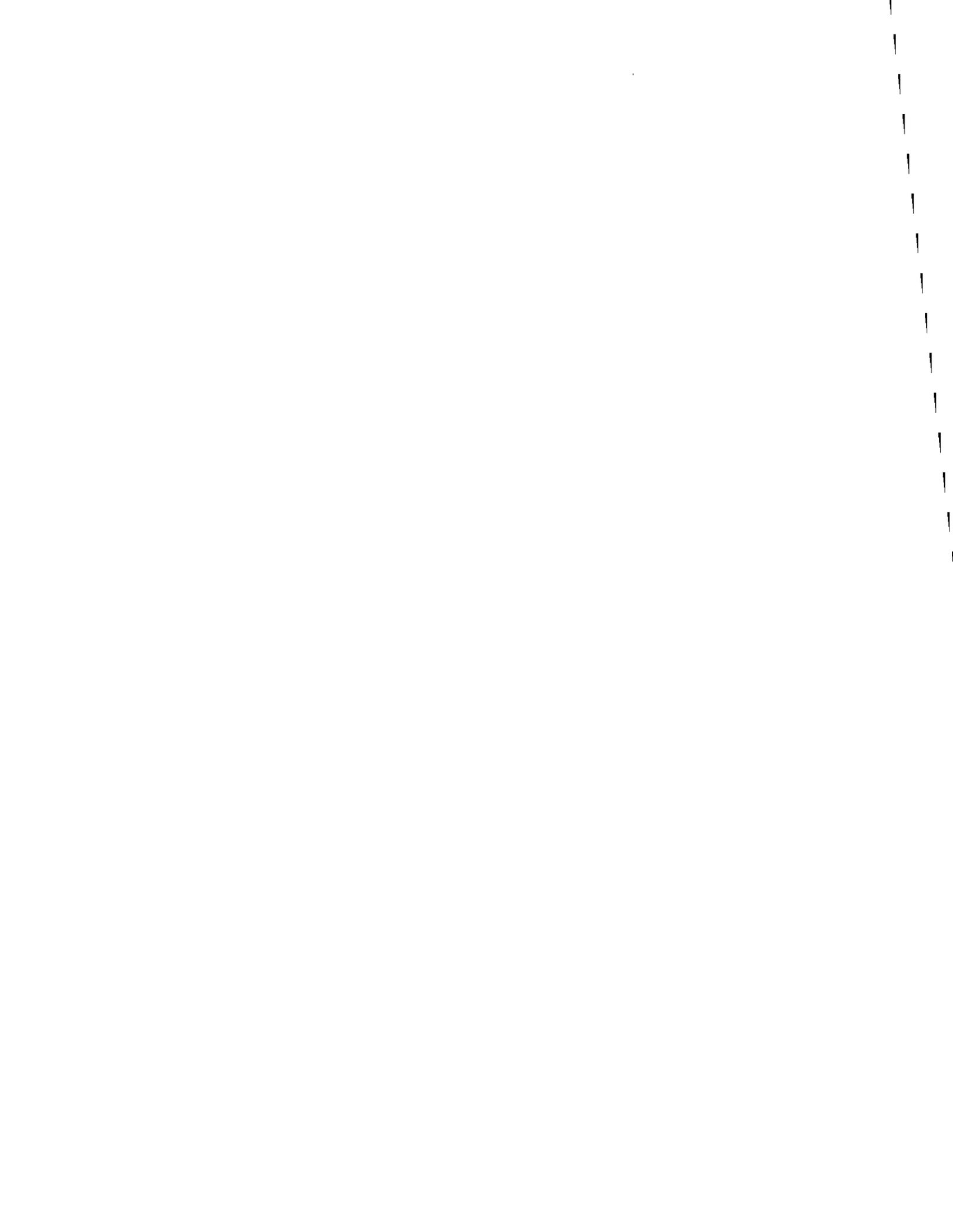


**SCHOOL DISTRICT OF
HAINESPORT TOWNSHIP**

HAINESPORT BOARD OF EDUCATION
Hainesport, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

HAINESPORT TOWNSHIP BOARD OF EDUCATION

HAINESPORT, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by

**Hainesport Township Board of Education
Finance Department**

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(concluded)

INTRODUCTORY SECTION



Hainesport Township School
 211 Broad Street, P.O. Box 538
 Hainesport, NJ 08036
 (609) 267-1316
 Fax: (609) 702-0142

October 18, 2010

Main Office
 Ext. 201

Superintendent/Principal
 Virginia Grossman

Secretary
 Cora Schiers

Secretary
 Margaret Fuddy

Secretary
 Nancy Rivera

Business Office
 Ext. 215

Business Administrator
 John Snuffin

Assistant to BA
 Pat Gwynne

Child Study Team Office
 Ext. 209

Special Services Supervisor
 Jonathan Hart

Secretary
 Meryl Pellicore

Facility Manager's Office
 Ext. 180

Building & Grounds Supervisor
 Joe Idell

Guidance Office
 Ext. 239 & 140

Guidance
 Patricia Schanely
 Rose Wenz

Honorable President and
 Members of the Board of Education
 Township of Hainesport School District
 County of Burlington
 Hainesport, New Jersey 08036

Dear President and Members:

The comprehensive annual financial report of the Hainesport Township School District for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre K through 8. These include regular and disabled youngsters. The District completed the 2009-10 fiscal year with an enrollment of 699 students. The following details the changes in the student enrollment of the District over the last five years.

AVERAGE DAILY ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2009-2010	699	3.41%
2008-2009	673	3.85%
2007-2008	648	(0.15)%
2006-2007	649	(2.99)%
2005-2006	669	6.02%

2) **ECONOMIC CONDITION AND OUTLOOK:** There continues to be much interest in constructing new homes in Hainesport. Developments are planned for 5 homes at Fenimore Farms and 4 homes at Deacon Hill Court. Subdivisions have been approved for 16 homes at Deacon Woods and for 4 homes for Harbor Properties, LLC.

3) **MAJOR INITIATIVES:** The district will continue its student rewards program, including Student Honor Roll and “Hainesport Hawk Drawings” which motivate students to increase grades, enhance professional growth and development, reduce the number of discipline referrals and participate in community service servicing the school as well as local communities. The Young Consumers Program sponsored by Wakefern Corp. Shop Rite teaches fourth graders hands on math skills that they can apply on a shopping experience in a supermarket. The district has enhanced the teacher observation model, utilizing domains of instruction based upon Charlotte Danielson’s work.

In the 2009/10 school year, the District identified Literacy, particularly writing as a primary curricular goal, utilizing staff and student development to increase achievement. A continued goal of increasing mathematics proficiency and increasing end-of-year math assessment scores will also be implemented. Based on the results of the 2010 NJASK tests for grades 3-7 in Language Arts Literacy and Math the District will continue these goals. The district is looking to increase both proficient and advanced proficiency scores.

The District has supported a third student computer lab as well as utilization of a mobile computer lab to keep our students on the cutting edge of technology and Twenty-first Century Learning Skills. The implementation of our student information system, PowerSchool, has greatly improved data storage and retrieval.

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District Management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial

assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
- 7) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. 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 Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 8) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
- 9) **OTHER INFORMATION:** State statutes require an annual audit by an independent certified public accountant. The accounting firm of Holman & Frenia, Certified Public Accountants, was selected by the Board. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 10) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Hainesport Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of Hainesport School District and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,


Virginia Grossman

Chief School Administrator



John Snuffin

Board Secretary/Business Administrator

Organizational Chart

Board of Education

Chief School Administrator

Board Secretary

Business Administrator

**Supervisor of Building, Grounds
& Transportation**

Custodians

Assistants

Food Services

Supervisor of Special Services

Child Study Team Members

Child Study Team Secretary

Professional Staff

Secretary

Clerk

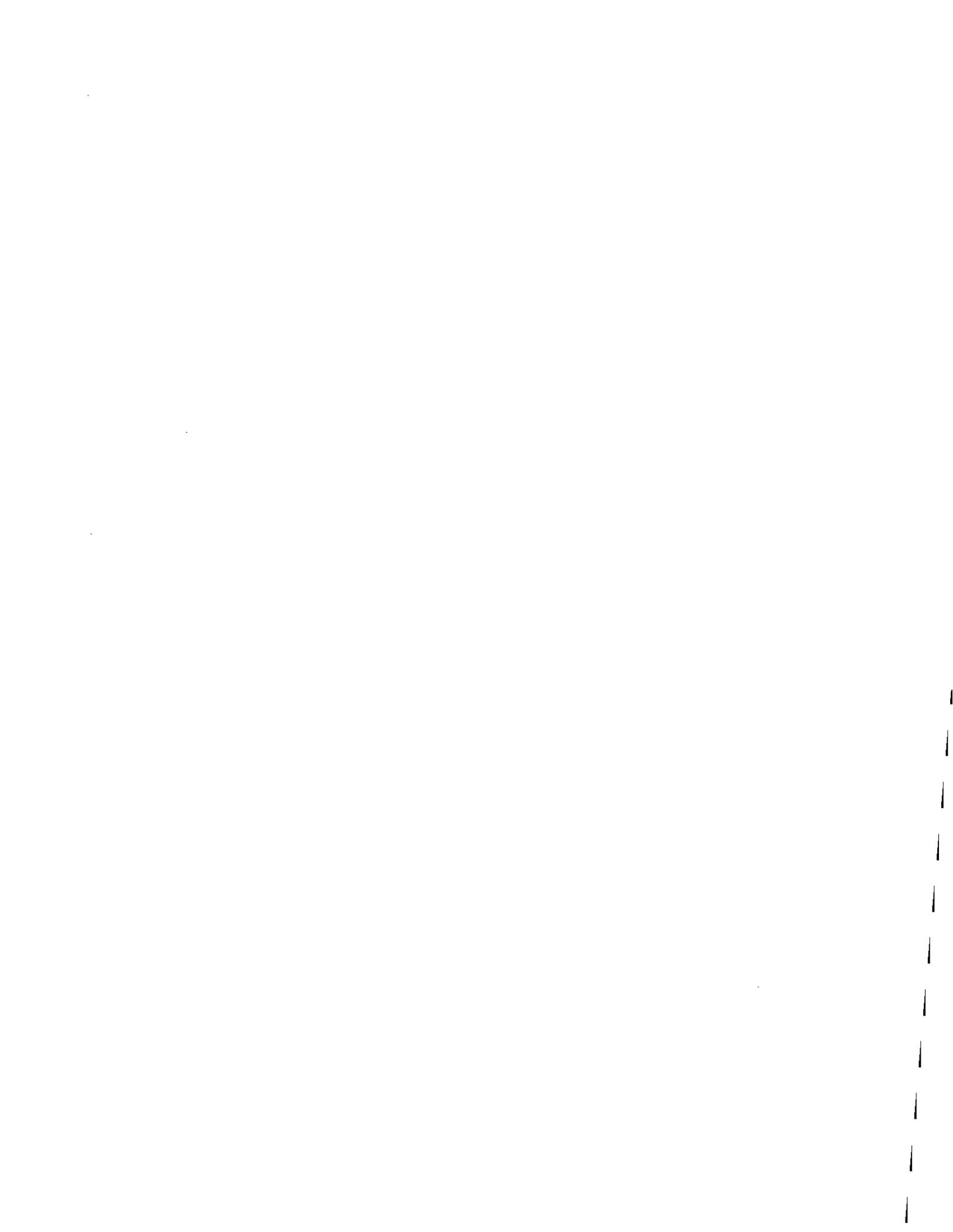
Paraprofessionals

Technology Coordinator

Superintendent's Secretary

1st Reading: August 26, 2010
2nd Reading: September 23, 2010

Adoption: Feb. 3, 2000
Reviewed: March 5, 2009
Revised: December 10, 2009
September 23, 2010



HAINESPORT TOWNSHIP BOARD OF EDUCATION
211 Broad Street
Hainesport, New Jersey 08036

ROSTER OF OFFICIALS
JUNE 30, 2010

MEMBERS OF THE BOARD OF EDUCATION **TERM EXPIRES**

Elizabeth Palmese, President	2012
Jonathan Soltesz, Vice President	2011
Fred Glasgow	2013
Kimberly A. Heminway	2011
Steven Maranz	2012
Bianca Masciocchi	2013
Ronald Napoli	2013
Michael Smith	2011
Michelle Turner	2012

OTHER OFFICIALS

- Virginia Grossman, Superintendent/Principal
- John Snuffin, Board Secretary/Business Administrator
- Sharon Deviney, Treasurer
- Capehart & Scatchard, Solicitor

HAINESPORT TOWNSHIP BOARD OF EDUCATION
211 Broad Street
Hainesport, New Jersey 08036

CONSULTANTS AND ADVISORS

AUDIT FIRM

Holman & Frenia, P. C.
Kevin P. Frenia, CPA, PSA
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Capehart & Scatchard
8000 Midlantic Drive, Suite 300
Mt. Laurel, New Jersey 08054

ARCHITECT

Regan Young England Butera
486 High Street
Mt. Holly, New Jersey 08060

OFFICIAL DEPOSITORY

Bank of America
10 Rancocas Road
Mt. Holly, New Jersey 08060

TD Bank
Route 541 & Levis Drive
Mt. Holly, New Jersey 08060

Beneficial Bank
53 East Main Street
Moorestown, New Jersey 08057

FINANCIAL SECTION



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hainesport Township
County of Burlington
Hainesport, New Jersey 08036

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Hainesport Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental 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, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Hainesport Township School District, County of Burlington, 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 October 18, 2010, on our consideration of the Hainesport Township 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 that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis information and budgetary comparison information as listed in the table of contents is not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management

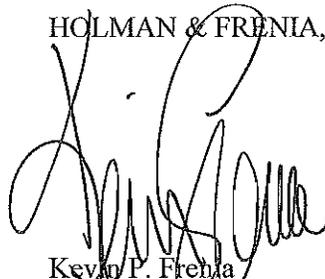
regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

The accompanying schedules of expenditures of state financial assistance are presented for purposes of additional analysis as required by 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* respectively, and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia
Certified Public Accountant
Public School Accountant
No. 1011

Medford, New Jersey
October 18, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

**Hainesport Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

As management of the Board of Education of the Hainesport Township, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$5,009,926 (net assets).

Governmental activities have an unrestricted net assets deficit of \$390,618. The accounting treatments in the governmental funds for compensated absences payable, accrued interest payable, the capital improvement program and the last 2 state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.

The total net assets of the School District increased by \$3,812,611, or a 300.5% increase from the prior fiscal year-end balance.

Fund balance of the School District's governmental funds increased by \$8,646,035. The majority of the increase was due to encumbrances in the capital projects fund as a result of the \$9,625,202 capital project approved by the voters of Hainesport Township.

Business-type activities have unrestricted net assets of \$45,836 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Services Program).

The School District's long-term obligations increased by \$5,214,033 which, is the net result of bonds issued related to the capital project and current year payments on existing debt obligations, capital leases payable and compensated absences payable.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of net activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2010. Long-term liabilities, such as long-term obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2010.

The assets of the primary government activities exceeded liabilities by \$5,009,926 with an unrestricted deficit balance of \$390,618. As mentioned earlier, deficit unrestricted net assets are primarily due to accounting treatment for compensated absences payable, the capital improvement program, accrued interest payable, the last 2 state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The net assets of the primary government do not include internal balances.

A net investment of \$(3,615,220) in land, improvements, buildings, equipment and vehicles which provide the services to the School District's students. Net assets of \$9,041,522 have been restricted as follows:

Designated for the 2010/11 budget	\$ 37,542
Capital reserve	232,799
Capital projects	8,909,209
Debt services	(138,028)

**Hainesport Township School District
Comparative Summary of Net Assets
As of June 30, 2010 and 2009**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets:						
Current Assets	\$9,534,339	753,826	45,836	36,365	9,580,175	790,191
Capital Assets	5,828,096	5,267,493	25,758	36,004	5,853,854	5,303,497
Total assets	15,362,435	6,021,319	71,594	72,369	15,434,029	6,093,688
Liabilities:						
Current Liabilities	859,293	545,596			859,293	545,596
Noncurrent Liabilities	9,493,216	4,279,183			9,493,216	4,279,183
Total Liabilities	10,352,509	4,824,779			10,352,509	4,824,779
Net assets	5,009,926	1,196,540	71,594	72,369	5,081,520	1,268,909
Net Assets Consist of:						
Invested in Capital Assets, Net of Related Debt	(3,640,978)	1,092,687	25,758	36,004	(3,615,220)	1,128,691
Restricted Net Assets	9,041,522	557,534			9,041,522	557,534
Unrestricted Net Assets/(Deficit)	(390,618)	(453,681)	45,836	36,365	(344,782)	(417,316)
Net Assets	\$5,009,926	1,196,540	71,594	72,369	5,081,520	1,268,909

Governmental Activities

Governmental activities increased the net assets of the School District by \$3,813,386 during the current fiscal year, thereby accounting for all the addition of the district. Key elements of the increase in net assets for governmental activities are as follows:

Bond Proceeds in relation to the capital improvement program \$5,853,000

Business-type Activities

Business Type activities decreased the School District's net assets by \$775.

Hainesport Township School District
Comparative Schedule of Changes in Net Assets
As of June 30, 2010 and 2009

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program Revenues:						
Charges for Services			185,569	179,098	185,569	179,098
Operating Grants & Contributions	\$442,917	213,632	63,995	61,323	506,912	274,955
General Revenues:						
Property Taxes	7,094,720	6,930,576			7,094,720	6,930,576
State Aid	5,848,734	2,165,295			5,848,734	2,165,295
Tuition	135,433	106,260			135,433	106,260
Other Revenues	58,533	66,475	292	129	58,825	66,604
Total Revenues	13,580,337	9,482,238	249,856	240,550	13,830,193	9,722,788
Expenses:						
Governmental Activities:						
Instruction	4,394,426	4,200,873			4,394,426	4,200,873
Tuition	40,606	162,611			40,606	162,611
Related Services	842,708	933,162			842,708	933,162
Administrative Services	816,019	815,351			816,019	815,351
Operations & Maintenance	690,863	670,793			690,863	670,793
Transportation	404,197	442,779			404,197	442,779
Unallocated benefits	2,135,543	2,065,618			2,135,543	2,065,618
Special Schools	25,498	21,456			25,498	21,456
Interest on Long-Term Debt	242,451	161,566			242,451	161,566
Other	174,640	33,989			174,640	33,989
Business-Type Activities:						
Food Service Operations			250,631	242,376	250,631	242,376
Total Expenses	9,766,951	9,508,198	250,631	242,376	10,017,582	9,750,574
Increase (Decrease) in Net Assets Before transfers	3,813,386	(25,960)	(775)	(1,826)	3,812,611	(27,786)
Changes in Net Assets	3,813,386	(25,960)	(775)	(1,826)	3,812,611	(27,786)
Net assets July 1,	1,196,540	1,222,500	72,369	74,195	1,268,909	1,296,695
Net Assets June 30,	\$5,009,926	1,196,540	71,594	72,369	5,081,520	1,268,909

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the School District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District’s financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$9,322,693, an increase of \$8,646,035 in comparison with the prior year. This increase is the result of the capital improvement program.

The unreserved fund balance for the School District at the end of the fiscal year includes the General Fund of \$119,720 , the Capital Projects Fund of \$2,403,537 and the Debt Service Fund of \$4,023. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) restricted cash reserved for future capital outlay expenditures (\$232,799), 2) appropriated as a revenue source in the subsequent year’s budget (\$25,646), 3) reserved for future budget appropriations in accordance with state statute (\$31,296), 4) reserved for encumbrances (\$6,505,652).

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the deficit unreserved fund balance is due, primarily, to the accounting treatment of the last 2 state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The special revenue fund reflects no fund balance as revenue is generally recognized at the time that the outlays are identified.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget of \$42,218 represents additional salaries for an additional MD program that was added with additional revenue from out of district tuition.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$257,395, while the total fund balance (budgetary basis) was \$527,736. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$9,163,427. Unreserved fund balance (budgetary basis) represents 2.80% of expenditures while total fund balance (budgetary basis) represents 5.75% of that same amount.

Capital Asset and Debt Administration

The School District’s investment in capital assets for its governmental and business-type activities as of June 30, 2010, totaled \$5,853,854 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total increase in the District’s investment in capital assets for the current fiscal year was \$550,357. This increase is primarily due to additions related to the capital improvement program in the amount of \$715,993 offset by current year depreciation of \$232,085.

Hainesport Township School District
Capital Assets (net of accumulated depreciation)
As of June 30, 2010 and 2009

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$40,490	40,490			40,490	40,490
Construction in Progress	715,993				715,993	
Site Improvements	8,032	9,103			8,032	9,103
Buildings & Building Improvements	4,807,248	4,995,495			4,807,248	4,995,495
Equipment	256,333	137,097	25,758	36,004	282,091	173,101
Vehicles		85,308				85,308
Net Assets	<u>\$5,828,096</u>	<u>5,267,493</u>	<u>25,758</u>	<u>36,004</u>	<u>5,853,854</u>	<u>5,303,497</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 4) of this report.

Long-term debt - During the fiscal year ended June 30, 2010, the School District had total bonded debt outstanding of \$9,442,640 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for capital leases in the amount of \$80,000.

There were additional general obligation bonds in the amount of \$5,853,000 issued in the 2009/10 fiscal year in relation to the capital improvement program. All other general obligation bonds and capital lease payable decreased during the current fiscal year according to the normal schedule of payments.

The school district continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

State statutes limit the amount of amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$26,885,749 and the legal debt margin was \$17,443,109.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2010-11 fiscal year:

- For calendar year 2009, the inflation rate was (.04)% percent. For the 2010-11 Fiscal year the School District will be receiving \$305,104 less in state aid than the previous year. The School District is currently in negotiations so the salary increases for the 2009/2010 and the 2010/11 fiscal years have not been set. Health benefit costs are expected to increase 6 percent, prescription benefit costs are expected to increase 6 percent and dental benefit costs are expected to increase 2.5 percent.
- Projected increases in salaries, increases in health benefit costs and a reduction in State aid contributed to an increase in school property tax of \$.04 in the 2010/11 school year.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hainesport Township School District Business Administrator, 211 Broad Street P.O. Box 538, Hainesport, New Jersey 08036, telephone number (609) 265-8050.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements



HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$5,346,560	35,483	5,382,043	327,110
Receivables, Net	3,901,414	2,739	3,904,153	163,551
Inventory		7,614	7,614	8,735
Restricted Assets:				
Cash & Cash Equivalents	232,799		232,799	229,576
Deferred Bond Issuance Costs - Net	53,566		53,566	61,219
Capital Assets - Net (Note 6)	5,828,096	25,758	5,853,854	5,303,497
Total Assets	15,362,435	71,594	15,434,029	6,093,688
LIABILITIES				
Accounts Payable	158,072		158,072	15,751
Deferred Revenue	8		8	198
Accrued Interest Payable	161,451		161,451	76,487
Noncurrent Liabilities (Note 7):				
Due Within One Year	539,762		539,762	453,160
Due Beyond One Year	9,493,216		9,493,216	4,279,183
Total Liabilities	10,352,509		10,352,509	4,824,779
NET ASSETS				
Invested in Capital Assets, Net of Related	(3,640,978)	25,758	(3,615,220)	1,128,691
Restricted For:				
Capital Projects	8,909,209		8,909,209	229,576
Debt Service	(138,028)		(138,028)	618
Other Purposes	270,341		270,341	327,340
Unrestricted	(390,618)	45,836	(344,782)	(417,316)
Total Net Assets	\$5,009,926	71,594	5,081,520	1,268,909

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

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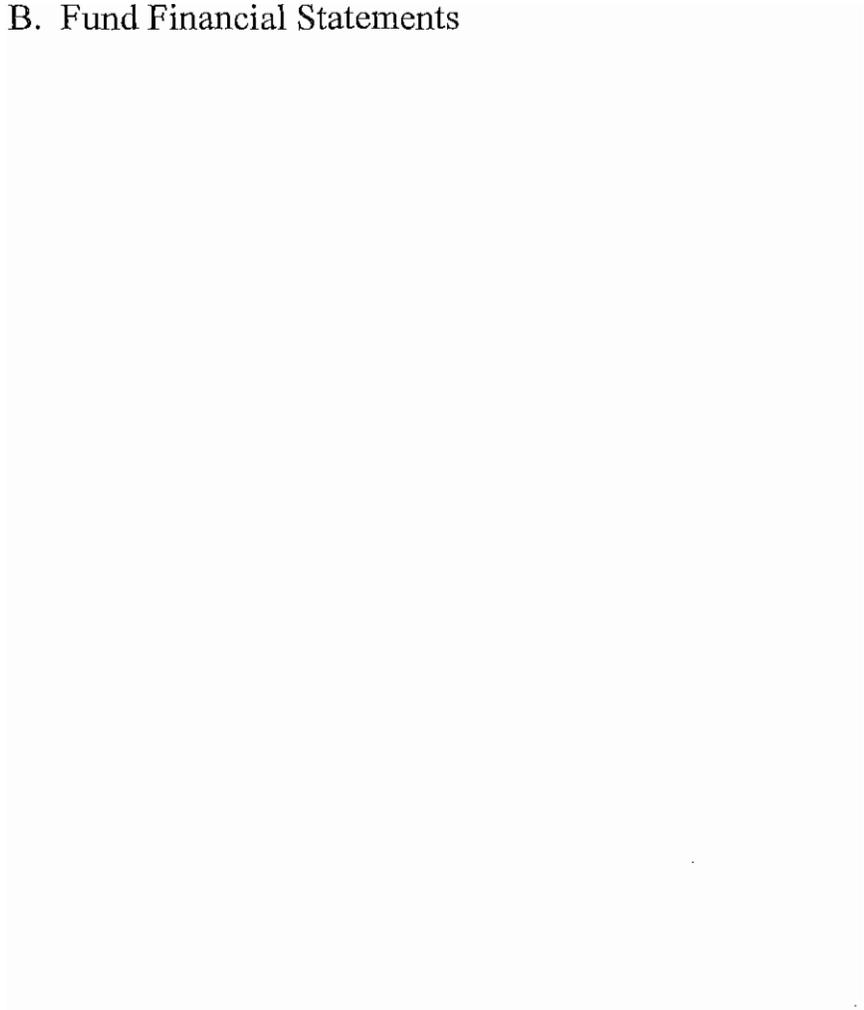
FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Governmental Activities:							
Instruction:							
Regular	\$3,006,838		251,735	(2,755,103)		(2,755,103)	(3,065,815)
Special Education	342,215			(342,215)		(342,215)	(592,843)
Other Instruction	1,045,373			(1,045,373)		(1,045,373)	(337,861)
Support Services & Undistributed Costs:							
Tuition	40,606			(40,606)		(40,606)	(162,611)
Student & Instruction Related Services	842,708		9,440	(833,268)		(833,268)	(923,884)
General Administrative Services	352,394			(352,394)		(352,394)	(359,778)
School Administrative Services	253,819			(253,819)		(253,819)	(251,134)
Central Services	209,806			(209,806)		(209,806)	(204,439)
Plant Operations & Maintenance	690,863			(690,863)		(690,863)	(670,793)
Pupil Transportation	404,197			(404,197)		(404,197)	(442,779)
Unallocated Employee Benefits	2,135,543			(2,135,543)		(2,135,543)	(1,499,643)
Special Schools	25,498			(25,498)		(25,498)	(21,456)
Interest on Long-Term Debt	242,451			(242,451)		(242,451)	(65,826)
Reduction In Compensated Absences	(47,199)			47,199		47,199	
Unallocated Depreciation & Amortization	221,839			(221,839)		(221,839)	(33,989)
Total Governmental Activities	9,766,951		261,175	(9,505,776)		(9,505,776)	(8,632,851)

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Business-Type Activities:							
Food Service	250,631	185,569	63,995		(1,067)	(1,067)	(1,955)
Total Business-Type Activities	250,631	185,569	63,995		(1,067)	(1,067)	(1,955)
Total Primary Government	\$10,017,582	185,569	325,170	(9,505,776)	(1,067)	(9,506,843)	(8,634,806)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				6,588,096		6,588,096	6,424,790
Taxes Levied for Debt Service				506,624		506,624	505,786
Federal & State Aid Not Restricted				6,026,342		6,026,342	1,508,966
Investment Earnings				3,223	292	3,515	4,064
Tuition Received				135,433		135,433	106,260
Miscellaneous Income				59,444		59,444	57,154
Total General Revenues, Special Items, Extraordinary Items & Transfers				13,319,162	292	13,319,454	8,607,020
Change In Net Assets				3,813,386	(775)	3,812,611	(27,786)
Net Assets - Beginning				1,196,540	72,369	1,268,909	1,296,695
Net Assets - Ending				\$5,009,926	71,594	5,081,520	1,268,909

See accompanying notes to the financial statements.

B. Fund Financial Statements



Governmental Funds



**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2010	JUNE 30, 2009
Assets:						
Cash & Cash Equivalents	\$213,017	(26,887)	5,137,007	23,423	5,346,560	303,496
Receivables, Net	96,697	32,515	3,772,202		3,901,414	159,535
Restricted Cash & Cash Equivalents	232,799				232,799	229,576
Total Assets	\$542,513	5,628	8,909,209	23,423	9,480,773	692,607
LIABILITIES & FUND BALANCES						
Liabilities:						
Accounts Payable	\$152,452	5,620			158,072	15,751
Deferred Revenue		8			8	198
Total Liabilities	152,452	5,628			158,080	15,949
Fund Balances:						
Reserved for:						
Encumbrances			6,505,652		6,505,652	
Capital Reserve Account	232,799				232,799	229,576
Excess Surplus						25,646
Excess Surplus - Designated for Subsequent Year's Expenditures	25,646				25,646	
Unreserved Designated for Subsequent Year's Expenditures	11,896			19,400	31,296	302,303
Unreserved	119,720		2,403,557	4,023	2,527,300	119,133
Total Fund Balances	390,061		8,909,209	23,423	9,322,693	676,658
Total Liabilities & Fund Balances	\$542,513	5,628	8,909,209	23,423		
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-2) are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,210,192, and the accumulated depreciation is \$4,382,096.					5,828,096	5,267,493
Bond issuance costs are amortized over the life of the Bonds on the statement of net assets.					53,566	61,219
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds:						
General Obligation Bonds					(9,442,640)	(4,042,800)
Capital Lease Payable					(80,000)	(132,006)
Accrued Interest Payable					(161,451)	(76,487)
Compensated Absences Payable					(510,338)	(557,537)
Net assets of Governmental Activities					\$5,009,926	1,196,540

See accompanying notes to the financial statements.

HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2010	JUNE 30, 2009
Revenues:						
Local Sources:						
Local Tax Levy	\$6,588,096			506,624	7,094,720	6,930,576
Tuition	135,433				135,433	106,260
Interest on Capital Reserve	3,223				3,223	3,935
Miscellaneous	31,896	4,134	23,414		59,444	57,154
Total Local Sources	6,758,648	4,134	23,414	506,624	7,292,820	7,097,925
State Sources	1,980,771	862	3,772,202	95,761	5,849,596	2,166,147
Federal Sources	138,029	299,892			437,921	218,166
Total Revenues	8,877,448	304,888	3,795,616	602,385	13,580,337	9,482,238
Expenditures:						
Current Expense:						
Regular Instruction	2,755,103	251,735			3,006,838	3,108,594
Special Education Instruction	342,215				342,215	592,843
Other Instruction	1,045,373				1,045,373	337,861
Support Services:						
Tuition	40,606				40,606	162,611
Student & Instruction Related Services	833,268	9,440			842,708	933,162
General Administrative Services	364,400				364,400	333,442
School Administrative Services	253,819				253,819	251,134
Central Services	209,806				209,806	204,439
Plant Operations & Maintenance	690,863				690,863	669,978
Pupil Transportation	404,197				404,197	429,611
Unallocated Employee Benefits	2,135,543				2,135,543	2,065,618
Capital Outlay	62,736	43,713	715,993		822,442	61,120
Special Schools	25,498				25,498	21,456
Debt Service:						
Principal				453,160	453,160	431,672
Interest & Other Charges				149,834	149,834	171,191
Total Expenditures	9,163,427	304,888	715,993	602,994	10,787,302	9,774,732
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(285,979)		3,079,623	(609)	2,793,035	(292,494)
Other Financing Sources/(Uses):						
Bond Proceeds			5,853,000		5,853,000	
Transfer From Other Funds				23,414	23,414	5,238
Transfer To Other Funds			(23,414)		(23,414)	(5,238)
Total Other Financing Sources/(Uses)			5,829,586	23,414	5,853,000	
Net Change in Fund Balance	(285,979)		8,909,209	22,805	8,646,035	(292,494)
Fund Balance - July 1	676,040			618	676,658	969,152
Fund Balance - June 30	\$390,061	-	8,909,209	23,423	9,322,693	676,658

See accompanying notes to the financial statements.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$8,646,035
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation Expense	(\$221,839)	
Fixed Asset Additions	782,442	560,603

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities liabilities in the statements of net assets.

General Obligation Bonds	453,160	
Capital Leases Payable	52,006	505,166

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

Bond Proceeds		(5,853,000)
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Bond issuance costs are reported in the governmental fund as expenditures in year the Bonds are issued. However, on the statement of activities, the costs are amortized over the life of the Bonds.

(7,653)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).

Prior Year	76,487	
Current Year	(161,451)	(84,964)

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 (+).

Prior Year	557,537	
Current Year	(510,338)	47,199

Change in Net Assets of Governmental Activities	\$3,813,386
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See accompanying notes to the financial statements.

Proprietary Funds

HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	BUSINESS-TYPE	TOTALS	
	ACTIVITIES	(MEMORANDUM ONLY)	
	ENTERPRISE	JUNE 30,	JUNE 30,
	FUNDS	2010	2009
	FOOD		
	SERVICE		
Current Assets:			
Cash & Cash Equivalents	\$35,483	35,483	23,614
Accounts Receivable:			
State	188	188	284
Federal	2,551	2,551	3,732
Inventories	7,614	7,614	8,735
Total Current Assets	45,836	45,836	36,365
Noncurrent Assets:			
Equipment	154,214	154,214	154,214
Less: Accumulated Depreciation	(128,456)	(128,456)	(118,210)
Total Noncurrent Assets	25,758	25,758	36,004
Total Assets	71,594	71,594	72,369
NET ASSETS			
Investment in Capital Assets Net of Related Debt	25,758	25,758	36,004
Unrestricted	45,836	45,836	36,365
Total Net Assets	\$71,594	71,594	72,369

See accompanying notes to the financial statements.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Operating Revenues:			
Local Sources:			
Daily Sales:			
Reimbursable Programs	\$106,848	106,848	84,977
Nonreimbursable Programs	78,721	78,721	94,121
Total Operating Revenue	185,569	185,569	179,098
Operating Expenses:			
Salaries & Fringe Benefits	87,079	87,079	78,678
Management Fee	11,500	11,500	10,950
Supplies & Materials	7,260	7,260	6,345
Maintenance & Repairs			4,543
Other Costs	17,305	17,305	10,244
Depreciation	10,246	10,246	10,246
Cost of Sales	117,241	117,241	121,370
Total Operating Expenses	250,631	250,631	242,376
Operating Income/(Loss)	(65,062)	(65,062)	(63,278)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	3,374	3,374	3,422
Federal Sources:			
National School Lunch Program	45,618	45,618	43,880
Food Distribution Program	15,003	15,003	14,021
Local Sources:			
Interest Earned on Investments	292	292	129
Total Nonoperating Revenues/(Expenses)	64,287	64,287	61,452
Change in Net Assets	(775)	(775)	(1,826)
Total Net Assets - Beginning	72,369	72,369	74,195
Total Net Assets - Ending	\$71,594	71,594	72,369

See accompanying notes to the financial statements.

HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Cash Flows From Operating Activities:			
Receipts from Customers	\$185,569	185,569	179,098
Payments to Employees	(87,079)	(87,079)	(78,678)
Payments to Suppliers for Goods & Services	(152,185)	(152,185)	(154,657)
Net Cash Provided/(Used) by Operating Activities	(53,695)	(53,695)	(54,237)
Cash Flows From Noncapital Financing Activities:			
Cash Received From State Sources	3,470	3,470	3,332
Cash Received From Federal Sources	61,802	61,802	56,576
Net Cash Provided by Noncapital Financing Activities	65,272	65,272	59,908
Cash Flows From Investing Activities:			
Interest on Cash Equivalents	292	292	129
Net Cash Provided by Investing Activities	292	292	129
Net Increase/(Decrease) in Cash & Cash Equivalents	11,869	11,869	5,800
Cash & Cash Equivalents, July 1	23,614	23,614	17,814
Cash & Cash Equivalents, June 30	\$35,483	35,483	23,614

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	(\$65,062)	(65,062)	(63,278)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	10,246	10,246	10,246
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	1,121	1,121	(1,205)
Net Cash Provided/(Used) by Operating	(53,695)	(53,695)	(54,237)

See accompanying notes to the financial statements.



Fiduciary Fund

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2010
 (With Comparative Totals for June 30, 2009)**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTALS (MEMORANDUM ONLY)	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$10,088	31,431	19,601	3,194	64,314	70,812
Total Assets	10,088	31,431	19,601	3,194	64,314	70,812
LIABILITIES						
Payroll Deductions & Withholdings				3,194	3,194	5,861
Due to Student Groups			19,601		19,601	27,844
Total Liabilities			19,601	3,194	22,795	33,705
NET ASSETS						
Reserved for Unemployment Claims		31,431			31,431	26,803
Reserved for Scholarships	10,088				10,088	10,304
Total Net Assets	\$10,088	31,431			41,519	37,107

See accompanying notes to the financial statements.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ADDITIONS	PRIVATE PUPOSE		TOTALS (MEMORANDUM ONLY)	
	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP FUND	JUNE 30, 2010	JUNE 30, 2009
Contributions:				
Employee Contributions	\$14,972		14,972	8,795
Total Contributions	14,972		14,972	8,795
Investment Earnings:				
Interest	158	85	243	414
Net Investment Earnings	158	85	243	414
Total Additious	15,130	85	15,215	9,209
DEDUCTIONS				
Unemployment Claims	10,502		10,502	8,429
Scholarships Awarded		301	301	300
Total Deductions	10,502	301	10,803	8,729
Change in Net Assets	4,628	(216)	4,412	480
Net Assets - Beginning of the Year	26,803	10,304	37,107	36,627
Net Assets - End of the Year	\$31,431	10,088	41,519	37,107

See accompanying notes to the financial statements.

**HAINESPORT TOWNSHIP
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Hainesport Township Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented these standards for the fiscal year-ending June 30, 2003 with the implementation of GASB Statement 34; the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2010 and for the year then ended with comparative totals as of and for the year ended June 30, 2009 (Memorandum Only).

A. Reporting Entity:

The Hainesport Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. Students in grades 9 through 12 attend the Rancocas Valley Regional High School District. The Hainesport Township Board of Education has an approximate enrollment at June 30, 2010 of 593 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization’s board

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

- ◆ 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. District-Wide and Fund Financial Statements

The district-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

Governmental Fund Financial Statements – 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 current fiscal year-end. Principal revenue sources considered susceptible to accrual include state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting:

The accounts of the Hainesport Township Board of Education are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

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

As required by the New Jersey Department of Education Hainesport Township Board of Education 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.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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 Fund

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

Enterprise Fund - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

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

Machinery and Equipment 7-20 years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund as a private purpose trust.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Unemployment Compensation Trust Fund, a Scholarship Fund, a Student Activity Fund and a Payroll Fund

E. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Hainesport Township Board of Education follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Hainesport Township Board of Education's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund.

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

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 general fund and 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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any.

The following presents a reconciliation of the general fund and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

**Notes to Required Supplementary Information.
Budgetary Comparison Schedule**

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

	General Fund	Spccial Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) “revenues” from the budgetary comparison schedules	\$8,884,247	\$304,888
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	130,876	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(137,675)</u>	<u> </u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balauces - governmental funds	<u>\$8,877,448</u>	<u>\$304,888</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) “total outflows” from the budgetary comparison schedule	\$9,163,427	\$304,888

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	_____	_____
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$9,163,427</u>	<u>\$304,888</u>

G. Encumbrances:

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 Hainesport Township Board of Education 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.

H. Cash, Cash Equivalents and Investments:

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. 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. *N.J.S. 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 loss of funds on deposit with a failed banking institution in New Jersey.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (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.

I. Tuition Receivable/Payable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2010, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2006-2007 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories & Prepaid Expenses

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditures during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

K. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Hainesport Township Board of Education and that are due within one year.

L. Fixed Assets:

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Infrastructure	50 Years
Machinery & Equipment	5 – 20 Years
Building & Other Improvements	40 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2010 for such salaries.

N. Compensated Absences

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

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

O. Deferred Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned.

P. Long-term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued):

Q. Fund Equity

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

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2010 and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$5,679,156</u>
Total Deposits & Investments	<u>\$5,679,156</u>
Reconciliation to Cash and Cash Equivalents:	
Governmental Activities	\$5,579,359
Business-Type Activities	35,483
Fiduciary Funds	<u>64,314</u>
Total Cash and Cash Equivalents	<u>\$5,679,156</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$5,899,532 at June 30, 2010. Of the bank balance \$310,342 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$5,589,190 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

Investment Interest Rate Risk – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2010, are provided in the above schedule.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 2. Cash and Cash Equivalents and Investments (continued):

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the District or bonds or other obligations of the local unit or units within which the District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the District;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 4. Capital Reserve Account

The Hainesport Township Board of Education created their capital reserve account for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2009	\$229,576
Increased by:	
Interest Earned	<u> 3,223</u>
Ending Balance, June 30, 2010	<u>\$232,799</u>

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2010, the District transferred \$ -0- to the capital outlay accounts.

Note 6. Capital Assets

The following schedule is a summarization of the capital fixed assets by source for the fiscal year ended June 30, 2010:

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 6. Capital Assets (continued):

Governmental Activities	June 30, 2009	Additions	Deletions	Transfers/ Adjustments	June 30, 2010
Land	\$ 40,490			\$ -	\$ 40,490
Site Improvements	21,420				21,420
Construction in Progress Building & Building Improvements	7,993,841	\$715,993			7,993,841
Machinery & Equipment	1,390,269	66,449	\$(18,270)		1,438,448
Subtotal	9,446,020	782,442			10,210,192
Accumulated Depreciation	(4,178,527)	(221,839)	18,270		(4,382,096)
Total	\$5,267,493	\$560,603	\$ -	\$ -	\$ 5,828,096

The following is a summary of proprietary fund type fixed assets at June 30, 2010:

Business-Type Activities	Balance as of June 30, 2009	Additions	Deletions	Balance as of June 30, 2010
Machinery & Equipment	\$154,214		\$ -	\$154,214
Less: Accumulated Depreciation	(118,210)	\$(10,246)		(128,456)
Total	\$ 36,004	\$(10,246)	\$ -	\$ 25,758

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2010 the following changes occurred in liabilities:

	Balance 6/30/08	Issued	Retired	Balance 6/30/09	Amount Due Within One Year
Compensated Absences Payable	\$ 557,537		\$ 47,199	\$ 510,338	
Capital Lease Payable	132,006		52,006	80,000	\$ 40,000
Bonds Payable	4,042,800	\$5,853,000	453,160	9,442,640	499,762
Total	\$4,732,343	\$5,853,000	\$552,365	\$10,032,978	\$539,762

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 7. Long-Term Obligations (continued):

A. Bonds Payable:

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

2010 School Bonds dated January 12, 2010 in the amount of \$5,853,000 due in annual installments through January 15, 2030, bearing interest rate of 2% to 4.125%.

2005 Refunding 1997 Series Bonds dated February 1, 2005 in the amount of \$3,785,000 due in annual installments through January 1, 2017, bearing interest rate of 2% to 4%.

1993 Small Facilities Loan Bonds dated April 18, 1993 in the amount of \$52,813 due in annual installments through July 15, 2013, bearing interest rate of 1.50%.

1993 Small Project Loan Bonds dated April 18, 1993 in the amount of \$204,987 due in annual installments through July 15, 2013, and bearing interest rate of 1.50%.

D. Debt Service Requirements

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

Year-ending June 30,	Principal	Interest	Total
2011	\$ 499,762	\$ 398,923	\$ 898,685
2012	551,447	379,017	930,464
2013	578,261	353,143	931,404
2014	605,170	325,626	930,796
2015	570,000	297,355	867,355
2016-2020	2,945,000	1,066,419	4,011,419
2021-2025	2,125,000	560,369	2,685,369
2026-2030	<u>1,568,000</u>	<u>183,569</u>	<u>1,751,569</u>
Total	<u>\$9,442,640</u>	<u>\$3,564,421</u>	<u>\$13,007,061</u>

C. Capital Leases Payable

The School District has entered into capital lease agreements for the following:

Equipment	Maturity Date	Interest Rate	Total Value
Purchase & Renovations To Administration Building	August 8, 2012	4.236%	200,000

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note 7. Long-Term Obligations (continued):

C. Capital Leases Payable (continued):

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2010:

Year Ending June 30,	Principal	Interest	Total
2011	\$40,000	\$3,397	\$43,397
2012	<u>40,000</u>	<u>1,698</u>	<u>41,698</u>
Total	<u>\$80,000</u>	<u>\$5,095</u>	<u>\$85,095</u>

Note 8. Pension Plans

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A.18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency,

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 8. Pension Plans (continued):

provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions of 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 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 8. Pension Plans (continued):

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 both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Two-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$53,266	100%	\$ -0-
6/30/09	27,384	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$278,504	100%	\$ -0-
6/30/09	255,833	100%	-0-

During the year ended June 30, 2010 the State of New Jersey contributed \$278,504 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$308,740 for 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 basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers’ Pensions and Annuity Fund (TPAF) and the Public Employees’ Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 9. Post-Retirement Benefits (continued):

retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

Note 10. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund their 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 School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2009-2010	\$14,972	\$ 158	\$10,502	\$31,431
2008-2009	8,795	326	8,429	26,803
2007-2008	8,775	1,884	28,050	26,111

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2010 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 12. Economic Dependency

The District receives a substantial amount of its support from state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Note 13. Fund Balance Appropriated

General Fund – Of the \$390,061 General Fund fund balance at June 30, 2010, \$-0- is reserved for encumbrances; \$25,646 is reserved for excess surplus designated for subsequent year's expenditures; \$-0- is reserved as excess surplus in accordance with *N.J.S.A.18A:7F-7*; \$232,799 is reserved as a capital reserve; \$11,896 has been appropriated and included as anticipated revenue for the year-ending June 30, 2010; and \$119,720 is unreserved and undesignated.

Debt Service Fund – Of the \$23,423 Debt Service Fund fund balance at June 30, 2010 of \$19,400 has been appropriated and included as anticipated revenue for the year ending June 30, 2011, and \$4,023 is unreserved and undesignated.

Note 14. Deferred Compensation

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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 15. Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2010 is \$510,338.

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

Note 16. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$-0-.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	BUDGET	FINAL ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	BUDGET	FINAL ACTUAL	FINAL TO ACTUAL
Revenues:											
Local Sources:											
Local Tax Levy	10-1210-000-000	\$6,588,096		6,588,096	6,588,096		6,424,790		6,424,790	6,424,790	
Tuition	10-1300-000-000	65,000	42,218	107,218	135,433	28,215	25,000		25,000	106,260	81,260
Interest on Capital Reserve	10-1000-000-000	4,500		4,500	3,223	(1,277)	10,000		10,000	3,935	(6,065)
Unrestricted Miscellaneous	10-1000-000-000	29,000		29,000	31,896	2,896	78,000		78,000	57,145	(20,855)
50 Total Local Sources		6,686,596	42,218	6,728,814	6,758,648	29,834	6,537,790		6,537,790	6,592,130	54,340
State Sources:											
Categorical Transportation Aid	10-3121-000-000	176,085		176,085	176,085		144,046		144,046	144,046	
Extraordinary Aid	10-3131-000-000	34,434		34,434	47,431	12,997	34,434		34,434	34,434	
Categorical Special Education Aid	10-3132-000-000	346,437		346,437	346,437		335,486		335,486	335,486	
Equalization Aid	10-3176-000-000	680,370	(123,451)	556,919	556,919		862,986		862,986	837,330	(25,656)
Categorical Security Aid	10-3177-000-000	56,436		56,436	56,436		54,787		54,787	54,787	
Adjustment Aid	10-3178-000-000	285,063		285,063	202,023	(83,040)	147,086		147,086	147,086	
Non-Public Transportation Aid	10-xxxx-000-000	8,700		8,700	14,995	6,295	8,700		8,700	17,546	8,846
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					278,504	278,504				258,833	258,833
Reimbursed TPAF Social Security					308,740	308,740				307,142	307,142
Total State Sources		1,587,525	(123,451)	1,464,074	1,987,570	523,496	1,587,525		1,587,525	2,136,690	549,165
Federal Sources:											
Medicaid Reimbursement	10-4200-000-000	5,576		5,576	14,578	9,002				5,386	5,386
ARRA - Education Stabilization Fund	10-4520-000-000		118,850	118,850	118,850						
ARRA - Government Services Fund	10-4521-000-000		4,601	4,601	4,601						
Total Federal Sources		5,576	123,451	129,027	138,029	9,002				5,386	5,386
Total Revenues		8,279,697	42,218	8,321,915	8,884,247	562,332	8,125,315		8,125,315	8,734,206	608,891

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
	11-105-100-101	65,205	829	66,034	65,727	307	92,179	5,585	97,764	97,589	175
	11-110-100-101	152,412	14,986	167,398	165,659	1,739	171,898	(27,852)	144,046	142,707	1,339
	11-120-100-101	1,663,170	(87,379)	1,575,791	1,574,828	963	1,611,453	(3,484)	1,607,969	1,602,407	5,562
	11-130-100-101	873,699	(184,124)	689,575	688,400	1,175	718,358	132,208	850,566	848,972	1,594
Home Instruction - Regular Programs:											
	11-150-100-101	6,500	4,271	10,771	10,771		7,000	439	7,439	7,439	
	11-150-100-320	3,000	(2,095)	905	841	64	1,000	4,465	5,465	5,465	
Regular Programs - Undistributed Instruction:											
	11-190-100-320	9,500	(6,068)	3,432	2,883	549	7,000	1,451	8,451	8,451	
	11-190-100-500	15,000		15,000	13,439	1,561	15,000	(266)	14,734	13,247	1,487
	11-190-100-610	146,500	49,569	196,069	195,439	630	157,000	6,641	163,641	160,555	3,086
	11-190-100-640	18,150	(500)	17,650	17,631	19	23,667	(5,398)	18,269	17,408	861
	11-190-100-800	32,156	(12,670)	19,486	19,485	1					
Total Regular Programs		2,985,292	(223,181)	2,762,111	2,755,103	7,008	2,804,555	113,789	2,918,344	2,904,240	14,104
Special Education:											
Multiple Disabilities:											
	11-212-100-101	54,508	58,188	112,696	112,696		52,665	(1,648)	51,017	45,738	5,279
	11-212-100-610	1,000	6,280	7,280	7,189	91	1,000	(37)	963	963	
Total Multiple Disabilities		55,508	64,468	119,976	119,885	91	53,665	(1,685)	51,980	46,701	5,279
Resource Room / Resource Center:											
	11-213-100-101	548,559	(328,350)	220,209	220,209		603,866	(58,250)	545,616	542,628	2,988
	11-213-100-610	2,500	(281)	2,219	2,121	98	2,500	1,101	3,601	3,514	87

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Resource Room/Resource Center	551,059	(328,631)	222,428	222,330	98	606,366	(57,149)	549,217	546,142	3,075	
Total Special Education	606,567	(264,163)	342,404	342,215	189	660,031	(58,834)	601,197	592,843	8,354	
Basic Skills/Remedial - Instruction:											
Salaries of Teachers	11-230-100-101	252,190	684,820	937,010	936,481	529	361,474	(118,976)	242,498	240,546	1,952
General Supplies	11-230-100-610	1,500	2,568	4,068	3,986	82	1,500	(1,472)	28	28	
Total Basic Skills/Remedial - Instruction		253,690	687,388	941,078	940,467	611	362,974	(120,448)	242,526	240,546	1,980
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	59,486	12,091	71,577	70,451	1,126	63,095	3,624	66,719	66,597	122
Supplies and Materials	11-401-100-600	575	(93)	482	327	155	1,000	(136)	864	71	793
Other Objects	11-401-100-800	7,125	(365)	6,760	6,249	511	6,725	150	6,875	5,289	1,586
Total School Sponsored Cocurricular - Activities		67,186	11,633	78,819	77,027	1,792	70,820	3,638	74,458	71,957	2,501
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	19,100	1,595	20,695	20,695		19,391	(1,389)	18,002	17,937	65
Purchased Services(300-500 Series)	11-402-100-500	3,050	889	3,939	3,939		3,000	675	3,675	3,675	
Supplies and Materials	11-402-100-600	2,800	(2,309)	491	491		1,000		1,000	933	67
Total School Sponsored Athletics - Instruction		24,950	175	25,125	25,125		23,391	(714)	22,677	22,545	132
Community Service Programs/Operations:											
Salaries	11-800-330-100	3,000		3,000	2,754	246	2,300	513	2,813	2,813	
Total Community Service Programs/Operations		3,000		3,000	2,754	246	2,300	513	2,813	2,813	
Total - Instruction		3,940,685	211,852	4,152,537	4,142,691	9,846	3,924,071	(62,056)	3,862,015	3,834,944	27,071

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Undistributed Expenditures												
Instruction:												
	Tuition to Other LEAs Within State Regular	11-000-100-561	2,348	2,348	2,348							
	Tuition to Other LEAs Within State Special	11-000-100-562					12,000	9,406	21,406	21,406		
53	Tuition to CSSD & Regional Day School	11-000-100-565	87,984	(56,547)	31,437	31,437	162,565	(59,586)	102,979	15,455	87,524	
	Tuition to Private Schools for Disabled Within the State	11-000-100-566		6,821	6,821	6,821	75,922	33,493	109,415	95,000	14,415	
	Tuition State Facilities	11-000-100-568					30,750		30,750	30,750		
Total Undistributed Expenditures - Instruction			87,984	(47,378)	40,606	40,606	281,237	(16,687)	264,550	162,611	101,939	
Health Services:												
	Salaries	11-000-213-100	62,878	2,800	65,678	65,390	288	69,429	(220)	69,209	63,734	5,475
	Purchased Professional & Technical Services	11-000-213-300	9,300	(2,800)	6,500	6,251	249	6,300		6,300	6,251	49
	Supplies and Materials	11-000-213-600	4,800	(327)	4,473	3,963	510	4,000	(90)	3,910	3,872	38
Total Health Services			76,978	(327)	76,651	75,604	1,047	79,729	(310)	79,419	73,857	5,562
Other Support Services - Students - Related Services:												
	Salaries	11-000-216-100	32,720		32,720	32,189	531	32,751	(16,975)	15,776	14,400	1,376
	Supplies and Materials	11-000-216-600	750	2,184	2,934	2,645	289	1,500	(213)	1,287	1,240	47
Total Other Support Services - Students - Related Services			33,470	2,184	35,654	34,834	820	34,251	(17,188)	17,063	15,640	1,423
Other Support Services - Students - Extraordinary Services:												
	Salaries	11-000-217-100	102,310	(16,906)	85,404	85,404		76,075	20,435	96,510	91,444	5,066
	Purchased Professional & Educational Services	11-000-217-320	264,000	7,401	271,401	269,056	2,345	218,000	85,476	303,476	301,118	2,358
	Supplies and Materials	11-000-217-600	2,000	263	2,263	2,263		2,000	(225)	1,775	1,651	124

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Other Support Services - Students - Extraordinary Services	368,310	(9,242)	359,068	356,723	2,345	296,075	105,686	401,761	394,213	7,548	
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	93,714	(1,107)	92,607	91,787	820	83,273	(70)	83,203	82,494	709
Supplies and Materials	11-000-218-600	1,500	1,108	2,608	2,228	380	1,500	70	1,570	1,570	
Total Other Support Services - Students - Regular	95,214	1	95,215	94,015	1,200	84,773		84,773	84,064	709	
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	188,524	(928)	187,596	187,596		177,696	3,275	180,971	180,589	382
Salaries of Secretarial & Clerical Assistants	11-000-219-105	33,039		33,039	33,017	22	31,901		31,901	31,900	1
Purchased Professional - Educational Services	11-000-219-320						4,000	(2,665)	1,335	755	580
Miscellaneous Purchased Services	11-000-219-592	5,100	(100)	5,000	4,729	271	4,600	129	4,729	4,729	
Other Purchased Services	11-000-219-500		87	87		87		100	100	63	37
Supplies and Materials	11-000-219-600	4,000	3,135	7,135	7,090	45	4,500	(714)	3,786	3,772	14
Total Other Support Services - Students - Special Services	230,663	2,194	232,857	232,432	425	222,697	125	222,822	221,808	1,014	
Improvement of Instruction Services:											
Salaries of Other Professional Staff	11-000-221-104	9,000	(2,133)	6,867		6,867	8,000	11	8,011	8,011	
Salaries of Secretarial & Clerical Assistants	11-000-221-105	1,600	(100)	1,500	1,215	285	3,000	(1,271)	1,729	1,729	
Purchased Professional - Educational Services	11-000-221-320	12,000	2,133	14,133	13,590	543	12,000	4,681	16,681	15,430	1,251
Purchased Professional & Technical Services	11-000-221-300		100	100		100	200	(110)	90	90	
Other Purchased Services	11-000-221-500	50		50		50		200	200	13	187
Supplies and Materials	11-000-221-600	250		250		250	250		250	250	

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Improvement of Instruction Services	22,900		22,900	14,805	8,095	23,450	3,511	26,961	25,273	1,688
Educational Media Services/School Library:										
Salaries 11-000-222-100	101,363	(81,408)	19,955	15,670	4,285	97,635	609	98,244	98,244	
Purchased Professional & Technical Services 11-000-222-300	4,200	34	4,234	4,234		4,200	(4)	4,196	4,145	51
Other Purchased Services 11-000-222-500	2,250		2,250	1,633	617	3,000	(598)	2,402	1,979	423
Supplies and Materials 11-000-222-600	6,200	(34)	6,166	3,318	2,848	6,200	(325)	5,875	4,661	1,214
Total Educational Media Services/School Library	114,013	(81,408)	32,605	24,855	7,750	111,035	(318)	110,717	109,029	1,688
Support Services General Administration:										
Salaries 11-000-230-100	183,604	(247)	183,357	182,839	518	179,019		179,019	178,153	866
Legal Services 11-000-230-331	35,000	35,445	70,445	70,445		40,000	(1,217)	38,783	38,783	
Audit Services 11-000-230-332	15,800		15,800	15,800		15,330		15,330	15,200	130
Architectural / Engineering Services 11-000-230-334	35,000	5	35,005	35,005						
Purchased Technical Services 11-000-230-340		14,000	14,000	13,644	356	14,000	321	14,321	14,321	
Communications/Telephone 11-000-230-530	19,170	(4,752)	14,418	14,387	31	19,300	4,823	24,123	23,781	342
BOE Other Purchased Services 11-000-230-585	8,000	(5,318)	2,682	2,682		4,000		4,000	3,724	276
Other Purchased Professional Services 11-000-230-339	14,000	(14,000)					32,583	32,583	30,495	2,088
Other Purchased Services (400-500Series) 11-000-230-590	8,000	11,057	19,057	19,027	30	9,450	5,946	15,396	14,916	480
General Supplies 11-000-230-610	8,500	(2,915)	5,585	5,363	222	9,250	(374)	8,876	8,418	458
BOE In-House Training/Meeting Supplies 11-000-230-630						5,500	500	6,000	5,651	349
BOE Membership Dues & Fees 11-000-230-895	6,000	(792)	5,208	5,208		6,000	(6,000)			
Total Support Services General Administration	333,074	32,483	365,557	364,400	1,157	301,849	36,582	338,431	333,442	4,989
Support Services School Administration:										
Salaries of Principals & Assistant Principals 11-000-240-103	92,846	(3,139)	89,707	89,706	1	93,294		93,294	89,706	3,588
Salaries of Other Professional Staff 11-000-240-104	79,876		79,876	79,490	386	76,440	3,065	79,505	79,275	230

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Support Services School Administration (continued):											
Salaries of Secretarial & Clerical											
Assistants	11-000-240-105	67,229	3,531	70,760	70,760		68,635	(3,479)	65,156	64,956	200
Other Purchased Services (400-500Serie	11-000-240-500	8,050	(1,112)	6,938	6,721	217	7,250	528	7,778	7,174	604
Supplies and Materials	11-000-240-600	11,000	(715)	10,285	7,142	3,143	11,000	635	11,635	9,811	1,824
Other Objects	11-000-240-800	1,000	(1,000)				1,000	(750)	250	212	38
Total Support Services School Administration		260,001	(2,435)	257,566	253,819	3,747	257,619	(1)	257,618	251,134	6,484
Central Services:											
Salaries	11-000-251-100	133,434	1	133,435	133,038	397	129,322		129,322	127,493	1,829
Miscellaneous Purchased Services	11-000-251-592	4,750	(451)	4,299	2,714	1,585	4,750	18	4,768	4,503	265
Supplies and Materials	11-000-251-600	3,000	954	3,954	3,897	57	3,000	(18)	2,982	2,482	500
Interest for Lease Purchase Agreement	11-000-251-832	5,095		5,095	5,095		3,400	3,397	6,797	6,794	3
Total Central Services		146,279	504	146,783	144,744	2,039	140,472	3,397	143,869	141,272	2,597
Administration Information Technology:											
Salaries	11-000-252-100	65,378		65,378	65,062	316	63,166	1	63,167	63,167	
Other Purchased Services (400-500Serie	11-000-252-590	100		100		100	250	(1)	249		249
Total Administration Information Technology		65,478		65,478	65,062	416	63,416		63,416	63,167	249
Allowable Maintenance for School Facilities:											
Cleaning, Repair & Maintenance Services	11-000-261-420	56,000	1,498	57,498	57,287	211	42,500	14,087	56,587	55,694	893
Total Allowable Maintenance for School Facilities		56,000	1,498	57,498	57,287	211	42,500	14,087	56,587	55,694	893
Other Operation & Maintenance of Plant:											
Salaries	11-000-262-100	339,280	14,905	354,185	353,859	326	340,703	(11,965)	328,738	327,087	1,651
Purchased Professional & Technical Services	11-000-262-300	25		25		25	100		100		100

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Other Operation & Maintenance of Plant (continued):											
Cleaning, Repair & Maintenance Services	11-000-262-420	200		200		200	2,000	(1,675)	325	175	150
Other Purchased Property Services	11-000-262-490	40,000	2,510	42,510	42,150	360	35,000	8,381	43,381	43,381	
Insurance	11-000-262-520	29,340	1,297	30,637	30,525	112	30,000		30,000	29,842	158
Rental of Land & Building	11-000-262-441							234	234	234	
General Supplies	11-000-262-610	52,860	2,945	55,805	55,491	314	55,940	(539)	55,401	54,313	1,088
Energy (Heat & Electricity)	11-000-262-622	168,000	(17,459)	150,541	150,541		156,000	3,252	159,252	159,252	
Other Objects	11-000-262-800	550	460	1,010	1,010						
Total Other Operation & Maintenance of Plant		630,255	4,658	634,913	633,576	1,337	619,743	(2,312)	617,431	614,284	3,147
Student Transportation Services:											
Salaries of Non-Instructional Aides	11-000-270-107	3,444	55,897	59,341	58,592	749					
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	62,083	(62,083)				61,560	1,481	63,041	62,187	854
Salaries for Pupil Transportation (Between Home & School) - Special Ed	11-000-270-161	17,729	(17,729)				16,552	671	17,223	17,223	
Other Purchased Professional & Technical Services	11-000-270-390						250	155	405	405	
Cleaning, Repair & Maintenance Services	11-000-270-420	16,000	8,107	24,107	24,107		10,000	17,016	27,016	27,016	
Contracted Services (Between Home & School) - Vendors	11-000-270-511						6,000	(2,540)	3,460	3,445	15
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	6,000	1,585	7,585	7,585			8,835	8,835	8,835	
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	85,000	7,116	92,116	92,116		85,000	3,262	88,262	88,262	
Contracted Services - ESC's & CTSA's - (Special Education Students) - Joint Agreements	11-000-270-515	90,000	(17,689)	72,311	72,311		115,000	(29,966)	85,034	85,034	

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Student Transportation Services (continued):											
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	34,000	4,046	38,046	38,046		38,000	1,471	39,471	39,471	
Miscellaneous Purchased Services - Transportation	11-000-270-593	15,660	(1,136)	14,524	14,073	451	16,100	(1,546)	14,554	14,554	
General Supplies	11-000-270-610	25,000	(2,806)	22,194	22,194		25,000	(4,985)	20,015	19,196	819
Other Objects	11-000-270-800	44,916	31,145	76,061	75,173	888	70,000	(5,674)	64,326	63,983	343
Total Student Transportation Services		399,832	6,453	406,285	404,197	2,088	443,462	(11,820)	431,642	429,611	2,031
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	11-000-291-220	114,000	(3,095)	110,905	110,905		194,300	(84,000)	110,300	101,045	9,255
Other Retirement Contributions - Regular	11-000-291-241	84,905	(9,005)	75,900	75,900			33,436	33,436	33,436	
Workmen's Compensation	11-000-291-260	74,000	(7,591)	66,409	66,409		74,000	(83)	73,917	73,228	689
Health Benefits	11-000-291-270	1,275,950	(46,795)	1,229,155	1,229,155		1,289,850	83	1,289,933	1,255,335	34,598
Tuition Reimbursements	11-000-291-280	13,000	(197)	12,803	12,664	139	15,000		15,000	9,215	5,785
Other Employee Benefits	11-000-291-290	68,500	(15,234)	53,266	53,266		27,500		27,500	27,384	116
Total Unallocated Benefits		1,630,355	(81,917)	1,548,438	1,548,299	139	1,600,650	(50,564)	1,550,086	1,499,643	50,443
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					278,504	(278,504)				258,833	(258,833)
Reimbursed TPAF Social Security					308,740	(308,740)				307,142	(307,142)
Total Undistributed Expenditures		4,550,806	(172,732)	4,378,074	4,932,502	(554,428)	4,602,958	64,188	4,667,146	5,040,717	(373,571)
Total Expenditures - Current Expense		8,491,491	39,120	8,530,611	9,075,193	(544,582)	8,527,029	2,132	8,529,161	8,875,661	(346,500)
Capital Outlay:											
Interest Deposit to Capital Reserve	10-604-000-000	4,500		4,500		4,500	10,000	(10,000)			
Total Interest Deposit to Capital Reserve		4,500		4,500		4,500	10,000	(10,000)			

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Undistributed Expenditures:											
Instruction	12-000-100-730	23,000		23,000	22,736	264	20,884	236	21,120	21,120	
Total Undistributed Expenditures		23,000		23,000	22,736	264	20,884	236	21,120	21,120	
Facilities Acquisition & Construction Services:											
Lease Purchase Agreement Principal	12-000-400-721	40,000		40,000	40,000		40,000		40,000	40,000	
Total Facilities Acquisition & Construction Services		40,000		40,000	40,000		40,000		40,000	40,000	
Total Capital Outlay		67,500		67,500	62,736	4,764	70,884	(9,764)	61,120	61,120	
Special Schools:											
Summer School - Instruction:											
Salaries of Teachers	13-400-100-101	20,700	1,026	21,726	21,726		24,250		24,250	19,838	4,412
Other Salaries for Instruction	13-400-100-106	1,700	2,072	3,772	3,772		4,500		4,500	1,618	2,882
Total Special Schools		22,400	3,098	25,498	25,498		28,750		28,750	21,456	7,294
Total Expenditures		8,581,391	42,218	8,623,609	9,163,427	(539,818)	8,626,663	(7,632)	8,619,031	8,958,237	(339,206)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(301,694)		(301,694)	(279,180)	22,514	(501,348)	7,632	(493,716)	(224,031)	269,685
Other Financing Sources/(Uses):											
Operating Transfers In										5,238	5,238
Total Other Financing Sources/(Uses):										5,238	5,238

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Excess/(Deficiency) of Revenues Over/(Under)										
⊖ Expenditures & Other Financing Sources/(Uses)	(301,694)		(301,694)	(279,180)	22,514	(501,348)	7,632	(493,716)	(218,793)	274,923
Fund Balances, July 1	806,916		806,916	806,916		1,025,709		1,025,709	1,025,709	
Fund Balances, June 30	<u>\$505,222</u>	-	<u>505,222</u>	<u>527,736</u>	<u>22,514</u>	<u>524,361</u>	<u>7,632</u>	<u>531,993</u>	<u>806,916</u>	<u>274,923</u>

RECAPITULATION OF FUND BALANCE

Capital Reserve	\$232,799
Excess Surplus - Designated for Subsequent Year's Expenditures	25,646
Unreserved:	
Designated for Subsequent Year's Expenditures	11,896
Unrestricted Fund Balance	<u>257,395</u>
Subtotal	527,736
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(137,675)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$390,061</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
AMERICAN RECOVERY AND REINVESTMENT ACT -
BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2010**

REVENUES	ACCOUNT NUMBERS	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Federal Sources		\$ -	123,451	123,451	123,451	
Total Revenues			123,451	123,451	123,451	
EXPENDITURES:						
Instruction:						
ARRA - State Fiscal Stabilization Fund						
Education Stabilization Fund:						
Salaries of Teachers Gr 1-5	16-000-120-101		118,850	118,850	118,850	
Total Education Stabilization Fund			118,850	118,850	118,850	
ARRA - State Fiscal Stabilization Fund - ESF						
Government Services Fund:						
Salaries of Teachers Gr 1-5	17-000-120-101		4,601	4,601	4,601	
Total Government Services Fund			4,601	4,601	4,601	
Total State Fiscal Stabilization Fund			123,451	123,451	123,451	
Total Expenditures			123,451	123,451	123,451	
Total Outflows			123,451	123,451	123,451	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)		\$ -	-	-	-	-

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
State Sources		1,475	1,475	862	(613)	1,046		1,046	852	(194)
Federal Sources	\$175,794	220,684	396,478	299,892	(96,586)	229,965		229,965	212,780	(17,185)
Local Sources		4,142	4,142	4,134	(8)					
Total Revenues	175,794	226,301	402,095	304,888	(97,207)	231,011		231,011	213,632	(17,379)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	26,153	11,559	37,712	35,593	2,119	38,652		38,652	38,652	
Tuition	131,255	25,197	156,452	156,452		163,324		163,324	163,324	
General Supplies		41,429	41,429	23,871	17,558	3,640		3,640	2,206	1,434
Other Purchased Services		100,839	100,839	35,652	65,187					
Textbooks		757	757	167	590	343		343	172	171
Total Instruction	157,408	179,781	337,189	251,735	85,454	205,959		205,959	204,354	1,605
Support Services:										
Personal Services - Employee Benefits	6,087	466	6,553	5,201	1,352	5,952		5,952	5,921	31
Purchased Professional - Educational Services	6,559	(6,559)				11,563		11,563	2,337	9,226
Other Purchased Services		8,640	8,640	695	7,945	463		463	440	23
Travel	5,740	(161)	5,579	3,544	2,035	7,074		7,074	580	6,494
Total Support Services	18,386	2,386	20,772	9,440	11,332	25,052		25,052	9,278	15,774
Facilities Acquisition & Construction Services:										
Other Professional & Technical Services		4,134	4,134	4,134						
Instructional Equipment		40,000	40,000	39,579	421					
Total Facilities Acquisition & Construction Services		44,134	44,134	43,713	421					
Total Expenditures	175,794	226,301	402,095	304,888	97,207	231,011		231,011	213,632	17,379
Total Outflows	175,794	226,301	402,095	304,888	97,207	231,011		231,011	213,632	17,379
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	-	-	-	-	-		-	-	-

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

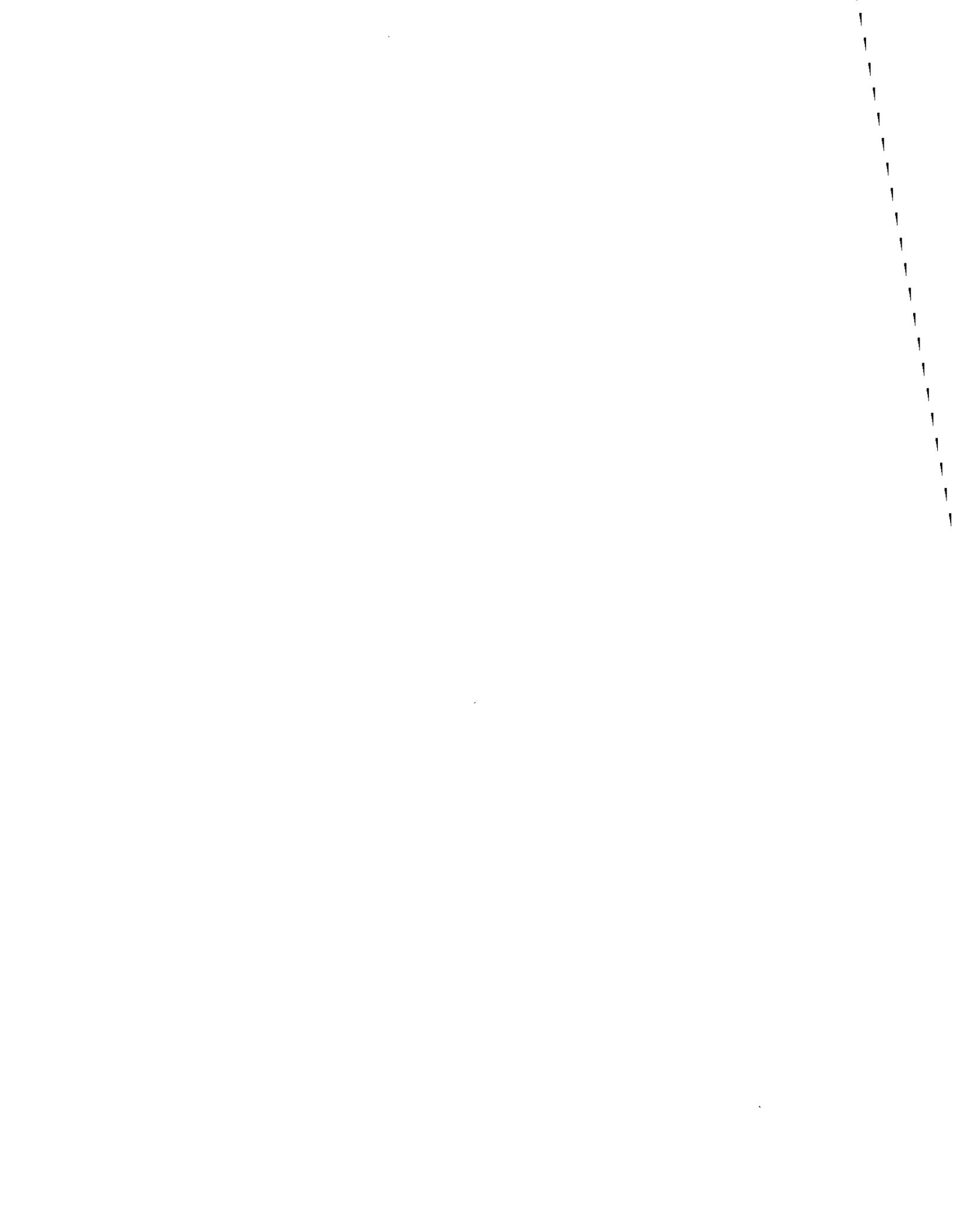


**HAINESPORT TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$8,884,247	304,888
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	130,876	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(137,675)	
	<hr/>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$8,877,448</u>	<u>304,888</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$9,163,427</u>	<u>304,888</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$9,163,427</u>	<u>304,888</u>

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.



OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	IDEA PART B BASIC	ARRA IDEA PART B BASIC	IDEA PART B PRESCHOOL	ARRA IDEA PART B PRESCHOOL	NONPUBLIC TEXTBOOK	NURSING	SAFETY GRANT
Revenues:							
State Sources					167	695	
Federal Sources	\$147,793	96,048	8,659	1,620			
Local Sources							4,134
Total Revenues	\$147,793	96,048	8,659	1,620	167	695	4,134
Expenditures:							
Instruction:							
Salaries of Teachers							
Tuition	\$147,793		8,659				
Supplies		22,437					
Other Purchased Services		34,032		1,620			
Textbooks					167		
Total Instruction	147,793	56,469	8,659	1,620	167		
Support Services:							
Employee Benefits							
Purchased Professional Educational Services							
Other Purchased Services						695	
Travel							
Total Support Services						695	
Facilities Acquisition & Construction Services:							
Other Professional & Technical Services							4,134
Instructional Equipment		39,579					
Total Facilities Acquisition & Construction Services		39,579					4,134
Total Expenditures	\$147,793	96,048	8,659	1,620	167	695	4,134

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	TITLE I	TITLE I CARRYOVER	TITLE IIA	TITLE IIA CARRYOVER	TITLE III
Revenues:					
State Sources					
Federal Sources	27,479	3,854	8,584	17	4,109
Local Sources					
Total Revenues	\$27,479	3,854	8,584	17	4,109
Expenditures:					
Instruction:					
Salaries of Teachers	\$23,976	527	7,490	15	3,585
Tuition					
Supplies		5			
Other Purchased Services					
Textbooks					
Total Instruction	23,976	532	7,490	15	3,585
Support Services:					
Employee Benefits	3,503	78	1,094	2	524
Purchased Professional Educational Services					
Other Purchased Services					
Travel		3,244			
Total Support Services	3,503	3,322	1,094	2	524
Facilities Acquisition & Construction Services:					
Other Professional & Technical Services					
Instructional Equipment					
Total Facilities Acquisition & Construction Services					
Total Expenditures	\$27,479	3,854	8,584	17	4,109

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	TITLE III CARRYOVER	TITLE IV CARRYOVER	2010	2009
Revenues:				
State Sources			862	852
Federal Sources	\$300	1,429	299,892	212,780
Local Sources			4,134	
Total Revenues	\$300	1,429	304,888	213,632
Expenditures:				
Instruction:				
Salaries of Teachers			35,593	38,652
Tuition			156,452	163,324
Supplies		1,429	23,871	2,206
Other Purchased Services			35,652	
Textbooks			167	172
Total Instruction		1,429	251,735	204,354
Support Services:				
Employee Benefits			5,201	5,921
Purchased Professional Educational Services				2,337
Other Purchased Services			695	440
Travel	\$300		3,544	580
Total Support Services	300		9,440	9,278
Facilities Acquisition & Construction Services:				
Other Professional & Technical Services			4,134	
Instructional Equipment			39,579	
Total Facilities Acquisition & Construction Services			43,713	
Total Expenditures	\$300	1,429	304,888	213,632

F. Capital Projects Fund

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2010**

PROJECT	DATE	APPROPRIATION	EXPENDITURES TO DATE		PRIOR YEAR PAYABLES CANCELLED	UNEXPENDED BALANCE
			PRIOR YEAR	CURRENT YEAR		
Various Projects & Rehabilitations	1/12/10	\$9,625,202	\$ -	715,993		8,909,209
		Total	\$ -	715,993	-	8,909,209

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Revenues & Other Financing Sources:	
State Sources - SDA Grant	\$3,772,202
Bond Proceeds & Transfers	<u>5,853,000</u>
Total Revenues	<u>9,625,202</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	698,841
Construction Services	<u>17,152</u>
Total Expenditures	<u>715,993</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	8,909,209
Fund Balance - Beginning	<u> </u>
Fund Balance - Ending	<u><u>\$8,909,209</u></u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
VARIOUS PROJECTS & REHABILITATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	3,772,202	3,772,202	3,772,202
Bond Proceeds & Transfers		5,853,000	5,853,000	5,853,000
Total Reserve		9,625,202	9,625,202	9,625,202
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services		698,841	698,841	914,505
Construction Services		17,152	17,152	8,549,723
Equipment Purchases				160,974
Total Expenditures & Other Financing Uses		715,993	715,993	9,625,202
Excess/Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	8,909,209	8,909,209	-

ADDITIONAL PROJECT INFORMATION

Project Number	1910-050-09-0ZQO
Grant Date	12/30/2009
Bond Authorization Date	1/21/2010
Bonds Authorized	\$ 5,853,000
Bonds Issued	\$ 5,853,000
Original Authorized Cost	\$ 9,430,504
Additional Authorized Cost	\$ 194,698
Revised Authorized Cost	\$ 9,625,202
Percentage Increase Over Original Authorized Cost	
Percentage Completion	7.44%
Original Target Completion Date	5/1/2010
Revised Target Completion Date	8/1/2011

G. Proprietary Funds

Enterprise Funds

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	FOOD SERVICE FUND	2010	2009
Current Assets:			
Cash & Cash Equivalents	\$35,483	35,483	23,614
Accounts Receivable:			
State	188	188	284
Federal	2,551	2,551	3,732
Inventories	7,614	7,614	8,735
Total Current Assets	<u>45,836</u>	<u>45,836</u>	<u>36,365</u>
Noncurrent Assets:			
Equipment	154,214	154,214	154,214
Less: Accumulated Depreciation	<u>(128,456)</u>	<u>(128,456)</u>	<u>(118,210)</u>
Total Noncurrent Assets	<u>25,758</u>	<u>25,758</u>	<u>36,004</u>
Total Assets	<u>71,594</u>	<u>71,594</u>	<u>72,369</u>
NET ASSETS			
Invested in Capital Assets	25,758	25,758	36,004
Unrestricted	<u>45,836</u>	<u>45,836</u>	<u>36,365</u>
Total Net Assets	<u>\$71,594</u>	<u>71,594</u>	<u>72,369</u>

HAINESPORT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

	FOOD SERVICE FUND	2010	2009
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$106,848	106,848	84,977
Total - Daily Sales - Reimbursable Programs	<u>106,848</u>	<u>106,848</u>	<u>84,977</u>
Daily Sales Nonreimbursable Programs:			
Adult & Ala Carte Sales	72,752	72,752	87,914
Special Functions & Rebates	5,969	5,969	6,207
Total Operating Revenue	<u>185,569</u>	<u>185,569</u>	<u>179,098</u>
Operating Expenses:			
Salaries & Fringe Benefits	87,079	87,079	78,678
Management Fee	11,500	11,500	10,950
Supplies and Materials	7,260	7,260	6,345
Maintenance & Repairs			4,543
Other Costs	17,305	17,305	10,244
Depreciation	10,246	10,246	10,246
Cost of Sales	117,241	117,241	121,370
Total Operating Expenses	<u>250,631</u>	<u>250,631</u>	<u>242,376</u>
Operating Income/(Loss)	<u>(65,062)</u>	<u>(65,062)</u>	<u>(63,278)</u>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	3,374	3,374	3,422
Federal Sources:			
National School Lunch Program	45,618	45,618	43,880
Food Distribution Program	15,003	15,003	14,021
Local Sources:			
Interest Revenue	292	292	129
Total Nonoperating Revenues/(Expenses)	<u>64,287</u>	<u>64,287</u>	<u>61,452</u>
Change in Net Assets	(775)	(775)	(1,826)
Total Net Assets - Beginning	<u>72,369</u>	<u>72,369</u>	<u>74,195</u>
Total Net Assets - Ending	<u><u>\$71,594</u></u>	<u><u>71,594</u></u>	<u><u>72,369</u></u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	FOOD SERVICE FUND	2010	2009
Cash Flows From Operating Activities:			
Receipts from Customers	\$185,569	185,569	179,098
Payments to Employees	(87,079)	(87,079)	(78,678)
Payments to Suppliers	(152,185)	(152,185)	(154,657)
Net Cash Provided/(Used) by Operating Activities	<u>(53,695)</u>	<u>(53,695)</u>	<u>(54,237)</u>
Cash Flows From Noncapital Financing Activities:			
Cash Received From State Sources	3,470	3,470	3,332
Cash Received From Federal Sources	61,802	61,802	56,576
Net Cash Provided by Noncapital Financing Activities	<u>65,272</u>	<u>65,272</u>	<u>59,908</u>
Cash Flows From Investing Activities:			
Interest on Cash Equivalents	292	292	129
Net Cash Provided by Investing Activities	<u>292</u>	<u>292</u>	<u>129</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	<u>11,869</u>	<u>11,869</u>	<u>5,800</u>
Cash & Cash Equivalents, July 1	23,614	23,614	17,814
Cash and Cash Equivalents, June 30	<u>\$35,483</u>	<u>35,483</u>	<u>23,614</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	(65,062)	(65,062)	(63,278)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	10,246	10,246	10,246
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	1,121	1,121	(1,205)
Net Cash Provided/(Used) by Operating Activities	<u>(\$53,695)</u>	<u>(53,695)</u>	<u>(54,237)</u>

Internal Service Fund

Not Applicable

H. Fiduciary Fund

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	TRUST FUNDS		AGENCY FUNDS		2010	2009
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$10,088	31,431	19,601	3,194	64,314	70,812
Total Assets	10,088	31,431	19,601	3,194	64,314	70,812
LIABILITIES						
Payroll Deductions Payable				3,194	3,194	5,861
Due to Student Groups			19,601		19,601	27,844
Total Liabilities			19,601	3,194	22,795	5,861
NET ASSETS						
Held in Trust for Unemployment Claims		31,431			31,431	26,803
Held in Trust for Scholarships	10,088				10,088	10,304
Total Net Assets	\$10,088	31,431			41,519	10,304

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	PRIVATE PURPOSE		2010	2009
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION		
Operating Revenues:				
Local Sources:				
Interest on Investments	\$85	158	243	414
Employee Withholdings		14,972	14,972	8,795
Total Operating Revenues	85	15,130	15,215	9,209
Operating Expenditures:				
Unemployment Compensation Claims		10,502	10,502	8,429
Scholarships	301		301	300
Total Operating Expenses	301	10,502	10,803	8,729
Excess/(Deficit) of Revenues Over Expenditures	(216)	4,628	4,412	480
Fund Balances, July 1	10,304	26,803	37,107	36,627
Fund Balances, June 30	\$10,088	31,431	41,519	37,107

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

ASSETS	BALANCE JULY 1, 2009	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2010
Hainesport School	\$27,844	104,041	112,284	19,601
Total Assets	\$27,844	104,041	112,284	19,601

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

ASSETS	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
Cash & Cash Equivalents	\$5,861	5,999,616	6,002,283	3,194
Total Assets	\$5,861	5,999,616	6,002,283	3,194
LIABILITIES				
Net Payroll		3,339,863	3,339,863	
Payroll Deductions & Withholdings	\$5,861	2,659,753	2,662,420	3,194
Total Liabilities	\$5,861	5,999,616	6,002,283	3,194

I. Long-Term Debt

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2010**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2009	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2010
			DATE	AMOUNT						
New Jersey Public School Facilities:										
Loan Assistance Programs Loan Award	08/18/93		07/15/10-13	\$10,562	1.50%	\$52,813			10,562	42,251
Small Projects Loan	08/18/93		07/15/10	39,200	5.288%	204,987			37,598	167,389
			07/15/11	40,885						
			07/15/12	42,699						
			07/15/13	44,604						
96 Refunding 1997 Issue	02/01/04		02/01/11	410,000	3.00%	3,785,000			405,000	3,380,000
			02/01/12	440,000	3.25%					
			02/01/13	455,000	3.50%					
			02/01/14	480,000	3.75%					
			02/01/15	500,000	3.75%					
			02/01/16	525,000	4.00%					
			02/01/17	570,000	4.00%					
School Bonds	01/21/10		1/15/11	40,000	2.00%		5,853,000			5,853,000
			1/15/12	60,000	2.00%					
			1/15/13	70,000	2.00%					
			1/15/14	70,000	2.50%					
			1/15/15	70,000	2.50%					
			1/15/16	70,000	2.50%					
			1/15/17	70,000	3.00%					
			1/15/18	595,000	3.00%					
			1/15/19	570,000	3.50%					
			1/15/20	545,000	3.50%					
			1/15/21	475,000	4.00%					
			1/15/22	450,000	4.00%					
			1/15/23	425,000	4.00%					
			1/15/24	400,000	4.00%					
			1/15/25	375,000	4.00%					
			1/15/26	350,000	4.00%					
			1/15/27	325,000	4.00%					
			1/15/28	310,000	4.00%					
			1/15/29	300,000	4.00%					
			1/15/30	283,000	4.13%					
					Total	\$4,042,800	5,853,000	-	453,160	9,442,640

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2010**

SERIES	DATE OF LEASE	MATURITY DATE	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE		AMOUNT OUTSTANDING JUNE 30, 2009	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2010
				PRINCIPAL	INTEREST				
School Bus (54 Passenger)	07/15/05	07/15/09	4.66%	\$57,476	5,351	\$12,006		12,006	
Purchase & Renovations to Administration Building	08/08/07	08/08/12	4.25%	200,000	23,895	120,000		40,000	80,000
					Total	\$132,006	-	52,006	80,000

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$506,624		506,624	506,624		505,786		505,786	505,786	
State Sources:										
Debt Service Aid Type II	95,761		95,761	95,761		95,740		95,740	95,740	
Total Revenues	602,385		602,385	602,385		601,526		601,526	601,526	
Expenditures										
Regular Debt Service:										
Interest	149,834		149,834	149,834		171,191		171,191	171,191	
Redemption of Principal	453,160		453,160	453,160		431,672		431,672	431,672	
Total Expenditures	602,994		602,994	602,994		602,863		602,863	602,863	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(609)		(609)	(609)		(1,337)		(1,337)	(1,337)	
Other Financing Sources:										
Operating Transfers In				23,414	23,414				9	9
Total Other Financing Sources				23,414	23,414				9	9
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/ (Uses)	(609)		(609)	22,805	23,414	(1,337)		(1,337)	(1,328)	9
Fund Balance, July 1	618		618	618		1,946		1,946	1,946	
Fund Balance, June 30	\$9		9	23,423	23,414	609		609	618	9
RECAPITULATION OF EXCESS/(DEFICIENCY) OR REVENUES OVER/(OVER) EXPENDITURES										
Budgeted Fund Balance	(\$609)		(609)	(609)		(1,337)		(1,337)	(1,337)	

STATISTICAL SECTION (Unaudited)

HAINESPORT TOWNSHIP SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:							
Invested in Capital Assets,							
Net of Related Debt	\$1,496,029	1,092,687	850,905	699,744	639,738	465,715	230,903
Restricted	9,041,522	557,534	755,069	964,860	967,645	563,831	340,024
Unrestricted	(5,527,625)	(453,681)	(383,474)	(282,601)	(537,888)	(382,863)	(136,957)
Total Governmental Activities							
Net Assets	<u>\$5,009,926</u>	<u>1,196,540</u>	<u>1,222,500</u>	<u>1,382,003</u>	<u>1,069,494</u>	<u>646,683</u>	<u>433,970</u>
Business-Type Activities:							
Invested in Capital Assets,							
Net of Related Debt	\$25,758	36,004	46,250	56,497	66,745	76,991	87,237
Unrestricted	45,836	36,365	27,945	32,961	14,338	8,452	21,498
Total Business-Type Activities							
Net Assets	<u>\$71,594</u>	<u>72,369</u>	<u>74,195</u>	<u>89,458</u>	<u>81,083</u>	<u>85,443</u>	<u>108,735</u>
District-Wide:							
Invested in Capital Assets,							
Net of Related Debt	\$1,521,787	1,128,691	897,155	756,241	706,483	542,706	318,140
Restricted	9,041,522	557,534	755,069	964,860	967,645	563,831	340,024
Unrestricted	(5,481,789)	(417,316)	(355,529)	(249,640)	(523,550)	(374,411)	(115,459)
Total District Net Assets	<u>\$5,081,520</u>	<u>1,268,909</u>	<u>1,296,695</u>	<u>1,471,461</u>	<u>1,150,577</u>	<u>732,126</u>	<u>542,705</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST SEVEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
Expenses:							
Governmental Activities							
Instruction:							
Regular	\$3,006,838	3,270,169	3,242,491	3,105,943	2,982,576	4,070,989	3,298,678
Special Education	342,215	592,843	627,149	602,389	499,941	534,834	521,198
Other Instruction	1,045,373	337,861	374,962	279,590	319,072	170,544	173,898
Support Services & Undistributed Costs:							
Tuition	40,606	162,611	195,680	119,028	54,701	175,439	121,033
Student & Instruction Related Services	842,708	251,134	243,644	239,983	237,340	241,169	184,989
General & Business Administrative Services	606,213	359,778	331,099	401,559	333,831	381,778	367,057
Central Services	209,806	204,439	197,652	176,262	166,389	165,436	
Plant Operations & Maintenance	690,863	670,793	710,586	600,518	470,160	452,306	586,183
Pupil Transportation	404,197	442,779	484,950	450,249	446,995	458,449	319,880
Business & Other Support Services							164,712
Unallocated Employee Benefits	2,135,543	2,065,618	2,183,718	1,977,556	1,701,561		
Special Schools	25,498	21,456	27,062	16,360	10,399	6,683	7,525
Interest on Long-Term Debt	242,451	161,566	181,349	196,903	211,452	322,647	528,242
Reduction In Compensated Absences	(47,199)						
Unallocated Depreciation	221,839	33,989	35,126	35,347	35,021	33,916	24,436
Total Governmental Activities Expenses	<u>9,766,951</u>	<u>9,508,198</u>	<u>9,682,990</u>	<u>8,933,372</u>	<u>8,196,078</u>	<u>7,802,192</u>	<u>7,163,964</u>
Business-Type Activities:							
Food Service	<u>250,631</u>	<u>242,376</u>	<u>246,433</u>	<u>211,239</u>	<u>181,523</u>	<u>180,957</u>	<u>174,839</u>
Total Business-Type Activities Expense	<u>250,631</u>	<u>242,376</u>	<u>246,433</u>	<u>211,239</u>	<u>181,523</u>	<u>180,957</u>	<u>174,839</u>
Total District Expenses	<u>\$10,017,582</u>	<u>9,750,574</u>	<u>9,929,423</u>	<u>9,144,611</u>	<u>8,377,601</u>	<u>7,983,149</u>	<u>7,338,803</u>
Program Revenues:							
Governmental Activities:							
Operating Grants & Contributions	<u>\$261,175</u>	<u>875,347</u>	<u>1,026,259</u>	<u>1,015,823</u>	<u>762,721</u>	<u>679,356</u>	<u>645,201</u>
Total Governmental Activities Program Revenues	<u>261,175</u>	<u>875,347</u>	<u>1,026,259</u>	<u>1,015,823</u>	<u>762,721</u>	<u>679,356</u>	<u>645,201</u>
Business-Type Activities:							
Charges for Services:							
Food Service	185,569	179,098	173,857	168,696	134,912	117,477	124,334
Operating Grants & Contributions	63,995	61,323	56,676	50,118	41,840	39,998	43,330
Total Business-Type Activities Program Revenues	<u>249,564</u>	<u>240,421</u>	<u>230,533</u>	<u>218,814</u>	<u>176,752</u>	<u>157,475</u>	<u>167,664</u>
Total District Program Revenues	<u>\$510,739</u>	<u>1,115,768</u>	<u>1,256,792</u>	<u>1,234,637</u>	<u>939,473</u>	<u>836,831</u>	<u>812,865</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST SEVEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
Net/(Expense)/Revenue:							
Governmental Activities	(\$9,505,776)	(8,632,851)	(8,656,731)	(7,917,549)	(7,433,357)	(7,122,836)	(6,518,763)
Business-Type Activities	(1,067)	(1,955)	(15,900)	7,575	(4,771)	(23,482)	(7,175)
Total District-Wide Net Expense	(\$9,506,843)	(8,634,806)	(8,672,631)	(7,909,974)	(7,438,128)	(7,146,318)	(6,525,938)
General Revenues & Other Changes in Net Assets:							
Governmental Activities:							
Property Taxes Levied for General							
General Purposes, Net	\$6,588,096	6,424,790	6,289,590	6,053,150	5,745,356	5,359,697	4,502,882
Taxes Levied for Debt Service	506,624	505,786	492,912	504,147	493,357	485,493	508,393
Unrestricted Grants &							
Contributions	6,026,342	1,508,966	1,561,782	1,515,225	1,513,067	1,454,006	1,420,635
Tuition Received	135,433	106,260	38,289	46,882	4,265		1,093
Investment Earnings	3,223	3,935	12,235	11,891	10,270	1,916	1,013
Miscellaneous Income	59,444	57,154	102,420	98,763	89,853	30,047	15,272
Arbitrage Rebate Payment						(9,429)	
Cancellation of Debt Due to State Refunding						13,819	
Cancellation of Arbitrage Rebate Payable							12,171
Total Governmental Activities	13,319,162	8,606,891	8,497,228	8,230,058	7,856,168	7,335,549	6,461,459
Business-Type Activities:							
Investment Earnings	292	129	637	800	411	190	50
Total Business-Type Activities	292	129	637	800	411	190	50
Total District-Wide	\$13,319,454	8,607,020	8,497,865	8,230,858	7,856,579	7,335,739	6,461,509
Change in Net Assets:							
Governmental Activities	\$3,813,386	(25,960)	(159,503)	312,509	422,811	212,713	(57,304)
Business-Type Activities	(775)	(1,826)	(15,263)	8,375	(4,360)	(23,292)	(7,125)
Total District-Wide	\$3,812,611	(27,786)	(174,766)	320,884	418,451	189,421	(64,429)

HAINESPORT TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
General Fund:							
Reserved	\$258,445	255,222	246,337	426,835	612,432	50,592	158,721
Unreserved	131,616	420,818	715,631	715,369	378,160	556,735	213,682
Total General Fund	\$390,061	676,040	961,968	1,142,204	990,592	607,327	372,403
All Other Governmental Funds:							
Reserved	\$6,505,652						
Unreserved, Reported in:							
Capital Projects Fund	2,403,557		5,238	20,865	36,652	40,123	73,921
Debt Service Fund	23,423	618	1,946	14,550	14,724	10,988	7,382
Total All Other Governmental Funds	\$8,932,632	618	7,184	35,415	51,376	51,111	81,303

HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Tax Levy	\$7,094,720	6,930,576	6,782,502	6,557,297	6,238,713	5,845,190	5,011,275	4,282,004	3,603,657	3,225,817
Tuition	135,433	106,260	38,289	46,882	4,265		1,093	19,189	26,720	19,590
Interest Earnings	3,223	3,935	12,235	11,891	10,270	19,350	6,357	7,464	15,688	35,002
Miscellaneous	59,444	57,154	102,420	98,763	89,854	11,102	4,408	13,972	37,834	8,803
State Sources	5,849,596	2,166,147	2,404,670	2,333,047	2,082,458	1,945,544	1,884,509	1,666,943	1,484,700	1,737,205
Federal Sources	437,921	218,166	183,371	198,001	193,330	187,818	181,326	140,278	119,452	104,010
Total Revenue	13,580,337	9,482,238	9,523,487	9,245,881	8,618,890	8,009,004	7,088,968	6,129,850	5,288,051	5,130,427
Expenditures:										
Current Expense:										
Regular Instruction	3,006,838	3,108,594	2,945,509	2,940,551	2,790,996	2,597,922	2,448,084	1,980,064	1,668,006	1,548,901
Special Education Instruction	342,215	592,843	627,149	602,389	499,941	504,665	396,282	432,013	449,871	441,503
Other Instruction	1,045,373	337,861	374,962	279,590	319,072	161,555	133,854	62,848	204,461	314,727
Support Services:										
Tuition	40,606	162,611	195,680	119,028	54,701	175,439	121,033	180,041	125,197	141,283
Student & Instruction Related										
Services	842,708	933,162	847,522	731,685	726,640	759,503	717,165	664,341	573,320	470,543
School Administrative Services	253,819	251,134	243,644	239,983	306,462	228,122	143,078	140,280	138,928	141,459
General Administrative Services	364,400	333,442	303,625	373,864	237,340	346,075	291,308	274,196	229,517	203,643
Central Services	209,806	204,439	197,652	176,262	166,389	156,105				
Plant Operations & Maintenance	690,863	669,978	677,799	599,651	528,222	515,149	492,432	418,368	385,446	403,057
Pupil Transportation	404,197	429,611	471,213	436,402	402,384	382,039	302,812	260,060	238,678	208,018
Other Support Services	2,135,543	2,065,618	2,183,718	1,977,558	1,596,282	1,359,749	1,313,243	1,086,888	910,060	888,398
Special Schools	25,498	21,456	27,062	16,360	10,399	6,300	5,685	6,099	4,698	3,887
Capital Outlay	822,442	61,120	234,762	15,787	3,471		9,293			2,605
Debt Service:										
Principal	453,160	431,672	410,207	398,823	372,492	367,461	290,111	288,973	267,960	241,982
Interest & Other Charges	149,834	171,191	191,470	202,299	220,589	211,901	317,722	332,851	346,848	359,448

HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Expenditures	10,787,302	9,774,732	9,931,974	9,110,232	8,235,380	7,771,985	6,982,102	6,127,022	5,542,990	5,369,454
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	2,793,035	(292,494)	(408,487)	135,649	383,510	237,019	106,866	2,828	(254,939)	(239,027)
Other Financing Sources/(Uses):										
Proceeds from Bond Issuance	5,853,000						4,990,000			
Accrued Interest on Sale of Bonds							4,691			
Payment to Refunded Bond Escrow Agent							(5,139,192)			
Premium on Bonded Debt							149,192			
Lease Purchase Agreement			200,000							
Transfers In	23,414	5,238	23,404	1,337	1,584	1,511	829	1,861	24,622	141,789
Transfers Out	(23,414)	(5,238)	(23,404)	(1,337)	(1,584)				(6,899)	
Total Other Financing Sources/(Uses)	5,853,000		200,000			1,511	5,520	1,861	17,723	141,789
Net Change in Fund Balance	8,646,035	(292,494)	(208,487)	135,649	383,510	238,530	112,386	4,689	(237,216)	(97,238)
Debt Service as a Percentage of Noncapital Expenditures	6.05%	6.21%	6.20%	6.61%	7.20%	7.45%	8.72%	10.15%	11.09%	11.21%

HAINESPORT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDED JUNE 30,	INTEREST ON INVESTMENTS	TUITION	PRIOR YEAR REFUNDS	RENTAL OF FACILITIES	MISCELLANEOUS	TOTAL
2010	\$13,661	135,433	5,664	5,988	9,806	170,552
2009	20,895	106,260	33,801	5,366	1,027	167,349
2008	84,393	38,289	13,030	8,725	8,507	152,944
2007	100,675	46,882		9,120	859	157,536
2006	54,137	4,265	22,119	6,060	17,808	104,389
2005	19,350		5,483	4,335	1,284	30,452
2004	6,357	1,093		3,275	1,133	11,858
2003	7,464	19,189	1,794	7,225	4,953	40,625
2002	15,688	26,720		6,610	31,224	80,242
2001	35,002	19,590	20	6,085	2,698	63,395

Source: District Records

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL	ESTIMATED
												SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
2010	\$7,509,600	355,461,900	5,618,900	221,300	42,825,433	28,180,100	247,500	440,064,733	935,159	440,999,892	15,613,500	1.709	N/A
2009	9,394,000	353,561,400	5,818,900	221,300	39,800,433	29,918,500	247,500	438,962,033	864,453	439,826,486	15,583,900	1.614	884,588,474
2008	9,168,000	351,430,400	5,768,600	221,300	39,889,933	29,918,500	247,500	436,644,233	657,300	437,301,533	15,425,600	1.584	895,510,227
2007	8,893,800	352,740,900	4,762,400	221,700	35,102,400	30,836,700	247,500	432,805,400	888,480	433,693,880	15,425,600	1.565	817,347,978
2006	10,628,000	340,352,400	5,157,900	223,200	40,020,700	27,174,900	247,500	423,804,600	1,002,720	424,807,320	15,218,500	1.544	701,924,862
2005	11,632,100	330,499,200	5,174,600	227,200	38,929,900	26,315,800	247,500	413,026,300	1,103,105	414,129,405	15,317,000	1.506	681,653,937
2004	16,369,100	297,968,800	5,174,600	227,200	37,834,700	26,315,800	247,500	384,137,700	1,462,728	385,600,428	15,532,600	1.517	570,445,055
2003	20,774,600	264,200,700	4,094,700	506,500	25,317,800	27,466,800	247,500	342,608,600	1,757,035	344,365,635	15,619,900	1.456	453,786,225
2002	26,614,900	219,704,200	4,414,400	491,900	25,317,800	27,466,800	247,500	304,257,500	1,153,951	305,411,451	15,487,800	1.403	355,399,486
2001	14,218,600	202,564,700	4,414,400	496,000	24,544,700	26,781,200	247,500	273,267,100	1,250,820	274,517,920	14,421,600	1.313	309,195,632

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

HAINESPORT TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	HAINESPORT TOWNSHIP	REGIONAL SCHOOL	BURLINGTON COUNTY	
2010	1.587	0.122	1.709	0.491	0.525	0.761	3.486
2009	1.508	0.106	1.614	0.475	0.564	0.808	3.461
2008	1.468	0.116	1.584	0.481	0.533	0.792	3.390
2007	1.452	0.113	1.565	0.453	0.597	0.795	3.410
2006	1.425	0.119	1.544	0.433	0.546	0.732	3.255
2005	1.388	0.119	1.507	0.412	0.502	0.682	3.103
2004	1.391	0.126	1.517	0.349	0.455	0.625	2.946
2003	1.308	0.148	1.456	0.328	0.377	0.598	2.759
2002	1.236	0.167	1.403	0.307	0.333	0.612	2.655
2001	1.166	0.147	1.313	0.279	0.305	0.597	2.494

Source: Municipal Tax Collector

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND TEN YEARS AGO**

TAXPAYER	2010		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
DDRM Crossroads Plaza	\$7,762,900	1	1.76%
South Hainesport Industrial Trust	6,679,400	2	1.52%
Berry Drive, LLC	5,742,300	3	1.30%
Mt. Laurel Road Limited Partnership	3,116,000	4	0.71%
Creek Crossing, LLC	3,062,800	5	0.70%
Arrow International Inc.	2,531,800	6	0.58%
White Cap, Inc.	1,731,500	7	0.36%
Creek Crossing, LLC	1,570,700	8	0.36%
Winzinger, Robert & Anne	1,378,100	9	0.31%
Drenk Institute	1,355,000	10	0.31%
Total	<u>\$34,930,500</u>		<u>7.94%</u>

TAXPAYER	2001		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
Mt. Laurel Road LTD	\$7,608,000	1	2.78%
South Hainesport Industrial	4,494,900	2	1.64%
Arrow International	2,578,000	3	0.94%
Taxpayer #1	2,215,900	4	0.81%
Taxpayer #2	2,014,300	5	0.74%
Bell Atlantic	1,918,100	6	0.70%
E.I.D. Associates	1,685,700	7	0.62%
Taxpayer #3	1,637,600	8	0.60%
Taxpayer #4	1,466,700	9	0.54%
Irish American Associates	1,186,200	10	0.43%
Total	<u>\$26,805,400</u>		<u>9.81%</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2010	\$7,094,720	7,094,720	100.00%
2009	6,930,576	6,930,576	100.00%
2008	6,782,502	6,782,502	100.00%
2007	6,557,297	6,557,297	100.00%
2006	6,238,713	6,238,713	100.00%
2005	5,845,190	5,845,190	100.00%
2004	5,011,275	5,011,275	100.00%
2003	4,282,004	4,282,004	100.00%
2002	3,603,657	3,603,657	100.00%
2001	3,225,817	3,225,817	100.00%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

GOVERNMENTAL ACTIVITIES			
FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT
2010	\$9,442,640	52,006	9,494,646
2009	4,042,800	132,006	4,174,806
2008	4,474,473	199,376	4,673,849
2007	4,884,679	65,569	4,950,248
2006	5,283,503	90,637	5,374,140
2005	5,655,995	59,710	5,715,705
2004	6,037,275	-	6,037,275
2003	6,017,387	13,156	6,030,543
2002	6,306,360	25,478	6,331,838
2001	6,574,320	-	6,574,320

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY
	GENERAL OBLIGATION BONDS	DEDUCTIONS		
2010	\$9,442,640		9,442,640	2.15%
2009	4,042,800		4,042,800	0.92%
2008	4,474,473		4,474,473	1.03%
2007	4,884,679		4,884,679	1.15%
2006	5,283,503		5,283,503	1.28%
2005	5,655,995		5,655,995	1.47%
2004	6,037,275		6,037,275	1.75%
2003	6,017,387		6,017,387	1.97%
2002	6,306,360		6,306,360	2.30%
2001	6,574,320		6,574,320	2.39%

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Hainesport Township	9,628,111	100.000%	\$9,628,111
Burlington County	395,252,496	1.778%	7,027,589
Rancocas Valley Regional High School	22,403,000	18.482%	4,140,522
Subtotal, Overlapping Debt			20,796,223
Hainesport Township School District Direct Debt			9,442,640
Total Direct & Overlapping Debt			<u>\$30,238,863</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	\$26,885,749	26,076,502	23,611,432	20,477,708	17,047,821	13,796,308	11,183,813	9,373,266	8,388,745	7,701,493
Total Net Debt Applicable to Limit	9,442,640	4,042,800	4,474,473	4,884,679	5,283,503	5,655,995	6,037,275	6,017,387	6,306,360	6,574,320
Legal Debt Margin	<u>\$17,443,109</u>	<u>22,033,702</u>	<u>19,136,959</u>	<u>15,593,029</u>	<u>11,764,318</u>	<u>8,140,313</u>	<u>5,146,538</u>	<u>3,355,879</u>	<u>2,082,385</u>	<u>1,127,173</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35.12%	15.50%	18.95%	23.85%	30.99%	41.00%	53.98%	64.20%	75.18%	85.36%

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized Valuation Basis	
2009	\$877,699,606
2008	927,057,820
2007	<u>883,817,439</u>
	<u>\$2,688,574,865</u>

Average Equalized Valuation of Taxable Property	<u>\$896,191,622</u>
Debt Limit (3 % of Average Equalization Value)	\$26,885,749
Net Bonded School Debt	<u>9,442,640</u>
Legal Debt Margin	<u>\$17,443,109</u>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION ^a	PERSONAL INCOME (THOUSANDS OF DOLLARS) ^b	BURLINGTON COUNTY PER CAPITA INCOME ^c	UNEMPLOYMENT RATE ^d
2009	5,951	N/A	N/A	7.1%
2008	5,955	N/A	46,564	4.1%
2007	5,997	264,638,308	45,463	3.0%
2006	6,099	258,880,700	43,551	3.3%
2005	6,046	242,905,310	40,795	2.6%
2004	6,045	235,556,730	39,606	2.9%
2003	5,647	210,001,624	37,982	3.2%
2002	5,213	190,102,075	37,299	3.2%
2001	4,630	167,071,608	36,912	2.2%
2000	4,226	144,657,560	35,279	1.9%

Source: NJ Dept of Labor and Workforce Development

^a NJ Dept of Labor & Workforce Development

^b Based upon the Municipal population & per capita personal income presented.

^c Provided by the NJ Department of Labor & Workforce Development

^d Provided by the NJ Department of Labor & Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	<u>2010</u>
	EMPLOYEES
Shop Rite	230
Drenk	242
Arrow International	142
Winzinger, Inc.	106
Hainesport School	91
Perry Videx	58
Hainesport Auto & Truck	44
Brothers Electric	11
Atlantic Wood Industries	11
Hainesport Township	9
	<hr/>
Total	<u>944</u>

2001 Information was not available

Source: Burlington County Economic Development

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS**

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:										
Regular	49	51	49	50	47	46	45	43	41	43
Special Education	12	12	11	13	15	14	13	11	9	9
Other Special Education	4	6	6	3	3	3	3	2	2	2
Support Services:										
Student & Instruction Related Services	14	13	13	10	10	10	10	9	9	9
School Administrative Services	5	4	4	4	4	4	4	4	4	4
Business Administrative Services	4	5	5	5	5	5	5	5	5	4
Plant Operations & Maintenance	9	9	9	9	9	9	9	7	7	7
Pupil Transportation	3	3	3	3	3	3	3	2	2	2
Total	100	103	100	97	96	94	92	83	79	80

Source: District Personnel Records

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	JUNE 30, 2009 ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2010	699	\$9,361,866	13,393	-1.21%	56	1:12	695.6	653.5	3.28%	93.95%
2009	672	9,110,749	13,558	-1.92%	57	1:12	673.5	634.5	-9.94%	94.21%
2008	658	9,095,535	13,823	8.39%	56	1:12	747.8	619.2	-0.17%	95.59%
2007	666	8,493,321	12,753	11.52%	56	1:12	648.9	621.0	-2.96%	95.70%
2006	668	7,638,828	11,435	0.64%	55	1:12	668.7	637.1	6.01%	95.27%
2005	633	7,192,593	11,363	7.29%	53	1:12	630.8	600.5	4.96%	95.20%
2004	601	6,364,976	10,591	8.52%	50	1:12	601.0	570.3	6.60%	94.89%
2003	564	5,504,254	9,759	-7.79%	47	1:12	563.8	538.3	21.12%	95.48%
2002	465	4,921,283	10,583	-1.84%	47	1:10	465.5	446.8	5.25%	95.98%
2001	442	4,765,419	10,781	12.07%	50	1:09	442.3	422.0	-2.41%	95.41%

Sources: District records

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary Schools:										
Hainesport Elementary (1925):										
Square Feet	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782
Capacity (Students)	636	636	636	636	636	636	636	636	636	636
Enrollment	593	672	658	666	668	633	601	564	465	442

Number of Schools at June 30, 2010:
Elementary = 1

Source: District Facilities Office

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST EIGHT FISCAL YEARS**

SCHOOL FACILITIES	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Hainesport Elementary	\$57,287	55,694	43,807	48,381	35,164	40,517	58,262	23,455	34,012	31,707
Total	\$57,287	188,837	43,807	48,381	35,164	40,517	58,262	23,455	34,012	31,707

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

Source: District records

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2010**

	COVERAGE	SELF-INSURED RETENTION	DEDUCTIBLE
School Package Policy - Utica National Insurance Company:			
Building & Contents (All Locations)			
Limits of Liability per Occurrence	\$17,524,188		1,000
General Liability	3,000,000		
Automobile Liability	1,000,000		1,000
Crime Coverage	25,000		
Inland Marine	30,000		250
Umbrella Liability	5,000,000	10,000	
New Jersey School Boards Association:			
Workers' Compensation	2,000,000		
The Maskin Group:			
Student Accident	1,000,000		
New Jersey School Boards Association:			
Surety Bonds:			
Treasurer	200,000		

Source: District records.

SINGLE AUDIT SECTION



Certified Public Accountants & Consultants

EXHIBIT 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**

Honorable President and Members
of the Board of Education
Hainesport Township
County of Burlington
Hainesport, New Jersey 08036

We have audited the financial statements of the Board of Education of the Hainesport Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 18, 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 Hainesport 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

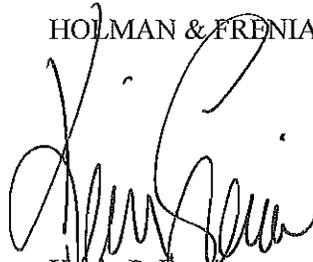
As part of obtaining reasonable assurance about whether the Hainesport Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a

direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read 'Kevin P. Frenia', is written over the printed name below.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant
No. 1011

Medford, New Jersey
October 18, 2010



Certified Public Accountants & Consultants

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Hainesport Township
County of Burlington
Hainesport, New Jersey 08036

Compliance

We have audited the compliance of Board of Education of the Hainesport Township School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2010. The Board of Education of the Hainesport Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Board of Education of the Hainesport Township School District's management. Our responsibility is to express an opinion on Board of Education of the Hainesport Township School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey 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 state program occurred. An audit includes examining, on a test basis, evidence about Board of Education of the Hainesport Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board of Education of the Hainesport Township School District's compliance with those requirements.

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

Internal Control Over Compliance

The management of the Board of Education of the Hainesport Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Hainesport Board of Education's internal control over compliance with requirements that could have a direct and material effect on major state programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Hainesport Board of Education's internal control over compliance.

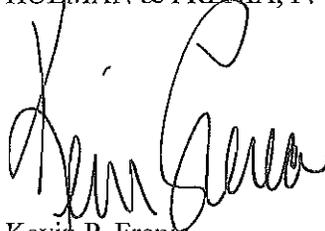
A deficiency in a District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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 Board of Education of the Hainesport Township School District, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia
Certified Public Accountant
Public School Accountant
No. 1011

Medford, New Jersey
October 18, 2010

HAINESPORT TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2009		BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	DUE TO GRANTOR JUNE 30, 2010	MEMO		
				CASH RECEIVED						BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:												
Equalization Aid	10-495-034-5120-078	\$556,919	7/1/09-6/30/10		556,919	(556,919)				(57,309)	556,919	
Special Education Categorical Aid	10-495-034-5120-089	346,437	7/1/09-6/30/10		346,437	(346,437)				(35,650)	346,437	
Security Aid	10-495-034-5120-084	56,436	7/1/09-6/30/10		56,436	(56,436)				(5,807)	56,436	
Transportation Aid	10-495-034-5120-014	176,085	7/1/09-6/30/10		176,085	(176,085)				(18,120)	176,085	
Adjustment Aid	10-100-034-5120-085	285,063	7/1/09-6/30/10		202,023	(202,023)				(20,789)	202,023	
Extraordinary Aid	10-100-034-5120-044	47,431	7/1/09-6/30/10			(47,431)		(47,431)			47,431	
Extraordinary Aid	09-100-034-5120-044	34,434	7/1/08-6/30/09	(\$34,434)	34,434							
Nonpublic Transportation Aid	10-495-034-5120-014	14,995	7/1/09-6/30/10			(14,995)		(14,995)			14,995	
Nonpublic Transportation Aid	09-495-034-5120-014	17,546	7/1/08-6/30/09	(17,546)	17,546							
On-Behalf TPAF Pension Contribution	10-495-034-5095-001	278,504	7/1/09-6/30/10		278,504	(278,504)					278,504	
On-Behalf TPAF Social Security Reimbursement	10-495-034-5095-051	308,740	7/1/09-6/30/10		293,237	(308,740)		(15,503)			308,740	
On-Behalf TPAF Social Security Reimbursement	09-495-034-5095-002	307,142	7/1/08-6/30/09	(15,315)	15,315							
Total General Fund					(67,295)	1,976,936	(1,987,570)	(77,929)		(137,675)	1,987,570	
State Grants:												
Special Revenue Fund:												
Nonpublic Textbook	09-100-034-5120-064	343	7/1/08-6/30/09	171			(171)					
Nonpublic Nursing Services	09-100-034-5120-070	463	7/1/08-6/30/09	23			(23)					
Nonpublic Textbook	10-100-034-5120-064	586	7/1/09-6/30/10		586	(167)		419			167	
Nonpublic Nursing Services	10-100-034-5120-070	695	7/1/09-6/30/10		695	(695)					695	
Total Special Revenue Fund					194	1,281	(862)	(194)		419	862	
Debt Service Fund:												
Debt Service Aid Type II	10-495-034-5120-017	95,761	7/1/09-6/30/10		95,761	(95,761)					95,761	
School Development Authority:												
Capital Projects Fund:												
SDA Grant	G5-3815	3,772,202	5/1/10-8/1/11		3,772,202	(3,772,202)					3,772,202	
State Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program (State Share)	10-100-010-3350-023	3,374	7/1/09-6/30/10		3,186	(3,374)		(188)			3,374	
National School Lunch Program (State Share)	09-100-010-3350-023	3,422	7/1/08-6/30/09	(284)	284							
Total Enterprise Fund					(284)	3,470	(3,374)	(188)			3,374	
Total State Financial Assistance					(\$67,385)	5,849,650	(5,859,769)	(194)	(78,117)	419	(137,675)	5,859,769

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2010**

Note 1. General

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

Note 2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's 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 \$(6,799) for the general fund and \$-0- for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2010**

Note 3. Relationship to Basic Financial Statements (continued):

	State
General Fund	\$1,980,771
Special Revenue Fund	862
Capital Projects Fund	3,772,202
Debt Service Fund	95,761
Enterprise Fund	<u>3,374</u>
Total Financial Assistance	<u>\$5,852,970</u>

Note 4. Relationship to State Financial Reports

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

Note 5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

Note 6. Federal and State Loans Outstanding

The Hainesport Township Board of Education had no loan balances outstanding at June 30, 2010.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to basic financial Statements noted? No

State Awards

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

Auditee qualified as low-risk auditee? Yes

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

Internal Control over major programs:

- 1) Material weakness(es) identified? No
- 2) Significant deficiencies identified that are not considered To be material weaknesses? No

Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 No

Identification of major programs:

GMIS Number(s)	Name of State Program
10-495-034-5095-078	Equalization Aid
10-495-034-5120-089	Special Education Categorical Aid
10-495-034-5095-002	TPAF Social Security Contributions
10-100-010-3350-023	National School Lunch Program (State Share)

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section II – Financial Statement Findings

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

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET
For the Fiscal Year Ended June 30, 2010**

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

Finding 2008-01:

Condition:

Sealed bids were not requested for the purchase of fuel and diesel oil even though the total cost exceeded \$29,000.00.

Current Status:

This condition has been corrected.