

Comprehensive Annual Financial Report

of the

Township of Little Egg Harbor Board of Education

Little Egg Harbor, New Jersey

For the Fiscal Year Ended June 30, 2010

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INTRODUCTORY SECTION

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT

Administrative Offices

307 Frog Pond Road • Little Egg Harbor, NJ 08087

FRANK KASYAN, Ed.D.

Superintendent of Schools

Office of the Superintendent

(609) 296-1719

Fax (609) 296-3225

LYNN COATES

Business Administrator

Board of Education

(609) 296-1719

Fax (609) 296-2570

November, 2010

Honorable President and
Members of the Board of Education
Little Egg Harbor Township School District
Ocean County, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations," and the state Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: Little Egg Harbor 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 District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education for handicapped youngsters.

Page 1

REPORTING ENTITY AND ITS SERVICES: (continued)

The District's average daily enrollment for the 2009/10 fiscal year was 1,829, which is 30 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Average Daily Enrollment</u>				
<u>Fiscal Year Ended June 30,</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Attendance %</u>
2000	1552.3	1457.5	2.32	93.9
2001	1761.6	1647.0	13.0	93.5
2002	1744.1	1619.9	1.0	92.9
2003	1729.8	1619.9	(1.0)	93.6
2004	1742.8	1628.5	.75	93.4
2005	1683.8	1567.8	(3.39)	93.1
2007	1693.1	1578.5	.005	93.2
2008	1671.1	1573.1	(.99)	94.1
2009	1799.0	1678.0	1.06	93.3
2010	1829.2	1702.9	1.016	93.1

ECONOMIC CONDITION AND OUTLOOK: The Township of Little Egg Harbor encompasses 49.5 square miles and is continuing to experience steady growth. If current enrollments from September 30, 2000 are an indication, it appears that the Township is continuing its moderate growth. Recent demographic studies indicate the district may have an enrollment of more than 2,000 students by 2010.

Two schools serve the district. The George J. Mitchell School, located on County Road 539, houses children in grades Pre-K through 6. The Frog Pond Elementary School, located on Frog Pond Road, houses children in grades K through 6.

Due to student enrollment beyond capacity, and badly needed renovations and system upgrades, the district held a school bond referendum in December 2006. The voters supported the renovation/alteration proposal, however, the proposal for a third school was defeated. The district again held a referendum in April, 2008 for a classroom addition on the George J. Mitchell School. This attempt was successful. Both projects have come in under budget and on schedule.

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

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

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

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 re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Boards (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.

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

RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automotive liability and comprehensive/collision, equipment maintenance, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION:

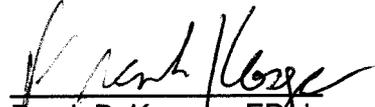
Independent Audit – State statutes require an annual audit by an independent certified public accountant or a registered municipal accountant. The accounting firm of Ford, Scott, Seidenburg & Kennedy, L.L.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 98-07 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the

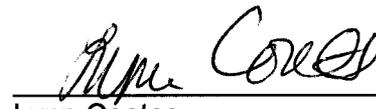
financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS:

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

Respectfully submitted,


Frank B. Kasyan, ED.Jd.
Superintendent of Schools


Lynn Coates
Business Administrator/
Board Secretary

Little Egg Harbor Township School District Organizational Chart

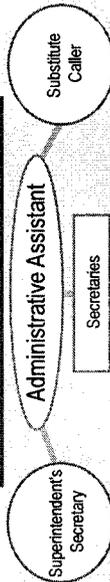
A school building requires all of its components, from the bricks and mortar of a firm foundation, to solid beams for support, and a secure roof to protect all within; all to provide a safe and functional learning place. The staff of our school district is much like the buildings that house them. Every member plays an important role in the education of our children. Some are designated as the leaders, but it requires all the staff, working cohesively, to provide students with a safe and functional learning space. Together we create and maintain a collaborative learning environment which fosters individual abilities and encourages all children to achieve their highest potential in order to prepare productive and responsible citizens.

Border Color Designates Administrator Responsible:

- = Superintendent
- = Assistant Superintendent
- = School Business Administrator
- = Director of Special Services
- = Principals
- = Elementary Supervisors
- = Supervisor Early Childhood Education
- = Supervises employees connected by line

Board of Education

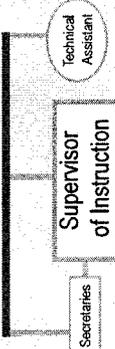
Office of the Superintendent of Schools



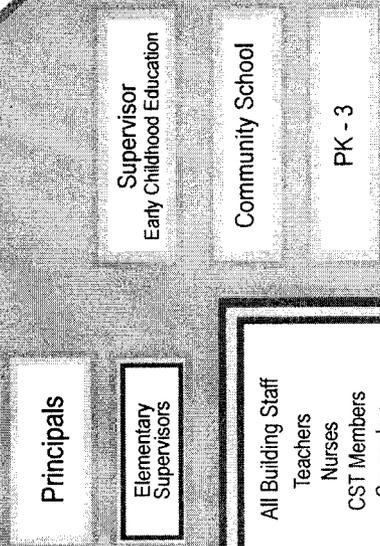
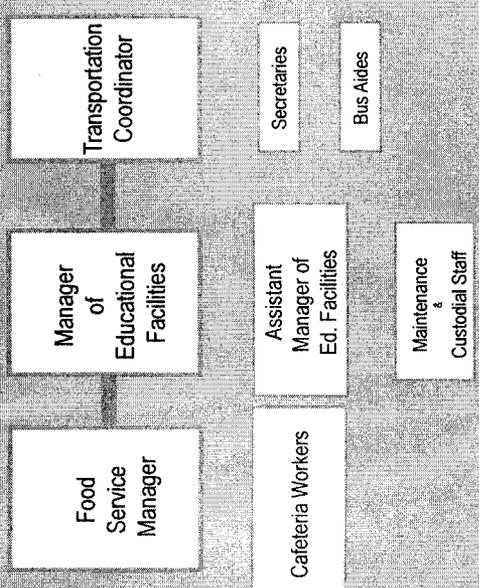
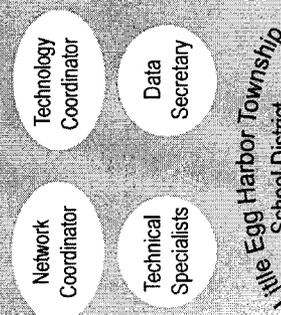
Business Office School Business Administrator



Office of Instructional Services Assistant Superintendent



Office of Special Services Director of Special Services



Adopted by the Little Egg Harbor Board of Education
May 19, 2008

**LITTLE EGG HARBOR TOWNSHIP BOARD OF EDUCATION
COUNTY OF OCEAN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2010**

Members of the Board of Education

Term Expires

Gina M. Frasca – President	2011
Robert C. Wood, Sr. – Vice President	2013
Carmine J. Cimino	2012
Richard L. Newman	2012
Karl F. Held	2013
Robert O. Sanzari	2013
August Daleo	2013

Other Officials

Frank B. Kasyan, Ed.D., Superintendent of Schools
Barbara Smith, Assistant Superintendent
Lynn Coates, Business Administrator/Board Secretary
Patricia Christopher, CPA, Treasurer

**TOWNSHIP OF LITTLE EGG HARBOR BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

ARCHITECT

Garrison Architects
130 Presidential Boulevard
Bala Cynwyd, PA 19004

INDEPENDENT AUDITOR

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
P.O. Box 538
Ocean City, New Jersey 08226-0538

ATTORNEY

Joseph Coronato
12 Madison Ave
Toms River, New Jersey 08754

OFFICIAL DEPOSITORY

TD Bank
448 Route 9 South
Little Egg Harbor, NJ 08087

FINANCIAL SECTION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Little Egg Harbor Township School District
County of Ocean, New Jersey

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2010 on our consideration of the Little Egg Harbor Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Little Egg Harbor Township Board of Education's basic financial statements. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

November 24, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED**

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

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets decreased by \$1,866,722.10, which represents a 13 percent decrease from 2009.
- General revenues accounted for \$22,767,884.35 in revenue or 79 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,972,820.72 or 21 percent of total revenues of \$28,740,705.07.
- Total assets of governmental activities decreased by \$1,971,904.50 as cash and cash equivalents (including restricted cash) decreased by \$331,342.30, receivables increased by \$127,518.33 and capital assets (net) increased by \$486,893.73.
- The School District had \$30,607,427.17 in expenses; only \$5,972,820.72 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$22,767,884.35 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$21,598,514.61 in revenues and \$22,785,317.39 in expenditures. The General Fund's fund balance decreased \$1,184,650.45 over 2009.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

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

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

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

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

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

**Table 1
Net Assets**

	2010	2009
Assets		
Current and Other Assets	\$ 3,158,647.27	\$ 5,651,768.52
Capital Assets	40,216,636.94	39,685,846.46
Total Assets	43,375,284.21	45,337,614.98
Liabilities		
Long-Term Liabilities	29,194,032.22	29,399,060.93
Other Liabilities	1,149,531.27	1,049,155.85
Total Liabilities	30,343,563.49	30,448,216.78
Net Assets		
Invested in Capital Assets, Net of Debt	12,779,663.43	11,648,917.58
Restricted	1,702,004.89	3,105,406.30
Unrestricted	(1,479,947.60)	114,118.94
Total Net Assets	\$ 13,001,720.72	\$ 14,868,442.82

The District's combined net assets were \$13,001,720.72 on June 30, 2010. This was a decrease of 13 percent from the prior year.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

The School District as a Whole (Continued)

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

**Table 2
Changes in Net Assets**

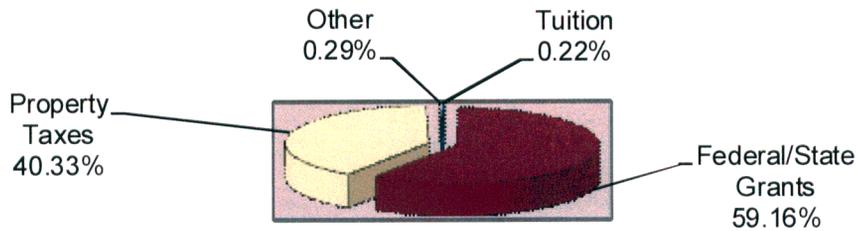
	<u>2010</u>	<u>2009</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 507,417.85	\$ 478,812.61
Operating Grants and Contributions	5,465,402.87	4,314,905.44
General Revenues:		
Property Taxes	11,197,815.00	10,472,594.00
Grants and Entitlements	11,378,942.02	11,255,748.97
Other	191,127.33	275,799.81
Total Revenues	<u>28,740,705.07</u>	<u>26,797,860.83</u>
Program Expenses		
Instruction	15,396,472.79	14,230,866.64
Support Services:		
Pupils and Instructional Staff	6,435,003.14	5,397,877.09
General Administration and School Administration	2,704,248.68	2,691,202.19
Plant Operations and Maintenance of Facilities	2,321,473.16	2,114,166.45
Pupil Transportation	1,429,502.27	1,681,854.93
Interest on Debt	1,363,927.63	1,592,897.97
Food Service	671,772.85	657,528.04
Community School	285,026.65	194,906.20
Other		4,044.63
Total Expenses	<u>30,607,427.17</u>	<u>28,565,344.14</u>
Increase (Decrease) in Net Assets	<u>\$ (1,866,722.10)</u>	<u>\$ (1,767,483.31)</u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Governmental Activities

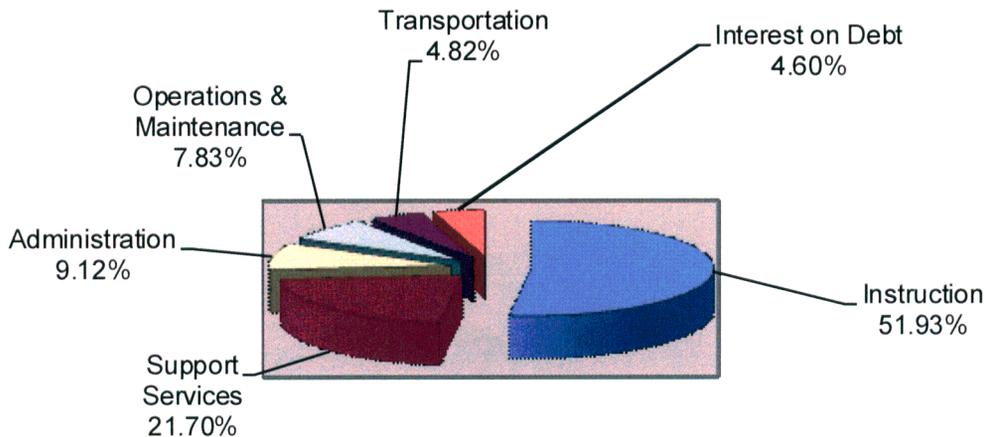
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 40.33 percent of revenues for governmental activities for the Little Egg Harbor Township District for fiscal year 2010. The District's total governmental revenues were \$27,762,406.46 for the year ended June 30, 2010. Federal, state, and local grants accounted for another 59.16 percent of revenue.

Sources of Revenue for Fiscal Year 2010



The total cost of all governmental programs and services was \$29,650,627.67. Instruction comprises 51.93 percent of District expenses.

Expenses for Fiscal Year 2010



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Business-Type Activities

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

- Food service expenses exceed revenue by \$11,361.67 and community school program revenues have a deficit of \$39,835.29.
- Charges for services represent \$262,226.49 of revenue. This represents amounts paid by patrons for daily food service. Charges for community school program represent \$245,191.36 of revenue. This represents amounts paid by patrons for community school.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$ 470,421.34.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>
Instruction	\$ 15,396,472.79	\$ 13,205,767.66	\$ 14,230,866.64	\$ 12,619,634.91
Support Services:				
Pupils and Instructional Staff	6,435,003.14	4,424,245.43	5,397,877.09	4,012,082.71
General Administration and School Administration	2,704,248.68	2,704,248.68	2,691,202.19	2,691,202.19
Operation and Maintenance of Facilities	2,321,473.16	2,321,473.16	2,114,166.45	2,114,166.45
Pupil Transportation	1,429,502.27	1,429,502.27	1,681,854.93	1,681,854.93
Interest and Fiscal Charges	1,363,927.63	520,895.63	1,592,897.97	625,516.97
Other			4,044.63	4,044.63
Total Expenses	<u>\$ 29,650,627.67</u>	<u>\$ 24,606,132.83</u>	<u>\$ 27,712,909.90</u>	<u>\$ 23,748,502.79</u>

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

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

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Governmental Activities (Continued)

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

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

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$27,761,406.46 and expenditures were \$30,366,358.32. The change in fund balance for the year was a decrease of \$2,603,951.86

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 11,344,531.15	40.86%	\$ (7,403,756.71)	-39.49%
State Sources	14,098,276.16	50.78%	(346,048.12)	-2.40%
Federal Sources	<u>2,319,599.15</u>	8.36%	<u>1,549,645.04</u>	201.26%
Total	<u>\$ 27,762,406.46</u>	100.00%	<u>\$ (6,200,159.79)</u>	-18.26%

The decrease in local revenues of \$7,403,756.71 is due to the issuance of bonds in the previous audit year. State revenues decreased by \$346,048.12, predominately due to the decrease in State Aid Public. There is an increase of \$1,549,645.04 in Federal revenues due to the issuance of American Recovery Act Funds.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

The School District's Funds (Continued)

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

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2009	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 8,623,128.77	28.40%	\$ 241,854.03	2.89%
Undistributed expenditures	14,081,985.96	46.37%	352,392.62	2.57%
Capital Outlay	1,397,603.85	4.60%	(16,334,542.44)	-92.12%
Special Revenues	4,278,616.74	14.09%	1,123,747.85	35.62%
Debt Service:				
Principal	604,000.00	1.99%	64,000.00	11.85%
Interest	1,381,023.00	4.55%	(80,364.97)	-5.50%
Total	<u>\$ 30,366,358.32</u>	100.00%	<u>\$ (14,632,912.91)</u>	-32.52%

Changes in expenditures were the results of varying factors. Current expense increased predominately, due to increased utility costs and health benefit costs. Capital outlay increased due to construction projects that are currently taking place.

General Fund Budgeting Highlights

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2010, the School District had \$40,161,193.46 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2010 balances compared to 2009.

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

	2010	2009
Land	\$ 7,076,100.00	\$ 7,076,100.00
Construction in Progress	3,653,634.24	4,974,728.55
Sites, Buildings and Building Improvements	28,632,143.90	10,362,281.26
Machinery and Equipment	799,315.32	425,748.41
Total	\$ 40,161,193.46	\$ 22,838,858.22

Overall, capital assets increased \$ 17,322,335.24 from fiscal year 2009 to fiscal year 2010. Most of this increase is attributable to construction being in progress during this audit year.

Debt Administration

At June 30, 2010, the School District had \$29,149,590.66 of outstanding debt. Of this amount, \$1,561,848.52 is for compensated absences; \$57,742.24 for various capital leases; and \$27,530,000.00 of serial bonds for school construction.

**Table 5
Outstanding Bonded Debt at June 30,**

	2010	2009
2009 General Obligation Bonds	\$ 7,995,000.00	7,995,000.00
2007 General Obligation Bonds	17,720,000.00	\$ 17,764,000.00
1999 General Obligation Bonds	1,115,000.00	1,355,000.00
1997 General Obligation Bonds	700,000.00	1,020,000.00
Total	\$ 27,530,000.00	\$ 28,134,000.00

At June 30, 2010, the School District's was within its legal debt margin. For more detailed information, please refer to Schedule J-13.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

For the Future

The Little Egg Harbor Township School District is in good financial condition presently. The School District is proud of its community support of the public schools.

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

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mrs. Lynn Coates, Business Administrator/Board Secretary at (609) 296-1719, extension 1013 or Dr. Frank Kasyan, Superintendent of Schools at (609) 296-1719, extension 1018.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 55,588.56	\$ 71,018.93	\$ 126,607.49
Receivables, Net	760,567.26	41,997.00	802,564.26
Internal Balances	86,783.16	(86,783.16)	-
Inventory		20,173.05	20,173.05
Restricted Assets:			
Capital Accounts	2,116,275.98		2,116,275.98
Unamortized Debt Issue Costs (Note #18)	93,026.49		93,026.49
Capital Assets, Net (Note # 7)	40,161,193.46	55,443.48	40,216,636.94
Total Assets	<u>43,273,434.91</u>	<u>101,849.30</u>	<u>43,375,284.21</u>
LIABILITIES			
Accounts Payable	83,030.95		83,030.95
Deferred Revenue	563,469.63	17,570.69	581,040.32
Accrued Interest	515,460.00		515,460.00
Noncurrent Liabilities (Note # 8)			
Due Within One Year	925,287.51		925,287.51
Due Beyond One Year	28,224,303.15	44,441.56	28,268,744.71
Total Liabilities	<u>30,311,551.24</u>	<u>62,012.25</u>	<u>30,373,563.49</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	12,724,219.95	55,443.48	12,779,663.43
Restricted for:			
Debt Service	(512,938.45)		(512,938.45)
Capital Projects	2,517,850.34		2,517,850.34
Other Purposes	(302,907.00)		(302,907.00)
Unrestricted	(1,464,341.17)	(15,606.43)	(1,479,947.60)
Total Net Assets	<u>\$ 12,961,883.67</u>	<u>\$ 39,837.05</u>	<u>\$ 13,001,720.72</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2010

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 11,434,291.28	\$ -	\$ -	\$ -	\$ (11,434,291.28)	\$ -	\$ (11,434,291.28)
Special Education	3,407,840.62	-	2,190,705.13	-	(1,217,135.49)	-	(1,217,135.49)
Other Instruction	554,340.89	-	-	-	(554,340.89)	-	(554,340.89)
Support Services:							
Tuition	70,722.26	-	-	-	(70,722.26)	-	(70,722.26)
Student & Instruction Related Serv.	6,364,280.88	-	2,010,757.71	-	(4,353,523.17)	-	(4,353,523.17)
School Administrative Services	985,656.23	-	-	-	(985,656.23)	-	(985,656.23)
General and Business Admin Services	1,718,592.45	-	-	-	(1,718,592.45)	-	(1,718,592.45)
Plant Operation and Maintenance	2,321,473.16	-	-	-	(2,321,473.16)	-	(2,321,473.16)
Pupil Transportation	1,429,502.27	-	-	-	(1,429,502.27)	-	(1,429,502.27)
Unallocated Amortization of Debt Issue Costs							
Interest on Long-Term Debt	1,363,927.63	-	843,032.00	-	(520,895.63)	-	(520,895.63)
Total Governmental Activities	29,650,627.67	-	5,044,494.84	-	(24,606,132.83)	-	(24,606,132.83)
Business-Type Activities:							
Food Service	671,772.85	262,226.49	420,908.03	-	-	11,361.67	11,361.67
Community School	285,026.65	245,191.36	-	-	-	(39,835.29)	(39,835.29)
Total Business-Type Activities	956,799.50	507,417.85	420,908.03	-	(28,473.62)	(28,473.62)	(28,473.62)
Total Primary Government	\$ 30,607,427.17	\$ 507,417.85	\$ 5,465,402.87	\$ -	\$ (24,606,132.83)	\$ (28,473.62)	\$ (24,634,606.45)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 10,080,824.00	\$ -	\$ 10,080,824.00
Taxes Levied for Debt Service					1,116,991.00	-	1,116,991.00
Federal and State Aid not Restricted					11,378,942.02	-	11,378,942.02
Tuition Received					61,630.26	-	61,630.26
Investment Earnings					3,106.01	459.42	3,565.43
Miscellaneous Income					76,418.33	49,513.31	125,931.64
Total General Revenues, Special Items, Extraordinary Items and Transfers					22,717,911.62	49,972.73	22,767,884.35
Change in Net Assets					(1,888,221.21)	21,499.11	(1,866,722.10)
Net Assets - Beginning					14,850,104.88	18,337.94	14,868,442.82
Net Assets - Ending					\$ 12,961,883.67	\$ 39,837.05	\$ 13,001,720.72

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

FUND FINANCIAL STATEMENTS

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 29,734.52	\$ -	\$ -	\$ 25,854.04	\$ 55,588.56
Receivables from Other Governments	423,769.76	283,055.42			706,825.18
Due from Other Funds			444,186.18		444,186.18
Other Receivables	53,742.08				53,742.08
Restricted Cash and Cash Equivalents	96,904.25		2,019,371.73		2,116,275.98
Total Assets	<u>\$ 604,150.61</u>	<u>\$ 283,055.42</u>	<u>\$ 2,463,557.91</u>	<u>\$ 25,854.04</u>	<u>\$ 3,376,617.98</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 46,644.14	\$ 36,386.81	\$ -	\$ -	\$ 83,030.95
Interfund Payable	308,811.55	23,598.98		24,992.49	357,403.02
Deferred Revenue		563,469.63			563,469.63
Total Liabilities	<u>355,455.69</u>	<u>623,455.42</u>	<u>-</u>	<u>24,992.49</u>	<u>1,003,903.60</u>
Fund Balances:					
Reserved for:					
Encumbrances	22,624.29		20,862.00		43,486.29
Capital Reserve Account	54,292.43				54,292.43
Emergency Reserve	37,493.00				37,493.00
Excess Surplus - Designated for Subsequent Year's Expenditures	699,309.00				699,309.00
Unreserved, Designated for Subsequent Year's Expenditures	-			608.00	608.00
Unreserved, Reported in:					
General Fund	(565,023.80)				(565,023.80)
Special Revenue Fund		(340,400.00)			(340,400.00)
Debt Service Fund				253.55	253.55
Capital Projects Fund			2,442,695.91		2,442,695.91
Total Fund Balances	<u>248,694.92</u>	<u>(340,400.00)</u>	<u>2,463,557.91</u>	<u>861.55</u>	<u>2,372,714.38</u>
Total Liabilities and Fund Balances	<u>\$ 604,150.61</u>	<u>\$ 283,055.42</u>	<u>\$ 2,463,557.91</u>	<u>\$ 25,854.04</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$49,019,079.53 and the accumulated depreciation is \$8,857,886.07. 40,161,193.46

Bond issuance costs are reported in the governmental fund as expenditures in the year the bonds are issued but are amortized over the life of the bonds on the statement of activities. 93,026.49

Interest on long-term debt in the statement of activities is accrued, regardless of when due. (515,460.00)

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. (29,149,590.66)

Net assets of governmental activities \$ 12,961,883.67

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 10,080,824.00	\$ -	\$ -	\$ 1,116,991.00	\$ 11,197,815.00
Tuition Charges	61,630.26				61,630.26
Bond Proceeds					-
Interest Earned on Investments	700.00		2,152.33	253.68	3,106.01
Miscellaneous	76,418.33	5,561.55			81,979.88
Total Local Sources	10,219,572.59	5,561.55	2,152.33	1,117,244.68	11,344,531.15
State Sources	10,238,739.12	3,016,505.04		843,032.00	14,098,276.16
Federal Sources	1,140,202.90	1,179,396.25			2,319,599.15
Total Revenues	<u>21,598,514.61</u>	<u>4,201,462.84</u>	<u>2,152.33</u>	<u>1,960,276.68</u>	<u>27,762,406.46</u>
EXPENDITURES					
Current:					
Regular Instruction	5,820,404.33	2,267,859.03			8,088,263.36
Special Education Instruction	2,410,600.87				2,410,600.87
Other Special Instruction	392,123.57				392,123.57
Support Services:					
Tuition	70,722.26				70,722.26
Student & Instruction Related Serv.	2,479,862.97	2,010,757.71			4,490,620.68
School Administrative Services	695,476.57				695,476.57
General and Business Admin Services	1,212,634.54				1,212,634.54
Plant Operation and Maintenance	1,932,490.27				1,932,490.27
Pupil Transportation	1,429,502.27				1,429,502.27
Employee Benefits	6,261,297.08				6,261,297.08
Debt Service:					
Principal				604,000.00	604,000.00
Interest and Other Charges				1,381,023.00	1,381,023.00
Capital Outlay	80,202.66	-	1,317,401.19		1,397,603.85
Total Expenditures	<u>22,785,317.39</u>	<u>4,278,616.74</u>	<u>1,317,401.19</u>	<u>1,985,023.00</u>	<u>30,366,358.32</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,186,802.78)</u>	<u>(77,153.90)</u>	<u>(1,315,248.86)</u>	<u>(24,746.32)</u>	<u>(2,603,951.86)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	2,152.33				2,152.33
Transfer out			(2,152.33)		(2,152.33)
Total Other Financing Sources and Uses	<u>2,152.33</u>	<u>-</u>	<u>(2,152.33)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	(1,184,650.45)	(77,153.90)	(1,317,401.19)	(24,746.32)	(2,603,951.86)
Fund Balance (Deficit) - July 1	1,433,345.37	(263,246.10)	3,780,959.10	25,607.87	4,976,666.24
Fund Balance (Deficit) - June 30	<u>\$ 248,694.92</u>	<u>\$ (340,400.00)</u>	<u>\$ 2,463,557.91</u>	<u>\$ 861.55</u>	<u>\$ 2,372,714.38</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ (2,603,951.86)

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 depreciation exceeded capital outlays in the period.

Depreciation Expense	\$ (1,265,932.92)
Capital Outlay	<u>1,752,826.65</u>

Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.

(4,044.63)

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

Serial Bonds	604,000.00
Capital Lease Payments	<u>80,529.55</u>

684,529.55

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

(472,788.00)

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

21,140.00

Change in Net Assets of Governmental Activities

\$ (1,888,221.21)

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2010

	Business-Type Activities - Enterprise Fund		
	Food Service	Community School	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 21,662.22	\$ 49,356.71	\$ 71,018.93
Accounts Receivable	39,236.20	2,760.80	41,997.00
Inventory	20,173.05		20,173.05
Total Current Assets	<u>81,071.47</u>	<u>52,117.51</u>	<u>133,188.98</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	250,148.31	18,759.55	268,907.86
Less: Accumulated Depreciation	(200,332.73)	(13,131.65)	(213,464.38)
Total Noncurrent Assets	<u>49,815.58</u>	<u>5,627.90</u>	<u>55,443.48</u>
Total Assets	<u>\$ 130,887.05</u>	<u>\$ 57,745.41</u>	<u>\$ 188,632.46</u>
LIABILITIES			
Current Liabilities:			
Interfund Accounts Payable	\$ 85,024.78	\$ 1,758.38	\$ 86,783.16
Accounts Payable			-
Deferred Revenue		17,570.69	17,570.69
Total Current Liabilities	<u>85,024.78</u>	<u>19,329.07</u>	<u>104,353.85</u>
Noncurrent Liabilities:			
Compensated Absences	44,441.56		44,441.56
Total Noncurrent Liabilities	<u>44,441.56</u>	<u>-</u>	<u>44,441.56</u>
NET ASSETS			
Invested in Capital Assets Net of Related Debt	49,815.58	5,627.90	55,443.48
Unrestricted (Deficit)	(48,394.87)	32,788.44	(15,606.43)
Total Net Assets	<u>\$ 1,420.71</u>	<u>\$ 38,416.34</u>	<u>\$ 39,837.05</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund		
	Food Service	Community School	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales	\$ 262,226.49	\$ -	\$ 262,226.49
Fees		245,191.36	245,191.36
Total Operating Revenue	<u>262,226.49</u>	<u>245,191.36</u>	<u>507,417.85</u>
Operating Expenses:			
Cost of Sales	335,915.28		335,915.28
Salaries	213,531.85	183,968.14	397,499.99
Employee Benefits	89,664.75	23,820.83	113,485.58
Miscellaneous	30,796.31	73,485.78	104,282.09
Depreciation	1,864.66	3,751.90	5,616.56
Total Operating Expenses	<u>671,772.85</u>	<u>285,026.65</u>	<u>956,799.50</u>
Operating Income (Loss)	(409,546.36)	(39,835.29)	(449,381.65)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	5,922.30		5,922.30
State School Lunch Program	14,226.10		14,226.10
Federal Sources:			
National School Breakfast Program	73,000.46		73,000.46
National School Lunch Program	290,065.59		290,065.59
U.S.D.A. Commodities	37,693.58		37,693.58
Contributed Capital	49,513.31		49,513.31
Interest and Investment Income	459.42		459.42
Total Nonoperating Revenues (Expenses)	<u>470,880.76</u>	<u>-</u>	<u>470,880.76</u>
Income (Loss) before Contributions & Transfers	61,334.40	(39,835.29)	21,499.11
Transfer from General Fund			-
Changes in Net Assets	<u>61,334.40</u>	<u>(39,835.29)</u>	<u>21,499.11</u>
Total Net Assets - Beginning	<u>(59,913.69)</u>	<u>78,251.63</u>	<u>18,337.94</u>
Total Net Assets - Ending	<u>\$ 1,420.71</u>	<u>\$ 38,416.34</u>	<u>\$ 39,837.05</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund		
	Food Service	Community School	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 262,517.59	\$ 248,452.80	\$ 510,970.39
Payments to Employees	(194,342.99)	(203,280.41)	(397,623.40)
Payments for Employee Benefits	(89,664.75)	(23,820.83)	(113,485.58)
Payments to Suppliers	(403,139.04)	(73,485.78)	(476,624.82)
Net Cash Provided by (Used for) Operating Activities	<u>(424,629.19)</u>	<u>(52,134.22)</u>	<u>(476,763.41)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	19,982.60		19,982.60
Federal Sources	394,206.52		394,206.52
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>414,189.12</u>	<u>-</u>	<u>414,189.12</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	459.42	-	459.42
Net Cash Provided by (Used for) Investing Activities	<u>459.42</u>	<u>-</u>	<u>459.42</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,980.65)	(52,134.22)	(62,114.87)
Balance - Beginning of Year	31,642.87	101,490.93	133,133.80
Balance - End of Year	<u>\$ 21,662.22</u>	<u>\$ 49,356.71</u>	<u>\$ 71,018.93</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (409,546.36)	\$ (39,835.29)	\$ (449,381.65)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,864.66	3,751.90	5,616.56
Increase (Decrease) in Deferred Revenue		2,317.16	2,317.16
(Increase) Decrease in Accounts Receivable	291.10	944.28	1,235.38
Increase (Decrease) in Accounts Payable	(20,955.38)		(20,955.38)
Increase (Decrease) in Interfunds Payable	12,476.02	(19,312.27)	(6,836.25)
(Increase) Decrease in Inventories	(15,472.07)		(15,472.07)
Increase (Decrease) in Accrued Salaries Benefits	6,712.84		6,712.84
Total Adjustments	<u>(15,082.83)</u>	<u>(12,298.93)</u>	<u>(27,381.76)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (424,629.19)</u>	<u>\$ (52,134.22)</u>	<u>\$ (476,763.41)</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Assets
June 30, 2010

	Unemployment Compensation	Scholarship Account	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 118,211.01	\$ 32.98	\$ 284,666.58
	<u>118,211.01</u>	<u>32.98</u>	<u>284,666.58</u>
LIABILITIES			
Summer Savings			88,864.65
Payable to Student Groups			78,064.90
Payroll Deductions and Withholdings	15,098.60		117,737.03
	<u>15,098.60</u>	<u>-</u>	<u>284,666.58</u>
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 103,112.41</u>		
Reserved for Scholarships		<u>\$ 32.98</u>	

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2010

	<u>Unemployment Compensation</u>	<u>Scholarship Fund</u>
ADDITIONS		
Contributions:		
Plan Member	\$ 29,140.16	\$ -
Total Contributions	<u>29,140.16</u>	<u>-</u>
Investment Earnings:		
Interest	<u>1,053.66</u>	<u>0.08</u>
Total Additions	<u>30,193.82</u>	<u>0.08</u>
DEDUCTIONS		
Unemployment Claims	81,925.73	
Bank Charges		60.00
Total Deductions	<u>81,925.73</u>	<u>60.00</u>
Changes in Net Assets	(51,731.91)	(59.92)
Net Assets - Beginning of the Year	154,844.32	92.90
Net Assets - End of the Year	<u>\$ 103,112.41</u>	<u>\$ 32.98</u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades Pre-K-6. The District operates an elementary and intermediate school located in Little Egg Harbor Township.

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

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

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

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

Basis of Presentation

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Basis of Presentation - Continued

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

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

Governmental Funds

The District reports the following governmental funds:

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Basis of Presentation - Continued

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

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

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

Proprietary Funds

The District reports the following proprietary fund:

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

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations and the Community School Fund, which accounts for all revenues and expenses pertaining to the District's community school program operations.

Fiduciary Funds

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

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

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Basis of Presentation - Continued

Fiduciary Funds - Continued

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

Measurement Focus and Basis of Accounting

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

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

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgets/Budgetary Control

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

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

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

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

D. Encumbrance Accounting

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

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

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

Interfund Transactions

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

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

Inventories

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Capital Assets

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

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

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

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Deferred Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Net Assets

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

Fund Balance Reserves

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Revenues – Exchange and Nonexchange Transactions

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

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Extraordinary and Special Items

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

Management Estimates

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

NOTE 2 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2010, the carrying amount of the District's deposits (cash and cash equivalents) was \$2,647,964.98 and the bank balance was \$3,952,698.76.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2010
 (CONTINUED)**

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

As of June 30, 2010, the District's bank balance was exposed to custodial credit risk as follows:

	<u>Cash Equivalents</u>
Insured	\$ 500,000.00
Uninsured and collateral held by pledging bank's trust department not in the District's name	2,809,946.50
Uninsured	642,752.26
	\$ 3,952,698.76

Investments

The District did not have any investments at June 30, 2010.

NOTE 4 – RECEIVABLES

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

	<u>Governmental Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
State and Federal Aid	\$ 706,825.18	\$ 746,061.38
Other	53,742.08	56,502.88
Interfunds	444,186.18	-
Gross Receivables	1,204,753.44	802,564.26
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 1,204,753.44	\$ 802,564.26

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2010
 (CONTINUED)**

NOTE 5 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund.

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$	\$ 334,247.57
Special Revenue Fund	1,837.04	
Capital Projects Fund	444,186.18	
Debt Service Fund	-	24,992.49
Proprietary Fund	-	85,024.78
Trust and Agency Fund	-	1,758.38
Total	\$ 446,023.22	\$ 446,023.22

NOTE 6 – INVENTORY

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

Food	\$ 20,173.05
Supplies	-
	\$ 20,173.05

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 7 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,076,100.00			\$ 7,076,100.00
Construction in Progress	22,393,538.73	1,317,401.19	20,057,305.68	3,653,634.24
Total capital assets not being depreciated	<u>29,469,638.73</u>	<u>1,317,401.19</u>	<u>20,057,305.68</u>	<u>10,729,734.24</u>
Capital assets being depreciated:				
Buildings and Building improvements	16,320,301.03	20,225,887.84		36,546,188.87
Machinery & Equipment	1,493,794.31	266,843.30	(1,798.36)	1,762,435.97
Total capital assets being depreciated at historical cost	<u>17,814,095.34</u>	<u>20,492,731.14</u>	<u>(1,798.36)</u>	<u>38,308,624.84</u>
Total capital assets at historical cost	<u>47,283,734.07</u>	<u>21,810,132.33</u>	<u>20,055,507.32</u>	<u>49,038,359.08</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,741,079.15)	(1,172,965.82)		(7,914,044.97)
Equipment	(868,355.19)	(92,967.10)	1,798.36	(963,120.65)
Total capital assets being depreciated, net of accumulated depreciation	<u>(7,609,434.34)</u>	<u>(1,265,932.92)</u>	<u>1,798.36</u>	<u>(8,877,165.62)</u>
Governmental activity capital assets, net	<u>\$ 39,674,299.73</u>	<u>\$ 20,544,199.41</u>	<u>\$ 20,057,305.68</u>	<u>\$ 40,161,193.46</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 226,694.55	\$ 49,513.31		\$ 276,207.86
Less accumulated depreciation	(215,147.82)	(5,616.56)		(220,764.38)
Enterprise Fund capital assets, net	<u>\$ 11,546.73</u>	<u>\$ 43,896.75</u>	<u>\$ -</u>	<u>\$ 55,443.48</u>

NOTE 8 – LONG-TERM OBLIGATIONS

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

	<u>Balance July 1, 2009</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2010</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$ 1,089,060.42	\$ 472,788.00		\$ 1,561,848.42	\$ -
Capital Leases	138,271.79		80,529.55	57,742.24	55,287.51
Bonds Payable	28,134,000.00		604,000.00	27,530,000.00	870,000.00
	<u>\$ 29,361,332.21</u>	<u>\$ 472,788.00</u>	<u>\$ 684,529.55</u>	<u>\$ 29,149,590.66</u>	<u>\$ 925,287.51</u>

Compensated absences and capital leases will be liquidated in the General Fund.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 8 – LONG-TERM OBLIGATIONS - Continued

Bonds Payable

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

At June 30, 2009 bonds payable consisted of the following issues:

\$7,170,000 School Bonds dated February 1, 1997, due in annual installments through February 1, 2012, bearing interest at 6.00% per annum. The balance remaining as of June 30, 2010 is \$700,000.00.

\$3,095,000 School Bonds dated October 1, 1999, due in annual installments through October 1, 2014, bearing interest at 5.10% per annum. The balance remaining as of June 30, 2010 is \$1,115,000.00

\$17,764,000 School Bonds dated May 1, 2007, due in annual installments through January 15, 2033, bearing interest at varying rates of 4.00% to 4.50% per annum. The balance remaining as of June 30, 2010 is \$17,720,000.00.

\$7,995,000 School Bonds dated August 1, 2008, due in annual installments through August 1, 2033, bearing interest at varying rates of 3.00% to 4.55% per annum. The balance remaining as of June 30, 2010 is \$7,995,000.00

Debt service requirements on serial bonds payable at June 30, 2009 are as follows:

Bonds Payable

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$ 870,000.00	\$ 1,162,907.50	\$ 2,032,907.50
2012	890,000.00	1,141,782.50	2,031,782.50
2013	800,000.00	1,097,782.50	1,897,782.50
2014	830,000.00	1,063,307.50	1,893,307.50
2015	855,000.00	1,027,887.50	1,882,887.50
2016-2020	4,695,000.00	4,616,250.00	9,311,250.00
2021-2025	5,770,000.00	3,550,305.00	9,320,305.00
2026-2030	7,185,000.00	2,202,452.50	9,387,452.50
2031-2033	5,635,000.00	517,146.25	6,152,146.25
	<u>\$ 27,530,000.00</u>	<u>\$ 16,379,821.25</u>	<u>\$ 43,909,821.25</u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 8 – LONG-TERM OBLIGATIONS - Continued

Capital Leases

The District is leasing several copiers totaling \$41,747.92 and computer equipment totaling \$180,600.63 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2010:

Fiscal Year Ending June 30,	Principal
2011	\$ 55,287.51
2012	5,817.29
Total minimum lease payments	61,104.80
Less amount representing interest	3,362.56
Present value of lease payments	\$ 57,742.24

NOTE 9 – PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost sharing multiple employer plan. Membership is mandatory for substantially all full time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 9 – PENSION PLANS - Continued

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

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

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

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

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 9 – PENSION PLANS - Continued

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/10	\$ 272,353.94	100%	\$ -
06/30/09	249,498.84	100%	-
06/30/08	149,046.01	100%	-

Three Year Trend Information for TPAF (Paid on behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 674,728.00	100%	\$ -
6/30/2009	616,038.00	100%	-
6/30/2008	1,087,197.00	100%	-

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$674,728.00 to the TPAF for normal and 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 \$865,127.22 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 10 – POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2008, there were 80,181 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

The State is also responsible for the cost attributable to P.L. 1992 c. 126 which provides free health benefits for members PERS and the Alternative 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.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2010
 (CONTINUED)**

NOTE 11 – COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

NOTE 12 – DEFERRED COMPENSATION

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

VALIC	Merrill Lynch
Quads Trust	Siracusa Benefits
Lincoln Investment Planning, Inc.	Union Central
Equitable Life	

NOTE 13 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Little Egg Harbor Township Board of Education by the inclusion of \$120,000 in the original 1999-2000 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. Pursuant to N.J.A.C.6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its 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	\$	53,792.43
Interest Earnings		500.00
Ending Balance, June 30, 2010	\$	<u>54,292.43</u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 14 – RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>Interest on Investments</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$ 1,053.66	\$ 29,140.16	\$ 81,925.73	\$ 103,112.41
2008-2009	1,328.55	35,322.37	37,043.41	161,459.45
2007-2008	4,285.58	23,470.68	7,390.71	161,851.94

NOTE 15 – FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$248,694.92 General Fund fund balance at June 30, 2010, \$22,624.29 is reserved for encumbrances; \$699,309.00 has been legally reserved and designated for subsequent year's expenditures; \$54,292.43 has been reserved in the Capital Reserve Account; \$37,493.00 has been reserved in the Emergency Reserve; \$XX has been appropriated and included as anticipated revenue for the year ending June 30, 2011; and there is a deficit of \$565,023.80 in unreserved and undesignated.

Debt Service Fund – The Debt Service Fund fund balance at June 30, 2010 is \$861.55.

NOTE 16 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance generated for the year ended June 30, 2010 is \$0.00.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(CONTINUED)**

NOTE 17 – DEFICIT FUND BALANCES

The District has a deficit fund balance of \$340,400.00 in the Special Revenue Fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). P.L. 2003, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e. if one government recognizes an asset; the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the Special revenue fund in the GAAP fund statements of \$340,400.00 is equal to the last two state aid payments for that fund.

NOTE 18 – DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (27 years). The cost associated with the 2008 bonds amounted to \$109,205.00. Amortization expense reflected in the District Wide Financial Statements for the year ended June 30, 2009 was \$97,071.12. The balance of deferred bond issuance costs at June 30, 2010 was \$93,026.49.

NOTE 19 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2010 through November 24, 2010, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$10,080,824.00	\$ -	\$10,080,824.00	\$10,080,824.00	\$ -
Tuition	65,000.00	(10,257.47)	54,742.53	61,630.26	6,887.73
Interest Earned on Emergency Reserve	200.00		200.00	200.00	-
Interest Earned on Capital Reserve	500.00		500.00	500.00	-
Miscellaneous	63,000.00	12,478.33	75,478.33	76,418.33	940.00
Total Local Sources	10,209,524.00	2,220.86	10,211,744.86	10,219,572.59	7,827.73
State Sources:					
Extraordinary Aid	292,486.00		292,486.00	362,118.00	69,632.00
Categorical Special Education Aid	799,536.00		799,536.00	799,536.00	-
Equalization Aid	6,030,210.00	(1,094,158.00)	4,936,052.00	4,936,052.00	-
Categorical Security Aid	298,795.00		298,795.00	298,795.00	-
Adjustment Aid	2,054,644.00	(719,125.00)	1,335,519.00	1,335,519.00	-
Categorical Transportation Aid	984,439.00	(2,955.00)	981,484.00	981,484.00	-
Additional Non Public Transportation Aid		6,262.00	6,262.00	6,262.00	-
TPAF Pension (On-Behalf - Non-Budgeted)			-	674,728.00	674,728.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	865,127.22	865,127.22
Total State Sources	10,460,110.00	(1,809,976.00)	8,650,134.00	10,259,621.22	1,609,487.22
Federal Sources:					
Medicaid Reimbursement	39,065.00	-	39,065.00	46,044.90	6,979.90
ARRA - ESF		1,053,380.00	1,053,380.00	1,053,380.00	-
ARRA - GSF		40,778.00	40,778.00	40,778.00	-
Total Federal Sources	39,065.00	1,094,158.00	1,133,223.00	1,140,202.90	6,979.90
Total Revenues	20,708,699.00	(713,597.14)	19,995,101.86	21,619,396.71	1,624,294.85
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of Teachers	707,277.00	95,811.20	803,088.20	802,151.25	936.95
Grades 1 - 5 Salaries of Teachers	3,716,086.00	84,488.80	3,800,574.80	3,796,638.89	3,935.91
Grades 6 - 8 Salaries of Teachers	735,118.00	81,952.90	817,070.90	816,876.05	194.85
Regular Programs - Home Instruction Salaries of Teachers	25,500.00	(20,577.71)	4,922.29	4,557.00	365.29
Other Purchased Services (400-500 series)	500.00		500.00		500.00
Regular Programs - Undistributed Instruction Purchased Professional - Educational Services	1,000.00	31,922.00	32,922.00	23,649.20	9,272.80
Purchased Professional - Technical Services		3,700.00	3,700.00	3,700.00	-
Other Purchased Services (400-500 series)	103,066.00	76,536.00	179,602.00	177,651.38	1,950.62
General Supplies	176,628.00	12,101.94	188,729.94	178,731.27	9,998.67
Textbooks	7,600.00	9,000.00	16,600.00	16,022.95	577.05
Other Objects	11,665.00	(11,104.85)	560.15	426.34	133.81
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,484,440.00	363,830.28	5,848,270.28	5,820,404.33	27,865.95
Learning and/or Language Disabilities-Instruction:					
Salaries of Teachers	170,918.00	80,107.00	251,025.00	251,025.00	-
Other Salaries for Instruction	62,631.00	13,039.00	75,670.00	73,799.65	1,870.35
General Supplies	4,288.00	(1,020.67)	3,267.33	2,757.00	510.33
Textbooks	95.00		95.00	95.00	-
Total Learning and/or Language Disabilities	237,932.00	92,125.33	330,057.33	327,676.65	2,380.68

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Behavioral Disabilities					
Salaries of Teachers	\$ 166,806.00	\$ 288.00	\$ 167,094.00	\$ 166,527.62	\$ 566.38
Other Salaries for Instruction	47,090.00	11,930.94	59,020.94	59,020.94	-
General Supplies	4,288.00		4,288.00	4,123.01	164.99
Textbooks	95.00	-	95.00	95.00	-
Total Behavioral Disabilities	218,279.00	12,218.94	230,497.94	229,766.57	731.37
Multiple Disabilities					
Salaries of Teachers	110,208.00	3,235.00	113,443.00	113,443.00	-
Other Salaries for Instruction		65,487.40	65,487.40	64,822.87	664.53
General Supplies	2,288.00	162.67	2,450.67	2,450.67	-
Textbooks	95.00	-	95.00	95.00	-
Other Objects	3,000.00	-	3,000.00	3,000.00	-
Total Multiple Disabilities	115,591.00	68,885.07	184,476.07	183,811.54	664.53
Resource Room/Resource Center					
Salaries of Teachers	1,066,998.00	296,589.06	1,363,587.06	1,363,404.21	182.85
Other Salaries for Instruction	72,417.00	12,426.18	84,843.18	84,453.96	389.22
General Supplies	16,378.00	(503.00)	15,875.00	15,464.74	410.26
Textbooks	950.00	-	950.00	950.00	-
Total Resource Room/Resource Center	1,156,743.00	308,512.24	1,465,255.24	1,464,272.91	982.33
Autism					
Salaries of Teachers	181,075.00	(73,076.00)	107,999.00	107,999.00	-
Other Salaries for Instruction	13,010.00	(3,968.00)	9,042.00	9,042.00	-
Purchased Professional - Educational Services	12,000.00	(592.00)	11,408.00	11,357.15	50.85
General Supplies	4,000.00	(1,062.63)	2,937.37	2,937.04	0.33
Textbooks	500.00	(500.00)	-	-	-
Other Objects	3,000.00	-	3,000.00	3,000.00	-
Total Autism	213,585.00	(79,198.63)	134,386.37	134,335.19	51.18
Preschool Disabilities - Part-Time					
Salaries of Teachers	70,147.00	(900.00)	69,247.00	69,034.00	213.00
Other Salaries for Instruction	21,324.00	(20,002.00)	1,322.00	1,322.00	-
General Supplies	500.00		500.00	382.01	117.99
Total Preschool Disabilities - Full-Time	91,971.00	(20,902.00)	71,069.00	70,738.01	330.99
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,034,101.00	381,640.95	2,415,741.95	2,410,600.87	5,141.08
Basic Skills - Instruction					
Salaries of Teachers	352,806.00	(40,957.00)	311,849.00	309,972.57	1,876.43
General Supplies	7,727.00		7,727.00	7,727.00	-
Textbooks	570.00		570.00	570.00	-
Total Basic Skills - Instruction	361,103.00	(40,957.00)	320,146.00	318,269.57	1,876.43
Bilingual Education - Instruction					
Salaries of Teachers	62,670.00	4.00	62,674.00	62,638.00	36.00
General Supplies	1,288.00		1,288.00	1,288.00	-
Textbooks	95.00	-	95.00	95.00	-
Total Bilingual Education - Instruction	64,053.00	4.00	64,057.00	64,021.00	36.00
School-Spon. Cocurricular Activities - Instruction					
Salaries	12,670.00	(2,150.00)	10,520.00	9,833.00	687.00
Total School-Spon. Cocurricular Activities - Inst.	12,670.00	(2,150.00)	10,520.00	9,833.00	687.00
Other Supplemental / At Risk Programs					
Salaries of Reading Specialists	65,658.00	(5,680.00)	59,978.00	-	59,978.00
Total Other Supplemental / At Risk Programs	65,658.00	(5,680.00)	59,978.00	-	59,978.00
TOTAL INSTRUCTION	8,022,025.00	696,688.23	8,718,713.23	8,623,128.77	95,584.46

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEA's within the State					
Regular	\$ -	\$ 8,294.00	\$ 8,294.00	\$ 8,293.74	\$ 0.26
Tuition - Other		47,303.00	47,303.00	8,567.16	38,735.84
Tuition to Private Schools for the Disabled - Within State	79,852.00	(25,990.64)	53,861.36	53,861.36	-
Total Undistributed Expenditures - Instruction	79,852.00	29,606.36	109,458.36	70,722.26	38,736.10
Undistributed Expend. - Attend. & Social Worker					
Salaries	37,479.00	345.00	37,824.00	37,824.00	-
Supplies & Materials	500.00	-	500.00	83.60	416.40
Total Undist. Expend. - Attend. & Social Worker	37,979.00	345.00	38,324.00	37,907.60	416.40
Undistributed Expend. - Health Services					
Salaries	217,024.00	(4,713.00)	212,311.00	211,915.36	395.64
Purchased Professional and Technical Services	2,000.00	2,300.00	4,300.00	3,646.50	653.50
Other Purchased Services (400-500 series)	700.00	(700.00)	-	-	-
Supplies & Materials	8,700.00	7,118.00	15,818.00	14,560.53	1,257.47
Total Undistributed Expend. - Health Services	228,424.00	4,005.00	232,429.00	230,122.39	2,306.61
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	434,860.00	(12,754.00)	422,106.00	421,105.84	1,000.16
Purchased Professional - Education Services	40,000.00	2,265.98	42,265.98	36,986.74	5,279.24
Supplies & Materials	3,000.00	-	3,000.00	2,185.89	814.11
Other Objects	3,780.00	-	3,780.00	-	3,780.00
Total Undist. Expend. - Other Support Services Student - Related Services	481,640.00	(10,488.02)	471,151.98	460,278.47	10,873.51
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	461,114.00	(144,239.03)	316,874.97	309,899.68	6,975.29
Purchased Professional - Educational Services	3,500.00	(916.00)	2,584.00	-	2,584.00
Supplies and Materials	4,000.00	(4,000.00)	-	-	-
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	468,614.00	(149,155.03)	319,458.97	309,899.68	9,559.29
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	119,072.00	6,554.00	125,626.00	125,549.07	76.93
Other Purchased Professional and Tech. Services	6,000.00	(1,424.58)	4,575.42	4,058.26	517.16
Supplies & Materials	21,850.00	3,820.00	25,670.00	25,350.46	319.54
Total Undist. Expend. - Guidance	146,922.00	8,949.42	155,871.42	154,957.79	913.63
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	365,772.00	6,327.00	372,099.00	372,097.80	1.20
Salaries of Secretarial and Clerical Assistants	20,336.00	(103.00)	20,233.00	18,326.15	1,906.85
Purchased Professional Educational Services	3,033.00	1,425.00	4,458.00	3,246.00	1,212.00
Other Purchased Professional and Tech. Services	11,500.00	(1,500.00)	10,000.00	5,195.00	4,805.00
Other Purchased Services (400-500 series)	1,550.00	-	1,550.00	-	1,550.00
Supplies & Materials	13,000.00	1,277.35	14,277.35	13,743.04	534.31
Other Objects	3,200.00	-	3,200.00	-	3,200.00
Total Undist. Expend. - Child Study Teams	418,391.00	7,426.35	425,817.35	412,607.99	13,209.36
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisors of Instruction	369,979.00	(95,743.00)	274,236.00	273,045.00	1,191.00
Salaries of Other Professional Staff	123,269.00	(59,910.00)	63,359.00	19,101.11	44,257.89
Salaries of Secretarial and Clerical Assistants	161,848.00	(5,171.00)	156,677.00	137,445.48	19,231.52
Other Purchased Professional and Tech. Services	152,727.00	-	152,727.00	-	152,727.00
Other Purchased Services (400-500 series)	4,525.00	-	4,525.00	1,333.38	3,191.62
Supplies and Materials	500.00	-	500.00	190.87	309.13
Other Objects	700.00	-	700.00	149.00	551.00
Total Undist. Expend. - Improvement of Inst. Serv.	813,548.00	(160,824.00)	652,724.00	431,264.84	221,459.16

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 264,632.00	\$ (2,155.25)	\$ 262,476.75	\$ 261,301.04	\$ 1,175.71
Purchased Professional and Technical Services	29,280.00	(916.60)	28,363.40	27,982.80	380.60
Other Purchased Services (400-500 series)	3,800.00	(93.00)	3,707.00	3,025.44	681.56
Supplies & Materials	25,594.00	(11,604.00)	13,990.00	13,652.63	337.37
Total Undistributed Expenditures - Educational Media Services - School Library	323,306.00	(14,768.85)	308,537.15	305,961.91	2,575.24
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	4,092.00	38,727.00	42,819.00	42,062.45	756.55
Purchased Professional - Education Services	33,550.00	40,410.00	73,960.00	73,296.28	663.72
Other Purchased Services (400-500 series)	26,110.00	(15,100.00)	11,010.00	5,862.31	5,147.69
Supplies & Materials	4,200.00	6,907.62	11,107.62	7,506.45	3,601.17
Other Objects	4,974.00	4,471.25	9,445.25	8,134.81	1,310.44
Staff Training Services	72,926.00	75,415.87	148,341.87	136,862.30	11,479.57
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	305,688.00	5,521.00	311,209.00	311,206.57	2.43
Legal Services	34,000.00	47,259.20	81,259.20	79,808.54	1,450.66
Audit Fees	25,700.00		25,700.00	25,700.00	-
Architect / Engineering Fees	14,800.00	(14,541.00)	259.00	103.51	155.49
Other Purchased Professional Services	12,545.00	5,977.50	18,522.50	9,763.00	8,759.50
Communications/Telephone	141,725.00	(45,395.00)	96,330.00	76,495.63	19,834.37
BOE Other Purchased Services	4,000.00	(2,000.00)	2,000.00	1,432.29	567.71
Other Purchased Services (400-500 series)	68,910.00	10,308.35	79,218.35	65,117.68	14,100.67
General Supplies	14,202.00	3,962.50	18,164.50	17,968.85	195.65
BOE In-House Training/Meeting Supplies	500.00	(226.00)	274.00	19.50	254.50
Miscellaneous Expenditures	9,100.00	(3,024.00)	6,076.00	6,043.66	32.34
BOE Membership Dues and Fees	11,509.00	(100.00)	11,409.00	11,107.00	302.00
Total Undistributed Expenditures - Support Services - General Administration	642,679.00	7,742.55	650,421.55	604,766.23	45,655.32
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	207,693.00	(61,718.15)	145,974.85	145,972.39	2.46
Salaries of Other Professional Staff	211,769.00	39,317.00	251,086.00	251,085.73	0.27
Salaries of Secretarial and Clerical Assistants	197,805.00	10,906.00	208,711.00	208,694.27	16.73
Other Salaries	15,751.00	69.00	15,820.00	15,819.39	0.61
Other Purchased Services (400-500 series)	41,471.00	15,061.68	56,532.68	55,372.02	1,160.66
Supplies & Materials	9,166.00	5,961.18	15,127.18	13,008.77	2,118.41
Other Objects	5,060.00	604.00	5,664.00	5,524.00	140.00
Total Undistributed Expenditures - Support Services - School Administration	688,715.00	10,200.71	698,915.71	695,476.57	3,439.14
Undist. Expend. - Central Services					
Salaries	286,634.00	22,388.87	309,022.87	309,019.92	2.95
Purchased Professional Services	25,794.00	1,040.00	26,834.00	26,732.00	102.00
Purchased Technical Services	7,840.00	2,855.00	10,695.00	7,290.00	3,405.00
Misc. Purchased Services (400-500 series)	2,500.00	500.00	3,000.00	2,712.71	287.29
Supplies and Materials	6,750.00	6,655.00	13,405.00	12,469.10	935.90
Miscellaneous Expenditures	2,280.00	55.00	2,335.00	2,329.43	5.57
Total Undistributed Expenditures - Central Services	331,798.00	33,493.87	365,291.87	360,553.16	4,738.71
Undist. Expend. - Admin. Info. Tech.					
Salaries	213,479.00	4,197.13	217,676.13	208,067.45	9,608.68
Purchased Technical Services	5,173.00	7,497.78	12,670.78	10,526.00	2,144.78
Supplies and Materials	8,000.00		8,000.00	7,682.74	317.26
Other Objects	24,970.00	(2,853.04)	22,116.96	21,038.96	1,078.00
Total Undistributed Expenditures - Admin. Info Technology	251,622.00	8,841.87	260,463.87	247,315.15	13,148.72

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Required Maint. School Fac.					
Cleaning, Repair and Maintenance Service	\$ 34,000.00	\$ 15,913.46	\$ 49,913.46	\$ 31,862.91	\$ 18,050.55
General Supplies	53,950.00	(5,830.87)	48,119.13	47,629.13	490.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	87,950.00	10,082.59	98,032.59	79,492.04	18,540.55
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	720,712.00	(11,394.33)	709,317.67	707,254.13	2,063.54
Purchased Professional and Technical Services	11,150.00	15,775.00	26,925.00	26,677.00	248.00
Cleaning, Repair and Maintenance Service	63,223.00	(41,694.83)	21,528.17	21,378.17	150.00
Other Purchased Property Services	26,300.00	(8,676.14)	17,623.86	17,623.86	-
Insurance	41,590.00	242.00	41,832.00	41,832.00	-
Miscellaneous Purchased Services	800.00	(134.50)	665.50	665.50	-
General Supplies	60,830.00	13,315.55	74,145.55	73,627.18	518.37
Energy (Electricity)	435,141.00	21,645.00	456,786.00	451,670.10	5,115.90
Other Objects	2,253.00	1,630.70	3,883.70	3,883.70	-
Salaries of Non Instructional Aides	313,121.00	(76,799.78)	236,321.22	234,646.09	1,675.13
Energy (Natural Gas)	42,000.00	60,096.00	102,096.00	94,238.90	7,857.10
Energy (Oil)	14,036.00	(11,877.44)	2,158.56	1,374.56	784.00
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	1,731,156.00	(37,872.77)	1,693,283.23	1,674,871.19	18,412.04
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	64,695.00	27,612.34	92,307.34	91,111.86	1,195.48
Total Undist. Expend. - Care & Upkeep of Grounds	64,695.00	27,612.34	92,307.34	91,111.86	1,195.48
Undist. Expend. - Security					
Purchased Professional and Technical Services	87,016.00	-	87,016.00	87,015.18	0.82
Total Undist. Expend. - Security	87,016.00	-	87,016.00	87,015.18	0.82
Total Undistributed Expenditures Operations and Maintenance of Plant	1,970,817.00	(177.84)	1,970,639.16	1,932,490.27	38,148.89
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	54,790.00	3,006.00	57,796.00	57,777.14	18.86
Other Purchased Prof. and Technical Serv.	38,000.00	(34,086.00)	3,914.00	3,914.00	3,914.00
Cleaning, Repair, & Maint. Services	1,400.00	75.00	1,475.00	1,472.10	2.90
Contracted Services - (Other than Home & Sch)	35,928.00	-	35,928.00	23,333.48	12,594.52
Contr. Serv. - (Bet. Home & School) Joint Agrm.	941,793.00	6,800.00	948,593.00	948,249.76	343.24
Contr. Serv. - (Special Ed. Students) - Vendors	147,870.00	(31,000.00)	116,870.00	104,084.58	12,785.42
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	271,130.00	24,200.00	295,330.00	284,621.72	10,708.28
Contr. Serv. - Aid in Lieu Payments	8,840.00	(75.00)	8,765.00	2,652.00	6,113.00
Misc. Purchased Service - Transportation	3,120.00	(20.00)	3,100.00	2,909.00	191.00
Supplies & Materials	5,200.00	(176.00)	5,024.00	3,991.24	1,032.76
Other Objects	400.00	20.00	420.00	411.25	8.75
Total Undistributed Expenditures - Student Transportation Services	1,508,471.00	(31,256.00)	1,477,215.00	1,429,502.27	47,712.73
Unallocated Benefits					
Group Insurance	88,133.00	(8,000.00)	80,133.00	76,120.68	4,012.32
Social Security Contribution	259,809.00	(64,296.90)	195,512.10	192,169.49	3,342.61
Other Retirement Contributions - Regular	298,687.00	(24,963.00)	273,724.00	272,353.94	1,370.06
Workmen's Compensation	160,915.00	(3,784.00)	157,131.00	153,176.00	3,955.00
Health Benefits	4,380,896.00	(709,066.96)	3,671,829.04	3,566,569.40	105,259.64
Tuition Reimbursement	28,510.00	2,115.00	30,625.00	29,645.45	979.55
Other Employee Benefits	157,547.00	276,110.00	433,657.00	431,406.90	2,250.10
Total Unallocated Benefits	5,374,497.00	(531,885.86)	4,842,611.14	4,721,441.86	121,169.28
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)	-	-	-	674,728.00	-
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	865,127.22	(865,127.22)
Total On-Behalf Contributions	-	-	-	1,539,855.22	(865,127.22)
Total Personal Services - Employee Benefits	5,374,497.00	(531,885.86)	4,842,611.14	6,261,297.08	(743,957.94)
TOTAL UNDISTRIBUTED EXPENDITURES	13,840,201.00	(712,528.60)	13,127,672.40	14,081,985.96	(279,585.56)
TOTAL GENERAL CURRENT EXPENSE	21,862,226.00	(15,840.37)	21,846,385.63	22,705,114.73	(184,001.10)

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	\$ 700.00	\$ -	\$ 700.00	\$ -	\$ 700.00
Total Deposit to Capital Reserve	<u>700.00</u>	<u>-</u>	<u>700.00</u>	<u>-</u>	<u>700.00</u>
Equipment					
Undistributed Expenditures:					
Instruction	6,000.00	5,700.27	11,700.27	11,699.66	0.61
Operation and Maintenance of Plant Serv.		68,639.00	68,639.00	68,503.00	136.00
Total Equipment	<u>6,000.00</u>	<u>74,339.27</u>	<u>80,339.27</u>	<u>80,202.66</u>	<u>136.61</u>
TOTAL CAPITAL OUTLAY	<u>6,700.00</u>	<u>74,339.27</u>	<u>81,039.27</u>	<u>80,202.66</u>	<u>836.61</u>
TOTAL EXPENDITURES	<u>21,868,926.00</u>	<u>58,498.90</u>	<u>21,927,424.90</u>	<u>22,785,317.39</u>	<u>(183,164.49)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,160,227.00)</u>	<u>(772,096.04)</u>	<u>(1,932,323.04)</u>	<u>(1,165,920.68)</u>	<u>766,402.36</u>
Other Financing Sources:					
Operating Transfers In:					
Interest Earned on Capital Project Fund			-	2,152.33	2,152.33
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,152.33</u>	<u>2,152.33</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,160,227.00)</u>	<u>(772,096.04)</u>	<u>(1,932,323.04)</u>	<u>(1,163,768.35)</u>	<u>768,554.69</u>
Fund Balance July 1	<u>2,428,768.27</u>		<u>2,428,768.27</u>	<u>2,428,768.27</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1,268,541.27</u>	<u>\$ (772,096.04)</u>	<u>\$ 496,445.23</u>	<u>\$ 1,264,999.92</u>	<u>\$ 768,554.69</u>
Recapitulation:					
Reserve for Encumbrances	\$ -	\$ (52,507.72)	\$ (52,507.72)	\$ (52,507.72)	\$ -
Budgeted Fund Balance	<u>(1,160,227.00)</u>	<u>(719,588.32)</u>	<u>(1,879,815.32)</u>	<u>(1,111,260.63)</u>	<u>768,554.69</u>
	<u>\$ (1,160,227.00)</u>	<u>\$ (772,096.04)</u>	<u>\$ (1,932,323.04)</u>	<u>\$ (1,163,768.35)</u>	<u>\$ 768,554.69</u>
Recapitulation:					
Reserve for Encumbrances				\$ 22,624.29	
Emergency Reserve				37,493.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				699,309.00	
Capital Reserve				54,292.43	
Unrestricted Fund Balance				451,281.20	
				<u>1,264,999.92</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				1,016,305.00	
				<u>\$ 248,694.92</u>	

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund - American Recovery and Reinvestment Act - Education Stabilization Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ -	\$ 1,053,380.00	\$ 1,053,380.00	\$ 1,053,380.00	\$ -
Total Revenues	-	1,053,380.00	1,053,380.00	1,053,380.00	-
EXPENDITURES:					
Instruction:					
Grades 1 - 5 Salaries of Teachers	-	979,033.85	979,033.85	979,033.85	-
Total Instruction	-	979,033.85	979,033.85	979,033.85	-
Support Services:					
Unallocated Benefits	-	74,346.15	74,346.15	74,346.15	-
Social Security Contribution	-	74,346.15	74,346.15	74,346.15	-
Total Support Services:	-	1,053,380.00	1,053,380.00	1,053,380.00	-
Total Outflows	-	1,053,380.00	1,053,380.00	1,053,380.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund - American Recovery and Reinvestment Act - Government Stabilization Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ -	\$ 40,778.00	\$ 40,778.00	\$ 40,778.00	\$ -
Total Revenues	-	40,778.00	40,778.00	40,778.00	-
EXPENDITURES:					
Instruction:					
Grades 1 - 5 Salaries of Teachers	-	37,880.17	37,880.17	37,880.17	-
Total Instruction	-	37,880.17	37,880.17	37,880.17	-
Support Services:					
Unallocated Benefits	-	2,897.83	2,897.83	2,897.83	-
Social Security Contribution	-	2,897.83	2,897.83	2,897.83	-
Total Support Services:	-	40,778.00	40,778.00	40,778.00	-
Total Outflows	-	40,778.00	40,778.00	40,778.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ 5,763.86	\$ 5,763.86	\$ 5,561.55	\$ (202.31)
State Sources	3,404,000.00	236,407.52	3,640,407.52	3,093,658.94	(546,748.58)
Federal Sources	681,713.00	827,515.45	1,509,228.45	1,189,320.27	(319,908.18)
Total Revenues	4,085,713.00	1,069,686.83	5,155,399.83	4,288,540.76	(866,859.07)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,468,933.00	260,057.05	1,728,990.05	1,511,699.00	217,291.05
Other Salaries for Instruction	350,256.00	37,734.66	387,990.66	354,947.22	33,043.44
Other Purchased Services	34,000.00	409,725.00	443,725.00	250,725.34	192,999.66
General Supplies	175,987.00	(11,123.77)	164,863.23	157,617.41	7,245.82
Other Objects	4,615.00	(1,717.00)	2,898.00	2,794.08	103.92
Total Instruction	2,033,791.00	694,675.94	2,728,466.94	2,277,783.05	450,683.89
Support Services:					
Salaries of Supervisors of Instruction	66,812.00	33,045.30	99,857.30	99,857.30	-
Salaries of Program Directors	2,938.00	3,156.00	6,094.00	2,142.72	3,951.28
Salaries of Sec. and Clerical Assistants	131,721.00	(15,020.08)	116,700.92	89,304.83	27,396.09
Other Salaries	140,131.00	(15,511.00)	124,620.00	109,191.48	15,428.52
Salaries of Master Teachers		98,884.04	98,884.04	98,884.04	-
Personal Services - Employee Benefits	860,074.00	147,066.21	1,007,140.21	912,725.51	94,414.70
Purchased Educ. Services - Contracted Pre K		166,733.94	166,733.94	166,733.94	-
Purchased Professional & Technical Services	291,976.00	(169,069.32)	122,906.68	73,953.74	48,952.94
Travel	6,000.00	(4,000.00)	2,000.00	877.51	1,122.49
Leases and Rentals	83,904.00	111,250.00	195,154.00	188,784.00	6,370.00
Contr. Transportation Service (Betw. Home & Sch.)	370,223.00	(5,789.00)	364,434.00	184,906.88	179,527.12
Contr. Transportation Service (Field Trip)	19,000.00		19,000.00	3,822.80	15,177.20
Purchased Professional - Educational Services		22,394.00	22,394.00	22,394.00	-
Other Purchased Services	28,600.00	18,819.12	47,419.12	18,819.12	28,600.00
Other Objects	565.00	14,423.60	15,000.00	22,801.54	7,801.54
Supplies & Materials	19,978.00	(6,806.92)	13,171.08	5,990.00	7,181.08
Total Support Services	2,021,922.00	405,010.89	2,426,932.89	2,010,757.71	416,175.18

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisitions and Construction Services:					
Instructional Equipment	\$ 30,000.00	\$ (30,000.00)	\$ -		\$ -
Total Facilities Acquisitions and Const. Services:	<u>30,000.00</u>	<u>(30,000.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to Charter Schools					
Other Financing Sources (Uses)					
None	-	-	-	-	-
Total Outflows	<u>4,085,713.00</u>	<u>1,069,686.83</u>	<u>5,155,399.83</u>	<u>4,288,540.76</u>	<u>866,859.07</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2010

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

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 21,619,396.71	[C-2] \$ 4,288,540.76
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		(9,924.02)
Final State Aid payment was delayed until July 2009	995,422.90	263,246.10
Final Two State Aid payments were delayed until July 2010	(1,016,305.00)	(340,400.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 21,598,514.61</u>	[B-2] <u>\$ 4,201,462.84</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 22,785,317.39	[C-2] \$ 4,288,540.76
Difference - 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.		(9,924.02)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 22,785,317.39</u>	[B-2] <u>\$ 4,278,616.74</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2010

	IDEA Part B	IDEA Part B Carryover	IDEA Preschool	IDEA Preschool Carryover	ARRA Title I	ARRA Title I
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 117,061.15	\$ 56,412.84	\$ 27,545.92	\$ 962.00	\$ 122,120.80	\$ 330,017.29
Total Revenues	<u>117,061.15</u>	<u>56,412.84</u>	<u>27,545.92</u>	<u>962.00</u>	<u>122,120.80</u>	<u>330,017.29</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers					70,000.00	227,349.18
Other Salaries for Instruction	1,134.00	20,698.66	25,122.00			
Other Purchased Services	493.88	2,756.39	502.00	962.00	1,728.12	4,959.57
General Supplies						
Other Objects						
Total Instruction	<u>1,627.88</u>	<u>23,455.05</u>	<u>25,624.00</u>	<u>962.00</u>	<u>71,728.12</u>	<u>232,308.75</u>
Support Services:						
Salaries of Supervisors of Instruction						
Salaries of Program Directors	49,211.17	17,412.92			5,900.04	15,999.84
Salaries of Secr. and Clerical Assistants						
Other Salaries						
Salaries of Master Teachers						
Personal Services - Employee Benefits	3,932.91	2,281.08	1,921.92		26,302.64	71,590.73
Purchased Professional & Technical Services	48,000.00	10,553.74			12,200.00	
Travel						
Other Purchased Services	12,892.18	334.60				7,390.58
Purchased Educ. Services - Contracted PreK						
Purchased Professional - Educational Services						
Purchased Other Professional Services						
Rentals						
Other Objects					5,990.00	
Contr. Transportation Service (Betw. Home & Sch.)						
Contr. Transportation Service (Field Trips)						
Supplies & Materials	1,397.01	2,375.45				2,727.39
Total Support Services	<u>115,433.27</u>	<u>32,957.79</u>	<u>1,921.92</u>	<u>-</u>	<u>50,392.68</u>	<u>97,708.54</u>
Total Outflows	<u>117,061.15</u>	<u>56,412.84</u>	<u>27,545.92</u>	<u>962.00</u>	<u>122,120.80</u>	<u>330,017.29</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2010

	Title I Carryover	ARRA IDEA	Title IIA	Title IIA Carryover	Title IID	Title IID Carryover
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 49,230.80	\$ 375,231.89	\$ 72,612.75	\$ 13,371.18	\$ 3,488.49	\$ 104.00
Total Revenues	<u>49,230.80</u>	<u>375,231.89</u>	<u>72,612.75</u>	<u>13,371.18</u>	<u>3,488.49</u>	<u>104.00</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers		40,000.00	33,500.00			
Other Salaries for Instruction						
Other Purchased Services		250,725.34				
General Supplies	47,860.28				2,500.00	104.00
Other Objects						
Total Instruction	<u>47,860.28</u>	<u>290,725.34</u>	<u>33,500.00</u>	<u>-</u>	<u>2,500.00</u>	<u>104.00</u>
Support Services:						
Salaries of Supervisors of Instruction						
Salaries of Program Directors						
Salaries of Sec. and Clerical Assistants						
Other Salaries	720.00	39,044.80	3,600.00	8,000.00	160.00	
Salaries of Master Teachers						
Personal Services - Employee Benefits	55.08	45,461.75	34,374.35	612.00	203.49	
Purchased Professional & Technical Services				3,200.00		
Travel						
Other Purchased Services				1,559.18	625.00	
Purchased Educ. Services - Contracted PreK						
Purchased Professional - Educational Services						
Purchased Other Professional Services						
Rentals						
Other Objects						
Contr. Transportation Service (Betw. Home & Sch.)						
Contr. Transportation Service (Field Trips)						
Supplies & Materials	595.44		1,138.40			
Total Support Services	<u>1,370.52</u>	<u>84,506.55</u>	<u>39,112.75</u>	<u>13,371.18</u>	<u>988.49</u>	<u>-</u>
Total Outflows	<u>49,230.80</u>	<u>375,231.89</u>	<u>72,612.75</u>	<u>13,371.18</u>	<u>3,488.49</u>	<u>104.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2010

	Title IV	Title IV Carryover	ARRA IDEA Preschool	Summer Reading Program	Preschool Education Aid	Totals 2010
REVENUES:						
Local Sources	\$ -	\$ -	\$ -	\$ 5,561.55	\$ -	\$ 5,561.55
State Sources	2,354.80	4,757.36	14,049.00		3,093,658.94	3,093,658.94
Federal Sources	2,354.80	4,757.36	14,049.00	5,561.55	3,093,658.94	1,189,320.27
Total Revenues						4,288,540.76
EXPENDITURES:						
Instruction:						
Salaries of Teachers				4,704.00	1,136,145.82	1,511,699.00
Other Salaries for Instruction					307,992.56	354,947.22
Other Purchased Services	2,231.00	2,767.45	14,049.00	497.69	76,206.03	250,725.34
General Supplies					2,794.08	157,617.41
Other Objects						2,794.08
Total Instruction	2,231.00	2,767.45	14,049.00	5,201.69	1,523,138.49	2,277,783.05
Support Services:						
Salaries of Supervisors of Instruction		1,476.00			99,857.30	99,857.30
Salaries of Program Directors					666.72	2,142.72
Salaries of Sec. and Clerical Assistants					22,680.74	89,304.83
Other Salaries					35,766.80	109,191.48
Salaries of Master Teachers					98,884.04	98,884.04
Personal Services - Employee Benefits	123.80	112.91		359.86	725,392.99	912,725.51
Purchased Professional & Technical Services						73,953.74
Travel					877.51	877.51
Other Purchased Services						22,801.54
Purchased Educ. Services - Contracted PreK					166,733.94	166,733.94
Purchased Professional - Educational Services					22,394.00	22,394.00
Purchased Other Professional Services					18,819.12	18,819.12
Rentals					188,784.00	188,784.00
Other Objects						5,990.00
Contr. Transportation Service (Betw. Home & Sch.)					184,906.88	184,906.88
Contr. Transportation Service (Field Trips)					3,822.80	3,822.80
Supplies & Materials		401.00			933.61	9,568.30
Total Support Services	123.80	1,989.91	-	359.86	1,570,520.45	2,010,757.71
Total Outflows	2,354.80	4,757.36	14,049.00	5,561.55	3,093,658.94	4,288,540.76
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2010

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 1,348,455.52	\$ 1,136,145.82	\$ 212,309.70
Other Salaries for Instruction	309,944.00	307,992.56	1,951.44
General Supplies	76,439.71	76,206.03	233.68
Other Objects	2,898.00	2,794.08	103.92
Total Instruction	<u>1,737,737.23</u>	<u>1,523,138.49</u>	<u>214,598.74</u>
Support Services:			
Salaries of Supervisors of Instruction	99,857.30	99,857.30	-
Salaries of Program Directors	1,000.00	666.72	333.28
Salaries of Sec. & Clerical Assistants	41,093.00	22,680.74	18,412.26
Other Salaries	39,011.00	35,766.80	3,244.20
Salaries of Master Teachers	99,626.00	98,884.04	741.96
Personal Services - Employee Benefits	794,594.99	725,392.99	69,202.00
Purchased Educ. Services - Contracted PreK	202,794.00	166,733.94	36,060.06
Purchased Professional - Educational Services	22,506.00	22,394.00	112.00
Purchased Other Professional Services	19,600.00	18,819.12	780.88
Rentals	195,154.00	188,784.00	6,370.00
Contr. Transportation Service (Between Home & School)	364,434.00	184,906.88	179,527.12
Contr. Transportation Service (Field Trips)	19,000.00	3,822.80	15,177.20
Travel	2,000.00	877.51	1,122.49
Supplies and Materials	2,000.00	933.61	1,066.39
Total Support Services	<u>1,902,670.29</u>	<u>1,570,520.45</u>	<u>332,149.84</u>
Total Expenditures	<u>\$ 3,640,407.52</u>	<u>\$ 3,093,658.94</u>	<u>\$ 546,748.58</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2009-10 Preschool Education Aid Allocation	\$ 3,404,000.00
Add: Actual Carryover (June 30, 2009)	236,407.52
Add: Budgeted Transfer from the General Fund 2009-10	-
Total Preschool Education Aid Funds Available	<u>3,640,407.52</u>
Less: 2009-10 Budgeted Preschool Education Aid (Prior year budget carryover)	<u>(3,640,407.52)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2010	-
Add: June 30, 2010 Unexpended Preschool Education Aid	546,748.58
2009-10 Carryover - Preschool Education Aid/Preschool	<u>\$ 546,748.58</u>
2009-10 Preschool Education Aid Carryover Budgeted for Preschool Programs 2010-11	<u>\$ -</u>

CAPITAL PROJECTS FUND DETAIL STATEMENT

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2010

	Totals
Revenues and Other Financing Sources:	
State Sources - SCC Grant	\$ -
Bond Proceeds and Transfers	-
Transfer from Capital Reserve	-
Total Revenues	-
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	875.44
Construction Services	486,839.69
Miscellaneous	-
Total Expenditures	487,715.13
Excess (Deficiency) of Revenues Over (Under) Expenditures	(487,715.13)
Fund Balance - Beginning	2,930,411.04
Fund Balance - Ending	\$ 2,442,695.91

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
2008 Improvements and Renovations to Intermediate School and George J. Mitchell School
From Inception and for the Year Ended June 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$	\$ -	\$ -
Bond Proceeds	7,995,000.00	-	7,995,000.00	7,995,000.00
Transfer From Capital Reserve	470.00	-	470.00	470.00
Total Revenues	<u>7,995,470.00</u>	<u>-</u>	<u>7,995,470.00</u>	<u>7,995,470.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	636,445.59	(1,354.71)	635,090.88	1,260,504.47
Construction Services	6,050,089.20	220,633.33	6,270,722.53	6,332,257.32
Miscellaneous	92,898.12	-	92,898.12	402,708.21
Total Expenditures	<u>6,779,432.91</u>	<u>219,278.62</u>	<u>6,998,711.53</u>	<u>7,995,470.00</u>
Other Financing Sources (Uses):				
Operating Transfers Out:				
Project Balance Canceled		-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,216,037.09</u>	<u>\$ (219,278.62)</u>	<u>\$ 996,758.47</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	4/15/2008			
Bonds Authorized	\$ 7,995,000.00			
Bonds Issued	7,995,000.00			
Original Authorized Costs	7,995,470.00			
Revised Authorized Cost	7,995,470.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0%			
Original Target Completion Date	2010			
Revised Target Completion Date	2011			

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
Improvements and Renovations to Intermediate School and George J. Mitchell School
From Inception and for the Year Ended June 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	17,764,000.00		17,764,000.00	17,764,000.00
Transfer From Capital Reserve	750.00		750.00	375.00
Total Revenues	<u>17,764,750.00</u>	<u>-</u>	<u>17,764,750.00</u>	<u>17,764,375.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	663,764.60	2,230.15	665,994.75	1,062,073.01
Construction Services	15,145,861.93	266,206.36	15,412,068.29	16,434,403.37
Miscellaneous	240,749.52		240,749.52	267,898.62
Total Expenditures	<u>16,050,376.05</u>	<u>268,436.51</u>	<u>16,318,812.56</u>	<u>17,764,375.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,714,373.95</u>	<u>\$ (268,436.51)</u>	<u>\$ 1,445,937.44</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	12/12/2006			
Bonds Authorized	\$ 17,764,000			
Bonds Issued	17,764,000			
Original Authorized Costs	17,764,375			
Revised Authorized Cost	17,764,375			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	91.86%			
Original Target Completion Date	2009			
Revised Target Completion Date	2011			

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

Scholarship Fund – This is an expendable trust fund and does not limit expenses to the amount earned on the trust principal.

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2010

	Unemployment Compensation Trust	Scholarship Fund	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 118,211.01	\$ 32.98	\$ 284,666.58	\$ 402,910.57
	<u>118,211.01</u>	<u>32.98</u>	<u>284,666.58</u>	<u>402,910.57</u>
Total Assets				
LIABILITIES				
Summer Savings			88,864.65	88,864.65
Payable to Student Groups			78,064.90	78,064.90
Payroll Deductions & Withholdings	15,098.60		117,737.03	132,835.63
	<u>15,098.60</u>	<u>-</u>	<u>284,666.58</u>	<u>299,765.18</u>
Total Liabilities				
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>103,112.41</u>			103,112.41
Reserve for Scholarships		\$ <u>32.98</u>		32.98
Total Net Assets				<u>103,145.39</u>
Total Liabilities and Net Assets				<u>\$ 402,910.57</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2010

	Unemployment Compensation Trust	Scholarship Fund	Totals
ADDITIONS			
Contributions:			
Plan Member	\$ 29,140.16	\$	\$ 29,140.16
Total Contributions	<u>29,140.16</u>	<u>-</u>	<u>29,140.16</u>
Investments Earnings:			
Interest	1,053.66	0.08	1,053.74
Net Investment Earnings	<u>1,053.66</u>	<u>0.08</u>	<u>1,053.74</u>
Total Additions	<u>30,193.82</u>	<u>0.08</u>	<u>30,193.90</u>
Deductions			
Unemployment Claims	81,925.73		81,925.73
Bank Charges		60.00	60.00
Total Deductions	<u>81,925.73</u>	<u>60.00</u>	<u>81,985.73</u>
Change in Net Assets	(51,731.91)	(59.92)	(51,791.83)
Net Assets - Beginning of the Year	<u>154,844.32</u>	<u>92.90</u>	<u>154,937.22</u>
Net Assets - End of the Year	<u>\$ 103,112.41</u>	<u>\$ 32.98</u>	<u>\$ 103,145.39</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Intermediate School and George J. Mitchell Elementary	\$ 84,405.98	\$ 106,736.22	\$ 113,077.30	\$ 78,064.90
Total Assets	\$ <u>84,405.98</u>	\$ <u>106,736.22</u>	\$ <u>113,077.30</u>	\$ <u>78,064.90</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2010

	<u>Balance</u> July 1, 2009	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> June 30, 2010
ASSETS:				
Cash and Cash Equivalents	\$ 185,866.13	\$ 17,984,689.86	\$ 17,963,954.31	\$ 206,601.68
Total Assets	<u>\$ 185,866.13</u>	<u>\$ 17,984,689.86</u>	<u>\$ 17,963,954.31</u>	<u>\$ 206,601.68</u>
LIABILITIES:				
Summer Savings	\$ 69,510.34	\$ 88,864.65	\$ 69,510.34	\$ 88,864.65
Payroll Deductions & Withholding	116,355.79	7,193,103.85	7,191,722.61	117,737.03
Net Pay	-	10,702,721.36	10,702,721.36	-
Total Liabilities	<u>\$ 185,866.13</u>	<u>\$ 17,984,689.86</u>	<u>\$ 17,963,954.31</u>	<u>\$ 206,601.68</u>

LONG-TERM DEBT SCHEDULES

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 Schedule of General Serial Bonds
 As of June 30, 2010

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2009		Interest Rate	Balance June 30, 2009	Increased	Decreased	Balance June 30, 2010
			Date	Amount					
Construction, Renovation and Equipment Addition to the Elementary School	2/1/1997	\$ 7,170,000	2/1/2011	\$ 340,000	6.00%	\$ 1,020,000.00	\$	\$ 320,000.00	\$ 700,000.00
			2/1/2012	360,000	6.00%				
Construction, Renovation and Equipment Addition to the George J. Mitchell School	10/1/1999	3,095,000	10/1/2010	225,000	5.10%	1,355,000.00		240,000.00	1,115,000.00
			10/1/2011	225,000	5.10%				
			10/1/2012	225,000	5.10%				
			10/1/2013	225,000	5.10%				
			10/1/2014	215,000	5.10%				

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2010

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance June 30, 2010
			Outstanding June 30, 2010	Interest Rate	Balance June 30, 2009	Decreased	
Alterations and Renovations to the George J. Mitchell School and the Intermediate School	5/1/2007	\$ 17,764,000	\$ 50,000	4.00%	\$ 17,764,000.00	\$ 44,000.00	\$ 17,720,000.00
	1/15/2011		50,000	4.00%			
	1/15/2012		50,000	4.00%			
	1/15/2013		320,000	4.00%			
	1/15/2014		350,000	4.00%			
	1/15/2015		385,000	4.00%			
	1/15/2016		620,000	4.00%			
	1/15/2017		650,000	4.00%			
	1/15/2018		680,000	4.25%			
	1/15/2019		710,000	4.25%			
	1/15/2020		740,000	4.25%			
	1/15/2021		770,000	4.25%			
	1/15/2022		805,000	4.25%			
	1/15/2023		840,000	4.25%			
	1/15/2024		880,000	4.25%			
	1/15/2025		915,000	4.25%			
	1/15/2026		955,000	4.25%			
1/15/2027		1,000,000	4.25%				
1/15/2028		1,045,000	4.50%				
1/15/2029		1,090,000	4.50%				
1/15/2030		1,140,000	4.50%				
1/15/2031		1,190,000	4.50%				
1/15/2032		1,240,000	4.50%				
1/15/2033		1,295,000	4.50%				

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2010

Description	Amount of Original Issue	Balance July 1, 2009	Issued Current Year	Retired Current Year	Balance June 30, 2010
Copier	\$ 21,251.00	\$ 10,942.80	\$	4,546.56	6,396.24
Copier	16,494.00	8,493.27		3,528.83	4,964.44
Copier	21,251.00	10,942.80		4,546.56	6,396.24
Telecom Equipment	61,796.00	26,414.00		12,907.00	13,507.00
Computer Equipment	85,150.00	44,175.73		20,394.27	23,781.46
Computer Equipment	123,405.00	34,451.30		31,754.44	2,696.86
Computer Equipment	37,872.00	2,851.89		2,851.89	-
		<u>\$ 138,271.79</u>	<u>\$ -</u>	<u>\$ 80,529.55</u>	<u>\$ 57,742.24</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,116,991.00	\$ -	\$ 1,116,991.00	\$ 1,116,991.00	\$ -
Interest on Investments			-	253.68	253.68
Total - Local Sources	<u>1,116,991.00</u>		<u>1,116,991.00</u>	<u>1,117,244.68</u>	<u>253.68</u>
State Sources:					
Debt Service Aid Type II	<u>843,032.00</u>		<u>843,032.00</u>	<u>843,032.00</u>	<u>-</u>
Total - State Sources	<u>843,032.00</u>	<u>-</u>	<u>843,032.00</u>	<u>843,032.00</u>	<u>-</u>
Total Revenues	<u>1,960,023.00</u>	<u>-</u>	<u>1,960,023.00</u>	<u>1,960,276.68</u>	<u>253.68</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	1,381,023.00		1,381,023.00	1,381,023.00	-
Redemption of Principal	<u>604,000.00</u>		<u>604,000.00</u>	<u>604,000.00</u>	<u>-</u>
Total Regular Debt Service	<u>1,985,023.00</u>	<u>-</u>	<u>1,985,023.00</u>	<u>1,985,023.00</u>	<u>-</u>
Total Expenditures	<u>1,985,023.00</u>	<u>-</u>	<u>1,985,023.00</u>	<u>1,985,023.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,000.00)</u>	<u>-</u>	<u>(25,000.00)</u>	<u>(24,746.32)</u>	<u>253.68</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(25,000.00)</u>	<u>-</u>	<u>(25,000.00)</u>	<u>(24,746.32)</u>	<u>253.68</u>
Fund Balance, July 1	25,607.87		25,607.87	25,607.87	-
Fund Balance, June 30	<u>\$ 607.87</u>	<u>\$ -</u>	<u>\$ 607.87</u>	<u>\$ 861.55</u>	<u>\$ 253.68</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ (25,000.00)</u>	<u>\$ -</u>	<u>\$ (25,000.00)</u>	<u>\$ (24,746.32)</u>	<u>\$ 253.68</u>

STATISTICAL SECTION

Little Egg Harbor Township School District
 Net Assets by Component,
 Last Eight Fiscal Years
 (accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 15,317,653.19	\$ 15,286,373.11	\$ 15,414,669.51	\$ 14,663,716.64	\$ (1,853,650.21)	\$ 2,245,048.51	\$ 11,637,370.85	\$ 12,724,219.95
Restricted	99,586.79	928,430.70	931,652.86	302,370.91	16,716,689.58	13,133,549.88	3,105,406.30	1,702,004.89
Unrestricted	389,286.32	149,372.52	1,156,182.82	1,694,069.55	1,578,681.78	1,216,850.14	107,327.73	(1,484,341.17)
Total governmental activities net assets	\$ 15,806,526.30	\$ 16,364,176.33	\$ 17,502,505.19	\$ 16,660,157.10	\$ 16,441,721.15	\$ 16,595,448.53	\$ 14,850,104.88	\$ 12,961,883.67
Business-type activities								
Invested in capital assets, net of related debt	\$ 32,392.02	\$ 28,751.02	\$ 25,110.02	\$ 4,047.42	\$ 20,304.19	\$ 15,925.46	\$ 11,546.73	\$ 55,443.48
Unrestricted	60,864.53	22,669.77	2,372.13	23,745.41	22,054.50	24,552.14	6,791.21	(15,606.43)
Total business-type activities net assets	\$ 93,256.55	\$ 51,420.79	\$ 27,482.15	\$ 27,792.83	\$ 42,358.69	\$ 40,477.60	\$ 18,337.94	\$ 39,837.05
District-wide								
Invested in capital assets, net of related debt	\$ 15,350,045.21	\$ 15,315,124.13	\$ 15,439,779.53	\$ 14,667,764.06	\$ (1,833,346.02)	\$ 2,260,973.97	\$ 11,648,917.58	\$ 12,779,663.43
Restricted	99,586.79	928,430.70	931,652.86	302,370.91	16,716,689.58	13,133,549.88	3,105,406.30	1,702,004.89
Unrestricted	450,150.85	172,042.29	1,158,554.95	1,717,814.96	1,600,736.28	1,241,402.28	114,118.94	(1,479,947.60)
Total district net assets	\$ 15,899,782.85	\$ 16,415,597.12	\$ 17,529,987.34	\$ 16,687,949.93	\$ 16,484,079.84	\$ 16,635,926.13	\$ 14,868,442.82	\$ 13,001,720.72

Source: CAFR Schedule A-1

Little Egg Harbor Township School District
Changes in Net Assets,
Last Eight Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
Instruction:								
Regular	\$ 7,971,284.06	\$ 8,122,938.70	\$ 8,104,247.34	\$ 8,008,031.84	\$ 8,889,043.06	\$ 9,181,338.44	\$ 10,110,801.06	\$ 11,434,291.28
Special education	2,464,342.50	2,786,283.96	2,841,691.21	3,449,669.05	3,687,647.76	3,720,182.03	3,507,716.18	3,407,840.62
Other instruction	106,999.01	296,854.58	263,092.39	380,366.34	328,351.39	455,973.56	612,349.40	554,340.89
Support Services:								
Tuition	106,729.00	72,107.10	7,931.00	20,101.94	109,148.52	123,089.81	186,536.99	70,722.26
Student & instruction related services	2,979,058.91	3,286,466.50	3,429,163.17	3,776,951.12	4,042,512.71	4,169,529.24	5,211,340.10	6,364,280.88
School administrative services	971,079.11	1,075,597.28	1,119,043.54	1,092,836.13	881,628.17	813,296.15	1,124,335.71	985,656.23
General & Business administrative services	859,976.75	873,203.56	1,002,014.80	1,416,968.73	1,498,867.28	1,550,124.93	1,566,866.48	1,718,592.45
Plant operations and maintenance	1,439,833.44	1,590,816.67	1,574,081.45	1,877,339.05	2,106,623.51	2,108,983.38	2,114,166.45	2,321,473.16
Pupil transportation	1,146,353.95	1,230,432.71	1,323,301.06	1,391,008.20	1,519,726.88	1,584,396.24	1,681,854.93	1,429,502.27
Charter Schools		5,053.00	10.00					
Interest on long-term debt	414,245.75	282,885.00	257,025.00	230,178.75	335,685.00	392,000.00	1,592,897.97	1,363,927.63
Unallocated depreciation	82,294.69	154,310.73	146,943.18		4,044.62	4,044.63		
Unallocated Amortization of Debt Issue Costs								
Total governmental activities expenses	<u>18,542,197.17</u>	<u>19,776,949.79</u>	<u>20,068,544.14</u>	<u>21,643,451.15</u>	<u>23,399,234.28</u>	<u>24,102,938.41</u>	<u>27,712,909.90</u>	<u>29,650,627.67</u>
Business-type activities:								
Food service	489,694.23	478,702.82	522,116.37	525,294.36	548,192.71	584,422.84	657,528.04	671,772.85
Other					219,024.48	267,914.48	194,906.20	285,026.65
Total business-type activities expenses	<u>489,694.23</u>	<u>478,702.82</u>	<u>522,116.37</u>	<u>525,294.36</u>	<u>767,217.19</u>	<u>852,337.32</u>	<u>852,434.24</u>	<u>956,799.50</u>
Total district expenses	<u>\$ 19,031,891.40</u>	<u>\$ 20,255,652.61</u>	<u>\$ 20,590,660.51</u>	<u>\$ 22,168,745.51</u>	<u>\$ 24,166,451.47</u>	<u>\$ 24,955,275.73</u>	<u>\$ 28,565,344.14</u>	<u>\$ 30,607,427.17</u>
Program Revenues								
Governmental activities:								
Charges for services:								
Operating grants and contributions	\$ 2,809,690.44	\$ 7,659,827.04	\$ 7,563,143.52	\$ 7,740,729.72	\$ 2,613,251.61	\$ 2,605,541.43	\$ 6,964,407.11	\$ 5,044,494.84
Capital grants and contributions	14,739.79							
Total governmental activities program revenues	<u>\$ 2,824,430.23</u>	<u>\$ 7,659,827.04</u>	<u>\$ 7,563,143.52</u>	<u>\$ 7,740,729.72</u>	<u>\$ 2,613,251.61</u>	<u>\$ 2,605,541.43</u>	<u>\$ 6,964,407.11</u>	<u>\$ 5,044,494.84</u>
Business-type activities:								
Charges for services:								
Food service	254,081.99	236,577.21	253,745.88	240,618.68	282,066.55	255,343.18	260,678.57	262,226.49
Other	191,103.57	232,334.34	243,486.98	253,550.84	192,053.25	313,513.41	218,134.04	245,191.36
Operating grants and contributions					270,611.82	279,006.74	350,498.33	
Capital grants and contributions								
Total business-type activities program revenue	<u>445,185.56</u>	<u>468,911.55</u>	<u>497,232.86</u>	<u>494,169.52</u>	<u>744,731.62</u>	<u>847,863.33</u>	<u>829,310.94</u>	<u>507,417.85</u>
Total district program revenue	<u>\$ 3,269,615.79</u>	<u>\$ 8,128,738.59</u>	<u>\$ 8,060,376.38</u>	<u>\$ 3,234,899.24</u>	<u>\$ 3,357,983.23</u>	<u>\$ 3,453,404.76</u>	<u>\$ 7,793,718.05</u>	<u>\$ 5,551,912.69</u>

Little Egg Harbor Township School District
 Changes in Net Assets,
 Last Eight Fiscal Years
 (accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue								
Governmental activities	\$ (15,717,766.94)	\$ (12,117,122.75)	\$ (12,505,400.62)	\$ (18,902,721.43)	\$ (20,785,982.67)	\$ (21,497,396.98)	\$ (20,748,502.79)	\$ (24,606,132.83)
Business-type activities	(44,508.67)	(9,791.27)	(24,883.51)	(31,124.84)	(22,485.57)	(4,473.99)	(23,123.30)	(449,381.65)
Total district-wide net expense	\$ (15,762,275.61)	\$ (12,126,914.02)	\$ (12,530,284.13)	\$ (18,933,846.27)	\$ (20,808,468.24)	\$ (21,501,870.97)	\$ (20,771,626.09)	\$ (25,055,514.48)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 7,063,052.00	\$ 7,935,103.00	\$ 8,379,951.00	\$ 8,954,171.00	\$ 9,298,508.00	\$ 9,596,284.00	\$ 9,741,177.00	\$ 10,080,824.00
Taxes levied for debt service	382,827.00	399,608.00	404,738.00	363,244.00	391,217.00	334,494.00	731,417.00	1,116,991.00
Unrestricted grants and contributions	8,407,629.95	4,296,917.02	4,683,800.08	9,703,676.14	10,027,532.17	11,006,416.99	11,255,748.97	11,378,942.02
Investment earnings	15,731.78	23,394.41	77,607.45	182,564.80	344,674.20	668,974.23	61,720.00	3,106.01
Miscellaneous income	37,681.53	109,325.35	195,274.95	76,611.06	542,499.97	44,955.14	163,965.90	138,048.59
Transfers and Adjustments	-	(121,877.86)	(97,642.00)	(1,219,893.66)	(32,840.00)	-	49,130.27	-
Total governmental activities	15,906,922.26	12,642,469.92	13,643,729.48	18,060,373.34	20,571,591.34	21,651,124.36	22,003,159.14	22,717,911.62
Business-type activities:								
Investment earnings	1,001.73	258.37	944.87	1,671.29	4,211.43	2,592.90	983.64	459.42
Transfers	-	-	-	29,764.23	32,840.00	-	-	49,513.31
Total business-type activities	1,001.73	258.37	944.87	31,435.52	37,051.43	2,592.90	983.64	49,972.73
Total district-wide	\$ 15,907,923.99	\$ 12,642,728.29	\$ 13,644,674.35	\$ 18,091,808.86	\$ 20,608,642.77	\$ 21,653,717.26	\$ 22,004,142.78	\$ 22,767,884.35
Changes in Net Assets								
Governmental activities	\$ 189,155.32	\$ 525,347.17	\$ 1,138,328.86	\$ (842,348.09)	\$ (214,391.33)	\$ 153,727.38	\$ 1,254,656.35	\$ (1,868,221.21)
Business-type activities	(43,506.94)	(9,532.90)	(23,938.64)	310.68	14,565.86	(1,861.09)	(22,139.66)	21,499.11
Total district	\$ 145,648.38	\$ 515,814.27	\$ 1,114,390.22	\$ (842,037.41)	\$ (199,825.47)	\$ 151,846.29	\$ 1,232,516.69	\$ (1,866,722.10)

Source: CAFR Schedule A-2

Little Egg Harbor Township School District
 Fund Balances, Governmental Funds,
 Last Eight Fiscal Years
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 731,859.32	\$ 993,414.81	\$ 2,260,322.58	\$ 1,380,743.33	\$ 2,734,097.10	\$ 2,630,731.69	\$ 1,636,628.70	\$ 813,718.72
Unreserved	458,216.84	558,305.94	318,958.14	1,513,757.41	234,678.21	232,215.08	(203,283.33)	(565,023.80)
Total general fund	\$ 1,190,076.16	\$ 1,551,720.75	\$ 2,579,280.72	\$ 2,894,500.74	\$ 2,968,775.31	\$ 2,862,946.77	\$ 1,433,345.37	\$ 248,694.92
All Other Governmental Funds								
Reserved	\$ 5,665.08	\$ -	\$ -	\$ -	\$ 750.00	\$ 10,613,990.52	\$ 850,548.06	\$ 20,862.00
Unreserved, reported in:								
Special revenue fund	(73,070.95)	(69,359.60)	(69,359.60)	(69,359.60)	(69,359.60)	(69,359.60)	(263,246.10)	(340,400.00)
Capital projects fund	41,162.92	48,829.95	48,829.95	48,829.95	16,736,105.55	2,278,203.53	2,930,411.04	2,442,695.91
Debt service fund	19,559.50	32,666.84	33,857.70	3,260.63	53,489.47	327,590.00	25,607.87	861.55
Total all other governmental funds	\$ (6,683.45)	\$ 12,137.19	\$ 13,328.05	\$ (17,269.02)	\$ 16,720,985.42	\$ 13,150,424.45	\$ 3,543,320.87	\$ 2,124,019.46

Source: CAFR Schedule B-1

**Little Egg Harbor Township School District
Changes in Fund Balances, Governmental Funds,
Last Eight Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010
Revenues							
Tax Levy	\$ 8,334,711	\$ 8,784,689	\$ 9,317,415	\$ 9,689,725	\$ 9,930,778	\$ 10,472,594	\$ 11,197,815
Tuition Charges				17,764,000		61,720	61,630
Bond Proceeds						7,995,000	
Interest earnings	23,394	77,607	182,565	344,674	668,974	163,966	3,106
Miscellaneous	113,873	197,945	81,466	577,141	56,226	55,008	81,980
State sources	10,907,501	11,277,042	11,428,541	11,740,931	12,794,955	14,444,324	14,098,276
Federal sources	1,044,696	952,759	1,011,010	865,212	805,732	769,954	2,319,599
Total revenue	20,424,175	21,290,043	22,020,997	40,981,683	24,256,666	33,962,566	27,762,406
Expenditures							
Instruction:							
Regular instruction	6,265,442	6,191,019	6,128,100	6,562,517	6,773,979	7,549,175	8,088,263
Special education instruction	1,928,478	1,973,013	2,013,548	1,972,143	2,054,222	2,019,950	2,410,601
Other special education instruction	205,389	186,729	284,619	211,810	314,527	423,382	392,124
Support Services:							
Tuition	72,107	7,931	20,102	109,149	123,070	186,537	70,722
Student & instruction related services	2,448,920	2,673,034	2,858,624	2,919,975	2,996,326	3,914,730	4,490,621
General & Business administrative services	697,530	797,184	1,112,248	1,172,496	1,161,107	736,815	1,212,635
School administrative services	754,613	781,402	766,427	539,958	561,242	1,227,746	695,477
Plant operations and maintenance	1,277,116	1,328,956	1,433,220	1,704,563	1,673,493	1,659,237	1,932,490
Pupil transportation	1,211,808	1,303,378	1,371,765	1,489,651	1,555,400	1,653,308	1,429,502
Unallocated employee benefits	4,316,048	4,123,978	4,591,105	5,516,077	5,995,368	5,894,858	6,261,297
Charter Schools	5,053	10					
Capital outlay	146,204	148,573	377,172	1,215,770	4,015,557	17,732,146	1,397,604
Debt service:							
Principal	445,000	480,000	490,000	510,000	525,000	540,000	604,000
Interest and other charges	291,315	266,085	239,445	212,205	183,765	1,461,388	1,381,023
Total Expenditures	20,065,023	20,261,292	21,686,374	24,136,314	27,933,055	44,999,271	30,366,358
Excess (Deficiency) of revenues over (under) expenditures	359,152	1,028,751	334,623	16,845,369	(3,676,390)	(11,036,705)	(2,603,952)
Other Financing Sources (Uses)							
Transfers			(50,000)	(32,840)			
Capital Lease Revenue	21,312						
Total other financing sources (uses)	21,312	-	(50,000)	(32,840)	-	-	-
Net change in fund balances	\$ 380,464	\$ 1,028,751	\$ 284,623	\$ 16,812,529	\$ (3,676,390)	\$ (11,036,705)	\$ (2,603,952)
Debt service as a percentage of noncapital expenditures	3.70%	3.71%	3.42%	3.15%	2.96%	7.34%	6.85%

**This schedule does not contain
ten years of information as GASB #44
was implemented during the fiscal
year ending June 30, 2006.

Source: CAFR Schedule B-2

Little Egg Harbor Township School District
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
 Unaudited

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Miscellaneous</u>	<u>Totals</u>
2001	\$ 58,345.00	\$ -	\$ 7,809.00	\$ 66,154.00
2002	56,981.00	12,407.00	1,637.00	71,025.00
2003	15,731.78	26,276.48	11,405.05	53,413.31
2004	22,626.57	86,187.55	8,796.35	117,610.47
2005	76,416.59	134,177.46	61,097.49	271,691.54
2006	180,494.87	25,387.08	51,223.98	257,105.93
2007	202,341.00	17,154.30	525,345.67	744,840.97
2008	104,328.13	31,552.98	13,402.16	149,283.27
2009	20,642.13	61,720.00	49,130.27	131,492.40
2010	20,487.47	61,630.26	55,930.86	138,048.59

Source: District Records

Little Egg Harbor Township School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Exhibit J-6

Year	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2001	\$ 72,859,200	\$ 723,837,114	\$ 599,100	132,793	\$ 67,236,600	\$ 291,800	\$ 2,808,000	\$ 867,764,607	\$ 5,715,398	\$ 873,480,005	0.809	\$ 919,795,658
2002	70,306,600	773,760,614	565,000	145,392	79,235,400	291,800	2,808,000	927,112,806	5,703,512	932,816,318	0.830	1,018,782,166
2003	74,688,542	814,249,914	745,000	66,920	80,109,900	291,800	2,318,500	972,470,576	5,529,527	978,000,103	0.796	1,174,798,842
2004	65,892,304	912,200,714	745,000	72,522	81,852,200	291,800	2,318,500	1,063,373,040	4,593,861	1,067,966,901	0.852	1,512,944,421
2005	67,864,470	983,935,214	1,966,200	30,616	82,559,600	291,800	2,318,500	1,138,966,400	3,778,120	1,142,744,520	0.823	1,884,904,444
2006 - R	179,042,600	2,703,572,989	2,220,700	68,671	145,661,400	566,100	3,060,000	3,034,192,460	5,988,464	3,040,180,924	0.816	2,331,506,329
2007	160,884,400	2,804,394,189	2,220,700	73,427	145,989,800	566,100	3,060,000	3,117,188,616	6,158,472	3,123,347,088	0.318	2,872,595,997
2008	158,794,300	2,837,818,989	2,638,500	70,366	163,633,500	566,100	3,060,000	3,166,581,755	6,439,970	3,173,021,725	0.317	3,094,582,895
2009	147,903,300	2,805,870,789	2,637,500	79,732	168,048,700	566,100	3,060,000	3,128,166,121	6,439,970	3,134,606,091	0.334	Not Available
2010	138,785,500	2,655,632,189	2,558,600	79,939	162,071,049	566,100	3,060,000	2,962,753,377	6,439,970	2,969,193,347	0.357	Not Available

R = Revaluation

Source: County Abstract of Rates & Municipal Tax Assessor

**Little Egg Harbor Township School District
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years**
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Little Egg Harbor Township School District			Overlapping Rates					Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Library	County Health	County Open Space	Pinelands Regional School		* Municipal Local Purpose
2001	0.671	0.138	0.809	0.501	0.050	0.019	0.013	0.735	0.828	2.955
2002	0.675	0.155	0.830	0.489	0.050	0.020	0.014	0.810	0.838	3.051
2003	0.643	0.153	0.796	0.490	0.052	0.022	0.015	0.929	0.886	3.190
2004	0.807	0.045	0.852	0.512	0.055	0.023	0.017	0.931	0.915	3.305
2005	0.758	0.065	0.823	0.531	0.056	0.024	0.020	0.945	0.920	3.319
2006 - R	0.804	0.012	0.816	0.217	0.024	0.010	0.009	0.354	0.386	1.816
2007	0.305	0.013	0.318	0.236	0.028	0.012	0.012	0.362	0.414	1.382
2008	0.306	0.011	0.317	0.247	0.029	0.012	0.012	0.374	0.443	1.434
2009	0.307	0.023	0.330	0.247	0.029	0.012	0.012	0.374	0.443	1.447
2010	0.305	0.025	0.330	0.249	0.029	0.012	0.012	0.397	0.451	1.480

R = Revaluation

* = This Rate includes the Municipal Open Space Tax of \$0.01 for years 2002 forward.

Source: District Records and Municipal Tax Collector

**Little Egg Harbor Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$ 6,709,349.00	\$ 6,709,349.00	100%	\$ 310,506.00
2002	7,250,857.00	7,250,857.00	100%	-
2003	7,445,879.00	7,445,879.00	100%	-
2004	8,784,689.00	8,784,689.00	100%	-
2005	9,317,415.00	9,317,415.00	100%	-
2006	9,689,725.00	9,689,725.00	100%	-
2007	9,930,778.00	9,930,778.00	100%	-
2008	10,472,594.00	10,472,594.00	100%	-
2009	9,741,177.00	9,741,177.00	100%	-
2010	11,197,815.00	11,197,815.00	100%	-

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

**Little Egg Harbor Township School District
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income	* Per Capita Personal Income
	General Obligation Bonds	Capital Leases			
2001	\$ 6,870,000	\$ 7,257	\$ 6,877,257	0.30%	\$ 20,619
2002	5,755,000	98,253	5,853,253	0.35%	20,619
2003	5,365,000	78,016	5,443,016	0.38%	20,619
2004	4,920,000	71,320	4,991,320	0.41%	20,619
2005	4,440,000	41,614	4,481,614	0.46%	20,619
2006	3,950,000	171,140	4,121,140	0.50%	20,619
2007	21,204,000	120,995	21,324,995	0.10%	20,619
2008	20,679,000	222,349	20,901,349	0.10%	20,619
2009	28,134,000	138,272	28,272,272	0.10%	20,619
2010	27,530,000	57,742	27,587,742	0.07%	20,619

* = This data is only available for the year 1999.

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

**Little Egg Harbor Township School District
 Ratios of Net General Bonded Debt Outstanding,
 Last Ten Fiscal Years**

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	* Per Capita Personal Income
	General Obligation Bonds	Deductions			
2001	\$ 5,755,000	-	\$ 5,755,000	0.79%	\$ 20,619
2002	5,365,000	-	5,365,000	0.62%	20,619
2003	4,920,000	-	4,920,000	0.55%	20,619
2004	4,440,000	-	4,440,000	0.46%	20,619
2005	3,950,000	-	3,950,000	0.39%	20,619
2006	21,204,000	-	21,204,000	0.13%	20,619
2007	20,679,000	-	20,679,000	0.68%	20,619
2008	28,134,000	-	28,134,000	0.90%	20,619
2009	28,134,000	-	28,134,000	0.95%	20,619
2010	27,530,000	-	27,530,000	0.93%	20,619

* = This data is only available for the year 1999.

Little Egg Harbor Township School District
 Direct and Overlapping Governmental Activities Debt,
 As of December 31, 2009

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Local Municipality	\$ 17,996,486.00	100.00%	\$ 17,996,486.00
Other Debt			
Pinelands Regional School District	14,153,000.00	74.94%	10,606,030.12
County of Ocean	426,924,510.00	2.85%	<u>12,167,348.54</u>
Subtotal, Overlapping Debt			40,769,864.66
School District Direct Debt			27,530,000.00
Total Direct and Overlapping Debt			<u><u>\$ 68,299,864.66</u></u>

Little Egg Harbor Township School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 As of December 31

Exhibit J-13

Equalized valuation basis	
2009	\$ 3,008,719,939
2008	3,095,387,835
2007	3,039,973,294
	<u>\$ 9,144,081,068</u>

Average equalized valuation of taxable property \$ 3,048,027,023

Debt limit (2.50% of average)	76,200,676
Net bonded school debt	27,530,000
Legal debt margin	<u>\$ 48,670,676</u>

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 21,965,369	\$ 24,400,760	\$ 26,166,417	\$ 35,398,714	\$ 44,520,936	\$ 56,272,362	\$ 48,572,943	\$ 48,572,943	\$ 74,367,841	\$ 76,200,676
Total net debt applicable to limit	7,795,000	6,730,000	5,575,000	5,145,000	4,680,000	4,200,000	21,474,000	20,964,000	28,434,000	27,530,000
Legal debt margin	\$ 14,170,369	\$ 17,670,760	\$ 20,591,417	\$ 30,253,714	\$ 39,840,936	\$ 52,072,362	\$ 27,098,943	\$ 27,608,943	\$ 45,933,841	\$ 48,670,676

Total net debt applicable to the limit as a percentage of debt limit	35.49%	27.58%	21.31%	14.53%	10.51%	7.46%	44.21%	43.16%	38.23%	36.13%
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Source: Abstract of Rates and District Records CAFR Schedule J-7

**Little Egg Harbor Township School District
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>* Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2000	15,035	\$ 310,007	\$ 20,619	6.4%
2001	16,085	331,657	20,619	6.2%
2002	16,614	342,564	20,619	5.2%
2003	17,701	364,977	20,619	5.0%
2004	18,640	384,338	20,619	5.3%
2005	19,298	397,905	20,619	7.6%
2006	19,791	408,071	20,619	5.0%
2007	20,239	417,308	20,619	5.7%
2008	20,517	423,040	20,619	5.0%
2009	20,517	423,040	20,619	6.5%
2010	20,824	429,370	20,619	10.7%

* = This data is only available for the year 1999.

Little Egg Harbor Township School District
 Principal Employers,
 Current Year and Nine Years Ago

Exhibit J-15

Employer	2009			2000		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Totals	-		0.00%	-		0.00%

This information is not available.

Source:

Little Egg Harbor Township School District
 Full-time Equivalent District Employees by Function/Program,
 Last Five Fiscal Years

Exhibit J-16

	2006	2007	2008	2009	2010
Function/Program					
Instruction:					
Regular instruction	107.00	109.00	107.00	127.00	132.20
Special education instruction	26.00	26.00	26.50	23.40	24.70
Support Services:					
Student & instruction related services	68.00	74.00	82.30	87.80	95.40
General administrative services	4.00	4.00	4.00	4.00	5.00
School administrative services	21.00	19.00	13.00	12.00	14.10
Business administrative services	6.00	6.00	6.00	10.00	9.00
Plant operations and maintenance	21.00	20.00	20.00	40.80	37.00
Pupil transportation	1.00	2.00	1.00	1.00	1.00
Food Service	5.00	7.00	7.00	5.00	10.60
Total	259.00	267.00	266.80	311.00	329.00

Source: District Personnel Records

**This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Little Egg Harbor Township School District
 Operating Statistics,
 Last Four Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2007	1,694	\$ 23,208,733	\$ 13,701	11.58%	177	1:20	1:22	1,693	1,578	1.94%	93%	
2008	1,664	25,265,737	15,184	10.83%	177	1:18	1:19	1,671	1,573	-0.31%	94%	
2009	1,675	27,675,304	12,226	-19.48%	189	1:18	1:19	1,799	1,678	6.67%	93%	
2010	1,827	29,056,592	12,891	5.44%	199	1:19	1:21	1,829	1,702	1.02%	93%	

Source: District records

**This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

**Little Egg Harbor Township School District
 School Building Information,
 Last Four Fiscal Years**

Exhibit J-18

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>District Buildings</u>				
<u>Elementary</u>				
George J. Mitchell Elementary				
Square Feet	93,230	93,230	97,030	114,428*
Capacity (students)	668	668	728	835
Enrollment	861	813	808	1,003
<u>Elementary</u>				
Frog Pond Elementary School				
Square Feet	101,800	101,800	101,800	101,800
Capacity (students)	767	705	705	705
Enrollment	832	851	980	824
<u>Other</u>				
Administration				
Square Feet	4,193	4,193	4193	4193
Transportation*				
Square Feet	*	*	*	*
Number of Schools at June 30, 2010				
Elementary - 2				
Other -1				

Source: District Records, ASSA

* indicates the Transportation Office is included inside the Frog Pond Elementary School and the TCUs are included in the Mitchell Elementary School

**This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Little Egg Harbor Township School District
 General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Ten Fiscal Years
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Frog Pond Elementary	N/A	\$ 96,156	\$ 122,138	\$ 94,680	\$ 96,170	\$ 96,449	\$ 100,066	\$ 166,547	\$ 102,552	\$ 50,308	\$ 116,975
George Mitchell Elementary School	N/A	93,759	98,378	37,862	89,786	98,207	139,835	85,171	95,863	43,221	150,947
Total School Facilities		<u>189,915</u>	<u>220,516</u>	<u>132,542</u>	<u>185,956</u>	<u>194,657</u>	<u>239,901</u>	<u>251,718</u>	<u>198,415</u>	<u>93,529</u>	<u>267,922</u>
Other Facilities - Admin Building		10,684					5,826	15,599	4,963	3,013	6,157
Grand Total		<u>\$ 200,599</u>	<u>\$ 220,516</u>	<u>\$ 132,542</u>	<u>\$ 185,956</u>	<u>\$ 194,657</u>	<u>\$ 245,727</u>	<u>\$ 267,317</u>	<u>\$ 203,378</u>	<u>\$ 96,542</u>	<u>\$ 274,079</u>

Source: District Records

Little Egg Harbor Township School District
Insurance Schedule
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Exhibit J-20

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund			
	School Package Policy		
	Property, Special Multi-Peril & Contents	\$ 6,200,000,000	\$ 1,000
	Comprehensive Automobile Liability	10,000,000	
	Umbrella Liability:		
	Umbrella Policy	5,000,000	
	School Board Legal Liability	10,000,000	5,000
	Fidelity Bonds:		
	Position Bond - Board Secretary	10,000	
	Workers' Compensation:		
	Each Accident	5,000	

Source: District Records

SINGLE AUDIT SECTION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and
Members of the Board of Education
Little Egg Harbor Township Board of Education
Ocean County, New Jersey

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements 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 the Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board of Education's compliance with those requirements.

In our opinion, the Little Egg Harbor Township Board of Education School District, in the County of Ocean, 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 Little Egg Harbor Township Board of Education School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Little Egg Harbor Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Little Egg Harbor Township Board of Education's internal control over compliance.

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

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

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

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



Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

November 24, 2010



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and
Members of the Board of Education
Little Egg Harbor Township School District
Ocean County, New Jersey

We have audited the basic financial statements of the Board of Education of Little Egg Harbor Township School District, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 24, 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 presented 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 Little Egg Harbor Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Little Egg Harbor Township School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Little Egg Harbor Township School District's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Little Egg Harbor Township School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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 prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

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



Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

November 24, 2010

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period From	Grant Period To	Program or Award Amount	Balance June 30, 2009	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	June 30, 2010 Deferred Revenue	Due to Grantor
U.S. Department of Education														
General Fund:														
Medical Assistance Program (GEM)	93.778	N/A	9/1/2009	8/31/2010	\$ 46,045	\$ -	\$ -	\$ 46,044.90	\$ (46,044.90)	\$ -	\$ -	\$ -	\$ -	\$ -
ARRA Education Stabilization Fund	84.394	N/A	9/1/2009	8/31/2010	1,053,380		1,053,380.00	(1,053,380.00)						
ARRA Government Services Fund	84.397	N/A	9/1/2009	8/31/2010	40,778		40,778.00	(40,778.00)						
Total General Fund					1,140,203		1,140,202.90	(1,140,202.90)						
U.S. Department of Education														
Passed-Through State														
Department of Education														
Special Revenue Fund:														
Title I, Basic Allocation	84.010	NCLB2009	9/1/2008	8/31/2009	319,670	(69,448.20)		118,678.00	(49,230.80)					
Title I, Basic Allocation	84.010	NCLB2010	9/1/2009	8/31/2010	344,659		186,807.00	(330,017.28)				(155,852.00)	14,841.71	
Title I, Basic Allocation, ARRA	84.398	NCLB2009	9/1/2008	8/31/2009	128,375	(15,647.15)		104,893.00	(122,120.80)			(23,482.00)	6,254.20	
Title II, Part A	84.367A	NCLB2010	9/1/2009	8/31/2010	73,651		29,018.33	(13,371.18)						
Title II, Part A	84.367A	NCLB2009	9/1/2009	8/31/2010	81,840		51,396.67	(72,612.75)				(30,443.00)	9,226.92	
Title II, Part D	84.318	NCLB2009	9/1/2008	8/31/2009	2,672	(2,458.00)		2,562.00	(104.00)					
Title II, Part D	84.318	NCLB2010	9/1/2009	8/31/2010	3,518		2,863.00	(3,488.49)				(655.00)	28.51	
Title IV, Safe and Drug Free Schools	84.186	NCLB2010	9/1/2008	8/31/2009	7,064	(652.64)		901.00	(2,354.80)			(5,349.00)	3,895.20	
Title IV, Safe and Drug Free Schools	84.298	NCLB2009	9/1/2009	8/31/2010	6,075		5,610.00	(4,757.36)						
I.D.E.A. Part B, Basic, Regular	84.027	FT09	9/1/2008	8/31/2009	378,287		91,058.00	(117,061.15)				(287,229.00)	261,225.85	
I.D.E.A. Part B, Basic, Regular	84.027	FT10	9/1/2009	8/31/2010	372,324		125,373.00	(56,412.84)				(84,834.00)	14,917.11	
I.D.E.A. Part B, Basic, Regular, ARRA	84.391	FT09	9/1/2008	8/31/2009	390,149	(68,960.16)		305,315.00	(375,231.89)			(5,603.00)	161.08	
I.D.E.A. Part B, Preschool	84.027	FT10	9/1/2009	8/31/2010	27,707		22,104.00	(27,545.92)						
I.D.E.A. Part B, Preschool	84.027	FT09	9/1/2008	8/31/2009	27,628	(5,370.00)		6,332.00	(962.00)					
I.D.E.A. Part B, Preschool, ARRA	84.392	FT10	9/1/2009	8/31/2010	14,049		14,049.00	(14,049.00)						
Total Special Revenue Fund					1,068,961.00	(162,736.15)		1,068,961.00	(1,189,320.27)			(593,447.00)	310,351.58	
U.S. Department of Agriculture														
Passed-Through State														
Department of Education														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	9/1/2009	8/31/2010	37,684		37,693.58	(37,693.58)						
National School Breakfast Program	10.553	N/A	9/1/2009	8/31/2010	73,000		65,957.42	(73,000.46)				(7,043.04)		
National School Breakfast Program	10.553	N/A	9/1/2008	8/31/2009	68,036	(6,808.84)		6,808.84						
National School Lunch Program	10.555	N/A	9/1/2009	8/31/2010	290,066		281,429.05	(290,065.59)				(28,636.54)		
National School Lunch Program	10.555	N/A	9/1/2008	8/31/2009	235,925	(22,317.63)		22,317.63						
Total Enterprise Fund					394,206.52	(29,126.47)		394,206.52	(400,759.63)			(35,679.59)		
Total Federal Financial Awards					\$ 2,603,370.42	\$ (191,862.62)		\$ 2,603,370.42	\$ (2,730,282.80)			\$ (628,128.59)	\$ 310,351.58	

The accompanying Notes to Schedules of Expenditures of Awards of Financial Assistance are an Integral Part of This schedule

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period From	Grant Period To	Award Amount	Deferred Revenue (Accts. Rec.)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment/Repayment Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Memo	Cumulative Total Expenditures
State Department of Education																
General Fund:																
Equalization Aid	10-665-034-5120-078	7/1/2009	6/30/2010	\$ 4,936,652	\$ -	\$ -	\$ -	\$ 4,333,492.00	(4,638,052.00)	\$ -	\$ -	\$ -	\$ -	(602,560.00)		4,936,052.00
Special Education Aid	10-665-034-5120-068	7/1/2009	6/30/2010	795,336	-	-	-	719,592.00	(799,536.00)	-	-	-	-	(79,953.60)		799,536.00
Transportation Aid	10-665-034-5120-044	7/1/2009	6/30/2010	294,796	-	-	-	268,915.50	(296,795.00)	-	-	-	-	(28,879.50)		296,795.00
State Security Aid	10-665-034-5120-085	7/1/2009	6/30/2010	1,335,519	-	-	-	1,130,052.00	(1,335,519.00)	-	-	-	-	(205,467.00)		1,335,519.00
Adjustment Aid	10-665-034-5120-086	7/1/2009	6/30/2010	362,118	-	-	-	350,323.00	(362,118.00)	-	(6,262.00)	-	-	-		362,118.00
Extraordinary Aid	09-100-034-5120-073	7/1/2009	6/30/2009	350,323	(350,323.00)	-	-	-	-	-	-	-	-	-		-
Additional non Public Transportation Aid	10-100-034-5120-068	7/1/2009	6/30/2010	6,262	-	-	-	822,215.79	(665,127.22)	-	(42,911.43)	-	-	-		865,127.22
Reimbursed TPAP Social Security Contributions	10-665-034-5095-002	7/1/2009	6/30/2010	602,719	(39,027.99)	-	-	39,027.99	-	-	-	-	-	-		602,719.14
Reimbursed TPAP Social Security Contributions	09-665-034-5095-002	7/1/2009	6/30/2009	-	(389,350.58)	-	-	8,546,647.37	(9,564,893.22)	-	(411,291.43)	-	-	(1,016,305.00)		10,387,612.36
Total General Fund																
Special Revenue Fund:																
School Aid	10-665-034-5120-066	7/1/2009	6/30/2010	3,464,000	(26,838.53)	-	-	356,846.10	(3,093,658.94)	-	-	546,748.59	-	(340,400.00)		3,093,658.94
ELI	09-665-034-5120-065	7/1/2007	6/30/2009	65,768	304.27	-	-	-	-	-	-	40.78	-	-		-
Early Childhood Program Aid	09-665-034-5120-025	7/1/2007	6/30/2007	65,768	304.27	-	-	-	-	-	-	304.27	-	-		-
Total Special Revenue Fund																
Debt Service Fund:																
Debt Service Aid Type II	10-665-034-5120-75	7/1/2009	6/30/2010	843,032	-	-	-	843,032.00	(843,032.00)	-	-	-	-	-		843,032.00
Total Debt Service Fund																
State Department of Agriculture																
Enterprise Fund:																
National School Breakfast (State Share)	10-100-010-3390-021	7/1/2009	6/30/2010	5,922	(630.20)	-	-	5,366.10	(5,922.30)	-	(556.20)	-	-	-		5,922.30
National School Breakfast (State Share)	09-100-010-3390-021	7/1/2009	6/30/2009	6,468	-	-	-	630.20	-	-	-	-	-	-		6,468.40
National School Lunch Program (State Share)	10-100-010-3390-023	7/1/2009	6/30/2010	14,228	(1,158.42)	-	-	12,827.88	(14,226.10)	-	(1,388.22)	-	-	-		14,226.10
National School Lunch Program (State Share)	09-100-010-3390-023	7/1/2009	6/30/2009	12,464	(1,788.62)	-	-	1,158.42	-	-	-	-	-	-		(12,463.70)
Total Enterprise Fund																
Total State Financial Assistance																
				\$ -	(417,937.00)	\$ -	\$ -	\$ 9,766,508.07	(13,541,722.56)	\$ -	(413,245.85)	\$ 547,093.63	\$ -	(1,356,705.00)		14,339,473.40

The accompanying Notes to schedules of Expenditures of Awards of Financial Assistance are an Integral Part of This schedule

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2010**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last two state aid payments 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 (\$20,882.10) for the general fund and (\$77,153.90) for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	TPAF Pension	Total
General Fund	\$ 1,140,202.90	\$ 10,238,739.12	\$ (674,728.00)	\$ 10,704,214.02
Special Revenue Fund	1,179,396.25	3,016,505.04		4,195,901.29
Debt Service Fund	843,032.00			843,032.00
Food Service Fund	400,760.00	20,148.00		420,908.00
	<u>\$ 3,563,391.15</u>	<u>\$ 13,275,392.16</u>	<u>\$ (674,728.00)</u>	<u>\$ 16,164,055.31</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2010
(CONTINUED)**

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 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.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2010**

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

- 1) Material weakness identified? No
- 2) Significant deficiencies identified that are not considered to be a material weakness? None reported

Noncompliance material to the Basic Financial Statements noted? No

Federal Awards

Internal control over major programs:

- 1) Material weakness identified? No
- 2) Significant deficiencies identified that are not considered to be a material weakness? None reported

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.394	State Fiscal Stabilization – ESF
84.397	State Fiscal Stabilization – GSF
<u>Special Education Cluster</u>	
84.027	IDEA, Part B, Basic, Regular
84.173	IDEA, Part B, Basic, Preschool
84.391	IDEA, Part B, Basic, Regular, ARRA
84.392	IDEA, Part B, Basic, Preschool, ARRA
<u>No Child Left Behind Cluster</u>	
84.010	Title I
84.389	Title I, ARRA
<u>National School Lunch Program Cluster</u>	
10.553	School Breakfast Program
10.555	National School Lunch Program

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2010
(CONTINUED)**

I. SUMMARY OF AUDITORS RESULTS - CONTINUED

Dollar threshold used to distinguish between type A and type B programs: \$300,000
 Auditee qualified as low-risk auditee? Yes

State Awards

Dollar threshold used to distinguish between type A and Type B Programs: \$406,252
 Auditee qualified as low-risk auditee? Yes
 Type of auditor's report issued on compliance for major programs: Unqualified Opinion
 Internal Control over major programs:
 1) Material weakness identified? No
 2) Significant deficiencies identified that are not considered to be material weaknesses? None reported
 Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? No
 Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
100-034-5120-473	Extraordinary Special Education
	State Aid Public Cluster
495-034-5120-083	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2010
(CONTINUED)**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDING JUNE 30, 2010**

STATUS OF PRIOR YEAR FINDINGS

There were no Prior Year Findings.