\$ (5,773.89)</u>	<u>\$ 93.69</u>	<u>\$ 10,904.69</u>

Source: CAFR Schedule B-1

**Absecon Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Tax Levy	\$ 6,942,398	\$ 7,189,633	\$ 7,447,341	\$ 7,907,457	\$ 8,642,940	\$ 8,955,406	\$ 9,306,660	\$ 9,748,529	\$ 10,015,702	\$ 10,166,985
Tuition charges	17,576	31,731	23,921	31,881	11,398	29,441	52,188	50,520	44,905	57,747
Rent	84,666	89,000	100,209	-	-	-	-	-	-	-
Interest earnings	107,979	39,648	19,508	14,412	25,479	45,319	80,399	57,447	13,524	3,396
Miscellaneous	5,401	19,314	5,922	65,462	18,679	493,951	24,983	18,817	45,553	12,268
State Grant / Bond Proceeds	-	-	1,501,297	-	-	-	-	-	-	-
State sources	1,742,746	2,029,267	2,200,357	2,432,195	2,575,901	2,700,880	3,131,800	3,136,095	2,709,761	2,987,242
Federal sources	256,368	297,851	358,810	424,933	506,120	469,509	438,609	414,076	489,478	837,871
Total revenue	9,157,135	9,696,445	11,657,366	10,876,340	11,780,517	12,694,505	13,034,639	13,425,483	13,318,924	14,065,510
Expenditures										
Instruction:										
Regular instruction	2,719,305	3,224,056	3,584,543	3,706,523	3,738,305	3,821,905	3,987,639	3,975,876	4,133,201	4,320,227
Special education instruction	614,383	714,808	726,754	749,639	808,182	835,437	890,770	871,390	958,832	956,354
Other special education instruction	157,540	144,158	132,676	156,488	178,195	184,065	209,659	192,151	255,745	243,992
Other instruction	17,294	18,033	18,159	-	-	-	-	-	-	-
Support Services:										
Tuition	507,022	270,153	374,702	476,500	626,972	712,788	508,625	718,739	753,635	792,370
Student & instruction related services	572,388	695,369	743,380	837,579	912,544	931,147	1,058,959	1,043,806	1,119,028	1,202,909
School administrative services	287,990	306,522	301,584	311,897	324,842	340,867	317,312	326,138	328,837	310,671
General administrative services	381,209	387,013	379,340	404,259	555,157	514,235	454,914	464,042	472,676	512,018
Plant operations and maintenance	507,113	534,083	565,344	573,478	641,062	674,540	730,636	716,430	750,005	690,911
Pupil transportation	270,271	261,145	271,376	315,194	322,348	363,788	359,505	387,032	416,544	406,767
Unallocated employee benefits	1,237,392	943,945	1,103,443	1,997,486	2,135,732	2,372,928	2,776,015	2,835,637	2,431,756	2,589,625
Special schools	6,600	-	-	1,995	1,785	16,475	21,604	22,920	30,240	24,539
Charter Schools	230,399	234,460	277,997	227,124	194,773	260,863	304,976	251,437	329,096	292,853
Capital outlay	65,459	126,058	41,092	3,750,264	103,563	19,060	192,073	227,451	193,583	1,210,883
Special Revenue Expenditures	678,523	727,849	748,330	-	-	-	-	-	-	-
Debt service:										
Principal	765,000	1,123,544	1,125,272	880,000	935,000	980,000	1,035,000	1,085,000	1,100,000	550,000
Interest and other charges	360,045	-	-	285,402	283,478	238,851	192,051	142,842	82,525	51,381
Total Expenditures	9,377,932	9,711,195	10,393,992	14,673,828	11,761,937	12,266,949	13,039,737	13,260,891	13,355,703	14,155,498
Excess (Deficiency) of revenues over (under) expenditures	(220,798)	(14,750)	1,263,375	(3,797,488)	18,580	427,555	(5,098)	164,592	(36,780)	(89,989)
Other Financing Sources (Uses)										
Transfer from General Fund - Capital Reserve	-	-	7,560	-	-	-	-	-	-	-
Proceeds from Unexpended Escrow Reserves	-	-	-	2,442,000	-	-	-	-	-	-
Other Financing Sources - Bond Principal	-	-	-	-	(48,530)	-	-	-	-	-
Unexpended Project Balance Cancelled	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	(7)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(7)	2,442,000	(48,530)	-	-	-	-	-
Net change in fund balances	\$ (220,798)	\$ (14,750)	\$ 1,263,368	\$ (1,355,488)	\$ (29,950)	\$ 427,555	\$ (5,098)	\$ 164,592	\$ (36,780)	\$ (89,989)
Debt service as a percentage of noncapital expenditures	12.08%	11.72%	10.87%	10.67%	10.45%	9.95%	9.55%	9.42%	8.98%	4.65%

Source: CAFR Schedule B-2

Absecon Board of Education
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
 Unaudited

Exhibit J-5

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Totals</u>
2001	\$ 83,595.30	\$ 17,575.84	\$ 84,666.30	\$ 5,401.21	\$ 191,238.65
2002	34,622.10	31,731.34	89,000.36	19,314.40	174,668.20
2003	19,399.34	23,921.46	100,209.25	5,922.21	149,452.26
2004	36,483.09	31,880.61	-	10,452.60	78,816.30
2005	20,328.93	11,397.60	-	18,389.29	50,115.82
2006	42,481.30	29,440.58	-	493,950.78	565,872.66
2007	78,240.48	52,188.00	-	24,982.76	155,411.24
2008	55,776.97	50,520.00	-	18,816.59	125,113.56
2009	11,901.16	44,905.00	-	45,553.32	102,359.48
2010	3,396.09	57,747.00	-	12,268.14	73,411.23

Source: District Records

**Absecon Board of Education
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2000	\$ 12,674,000	\$ 310,677,700	\$ 132,200	\$ 6,500	\$ 79,001,200			\$ 402,491,600		\$ 1,228,971	\$ 403,720,571	1.720	\$ 415,649,723
2001	12,662,100	314,881,900	132,200	6,500	80,276,500			407,959,200		1,264,723	409,223,923	1.757	426,557,089
2002	11,535,600	320,573,100	132,200	6,500	81,514,600			413,762,000		1,416,126	415,178,126	1.794	439,109,599
2003	11,258,100	326,676,600	132,200	6,500	82,750,700			420,824,100		1,308,910	422,133,010	1.873	470,133,656
2004	11,721,600	336,242,400	132,200	3,800	88,992,500			437,092,500		1,200,019	438,292,519	1.972	527,414,833
2005	12,167,600	343,396,700	-	-	88,842,400			444,406,700		1,064,153	445,470,853	2.010	611,707,754
2006	12,967,200	349,053,400	-	-	90,726,700			452,747,300		857,671	453,604,971	2.052	716,236,882
2007	20,262,800	364,638,800	-	-	90,451,200			475,352,800		759,606	476,112,406	1.812	883,817,349
2008	45,629,300	813,389,900	-	-	178,439,200			1,037,458,400		1,480,927	1,038,939,327	0.856	985,523,930
2009	40,726,600	815,482,100	-	-	176,030,200			1,032,238,900		1,626,072	1,033,864,972	0.984	985,102,403

Source: County Abstract of Ratables & Municipal Tax Assessor
Property Reevaluation took place in 2008

Absecon Board of Education
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Absecon Board of Education			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Other	Municipal Local Purpose	
2000	1.754	0.003	1.757	0.464	0.021	0.028		1.077	3.347
2001	1.754	0.003	1.757	0.464	0.021	0.028		1.077	3.347
2002	1.791	0.003	1.794	0.448	0.021	0.027		1.091	3.381
2003	1.871	0.002	1.873	0.453	0.022	0.028		1.122	3.498
2004	1.970	0.002	1.972	0.456	0.024	0.026		1.140	3.618
2005	2.008	0.002	2.010	0.461	0.028	0.025		1.170	3.694
2006	2.050	0.002	2.052	0.465	0.032	0.025		1.204	3.778
2007	1.810	0.002	1.812	0.455	0.037	0.023		1.254	3.581
2008	0.855	0.001	0.856	0.215	0.019	0.011		0.630	1.731
2009	0.983	0.001	0.984	0.236	0.005	0.016		0.659	1.900

Source: District Records and Municipal Tax Collector

**Absecon Board of Education
Principal Property Tax Payers,
Last Year and Ten Years Ago**

Exhibit J-8

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
RD Absecon Associates	\$ 19,344,800	1	20.12%	\$ 9,374,300	1	25.83%
Foxmoor at Absecon City	16,896,000	2	17.57%			
Home Depot	16,635,900	3	17.30%			
Absecon Manor Nursing Home	12,168,700	4	12.65%	7,402,500	2	20.40%
Village Supermarket	7,202,100	5	7.49%	3,766,600	4	10.38%
539 Absecon Blvd LLC	6,360,100	6	6.61%			
Doumani, Fredrick	6,304,500	7	6.56%			
RJS Absecon LLC	4,438,000	8	4.62%			
Renuka Hospitality	3,593,400	9	3.74%			
Mill Road Associates	3,219,200	10	3.35%	1,374,700	9	3.79%
Absecon Equities				1,575,700	8	4.34%
Shan Enterprises				3,919,800	3	10.80%
HFC Commercial Realty				3,000,000	5	8.27%
Burlington Realty				2,390,500	6	6.59%
Woodland Village				2,175,400	7	5.99%
Herbert & Rochelle Levine				1,310,000	10	3.61%
Totals	<u>\$ 96,162,700</u>		<u>100.00%</u>	<u>\$ 36,289,500</u>		<u>100.00%</u>
	District Assessed Value		<u>\$ 1,038,939,327</u>			<u>\$ 401,065,500</u>

Source: District CAFR & Municipal Tax Assessor

**Absecon Board of Education
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$ 6,942,398	\$ 6,942,398	100%	-
2002	7,189,633	7,189,633	100%	-
2003	7,447,341	7,447,341	100%	-
2004	7,907,457	7,907,457	100%	-
2005	8,642,940	8,642,940	100%	-
2006	8,955,406	8,955,406	100%	-
2007	9,306,660	9,306,660	100%	-
2008	9,748,529	9,748,529	100%	-
2009	10,015,702	10,015,702	100%	-
2010	10,166,985	10,166,985	100%	-

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

**Absecon Board of Education
 Ratios of Outstanding Debt by Type,
 Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2001	\$ -	\$ 7,045,000				\$ 7,045,000	0.46%	\$ 32,335
2002	-	6,245,000				6,245,000	0.53%	32,851
2003	-	5,405,000				5,405,000	0.62%	33,623
2004	2,442,000	4,525,000				6,967,000	0.50%	34,671
2005	2,432,000	3,600,000				6,032,000	0.59%	35,826
2006	2,422,000	2,630,000				5,052,000	0.74%	37,194
2007	2,402,000	1,615,000				4,017,000	0.96%	38,553
2008	2,382,000	550,000				2,932,000	1.36%	39,835
2009	1,832,000	-				1,832,000	Not Available	Not Available
2010	1,282,000	-				1,282,000	Not Available	Not Available

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

**Absecon Board of Education
 Ratios of Net General Bonded Debt Outstanding,
 Last Ten Fiscal Years**

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2001	\$ -	\$ -	\$ -	0.00%	\$ 32,335
2002	-	-	-	0.00%	32,851
2003	-	-	-	0.00%	33,623
2004	2,442,000	-	2,442,000	0.56%	34,671
2005	2,432,000	-	2,432,000	0.55%	35,826
2006	2,422,000	-	2,422,000	0.53%	37,194
2007	2,402,000	-	2,402,000	0.50%	38,553
2008	2,382,000	-	2,382,000	0.23%	39,835
2009	1,832,000	-	1,832,000	0.18%	Not Available
2010	1,282,000	-	1,282,000	Not Available	Not Available

**Absecon Board of Education
Direct and Overlapping Governmental Activities Debt,
As of June 30, 2010**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Local Municipality	\$ 5,799,000.00	100.00%	\$ 5,799,000.00
Other debt			
County of Atlantic	85,489,142.26	1.74%	1,488,182.82
Atlantic County Utilities Authority	104,287,755.00	1.74%	1,815,426.39
Atlantic County Improvement Authority	59,176,797.00	1.74%	<u>1,030,141.26</u>
Subtotal, overlapping debt			10,132,750.47
City of Absecon School District Direct Debt			<u>\$ 1,282,000.00</u>
Total direct and overlapping debt			<u><u>\$ 11,414,750.47</u></u>

Sources: Atlantic County Abstract of Ratables; City of Absecon; County of Atlantic.

**Absecon Board of Education
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2001	7,632	\$ 246,780.72	\$ 32,335	5.20%
2002	7,663	251,737.21	32,851	6.40%
2003	7,783	261,687.81	33,623	6.70%
2004	7,824	271,265.90	34,671	5.80%
2005	7,906	283,240.36	35,826	5.50%
2006	7,997	297,440.42	37,194	6.10%
2007	8,046	310,197.44	38,553	6.00%
2008	8,368	333,339.28	39,835	7.50%
2009	8,573	Not Available	Not Available	13.3%
2010	Not Available	Not Available	Not Available	Not Available

Source: New Jersey Department of Labor and Workforce Development

**Absecon Board of Education
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
		1	0.00%			0.00%
This Information is not available for this district.		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
	Totals	<u>-</u>		<u>0.00%</u>	<u>-</u>	

Source:

**Absecon Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
Instruction:										
Regular instruction	61.6	61.6	61.6	60.6	59.6	59.6	58.1	60	58	63
Special education instruction	3	3	3	4	5	5	5	5	6	6
Other special education instruction	10	10	10	10	10	10	9	9	13	9
Support Services:										
Student & instruction related services	10	10	10	10	10	10	10	12	12	12
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	6							6	6	5
Business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	9	9	9	9	9	9	9	9	9	9
Food Service	8	8	8	8	8	8	8	8	8	7
Child Care	8	8	8	8	9	9	9	8	9	9
Total	121	115	115	115	116	116	113	122	126	125

Source: District Personnel Records

**Absecon Board of Education
Operating Statistics,
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2001	928	\$ 6,085,824 C	\$ 6,558	6.63%	80	14.2:1	12.4:1	N/A	928 A	877 A	-0.32%	94.54%
2002	961	6,804,841 C	7,081	7.97%	79	13.5:1	13.0:1	N/A	961 A	918 A	3.56%	95.48%
2003	985	7,366,815 C	7,479	5.62%	65	13.3:1	13.1:1	N/A	985 A	936 A	2.50%	95.00%
2004	942	8,384,742 C	8,901	19.01%	79	13.6:1	12.5:1	N/A	942 A	896 A	-4.37%	95.10%
2005	910	7,977,060 C	8,766	-1.52%	76	13.3:1	11.6:1	N/A	910 A	869 A	-3.40%	95.50%
2006	869	9,334,234 D	10,741	22.53%	76	15.3:1	9.2:1	N/A	831 B	793 B	-8.69%	95.43%
2007	847	9,661,491 D	11,407	6.19%	72	13.2:1	12.9:1	N/A	819 B	783 B	-1.43%	95.56%
2008	822	9,988,046 D	12,151	6.52%	72	11.0:1	12.2:1	N/A	814 B	779 B	-0.61%	95.70%
2009	833	9,825,002 D	11,795	-2.93%	75	10.9:1	11.2:1	N/A	813 B	776 B	-0.12%	95.45%
2010	815	11,634,483 D	14,275	21.03%	75	12.3:1	11.2:1	N/A	815 B	775 B	0.25%	95.09%

Source: A = Calculated based on ASSA figures
 B = School Register Summary
 C = New Jersey School Report Card
 D - CAFR Report - Schedule C-1

**Absecon Board of Education
School Building Information,
Last Ten Fiscal Years**

Exhibit J-18

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>District Buildings</u>										
<u>Elementary</u>										
H. Ashton Marsh										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)										
Enrollment	541	542	550	527	502	391	493	456	468	462
<u>Middle School</u>										
Emma C. Attales School										
Square Feet	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Capacity (students)										
Enrollment	387	419	435	415	408	478	354	366	365	353
<u>Other</u>										
Administration										
Square Feet	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360

Number of Schools at June 30, 2010
 Elementary - 1
 Middle - 1
 Other - 1

Source: District Records, ASSA

Absecon Board of Education
 General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Nine Fiscal Years
 (Unaudited)

Exhibit J-19

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2002	2003	2004	2005	2006	2007	2008	2009	2010
Emma C. Attales School	N/A	\$ 29,578	\$ 36,287	\$ 31,999	\$ 39,012	\$ 37,035	\$ 50,713	\$ 47,354	\$ 51,797	\$ 39,006
H. Ashton Marsh School	N/A	36,151	44,351	39,110	47,681	45,265	44,972	53,399	58,410	47,673
Total School Facilities		<u>65,729</u>	<u>80,638</u>	<u>71,109</u>	<u>86,693</u>	<u>82,300</u>	<u>95,686</u>	<u>100,753</u>	<u>110,207</u>	<u>86,679</u>
Grand Total		<u>\$ 65,729</u>	<u>\$ 80,638</u>	<u>\$ 71,109</u>	<u>\$ 86,693</u>	<u>\$ 82,300</u>	<u>\$ 95,686</u>	<u>\$ 100,753</u>	<u>\$ 110,207</u>	<u>\$ 86,679</u>

Source: District Records

**Absecon Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2010
(Unaudited)**

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
Selective Way Ins Co	School Package Policy (1)		
	Property:		
	Blanket Buildings & Contents	\$ 26,225,122	\$ 500
	Boiler and Machinery: Property Damage	Unlimited	500
	General Liability	2,000,000	1,000
	Business Auto	1,000,000	500
	Inland Marine	440,000	250
	Umbrella Policy	5,000,000	N/A
NJ School Boards Assn Ins Gp	Worker's Compensation (2)	Statutory/\$2,000,000	N/A
	Excess over Worker's Compensation (3)	52 Weeks/\$1,400 wk	N/A
NJ School Boards Assn Ins Gp	School Boards Legal Liability (2)		
	Coverage A	6,000,000	5,000/ claim
	Coverage B (limit \$300,000 / policy period)	100,000	5,000/ claim
Selective Way Ins Co	Surety Bonds:		
	Public Employees - Blanket Dishonesty Bond (1)	50,000	N/A
	Public Official Bonds: (1)		
	Business Administrator/Board Secretary	100,000	N/A
	Treasurer of School Monies	250,000	N/A
Peoples Benefit Life Ins Co	Student Accident Insurance (4)		
	Compulsory Participation (Maximum Limit)	1,000,000	N/A
	Disability Lump Sum Payment	50,000	N/A
Westport Insurance Corp.	Errors & Omissions Liability	5,000,000	25,000

Source: District Records

SINGLE AUDIT SECTION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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K-1 REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of Board of Education
Absecon School District
County of Atlantic
Absecon, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities. Each major fund and the aggregate remaining fund information of the Absecon Board of Education School District in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 3, 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Absecon Board of Education's basic 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 that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of the Absecon Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* dated November 3, 2010.

This report is intended for the information of the management of the Absecon Board of Education, the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 3, 2010



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-2 REPORT ON COMPLIANCE WITH REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of Board of Education
City of Absecon School District
County of Atlantic,
Absecon, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Absecon School District in the County of Atlantic, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2010. Absecon Board of Education's 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 Absecon Board of Education's management. Our responsibility is to express an opinion on Absecon Board of Education's compliance based on our audit.

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

In our opinion Absecon Board of Education School District, in the County of Atlantic, 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 Absecon Board of Education School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Absecon Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program 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 NJ Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Absecon Board of Education's internal control over compliance.

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

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

This report is intended for the information of the management of the Absecon Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 3, 2010

CITY OF ABSECON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2010									
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor							
U.S. Department of Education																					
General Fund																					
State Fiscal Stabilization Fund Cluster:																					
ARRA - SFSF- ESF (Educ. State Grants)	84.394	N/A	\$ 150,930.00	9/1/2009	6/30/2010	\$ -	\$ -	\$ 150,930.00	\$ (150,930.00)	\$ -	\$ -	\$ -	\$ -	\$ -							
ARRA - SFSF- GSF (Government Services)	84.397	N/A	5,843.00	9/1/2009	6/30/2010	-	-	5,843.00	(5,843.00)	-	-	-	-	-							
Total State Fiscal Stabilization Fund Cluster						-	-	156,773.00	(156,773.00)	-	-	-	-	-							
Total General Fund													-	-	156,773.00	(156,773.00)	-	-	-	-	-
U.S. Department of Education																					
Passed-Through State Department of Education:																					
Special Revenue Fund:																					
Special Education Cluster (IDEA):																					
I.D.E.A. Part B, Basic	84.027	FT001008	328,019.00	9/1/2007	8/31/2008	43,217.28	-	-	(1,804.50)	-	(41,412.78)	-	-	-							
I.D.E.A. Part B, Basic	84.027	FT001009	325,963.00	9/1/2008	8/31/2009	(83,096.00)	(96,908.00)	180,004.00	-	-	-	-	-	-							
I.D.E.A. Part B, Basic	84.027	FT0010010	330,691.00	9/1/2009	8/31/2010	-	96,908.00	147,264.00	(268,121.99)	-	-	(183,427.00)	159,477.01	-							
I.D.E.A. Part B, Preschool	84.027	PS001010	8,746.00	9/1/2009	8/31/2010	-	-	8,746.00	(8,746.00)	-	-	-	-	-							
IDEIA Part B, Basic ARRA	84.391	FT0010010	376,711.00	9/1/2009	8/31/2010	-	-	152,954.00	(156,880.54)	-	-	(223,757.00)	219,830.46	-							
IDEIA Preschool -ARRA	84.392	FT0010010	13,613.00	9/1/2009	8/31/2010	-	-	5,860.00	(5,860.06)	-	-	(7,753.00)	7,752.94	-							
Total Special Education Cluster (IDEA)						(39,878.72)	-	494,828.00	(441,413.09)	-	(41,412.78)	(414,937.00)	387,060.41	-							
Title I, Part A Cluster:																					
Title I - Carry Over	84.010A	NCLB001007	143,545.00	9/1/2006	8/31/2007	347.63	-	-	(347.63)	-	-	-	-	-							
Title I	84.010A	NCLB001008	117,975.00	9/1/2007	8/31/2008	5,357.33	-	-	(5,357.33)	-	-	-	-	-							
Title I	84.010A	NCLB001009	101,281.00	9/1/2008	8/31/2009	(946.48)	-	13,551.00	(12,604.52)	-	-	-	-	-							
Title I	84.010A	NCLB001010	133,652.00	9/1/2009	8/31/2010	-	-	110,806.00	(124,301.43)	-	-	(22,846.00)	9,350.57	-							
ARRA - Title 1 - Part A	84.839	NCLB001010	42,514.00	9/1/2009	8/31/2010	-	-	11,343.00	(42,514.00)	-	-	(31,171.00)	-	-							
Total Title I, Part A Cluster						4,758.48	-	135,700.00	(185,124.91)	-	-	(54,017.00)	9,350.57	-							
No Child Left Behind (NCLB):																					
Title II - Part A	84.281A	NCLB001007	36,618.00	9/1/2006	8/31/2007	1,824.02	-	-	(1,824.02)	-	-	-	-	-							
Title II - Part A	84.281A	NCLB001008	36,301.00	09/01/07	8/31/2008	603.52	-	-	(603.52)	-	-	-	-	-							
Title II - Part A	84.281A	NCLB001009	36,876.00	9/1/2008	8/31/2009	(5,289.53)	(3,357.48)	9,199.00	(551.99)	-	-	-	-	-							
Title II - Part A	84.281A	NCLB001010	38,852.00	9/1/2009	8/31/2010	-	3,357.48	19,725.00	(32,135.00)	-	-	(19,127.00)	10,074.48	-							
Title II - Part D	84.281D	NCLB001009	841.00	9/1/2008	8/31/2009	(44.00)	-	44.00	-	-	-	-	-	-							
Title II - Part D	84.281D	NCLB001010	1,361.00	9/1/2009	8/31/2010	-	-	1,237.00	(1,281.07)	-	-	(124.00)	79.93	-							
Title III	84.365	NCLB001008	10,115.00	09/01/07	8/31/2008	4,401.44	-	-	(4,401.44)	-	-	-	-	-							
Title III - Immigrant	84.365	NCLB001009	8,677.00	9/1/2008	8/31/2009	-	-	8,677.00	(8,677.00)	-	-	-	-	-							
Title III - Immigrant	84.365	NCLB001010	12,433.00	9/1/2009	8/31/2010	-	-	548.00	(548.00)	-	-	(11,885.00)	11,885.00	-							
Title IV	84.186A	NCLB001007	5,476.00	9/1/2006	8/31/2007	1,137.20	-	-	(868.20)	-	(269.00)	-	-	-							
Title IV	84.186A	NCLB001008	5,553.00	9/1/2007	8/31/2008	2,869.34	-	-	(2,869.34)	-	-	-	-	-							
Title IV	84.186A	NCLB001009	3,661.00	9/1/2008	8/31/2009	-	-	800.46	(800.46)	-	-	-	-	-							
Title IV	84.186A	NCLB001010	3,921.00	9/1/2009	8/31/2010	-	-	718.54	-	-	-	(3,202.46)	3,921.00	-							
Title V	84.010A	NCLB001008	1,982.00	9/1/2007	8/31/2008	68.21	-	-	-	-	(68.21)	-	-	-							
Total Special Revenue Fund						(29,550.04)	-	671,477.00	(681,098.04)	-	(41,749.99)	(503,292.46)	422,371.39	-							
U.S. Department of Education																					
Passed-through State Department of Education:																					
Enterprise Fund:																					
Food Distribution Program																					
Food Distribution Program	10.550	N/A	11,773.90	7/1/2009	6/30/2010	-	-	11,773.90	(11,773.90)	-	-	-	-	-							
Child Nutrition Cluster:																					
National School Lunch Program	10.555	N/A	82,007.34	7/1/2009	6/30/2010	-	-	75,113.05	(82,007.34)	-	-	(6,894.29)	-	-							
National School Lunch Program	10.555	N/A	78,570.75	7/1/2008	6/30/2009	(4,891.30)	-	4,891.30	-	-	-	-	-	-							
National School Breakfast Program	10.553	N/A	5,587.42	7/1/2009	6/30/2010	-	-	4,638.28	(5,587.42)	-	-	(949.14)	-	-							
National School Breakfast Program	10.553	N/A	6,727.60	7/1/2008	6/30/2009	(438.65)	-	438.62	-	-	-	-	-	-							
Total Child Nutrition Cluster:						(5,329.95)	-	85,081.25	(87,594.76)	-	-	(7,843.43)	-	-							
Total Enterprise Fund						(5,329.95)	-	96,855.15	(99,368.66)	-	-	(7,843.43)	-	-							
Total Federal Financial Awards						\$ (34,879.99)	\$ -	\$ 925,105.15	\$ (937,239.70)	\$ -	\$ (41,749.99)	\$ (511,135.89)	\$ 422,371.39	\$ -							

CITY OF ABSECON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2010			MEMO		
			From	To	Deferred Revenue (Accts Rec.)	Due to Grantor	Adjustments Amount				(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
State Aid Public Cluster:																
Equalization Aid	10-495-034-5120-022	\$ 707,246.00	7/1/2009	6/30/2010	\$	\$	\$	620,845.40	(707,246.00)	\$	\$	\$	\$	(86,400.60)	\$ 707,246.00	
Equalization Aid	09-495-034-5120-078	402,901.00	7/1/2008	6/30/2009				40,290.10								
Special Education Aid	10-495-034-5120-011	464,825.00	7/1/2009	6/30/2010				438,946.60	(464,825.00)					(25,878.40)	464,825.00	
Special Education Categorical Aid	09-495-034-5120-089	434,274.00	7/1/2008	6/30/2009				34,120.50								
Security Aid	10-495-034-5120-084	111,683.00	7/1/2009	6/30/2010				111,683.00	(111,683.00)						111,683.00	
Security Aid	09-495-034-5120-084	93,069.00	7/1/2008	6/30/2009				18,613.80								
Adjustment Aid	09-495-034-5120-085	496,411.00	7/1/2008	6/30/2009				104,964.10								
Total State Aid Public Cluster								1,369,463.50	(1,283,754.00)					(112,279.00)	1,283,754.00	
Transportation Aid	10-495-034-5120-014	125,995.00	7/1/2009	6/30/2010				-	(125,995.00)						125,995.00	
Transportation Aid	09-495-034-5120-014	136,413.00	7/1/2008	6/30/2009				13,641.30								
Extraordinary Aid	10-100-034-5120-473	15,858.00	7/1/2009	6/30/2010				-	(15,858.00)				(15,858.00)		15,858.00	
Extraordinary Aid	09-100-034-5120-473	8,869.00	7/1/2008	6/30/2009				(8,869.00)								
On Behalf TPAF Pension Contributions	10-495-034-5095-001	356,385.00	7/1/2009	6/30/2010				356,385.00	(356,385.00)						356,385.00	
Reimbursed TPAF Social Security Contributions	09-495-034-5095-002	399,526.98	7/1/2008	6/30/2009				1,564.65								
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	410,281.49	7/1/2009	6/30/2010				389,821.86	(410,281.49)					(20,459.63)	410,281.49	
Total General Fund								2,265,740.31	(2,192,273.49)				(15,858.00)	(132,738.63)	2,192,273.49	
Special Revenue Fund:																
N.J. Nonpublic Aid:																
Nursing	10-100-034-5120-070	65,311.00	7/1/2009	6/30/2010				65,311.00	(65,311.00)						65,311.00	
Textbook Aid	09-100-034-5120-064	48,497.00	7/1/2008	6/30/2009			986.19		(986.19)							
Textbook Aid	10-100-034-5120-064	55,075.00	7/1/2009	6/30/2010				55,075.00	(55,008.57)					66.43	55,008.57	
Auxiliary Services:																
Compensatory Education	10-100-034-5120-067	124,761.00	7/1/2009	6/30/2010				124,761.00	(87,140.76)					37,620.24	87,140.76	
Home Instruction	09-100-034-5120-067	5,649.01	7/1/2008	6/30/2009				(5,649.01)				(5,649.01)				
Home Instruction	10-100-034-5120-067	4,980.15	7/1/2009	6/30/2010				-	(4,980.15)					(4,980.15)	4,980.15	
Handicapped Services:																
Supplemental Instruction	09-100-034-5120-066	47,082.00	7/1/2008	6/30/2009			5,782.00		(5,782.00)							
Supplemental Instruction	10-100-034-5120-066	39,025.00	7/1/2009	6/30/2010				39,025.00	(34,636.77)					4,388.23	34,636.77	
Examination & Classification	09-100-034-5120-066	53,309.00	7/1/2008	6/30/2009			3,515.47		(3,515.47)							
Examination & Classification	10-100-034-5120-066	55,955.00	7/1/2009	6/30/2010				55,955.00	(52,665.14)					3,289.86	52,665.14	
Corrective Speech	09-100-034-5120-066	7,440.00	7/1/2008	6/30/2009			2,790.00		(2,790.00)							
Corrective Speech	10-100-034-5120-066	6,277.00	7/1/2009	6/30/2010				6,277.00	(4,483.55)					1,793.45	4,483.55	
Total Special Revenue Fund								346,404.00	(304,225.94)				(5,649.01)	47,158.21	304,225.94	
Capital Project Fund:																
SDA Grant	0010-060-09-0JAL	498,770.00	7/1/2009	6/30/2010				469,696.72	(494,417.60)					(24,720.88)	494,417.60	
Total Capital Project Fund								469,696.72	(494,417.60)					(24,720.88)	494,417.60	
State Department of Agriculture:																
Enterprise Fund:																
Child Nutrition Cluster:																
National School Lunch Program (State Share)	10-100-010-3360-067	4,198.86	7/1/2009	6/30/2010				3,852.14	(4,198.86)					(346.72)	4,198.86	
National School Lunch Program (State Share)	09-100-010-3360-067	4,457.98	7/1/2008	6/30/2009			(278.04)	278.04								
National School Breakfast Program (State Share)	10-100-010-3360-096	415.70	7/1/2009	6/30/2010				348.80	(415.70)					(66.90)	415.70	
National School Breakfast Program (State Share)	09-100-010-3360-096	552.40	7/1/2008	6/30/2009			83.20		(58.80)					24.40		
Total Child Nutrition Cluster								4,478.98	(4,614.56)					24.40	(413.62)	4,614.56
Total Enterprise Fund								4,478.98	(4,614.56)					24.40	(413.62)	4,614.56
Total State Financial Assistance								\$ 3,086,320.01	\$ (2,995,531.59)				\$ (21,507.01)	\$ 47,182.61	\$ (162,853.28)	\$ 2,995,531.59

CITY OF ABSECON SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2010

Note 1: General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Absecon School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies 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 on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's basic financial statements. The information in this schedule 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 this schedule 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 (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(14,069.00) for the general fund. No adjustment was necessary for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 156,773.00	\$ 2,184,246.49	\$ 2,341,019.49
Special Revenue Fund	681,098.04	304,225.94	985,323.98
Capital Projects Fund		498,770.00	498,770.00
Food Service Fund	<u>99,368.66</u>	<u>4,614.56</u>	<u>103,983.22</u>
Total Financial Assistance	<u>\$ 937,239.70</u>	<u>\$ 2,991,856.99</u>	<u>\$ 3,929,096.69</u>

CITY OF ABSECON SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2010
(Continued)

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

Revenues and expenditures reported under Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Non-Contributory Insurance and TPAF post-retirement contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2010. These amounts, \$18,016.00 and \$338,369.00 respectively are reported in the basic financial statements as both a revenue and expenditure of the District. These amounts are also reported on the schedule of state financial assistance but were not considered for major program determination. TPAF social security contributions represent 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. This amount, \$410,281.49 is reported in the basic financial statements as both a revenue and expenditure of the District. This amount is reported on the schedule of state financial assistance.

Note 6: Adjustments

The District has instances where a grant period overlaps fiscal years and the grant has not closed out as of the end of the current fiscal year. Both favorable and unfavorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in the prior year are included in the schedule(s) of financial assistance in a column entitled "Adjustments."

**CITY OF ABSECON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified Opinion issued on the General-Purpose Financial Statements, dated November 3, 2010.

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor’s report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173, 84.391, 84.392	Special Education Cluster - IDEA Part Basic & Preschool

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes _____ No

**CITY OF ABSECON SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDING JUNE 30, 2010
 (CONTINUED)**

Section I – Summary of Auditor’s Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

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

Internal Control over major programs:

1) Material weakness(es) identified? Yes X No

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 Yes X No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
10-495-034-5095-002	Reimbursed TPAF Social Security Contributions
0010-060-09-0JAL	SDA Grant – Heat Pump Replacement Project

**CITY OF ABSECON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2010
(CONTINUED)**

Section II – Financial Statement Findings

In accordance with *Government Auditing Standards*, our audit disclosed no findings relating to the financial statements that are required to be reported under this section. However, we did note immaterial findings that are reported in the Management Report on Administrative Findings.

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

FEDERAL AWARDS

Our audit disclosed no matters to be reported.

STATE AWARDS

Our audit disclosed no matters to be reported.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.