

**SCHOOL DISTRICT OF
LUMBERTON TOWNSHIP**

LUMBERTON BOARD OF EDUCATION
Lumberton, New Jersey
County of Burlington

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LUMBERTON TOWNSHIP BOARD OF EDUCATION

LUMBERTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by

**Lumberton Township Board of Education
Finance Department**

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INTRODUCTORY SECTION

**Lumberton Township Board of Education
33 Municipal Drive
Lumberton, NJ 08048**

**Terrence Healey
Superintendent**

**Thomas J. Fanuka
Business Administrator**

October 12, 2010

Honorable President and
Members of the Board of Education
Lumberton Township School District
Burlington County, New Jersey
33 Municipal Drive
Lumberton, NJ 08048

Dear Board Members:

The comprehensive annual financial report of the Lumberton Township School District for the fiscal year ended June 30, 2010 is submitted herewith. The report was prepared by the District's Board Office. The responsibility for the financial and other data lies with the Superintendent and the Business Administrator. We believe all the data presented is accurate in all material respects. This information is presented in a manner that fairly represents the fiscal soundness of the Lumberton Township School District. All disclosures needed to maximize user comprehension of the contents have been included in this document.

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 principle officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid".

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Lumberton 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 Lumberton Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for handicapped children. The District completed the 2009-2010 fiscal year with an enrollment of students, which represents students above the previous year's enrollment. These numbers include only in-district students. Those students placed out-of-district are not included in these totals. The following details the changes in the student enrollment of the District over the last seven years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-10	1,687	(1.17%)
2008-09	1,707	(1.61%)
2007-08	1,735	(0.86%)
2006-07	1,750	(0.34%)
2005-06	1,756	(0.23%)
2004-05	1,760	0.11%
2003-04	1,758	5.40%

2) ECONOMIC CONDITION AND OUTLOOK: The Lumberton Township has experienced an end to the development and expansion of the township. The downward turn of the national, state and local economies has hit Lumberton Township as well as the rest of the country. There has been no new business development in Lumberton Township. With the previous additions of Wal-Mart, Lowe's and a large Technology Center, Lumberton Township is still attempting to attract additional businesses to its previously rural and residential town. In fact, Wal-Mart is seeking to expand their current store to a Super Wal-Mart to include food sales. To attract the businesses in the town, the officials agreed to abate the taxes for a five-year period. We are currently in the end of that period for some businesses. The existing residential developments are built out. There are no more foreseeable major developments planned in the immediate future. The larger homes have brought much younger children than the norm dictates. Lumberton Township has completed a township-wide reassessment process and has resulted in increasing property values. This process was completed three years ago. The assessed values are significantly increased over the previous assessment value totals due to the reassessment. Due to the economic conditions, many homeowners are appealing their assessed valued to lower them periodically.

There are some small parcels of land in this township that may be utilized for residential developments. The township committee along with the township's economic development members is attempting to find other uses of the land, including open space and outright purchase.

3) MAJOR INITIATIVES: To meet the needs of a continuously growing community. In the fall of 2006, the District contracted The Design Collaborative architectural firm to update the Long-Range Facility Plan required by the state of New Jersey every five (5) years from the state adoption date. The State of New Jersey approved our Long-Range Facility Plan on July 11, 2008. Therefore, we do not need to file an updated Long-Range Facility Plan until July 11, 2013.

The public supported a \$9,499,000 March 9, 2010 referendum by more than a 2.5 to 1 margin for the installation of solar panels on all four (4) of the district facilities. The expected completion date was originally scheduled for September 2010. However, A.R.R.A. funds have placed a large demand on solar

panels and, as a result, our vendors are having some difficulties acquiring the solar panels within the original timelines. The revised completion date for this project is scheduled for January 2011. The first attempt in December 2009 was defeated by the public, in part, as a response to the tough economic conditions just commencing. The project has actually come in so much lower than expected that the district only had to borrow \$7,000,000 in bonds.

The public supported the September 25, 2001 referendum overwhelmingly and a fourth school has been operating in its fifth year now. The completion date for the new Ashbrook Elementary School housing students in grades 2 and 3 was September 1, 2003. The Ashbrook Elementary School opened on time.

With respect to curriculum, we continued to emphasize strong achievement with a focus on the New Jersey Core Curriculum Content Standards. This year we did second year reviews and revisions to our Social Studies and Language Arts curricula. We also completed year one of a multi-year revision and implementation of an inquiry-based Science curriculum. Finally, we made revisions to our middle school Technology program.

The District maintained its strong commitment to staff development through a targeted and comprehensive program that recognized the varied needs of a diverse employee population. The Professional Development Committee and the Assistant Superintendent worked collaboratively to provide a wide range of workshops, conferences, in-District courses, and in-service activities directly linked to individual Professional Improvement Plans, school goals, and District goals. The Board also provided financial support to staff pursuing graduate work.

A continued proactive stance in terms of establishing both short term and long range goals and then providing the leadership, structures, and opportunities to realize those goals will remain the hallmarks of education in the Lumberton Township Schools.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal 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 and the special revenue 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.

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

6) ACCOUNTING SYSTEMS AND REPORTS: The District’s accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in “Notes to the Financial Statements”, Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibilities for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2010.

<u>Revenue</u>	<u>Amount</u>	<u>% of Total</u>
Local Sources	\$13,579,783	56.47%
State Sources	8,510,467	35.39%
Federal Sources	<u>1,957,780</u>	<u>8.14%</u>
Totals	<u>\$24,048,030</u>	<u>100.00%</u>

The following schedule presents 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.

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Current Expense:		
Instruction	\$8,850,122	35.47%
Undistributed Expense	12,320,834	49.39%
Capital Outlay	183,308	0.73%
Special Revenue	694,023	2.78%
Debt Service	<u>2,899,792</u>	<u>11.63%</u>
Totals	<u>\$24,948,079</u>	<u>100.00%</u>

8) DEBT ADMINISTRATION: On February 28, 2003, the Lumberton Township Board of Education issued \$11,255,000 in General Obligation Bonds to diffuse a prior Lease/Purchase agreement and two (2) previous refunding issues. The voters approved this refinancing in April 2002 even though this refinancing exceeded the school’s borrowing capacity and required Local Finance Board approval. This issue saved the District approximately \$1,000,000 over the life of the loan from its current debt.

In June 1995, the District passed a successful bond referendum of \$12,650,000 by a two to one margin. These funds will be used for additional classrooms at the middle school, to build a new intermediate school (grades 3-5) and various elementary school renovations. The elementary school renovations included a new boiler, renovations to an existing bathroom and other various maintenance projects.

In March 1999, the District also passed a bond referendum in the amount of \$3,100,000 for eight (8) additional classrooms at the Bobby's Run School, installation of terrazzo at the Lumberton Middle School and various renovation projects at the Florence L. Walther School. Some of the renovation projects at the Florence L. Walther School included the installation of terrazzo in the main entrance, new carpeting, new ceilings, new HVAC units and various health and safety issues.

In September 2001, the District again passed a bond referendum in the amount of \$5,160,000 for a fourth school, two (2) additional classrooms at the Bobby's Run School, two (2) additional classrooms at the Lumberton Middle School, renovations to the Florence L. Walther School and extensive renovations and rehabilitations to the Lumberton Middle School. The Ashbrook Elementary School has been open for five years and the other projects have been completed as well.

In March 2010, the District passed another bond referendum in the amount of \$9,499,000 to install solar panels on the four (4) school facilities. In August 2010, the district issued \$7,000,000 in General Obligation Bonds because the bids for these projects came in significantly lower than the estimates. The district is also able to install additional panels on the school buildings due to the bid results.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan 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. 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.

10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is also part of a partially self-funded insurance program for all non-medical lines of coverage. The name of the fund is the Burlington County Insurance Pool Joint Insurance Fund. This pool is made up of over 25 local School Districts in an effort to maximize the insurance coverage at the best possible price. This JIF also provides many mandated training programs as part of the membership and without additional costs to the member districts.

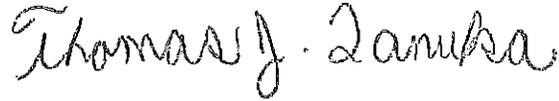
11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman and Frenia, P.C., C.P.A., R.M.A., P.S.A. was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Lumberton Township School Board for their concern in providing fiscal responsibility to the citizens and taxpayers of the School District and thereby contributing their full support to the developments 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,



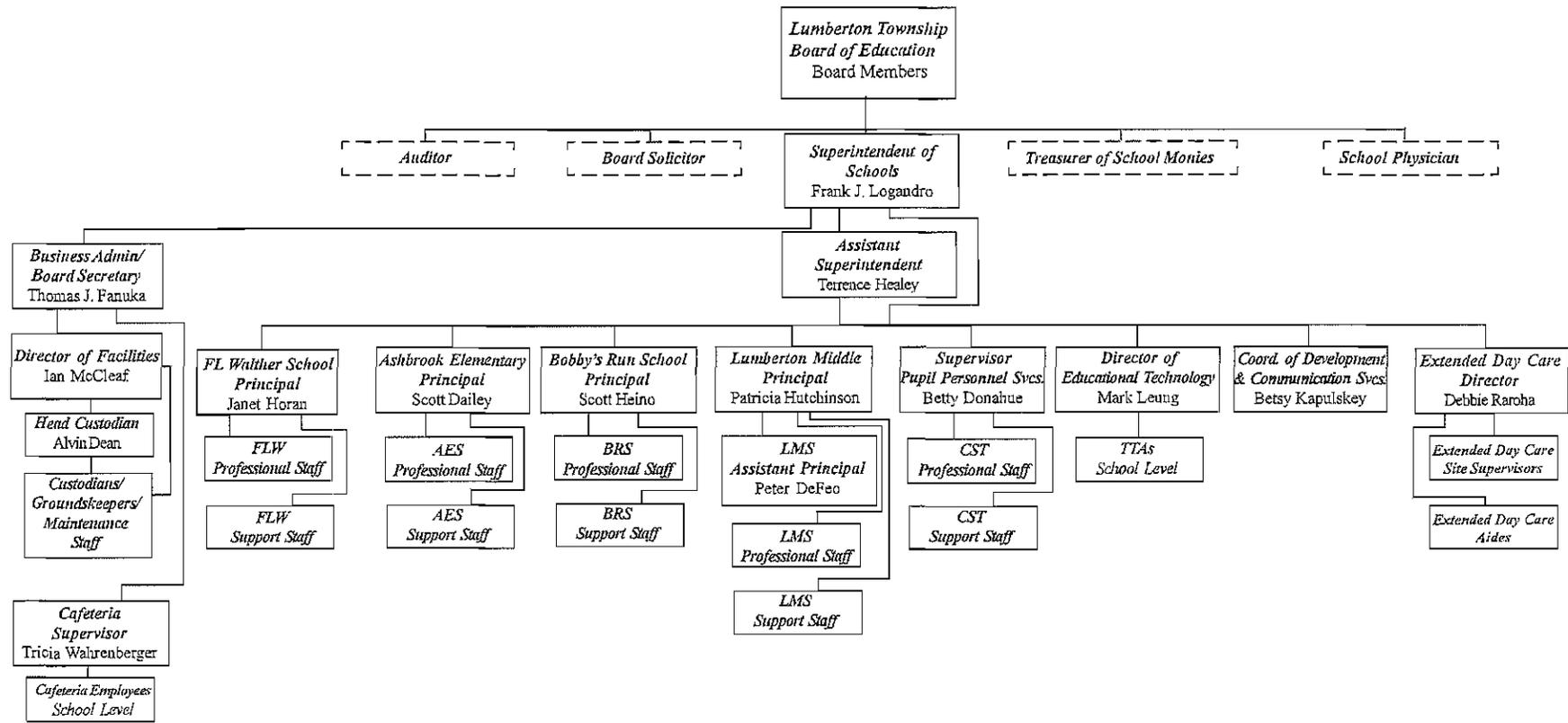
Terrence Healey
School Superintendent



Thomas J. Fanuka
Board Sec./Business Administrator

Lumberton Township Board of Education

33 Municipal Drive
Lumberton, NJ 08048
(609) 267-1406



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LUMBERTON TOWNSHIP BOARD OF EDUCATION
33 Municipal Drive
Lumberton, New Jersey 08048

ROSTER OF OFFICIALS
JUNE 30, 2010

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

Robert Morton, President	2011
Dean Hammond, Vice President	2012
Jesse Adams, Jr.	2011
Andrew Churney	2012
Sheila Ellis	2013
Mario Tommasi	2012
Mary Beth Tubbs	2013
Terri West	2013

OTHER OFFICIALS

Frank J. Logandro, Superintendent
Thomas J. Fanuka, Board Secretary/Business Administrator
Terrence Healey, Assistant Superintendent
Frank Farr, Treasurer
Jeffrey Belz, Solicitor

LUMBERTON TOWNSHIP BOARD OF EDUCATION
P.O. Box 8
Lumberton, New Jersey 08048

CONSULTANTS AND ADVISORS

INSURANCE AGENT

Burlington County Insurance Pool
Hammonton, New Jersey

AUDIT FIRM

Holman & Frenia, P.C.
Kevin P. Frenia, CPA, PSA
Medford, New Jersey

ATTORNEY

Jeffrey Belz
Cherry Hill, New Jersey

OFFICIAL DEPOSITORY

TD Bank
Cherry Hill, New Jersey



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Lumberton Township
County of Burlington
Lumberton, New Jersey 08048

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2010, on our consideration of the Lumberton Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
October 12, 2010

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

LUMBERTON TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2010

UNAUDITED

This section of the Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board' (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is now being required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2009-2010) and the prior fiscal year (2008-2009) is required to be presented in the MD&A. However, since this is the first year of implementation of the new reporting model contained in GASB Statement No. 34, and that Statement permits the omission of prior year data in the year of implementation, the District has elected not to prepare comparative data due to the cost of adjusting prior year's financial statements to the new reporting model. In future years, a comparative analysis of district-wide data will be presented.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash -flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

The district-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. -

Because of the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, debt service fund and permanent fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The extended day care fund provides for the operation of a before and after school day care service for school-age children. The proprietary funds have been included within business-type activities in the district-wide financial statements.

The food services and extended day care fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary funds

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

The District uses trust and agency funds to account for resources held for student activities and group, for payroll transactions and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2009-2010 fiscal year include the following:

- The undesignated General Fund balance (budgetary basis) decreased \$1,243,038 from \$1,978,742 to \$735,704 in 2010. The balance at June 30, 2010 included an amount of \$302,103 in excess of the 2% allowable per state mandate.
- The local tax levy increased from 2008-2009 by \$23,394 to \$11,663,728 due primarily to the use of excess General Fund Balance from the previous year.
- The Food Services Enterprise Fund's Net Assets increased by \$19,764 over the Net Assets in 2008-2009, from \$4,834 to \$24,598. This is due to the fact that our new cafeteria manager is providing many new programs for students and staff to increase participation from both areas. This fund continues, however, to be self-sustaining, and requires no funding from District's general fund budget.
- The Extended Day Care Enterprise Fund's Net Assets decreased by \$14,565 over the Net Assets in 2008-2009, from \$590,506 to \$575,941. This fund continues to be self-sustaining, and requires no funding from District's general fund budget. The main reason for the decrease in Net Assets is the gifts that were given to the district schools.

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position.

The following table provides a summary of net assets:

The District's largest net asset is the restricted portion of the net assets shown above. Restricted assets represent resources that are subject to external restrictions on how they may be used.

The District's investment in capital assets within the net assets above; less any related debt used to acquire those assets that is still outstanding, shows a balance of \$7,564,837.

The unrestricted net assets may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net assets include the amount of long-term obligations that are not invested in capital assets, such as compensated absences.

At the end of the current fiscal year, the District is able to report a positive balance in total net assets. The same situation held true for the prior fiscal year.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net assets from the prior year:

FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2010	JUNE 30, 2009
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes, Including Debt Service	\$13,502,988		\$13,502,988	\$13,441,001
Federal & State Aid Not Restricted	9,817,447		9,817,447	10,687,221
Tuition Received	7,039		7,039	7,891
Investment Earnings	29,984	1,810	31,794	39,324
Miscellaneous Income	39,772		39,772	12,016
Total General Revenues, Special Items, Extraordinary Items & Transfers	\$23,397,230	\$1,810	\$23,399,040	\$24,187,453
Governmental Activities:				
Instruction:				
Regular	\$(5,856,255)		\$(5,856,255)	\$(5,785,756)
Special Education	(2,467,634)		(2,467,634)	(2,848,107)
Other Special Instruction	(404,705)		(404,705)	(399,033)
Other Instruction	(121,527)		(121,527)	(114,943)
Support Services & Undistributed Costs:				
Tuition	(550,545)		(550,545)	(852,065)
Health Services	(249,763)		(249,763)	(239,601)
Student & Instruction Related Services	(1,631,718)		(1,631,718)	(1,430,890)

FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2010	JUNE 30, 2009
Educational Media Services/ School Library	(263,063)		(263,063)	(254,759)
School Administrative Services	(809,506)		(809,506)	(955,857)
Other Administrative Services	(1,230,613)		(1,230,613)	(1,159,844)
Plant Operations & Maintenance	(2,121,507)		(2,121,507)	(2,114,781)
Pupil Transportation	(881,514)		(881,514)	(986,017)
Employee Benefits	(4,625,828)		(4,625,828)	(4,348,266)
Interest on Long-Term Debt	(587,058)		(587,058)	(712,661)
Reduction of Capital Leases				
Amortization of Debt Costs	(20,834)		(20,834)	(12,594)
Increase in Compensated Absences – Unallocated	(291,299)		(291,299)	(209,942)
Reduction in Carrying Value of Fixed Assets	291,299		291,299	291,942
Unallocated Depreciation	(766,064)		(766,064)	(752,805)
Total Governmental Activities	\$(22,296,836)		\$(22,296,836)	\$(22,886,536)
Business-Type Activities:				
Food Service		\$19,498	\$19,498	\$(28,908)
Extended Day Care		(16,109)	(16,109)	592
Total Business-Type Activities		\$3,389	\$3,389	\$(28,316)
Change In Net Assets	\$1,100,394	\$5,199	\$1,105,593	\$1,810,106
Net Assets - Beginning	8,501,229	595,340	9,096,569	7,286,463
Net Assets - Ending	\$9,601,623	\$600,539	\$10,202,162	\$9,096,569

Financial Analysis of the District's Funds

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

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, debt service fund and permanent fund revenues for the fiscal year ended June 30, 2010 and the amount and percentage of increases and (decreases) in relation to prior year revenues. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2009-2010 Revenue	Increase (Decrease)	Percent of Increase (Decrease)
Revenue:			
Local Sources:			
Local Tax Levy	\$13,502,988	\$61,987	0.46%
Tuition	7,039	(852)	-10.78%
Interest	28,332	(7,701)	-21.37%
Interest on Capital Reserve	1,652	1,633	8,594.74%
Miscellaneous	39,772	27,756	230.99%
Total Revenue - Local Sources	\$13,579,783	\$82,823	0.61%
State Sources	8,510,467	(2,181,569)	-20.40%
Federal Sources	1,957,780	1,425,090	267.53%
Total Revenues	\$24,048,030	(\$673,656)	-2.72%

The increase in State sources is mainly attributable to an increase in the on-behalf TPAF pension contribution. The increase in taxes was due primarily to the overall increase of the General Fund budget, including salaries and benefits.

The following schedule presents a summary of general fund, special revenue fund, debt service fund and permanent fund expenditures for the fiscal year ended June 30, 2010 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2009-2010 Expenditures	Increase (Decrease)	Percent of Increase (Decrease)
Expenses:			
Current Expense:			
Instruction	\$9,413,068	\$265,229	2.90%
Undistributed Expenditures	12,451,911	109,831	0.89%
Capital Outlay	183,308	93,959	105.16%
Debt Service	2,899,792	67,776	2.39%
Total Expenditures	\$24,948,079	\$536,795	2.20%

Instruction costs increased due to increases in K-8 and special education salaries and supplies. Undistributed expenditures increased due to increases in tuition, transportation and health benefit costs. The increase in debt service was due to the District's repayment schedule.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$225,285. This difference is comprised entirely of the June 30, 2010 encumbrances and budget savings from encumbrances rollover into the subsequent year's budget (2010-2011) and is added to the original budget appropriations. The budgetary savings were due to salaries, which were lower than expected and certain maintenance items that were not performed during the 2009-2010 school year. The Superintendent also froze many supply and textbooks accounts in September 2009.

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2009-2010 budget. Due to lower than anticipated costs for salaries, maintenance and benefits, the District was able to make budget transfers to fund costs related to energy costs, health insurance, property and liability insurance, compensated absences and capital improvements (paving, electrical, etc).

Based on the financial results of 2009-2010, unrestricted fund balance decreased by \$52,173 to \$433,601.

Proprietary Funds. The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund's operating income increased by \$40,072 over the operating income in 2008-2009, from \$(167,312) to \$(127,240). The unrestricted net assets of the food service program were \$24,598 at June 30, 2010. The food services program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget.

The Extended Day Care Enterprise Fund's operating income decreased by \$16,701 over the operating income in 2008-2009, from \$592 to \$(16,109). The unrestricted net assets of the food service program were \$575,941 at June 30, 2010. The extended day care program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget. In fact, they are able to donate goods/services to the district for overall student benefit on a regular basis.

Capital Assets

At June 30, 2010, the District has capital assets of \$23.3 million, net of depreciation, which includes land, land improvements, buildings/construction machinery and equipment and vehicles.

The following provide a summary of the capital assets held by the District:

	June 30, 2009	Additions	Deletions	Adjustments	June 30, 2010
Land	\$ 120,485		\$ -	\$ -	\$ 120,485
Land Improvements	713,300				713,300
Buildings	32,368,989				32,368,989
Machinery & Equipment	1,897,301	\$ 139,675			2,028,976
Subtotal	35,100,075	139,675			35,231,750
Accumulated Depreciation	(11,175,849)	(766,064)			(11,941,913)
Total	<u>\$23,924,226</u>	<u>\$(634,389)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,289,837</u>

The largest balance within the capital assets above, Buildings, is comprised of construction in progress from the referendum program for the construction of the Ashbrook Elementary School, additions to the Bobby's Run School, additions and renovations to the Lumberton Middle School and renovations to the Florence L. Walther School.

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2010, the District's outstanding debt issues included \$15,725,000 of General Obligation bonds (1998 refunding bonds, 1999 bonds, 2001 bonds, 2002 refunding bonds and 2005 refunding bonds).

Additional information on the District's debt administration and other obligations can be found in Note 5 to the basic financial statements.

Economic Factors and Next Year's Budget

- The District anticipates that the approved 2010-2011 budget will be adequate to satisfy all 2010-2011 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Lumberton School District's finances for all those with an interest in the District's finances. Questions concerning and of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Lumberton Township Board of Education, 33 Municipal Drive, Lumberton NJ 08048.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$2,183,579	489,508	2,673,087	3,728,753
Receivables, Net	94,272	14,508	108,780	271,752
Inventory		7,108	7,108	8,250
Restricted Assets:				
Capital Reserve Account - Cash	552,458		552,458	200,806
Capital Assets, Net (Note 6)	23,289,837	168,241	23,458,078	24,135,521
Unamortized Loss on Early Retirement of Debt	167,703		167,703	101,902
Unamortized Bond Issue Costs	171,949		171,949	81,672
Total Assets	26,459,798	679,365	27,139,163	28,528,656
LIABILITIES				
Accounts Payable	313,478	78,826	392,304	401,279
Other Liabilities	185,036		185,036	214,497
Payable to State Government	260		260	765
Deferred Revenue				125
Unamortized Bond Premium	95,617		95,617	48,705
Noncurrent Liabilities (Note 7):				
Due Within One Year	2,430,000		2,430,000	2,341,633
Due Beyond One Year	13,833,784		13,833,784	16,425,083
Total Liabilities	16,858,175	78,826	16,937,001	19,432,087
NET ASSETS				
Invested in Capital Assets, Net of Related	7,564,837	8,723	7,573,560	6,052,827
Restricted For:				
Debt Service	52,827		52,827	28,389
Other Purposes	2,862,474		2,862,474	3,725,013
Unrestricted	(878,515)	591,816	(286,699)	(709,660)
Total Net Assets	\$9,601,623	600,539	10,202,162	9,096,569

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

21

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS		
						(MEMORANDUM ONLY)		
					JUNE 30, 2010	JUNE 30, 2009		
Governmental Activities:								
Instruction:								
Regular	\$5,856,255			(5,856,255)	(5,856,255)	(5,785,756)		
Special Education	3,030,581		562,946	(2,467,635)	(2,467,635)	(2,475,368)		
Other Special Instruction	404,705			(404,705)	(404,705)	(399,033)		
Other Instruction	121,527			(121,527)	(121,527)	(114,943)		
Support Services & Undistributed Costs:								
Tuition	550,545			(550,545)	(550,545)	(852,065)		
Health Services	249,763			(249,763)	(249,763)	(239,601)		
Student & Instruction Related Services	1,631,718			(1,631,718)	(1,631,718)	(1,430,890)		
Educational Media Services/School Library	263,063			(263,063)	(263,063)	(254,759)		
School Administrative Services	897,360		87,854	(809,506)	(809,506)	(791,091)		
Other Administrative Services	1,230,613			(1,230,613)	(1,230,613)	(1,159,844)		
Plant Operations & Maintenance	2,121,507			(2,121,507)	(2,121,507)	(2,114,781)		
Pupil Transportation	881,514			(881,514)	(881,514)	(986,017)		
Employee Benefits	4,625,828			(4,625,828)	(4,625,828)	(4,348,266)		
Interest on Long-Term Debt	587,058			(587,058)	(587,058)	(712,661)		
Reduction of Capital Leases								
Amortization of Debt Costs	20,834			(20,834)	(20,834)	(12,594)		
Increase in Compensated Absences - Unallocated	(291,299)			291,299	291,299	(209,942)		
Reduction in Carrying Value of Fixed Assets						291,385		
Unallocated Depreciation	766,064			(766,064)	(766,064)	(752,805)		
Total Governmental Activities	22,947,636		650,800	(22,296,836)	(22,296,836)	(22,349,031)		

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Business-Type Activities:							
Food Service	544,820	417,580	146,738		19,498	19,498	(28,908)
Extended Day Care	495,785	479,676			(16,109)	(16,109)	592
Total Business-Type Activities	1,040,605	897,256	146,738		3,389	3,389	(28,316)
Total Primary Government	\$23,988,241	897,256	797,538	(22,296,836)	3,389	(22,293,447)	(22,377,347)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Including Debt Service				13,502,988		13,502,988	13,441,001
Federal & State Aid Not Restricted				9,817,447		9,817,447	10,687,221
Tuition Received				7,039		7,039	7,891
Investment Earnings				29,984	1,810	31,794	39,324
Miscellaneous Income				39,772		39,772	12,016
Total General Revenues, Special Items, Extraordinary Items & Transfers				23,397,230	1,810	23,399,040	24,187,453
Change In Net Assets				1,100,394	5,199	1,105,593	1,810,106
Net Assets - Beginning				8,501,229	595,340	9,096,569	7,286,463
Net Assets - Ending				\$9,601,623	600,539	10,202,162	9,096,569

See accompanying notes to the financial statements.

B. Fund Financial Statements

Governmental Funds

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

(With Comparative Totals for June 30, 2009)

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
				JUNE 30, 2010	JUNE 30, 2009
Assets:					
Cash & Cash Equivalents	\$2,124,721	(19,346)	78,204	2,183,579	3,296,145
Capital Reserve Account - Cash Equivalents	552,458			552,458	200,806
Accounts Receivable:					
State Aid	74,931			74,931	127,484
Federal Aid	3,172	19,826		22,998	121,318
Interfunds	25,377	646		26,023	27,065
Total Assets	\$2,780,659	1,126	78,204	2,859,989	3,772,818
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$312,612	866		313,478	325,628
Intergovernmental Payable:					
State		260		260	765
Interfund Payables	4,303		25,377	29,680	29,680
Deferred Revenue					125
Total Liabilities	316,915	1,126	25,377	343,418	356,198
Fund Balances:					
Reserved:					
For Encumbrances	7,913			7,913	225,285
Excess Surplus Designated for Subsequent Year's Expenditures	1,492,968			1,492,968	1,605,954
Excess Surplus	302,103			302,103	1,492,968
Capital Reserve Account	552,458			552,458	200,806
Unreserved:					
Designated for Subsequent Year's Expenditures	507,032			507,032	228,387
Undesignated	(398,730)		52,827	(345,903)	(336,780)
Total Fund Balances	2,463,744		52,827	2,516,571	3,416,620
Total Liabilities & Fund Balances	\$2,780,659	1,126	78,204		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$35,231,750, and the accumulated depreciation is \$11,941,913.

23,289,837 23,924,226

Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.

(185,036) (207,770)

Net Unamortized Bond Costs, Premiums and Loss on Early Retirement of Debt

244,035 134,869

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7)

(16,263,784) (18,766,716)

Net assets of Governmental Activities

\$9,601,623 8,501,229

See accompanying notes to the financial statements.

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

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
				JUNE 30, 2010	JUNE 30, 2009
Revenues:					
Local Sources:					
Local Tax Levy	\$11,663,728		1,839,260	13,502,988	13,441,001
Tuition	7,039			7,039	7,891
Interest	28,332			28,332	36,033
Interest on Capital Reserve	1,652			1,652	19
Miscellaneous	39,772			39,772	12,016
Total Local Sources	11,740,523		1,839,260	13,579,783	13,496,960
State Sources	7,423,622	1,875	1,084,970	8,510,467	10,692,036
Federal Sources	1,265,632	692,148		1,957,780	532,690
Total Revenues	20,429,777	694,023	2,924,230	24,048,030	24,721,686
Expenditures:					
Current Expense:					
Regular Instruction	5,856,255			5,856,255	5,785,756
Special Education Instruction	2,467,635	562,946		3,030,581	2,848,107
Other Special Instruction	404,705			404,705	399,033
Other Instruction	121,527			121,527	114,943
Support Services:					
Tuition	550,545			550,545	852,065
Health Services	249,763			249,763	239,601
Student & Instruction Related Services	1,631,718			1,631,718	1,430,890
Educational Media Services/					
School Library	263,063			263,063	254,759
School Administrative Services	809,506	87,854		897,360	955,857
Other Administrative Services	1,230,613			1,230,613	1,159,844
Plant Operations & Maintenance	2,121,507			2,121,507	2,114,781
Pupil Transportation	881,514			881,514	986,017
Employee Benefits	4,625,828			4,625,828	4,348,266
Capital Outlay	140,085	43,223		183,308	89,349
Debt Service:					
Principal			2,290,000	2,290,000	2,100,000
Interest & Other Charges			609,792	609,792	732,016
Total Expenditures	21,354,264	694,023	2,899,792	24,948,079	24,411,284
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(924,487)		24,438	(900,049)	310,402
Net Change in Fund Balance	(924,487)		24,438	(900,049)	310,402
Fund Balance - July 1	3,388,231		28,389	3,416,620	3,106,218
Fund Balance - June 30	\$2,463,744	-	52,827	2,516,571	3,416,620

See accompanying notes to the financial statements.

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

Total Net Change in Fund Balances - Governmental Funds (From B-2)	(\$900,049)
--	-------------

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

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

Depreciation Expense	(\$766,064)	
Capital Outlays	131,675	(634,389)

Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	2,290,000
--	-----------

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

Bond Proceeds	(3,535,000)	
Bond Issue Costs, Premiums & Loss on Refunding	130,000	
Bonds Refunded	3,405,000	

Repayment of capital lease 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.	51,633
--	--------

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.	22,734
---	--------

Amortization of losses on early Extinguishments of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Current Year		(20,834)
--------------	--	----------

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

Prior Year	830,083	
Current Year	(538,784)	291,299

Change in Net Assets of Governmental Activities	\$1,100,394
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See accompanying notes to the financial statements.

Proprietary Funds

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	EXTENDED DAY CARE	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Current Assets:				
Cash & Cash Equivalents	\$426,442	63,066	489,508	432,608
Accounts Receivable:				
State		720	720	1,543
Federal		10,131	10,131	20,365
Interfunds		3,657	3,657	3,657
Inventories		7,108	7,108	8,250
Total Current Assets	426,442	84,682	511,124	466,423
Noncurrent Assets:				
Equipment	268,908	86,507	355,415	355,415
Less: Accumulated Depreciation	(109,390)	(77,784)	(187,174)	(144,120)
Total Noncurrent Assets	159,518	8,723	168,241	211,295
Total Assets	585,960	93,405	679,365	677,718
LIABILITIES				
Lease Payables				6,727
Accounts Payable	10,019	68,807	78,826	75,651
Total Liabilities	10,019	68,807	78,826	82,378
NET ASSETS				
Investment in Capital Assets Net of Related Debt	159,518	8,723	168,241	211,295
Unreserved Retained Earnings	416,423	15,875	432,298	384,045
Total Net Assets	\$575,941	24,598	600,539	595,340

See accompanying notes to the financial statements.

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	EXTENDED DAY CARE	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Operating Revenues:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program		258,050	258,050	260,143
Total - Daily Sales - Reimbursable Programs		258,050	258,050	260,143
Daily Sales Nonreimbursable Programs		144,437	144,437	149,055
Special Functions		15,003	15,003	7,864
Enrollment Fees	\$479,676		479,676	556,238
Miscellaneous		90	90	4,045
Total Operating Revenue	479,676	417,580	897,256	977,345
Operating Expenses:				
Salaries	356,010	203,767	559,777	551,302
Payroll Taxes & Benefits	47,684	36,822	84,506	74,537
Supplies and Materials	48,656	20,990	69,646	170,336
Management Fee		13,540	13,540	23,179
Miscellaneous	5,259	39,808	45,067	13,730
Cost of Sales		225,015	225,015	266,868
Depreciation	38,176	4,878	43,054	44,113
Total Operating Expenses	495,785	544,820	1,040,605	1,144,065
Operating Income/(Loss)	(16,109)	(127,240)	(143,349)	(166,720)
Nonoperating Revenues:				
State Sources:				
State School Lunch Program		7,563	7,563	7,383
Federal Sources:				
National School Lunch Program		103,554	103,554	93,695
Special Milk Program		3,563	3,563	4,332
Food Distribution Program		32,058	32,058	32,994
Interest Revenue	1,544	266	1,810	3,272
Total Nonoperating Revenues/(Expenses)	1,544	147,004	148,548	141,676
Change in Net Assets	(14,565)	19,764	5,199	(25,044)
Total Net Assets - Beginning	590,506	4,834	595,340	620,384
Total Net Assets - Ending	\$575,941	24,598	600,539	595,340

See accompanying notes to the financial statements.

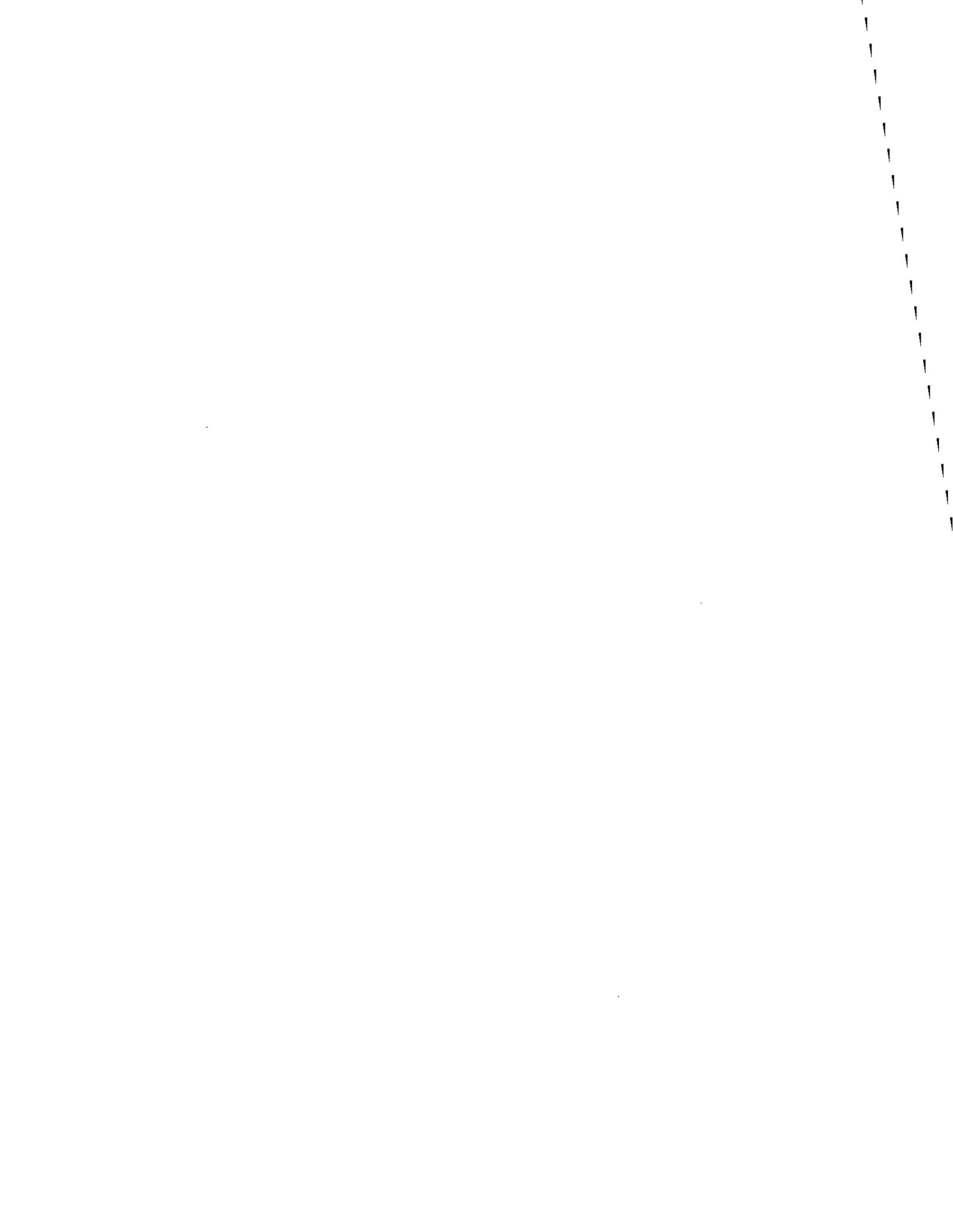
LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

	BUSINESS-TYPE		TOTALS	
	ACTIVITIES -		(MEMORANDUM ONLY)	
	ENTERPRISE FUNDS	FOOD	JUNE 30,	JUNE 30,
	EXTENDED	SERVICE	2010	2009
DAY CARE				
Cash Flows From Operating Activities:				
Receipts from Customers	\$479,676	449,638	929,314	1,010,339
Payments to Employees	(356,010)	(203,767)	(559,777)	(551,302)
Payment to Employee Benefits	(47,684)	(36,822)	(84,506)	(74,537)
Payments to Suppliers	(80,338)	(268,613)	(348,951)	(465,684)
Net Cash Provided/(Used) by Operating Activities	(4,356)	(59,564)	(63,920)	(81,184)
Cash Flows From Noncapital Financing Activities:				
Cash Received From State & Federal Reimbursements		125,737	125,737	102,288
Net Cash Provided by Noncapital Financing Activities		125,737	125,737	102,288
Cash Flows From Capital & Related Financing Activities:				
Repayment Lease Principal		(6,727)	(6,727)	(7,506)
Acquisition of Capital Assets				(30,314)
Net Cash Provided by Noncapital Financing Activities		(6,727)	(6,727)	(37,820)
Cash Flows From Investing Activities:				
Interest on Investments	1,544	266	1,810	3,272
Net Cash Provided by Investing Activities	1,544	266	1,810	3,272
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,812)	59,712	56,900	(13,444)
Cash & Cash Equivalents, July 1	429,254	3,354	432,608	446,052
Cash & Cash Equivalents, June 30	\$426,442	63,066	489,508	432,608

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

Operating Income/(Loss)	(\$16,109)	(127,240)	(143,349)	(166,720)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	38,176	4,878	43,054	44,113
Food Distribution Program		32,058	32,058	32,994
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory		1,142	1,142	2,420
(Decrease)/Increase in Accounts Payable	(26,423)	29,598	3,175	6,009
Net Cash Provided/(Used) by Operating Activities	(\$4,356)	(59,564)	(63,920)	(81,184)

See accompanying notes to the financial statements.



Fiduciary Fund

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	PRIVATE PURPOSE		AGENCY STUDENT ACTIVITY	TOTALS (MEMORANDUM ONLY)	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION		JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$3,161	229,697	53,982	286,840	241,237
Total Assets	3,161	229,697	53,982	286,840	241,237
LIABILITIES					
Interfund Payable					1,042
Accounts Payable					5,716
Claims Payable		5,236		5,236	1,360
Due to Student Groups			53,982	53,982	48,138
Total Liabilities		5,236	53,982	59,218	56,256
NET ASSETS					
Reserved for Unemployment Claims		224,461		224,461	181,656
Reserved for Scholarships	\$3,161			3,161	3,325
Total Net Assets	\$3,161	224,461	-	227,622	184,981

See accompanying notes to the financial statements.

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

ADDITIONS	PRIVATE PUPOSE		TOTALS (MEMORANDUM ONLY)	
	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP FUND	JUNE 30, 2010	JUNE 30, 2009
Contributions:				
Deductions from Employees' Salaries	\$30,501		30,501	21,446
Contribution from General Fund	49,367		49,367	
Total Contributions	79,868		79,868	21,446
Investment Earnings:				
Interest	781	11	792	1,315
Net Investment Earnings	781	11	792	1,315
Total Additions	80,649	11	80,660	22,761
DEDUCTIONS				
Miscellaneous	37,844	175	38,019	18,822
Total Deductions	37,844	175	38,019	18,822
Change in Net Assets	42,805	(164)	42,641	3,939
Net Assets - Beginning of the Year	181,656	3,325	184,981	181,042
Net Assets - End of the Year	\$224,461	3,161	227,622	184,981

See accompanying notes to the financial statements.

**LUMBERTON TOWNSHIP
BOARD OF EDUCATION**

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies

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

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

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

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

A. Reporting Entity:

The Lumberton Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operation of the District includes four (4) elementary schools located in Lumberton Township. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The Lumberton Township Board of Education has an approximate enrollment at June 30, 2010 of 1,701 students.

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

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

B. District-Wide and Fund Financial Statements

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

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

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

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

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

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

D. Fund Accounting:

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

Governmental Funds

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

As required by the New Jersey Department of Education Lumberton Township Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

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

Permanent Fund - Resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the reporting governments programs, that is for the benefit of the government or its citizenry.

Proprietary Fund

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and Extended Day Care Program.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

Machinery and Equipment	7-20 years
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Fiduciary Fund

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

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

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

E. Basis of Accounting:

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

F. Budgets/Budgetary Control:

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

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

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

The accounting records of the general fund and special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

F. Budgets/Budgetary Control (continued):

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

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) “revenues” from the budgetary comparison schedules	\$20,439,552	\$686,829
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		7,194
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	822,556	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(832,331)</u>	<u> </u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$20,429,777</u>	<u>\$694,023</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) “total outflows” from the budgetary comparison schedule	\$21,354,264	\$686,829

LUMBERTON TOWNSHIP BOARD OF EDUCATION

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

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

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	_____	7,194
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$21,354,264</u>	<u>\$694,203</u>

G. Encumbrances:

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

Open encumbrances in the special revenue fund for which the Lumberton Township Board of Education has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

H. Cash, Cash Equivalents and Investments:

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

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

I. Tuition Receivable/Payable

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

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

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

J. Inventories & Prepaid Expenses

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

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

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

K. Short-Term Interfund Receivables/Payables

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

L. Fixed Assets:

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

M. Accrued Salaries and Wages

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

N. Compensated Absences

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

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

O. Deferred Revenue

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

P. Long-term Obligations

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

Q. Fund Equity

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

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

Note 2. Cash and Cash Equivalents and Investments

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

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$3,512,385</u>
Total Deposits & Investments	<u>\$3,512,385</u>
Reconciliation to Cash and Cash Equivalents:	
Governmental Activities	\$2,736,037
Business-Type Activities	489,508
Fiduciary Funds	<u>286,840</u>
Total Cash and Cash Equivalents	<u>\$3,512,385</u>

Custodial Credit Risk -- Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$3,805,244 at June 30, 2010. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$3,555,244 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

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

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

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

Note 4. Capital Reserve Account

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

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

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

Beginning Balance, July 1, 2009	\$200,806
Transfer by Board Resolution	350,000
Interest Earnings	<u>1,652</u>
Ending Balance, June 30, 2010	<u>\$552,458</u>

Note 5. Transfers to Capital Outlay

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

Note 6. Capital Assets

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

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

Note 6. Capital Assets (continued):

Governmental Activities	June 30, 2009	Additions	Deletions	Transfers/ Adjustments	June 30, 2010
Land	\$ 120,485		\$ -	\$ -	\$ 120,485
Land Improvements	713,300				713,300
Buildings	32,368,989				32,368,989
Machinery & Equipment	1,897,301	\$ 131,675			2,028,976
Subtotal	35,100,075	131,675			35,231,750
Accumulated Depreciation	(11,175,849)	(766,064)			(11,941,913)
Total	\$23,924,226	\$(634,389)	\$ -	\$ -	\$23,289,837

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

Business-Type Activities	Balance as of June 30, 2009	Additions	Deletions	Balance as of June 30, 2010
Machinery & Equipment	\$355,415		\$ -	\$ 355,415
Less: Accumulated Depreciation	(144,120)	\$(43,054)		(187,174)
Total	\$211,295	\$(43,054)	\$ -	\$168,241

Note 7. Long-Term Debt

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

	Balance 6/30/08	Issued	Refunded/ Retired	Balance 6/30/09	Amount Due Within One Year
Compensated Absences Payable	\$ 830,083	\$ -	\$ 291,299	\$ 538,784	
Capital Lease Payable	51,633		51,633		
Bonds Payable	17,885,000	3,535,000	5,695,000	15,725,000	\$2,430,000
Total	\$18,766,716	\$3,535,000	\$6,037,932	\$16,263,784	\$ 2,430,000

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 7. Long-Term Debt(continued):

A. Bonds Payable:

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

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

Year-ending June 30,	Principal	Interest	Total
2011	\$ 2,430,000	\$ 667,695	\$ 3,097,695
2012	2,540,000	511,731	3,051,731
2013	2,630,000	390,438	3,020,438
2014	2,095,000	290,863	2,385,863
2015	1,245,000	223,762	1,468,762
2016-2020	<u>4,785,000</u>	<u>543,812</u>	<u>5,328,812</u>
Total	<u>\$15,725,000</u>	<u>\$2,628,301</u>	<u>\$18,353,301</u>

B. Bond Issuances

On December 1, 1998, the Board of Education advance refunded a general obligation bond issue with general obligation refunding. The Board of Education issued \$10,000,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for selected future debt service payments of the refunded debt. As a result, \$9,045,000 of the \$11,995,000 refunded bonds is considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by \$392,391.21 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$281,509.

On March 1, 1999, \$3,100,000 of Bonds were issued to finance the renovations to existing school buildings and the construction of an addition to the Bobby's Run School.

On December 15, 2001, \$5,160,000 of Bonds were issued to finance the construction of a new 2nd and 3rd grade school as well as improvements to existing buildings.

On August 15, 2002, \$11,255,000 of Bonds were issued to refund the remaining balance of the 1995 Bonds and the 1993 Refunding Certificates of participation.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 7. Long-Term Debt (continued):

On November 30, 2006, \$9,685,000 of Bonds were issued to refund the remaining balance of the 1998 Bonds. This refunding was undertaken to reduce the total debt service payments over the next 15 years by \$410,259, with a net present value savings of \$368,214.

On February 17, 2010, \$3,535,000 of Bonds were issued to refund the remaining balance of the 1999 and 2001 Bonds. The purpose of the Bonds is to (i) currently refund all of the outstanding callable principal amount of the originally issued \$3,100,000 School Bonds of the Board dated March 1, 1999 and maturing on or after March 1, 2010 at par plus any unpaid accrued interest to March 29, 2010; (ii) advance refund all or part of the outstanding callable principal amount of the originally issued \$5,160,000 School Bonds of the Board dated December 15, 2001 and maturing on or after December 15, 2011 at par plus any unpaid accrued interest to December 15, 2010; and (iii) pay the costs of issuance with respect to the Bonds. This refunding was undertaken to reduce the total debt service payments over the next 6 years by \$192,583, with a net present value savings of 182,609.

C. Bonds Authorized but not Issued

As of June 30, 2010 the Board of Education approved Bonds for the solar panel installation project. On August 4, 2010 these Bonds were issued in the amount of \$7,000,000.

Note 8. Pension Plans

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 8. Pension Plans (continued):

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

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:6C* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

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

Note 8. Pension Plans (continued):

that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both

TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$202,158	100%	\$ -0-
6/30/09	158,170	100%	-0-
6/30/07	81,196	100%	-0-

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
6/30/10	\$ 665,249	100%	\$ -0-
6/30/09	633,304	100%	-0-
6/30/08	1,016,362	100%	-0-

During the year ended June 30, 2010 the State of New Jersey contributed \$665,249 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$828,786 for the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 9. Post-Retirement Benefits

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

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

Note 10. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2009-2010	\$79,867	\$ 781	\$37,844	\$224,460
2008-2009	21,446	1,299	18,647	181,656
2007-2008	23,505	4,676	None	177,558

LUMBERTON TOWNSHIP BOARD OF EDUCATION

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

Note 11. Contingent Liabilities

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

Note 12. Economic Dependency

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

Note 13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 4,303	\$25,377
Special Revenue Fund		646
Cafeteria		3,657
Debt Service	<u>25,377</u>	<u> </u>
Total	<u>\$29,680</u>	<u>\$29,680</u>

Note 14. Fund Balance Appropriated

General Fund – Of the \$2,463,744 General Fund balance at June 30, 2010; \$7,913 is reserved for encumbrances; \$552,458 is reserved for the Capital Reserve Account; \$1,795,072 is reserved for excess surplus in accordance with N.J.S.A.18A:7F-7 (\$1,492,968 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2010); \$507,032 has been appropriated and also included as anticipated revenue for the year ending June 30, 2010 and (\$398,730) is unreserved and undesignated.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 14. Fund Balance Appropriated (continued):

Debt Service Fund – Of the \$52,827 Debt Service Fund fund balance at June 30, 2010 of \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2011, and \$52,827 is unreserved and undesignated.

Note 15. Deferred Compensation

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

AXA Equitable
Lincoln Investments
The Vanguard Group

Note 16. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2010 is \$538,784.

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

Note 17. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$302,103.

Note 18. Joint Insurance Fund

The District participates in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime and school board legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies.

No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2010 for the joint insurance pool.

Limits of coverage (including excess insurance coverage), per occurrence, are as follows:

	Deductible	Coverage
Property, Inland Marine & Automobile		
Physical Damages	\$ 500	\$150,000,000
Boiler & Machinery	1,000	100,000,000
Crime	500	500,000
General & Automobile Liability	-0-	10,000,000
Workers' Compensation	-0-	Statutory
Educator's Legal Liability	-0-	10,000,000
Pollution Legal Liability	25,000	3,000,000

Note 19. Subsequent Events

On August 4, 2010, the Board of Education issued \$7,000,000 of Non Callable bonds, with varying interest rates from 2.250% to 3.375%, to provide funds for the improvements, renovations, site work and installation of solar energy panels.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:											
Local Sources:											
Local Tax Levy	10-1210-000-000	\$11,663,728		11,663,728	11,663,728		11,640,334		11,640,334	11,640,334	
Tuition	10-1300-000-000				7,039	7,039				7,891	7,891
Interest	10-1000-000-000				28,332	28,332				36,033	36,033
Interest on Capital Reserve	10-1000-000-000	10		10	1,652	1,642	15	(15)		19	19
Miscellaneous	10-1000-000-000	60,000		60,000	39,772	(20,228)	115,000		115,000	12,016	(102,984)
Total Local Sources		11,723,738		11,723,738	11,740,523	16,785	11,755,349	(15)	11,755,334	11,696,293	(59,041)
State Sources:											
Categorical Transportation Aid	10-3121-000-000	387,081		387,081	251,603	(135,478)	348,982		348,982	348,982	
Categorical Special Education Aid	10-3132-000-000	862,484		862,484	862,484		870,006		870,006	870,006	
Equalization Aid	10-3176-000-000	6,821,789	(1,237,787)	5,584,002	4,381,519	(1,202,483)	7,346,308		7,346,308	7,267,222	(79,086)
Categorical Security Aid	10-3177-000-000	128,567		128,567	83,569	(44,998)	132,765		132,765	132,765	
Adjustment Aid	10-3178-000-000	498,140		498,140	323,791	(174,349)					
Non Public Transportation Aid	10-3000-000-000				14,733					18,444	18,444
Extraordinary Aid	10-3000-000-000				21,663	21,663				74,862	74,862
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					665,249	665,249				663,304	663,304
Reimbursed TPAF Social Security					828,786	828,786				755,082	755,082
Total State Sources		8,698,061	(1,237,787)	7,460,274	7,433,397	(26,877)	8,698,061		8,698,061	10,130,667	1,432,606
Federal Sources:											
Medicaid Reimbursement	10-4200-000-000	13,942		13,942	27,845	13,903					
ARRA - ESF	10-4520-000-000		1,191,656	1,191,656	1,191,656						
ARRA - GSF	10-4521-000-000		46,131	46,131	46,131						
Total Federal Sources		13,942	1,237,787	1,251,729	1,265,632	13,903					
Total Revenues		20,435,741		20,435,741	20,439,552	3,811	20,453,410	(15)	20,453,395	21,826,960	1,373,565
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool/Kindergarten	11-110-100-101	268,663		268,663	244,637	24,026	235,574	17,550	253,124	253,076	48
Grades 1 - 5	11-120-100-101	3,117,694	(40,855)	3,076,839	3,016,055	60,784	3,019,829	(66,377)	2,953,452	2,943,881	9,571
Grades 6 - 8	11-130-100-101	2,064,548	12,975	2,077,523	2,053,374	24,149	2,051,484		2,051,484	1,989,984	61,500

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Home Instruction - Regular Programs:											
Salaries of Teachers	11-150-100-101	9,000		9,000	1,833	7,167	9,000		9,000	1,103	7,897
Purchased Professional - Educational Services	11-150-100-320	2,000		2,000		2,000	1,500		1,500		1,500
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	193,800	14,500	208,300	162,464	45,836	195,378		195,378	165,111	30,267
Purchased Professional - Educational Services	11-190-100-320	106,000		106,000	70,525	35,475	101,698	9,000	110,698	86,190	24,508
Purchased Technical Services	11-190-100-340	6,500		6,500	2,178	4,322	6,500		6,500	3,665	2,835
General Supplies	11-190-100-610	345,940	7,750	353,690	289,534	64,156	382,791	(24,981)	357,810	262,549	95,261
Textbooks	11-190-100-640	39,253	(10,900)	28,353	14,936	13,417	86,317	18,000	104,317	78,717	25,600
Other Objects	11-190-100-890	1,937		1,937	719	1,218	2,169		2,169	1,480	689
Total Regular Programs		6,155,335	(16,530)	6,138,805	5,856,255	282,550	6,092,240	(46,808)	6,045,432	5,785,756	259,676
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	341,800	57,275	399,075	399,074	1	320,122	4,150	324,272	324,224	48
Other Salaries for Instruction	11-204-100-106	189,478	(82,300)	107,178	100,043	7,135	98,597	82,850	181,447	180,691	756
General Supplies	11-204-100-610	8,000	1,000	9,000	8,339	661	8,700	(1,000)	7,700	6,327	1,373
Textbooks	11-204-100-640	1,675	(500)	1,175	1,137	38	1,675		1,675	717	958
Total Learning &/or Language Disabilities		540,953	(24,525)	516,428	508,593	7,835	429,094	86,000	515,094	511,959	3,135
Resource Room / Resource Center:											
Salaries of Teachers	11-213-100-101	1,457,726	(87,543)	1,370,183	1,367,198	2,985	1,411,980	55,877	1,467,857	1,467,628	229
Other Salaries for Instruction	11-213-100-106	217,912	73,693	291,605	288,890	2,715	250,884	(31,050)	219,834	210,712	9,122
General Supplies	11-213-100-610	12,300		12,300	11,535	765	11,818		11,818	9,508	2,310
Textbooks	11-213-100-640	1,491	(500)	991	419	572	1,241	(500)	741		741
Total Resource Room/Resource Center		1,689,429	(14,350)	1,675,079	1,668,042	7,037	1,675,923	24,327	1,700,250	1,687,848	12,402
Autism:											
Salaries of Teachers	11-214-100-101	69,525	900	70,425	70,402	23	67,599		67,599	65,681	1,918
Other Salaries for Instruction	11-214-100-106	55,206	(5,000)	50,206	42,732	7,474	118,750	(71,900)	46,850	42,236	4,614
General Supplies	11-214-100-610	1,500		1,500	868	632	1,500		1,500	1,225	275

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Autism	126,231	(4,100)	122,131	114,002	8,129	187,849	(71,900)	115,949	109,142	6,807	
Preschool Disabilities - Part-Time:											
Salaries of Teachers	11-215-100-101	145,075		145,075	145,075	136,555	2,000	138,555	138,400	155	
Other Salaries for Instruction	11-215-100-106	28,119	1,250	29,369	28,326	1,043	28,215	28,215	26,240	1,975	
General Supplies	11-215-100-610	2,000	2,750	4,750	3,597	1,153	2,400	2,400	1,779	621	
Total Preschool Disabilities - Part-Time		175,194	4,000	179,194	176,998	2,196	167,170	2,000	169,170	166,419	2,751
Total Special Education		2,531,807	(38,975)	2,492,832	2,467,635	25,197	2,460,036	40,427	2,500,463	2,475,368	25,095
Basic Skills/Remedial - Instruction:											
Salaries of Teachers	11-230-100-101	203,125	(11,600)	191,525	173,125	18,400	192,172		192,172	163,600	28,572
Other Salaries for Instruction	11-230-100-106	146,753	11,100	157,853	139,795	18,058	147,345	2,000	149,345	148,051	1,294
General Supplies	11-230-100-610	15,400	1,300	16,700	14,764	1,936	15,289	123	15,412	14,859	553
Total Basic Skills/Remedial - Instruction		365,278	800	366,078	327,684	38,394	354,806	2,123	356,929	326,510	30,419
Bilingual Education - Instruction:											
Salaries of Teachers	11-240-100-101	76,825		76,825	73,575	3,250	71,814	1,700	73,514	70,535	2,979
General Supplies	11-240-100-610	1,700	1,080	2,780	2,195	585		1,900	1,900	1,110	790
Textbooks	11-240-100-640	1,286		1,286	1,251	35		1,300	1,300	878	422
Total Bilingual Education - Instruction		79,811	1,080	80,891	77,021	3,870	71,814	4,900	76,714	72,523	4,191
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	80,600		80,600	72,971	7,629	88,153		88,153	67,935	20,218
Supplies and Materials	11-401-100-600	7,620	(1,000)	6,620	5,002	1,618	7,620		7,620	5,198	2,422
Total School Sponsored Cocurricular - Activities		88,220	(1,000)	87,220	77,973	9,247	95,773		95,773	73,133	22,640

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	42,000		42,000	34,379	7,621	35,584		35,584	32,609	2,975
Supplies and Materials	11-402-100-600	4,721	1,000	5,721	5,344	377	6,974	150	7,124	5,691	1,433
Other Objects	11-402-100-800	7,815		7,815	3,831	3,984	8,740		8,740	3,510	5,230
Total School Sponsored Athletics - Instruction		54,536	1,000	55,536	43,554	11,982	51,298	150	51,448	41,810	9,638
Total - Instruction		9,274,987	(53,625)	9,221,362	8,850,122	371,240	9,125,967	792	9,126,759	8,775,100	351,659
Undistributed Expenditures											
Instruction:											
Tuition to Other LEAs Within State											
Special	11-000-100-562	67,000	29,000	96,000	95,195	805	78,000	(6,105)	71,895	56,679	15,216
Tuition to CSSD & Regional Day School	11-000-100-565	385,000	(12,128)	372,872	338,989	33,883	313,000	133,263	446,263	446,255	8
Tuition to Private Schools for Disabled Within the State	11-000-100-566	418,000	(16,680)	401,320	113,161	288,159	507,000	(127,263)	379,737	346,026	33,711
Tuition Other	11-000-100-569	3,500		3,500	3,200	300	3,000	105	3,105	3,105	
Total Undistributed Expenditures - Instruction		873,500	192	873,692	550,545	323,147	901,000		901,000	852,065	48,935
Health Services:											
Salaries	11-000-213-100	234,050	2	234,052	232,221	1,831	232,881		232,881	223,459	9,422
Purchased Professional & Technical Services	11-000-213-300	20,500		20,500	11,185	9,315	20,000		20,000	11,116	8,884
Supplies and Materials	11-000-213-600	7,242	(2)	7,240	6,357	883	7,264		7,264	5,026	2,238
Total Health Services		261,792		261,792	249,763	12,029	260,145		260,145	239,601	20,544
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	362,790	(14,500)	348,290	334,724	13,566	346,982		346,982	340,409	6,573
Purchased Professional - Educational Services	11-000-216-320	10,000		10,000		10,000	10,000		10,000	802	9,198
Supplies and Materials	11-000-216-600	6,095		6,095	5,260	835	6,232	3	6,235	5,284	951

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Other Support Services - Students - Related Services	378,885	(14,500)	364,385	339,984	24,401	363,214	3	363,217	346,495	16,722
Other Support Services - Students - Extraordinary Services:										
Salaries 11-000-217-100	80,500	10,300	90,800	90,146	654	52,609	30,000	82,609	75,622	6,987
Purchased Professional & Educational Services 11-000-217-320	60,000	(6,275)	53,725	27,680	26,045	60,000	(20,000)	40,000	26,814	13,186
Supplies and Materials 11-000-217-600	1,200		1,200	640	560	1,200		1,200	400	800
Total Other Support Services - Students - Extraordinary Services	141,700	4,025	145,725	118,466	27,259	113,809	10,000	123,809	102,836	20,973
Other Support Services - Students - Regular:										
Salaries of Other Professional Staff 11-000-218-104	333,796	100	333,896	333,834	62	317,434		317,434	310,481	6,953
Salaries of Secretarial & Clerical Assistants 11-000-218-105	22,397	(100)	22,297	22,095	202	22,418		22,418	19,535	2,883
Total Other Support Services - Students - Regular	356,193		356,193	355,929	264	339,852		339,852	330,016	9,836
Other Support Services - Students - Special Services:										
Salaries of Other Professional Staff 11-000-219-104	585,100		585,100	564,109	20,991	490,340		490,340	463,710	26,630
Salaries of Secretarial & Clerical Assistants 11-000-219-105	51,350		51,350	47,482	3,868	75,219	(10,000)	65,219	49,636	15,583
Purchased Professional - Educational Services 11-000-219-320	16,000	591	16,591	4,521	12,070	16,000		16,000	9,605	6,395
Supplies and Materials 11-000-219-600	7,000	8,673	15,673	14,132	1,541	7,000		7,000	5,363	1,637
Other Objects 11-000-219-800	850		850	775	75	1,200		1,200	750	450
Total Other Support Services - Students - Special Services	660,300	9,264	669,564	631,019	38,545	589,759	(10,000)	579,759	529,064	50,695

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Improvement of Instruction Services:											
Salaries of Supervisors of Instruction	11-000-221-102	43,570	436	44,006	44,005	1	41,100	669	41,769	41,768	1
Salaries of Facilitators, Math & Literacy Coaches	11-000-221-176		65,600	65,600	65,525	75					
Total Improvement of Instruction Services		43,570	66,036	109,606	109,530	76	41,100	669	41,769	41,768	1
Educational Media Services/School Library:											
Salaries	11-000-222-100	199,892	1,159	201,051	201,049	2	205,277		205,277	190,630	14,647
Purchased Professional & Technical Services	11-000-222-300	10,599	296	10,895	8,785	2,110	11,172		11,172	6,403	4,769
Supplies and Materials	11-000-222-600	47,261		47,261	42,607	4,654	50,702		50,702	46,846	3,856
Other Objects	11-000-222-800	11,025	(300)	10,725	10,622	103	11,500		11,500	10,880	620
Total Educational Media Services/School Library		268,777	1,155	269,932	263,063	6,869	278,651		278,651	254,759	23,892
Instructional Staff Training Services:											
Salaries of Supervisors of Instruction	11-000-223-102	34,667		34,667	27,816	6,851	33,096		33,096	33,016	80
Salaries of Other Professional Staff	11-000-223-104	10,000		10,000	1	9,999	10,000		10,000	2,730	7,270
Salaries of Secretarial & Clerical Assistants	11-000-223-105	42,519		42,519	38,921	3,598	40,884		40,884	36,694	4,190
Purchased Professional - Educational Services	11-000-223-320	1,000	2,200	3,200	2,200	1,000	2,500	1,625	4,125		4,125
Other Purchased Professional & Technical Services	11-000-223-390	5,000		5,000		5,000	10,000	(2,294)	7,706	513	7,193
Other Purchased Services	11-000-223-500	8,000	176	8,176	4,978	3,198	10,000	325	10,325	4,005	6,320
Supplies and Materials	11-000-223-600	2,500		2,500	474	2,026	2,500	72	2,572	1,438	1,134
Other Objects	11-000-223-800	2,400		2,400	2,400		2,465		2,465	2,315	150
Total Instructional Staff Training Services		106,086	2,376	108,462	76,790	31,672	111,445	(272)	111,173	80,711	30,462
Support Services General Administration:											
Salaries	11-000-230-100	328,816	28,227	357,043	354,581	2,462	355,607		355,607	348,457	7,150

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Support Services General Administration (continued):											
Salaries of Attorneys	11-000-230-108	42,000		42,000	34,380	7,620					
Legal Services	11-000-230-331	19,500		19,500	18,206	1,294	28,500	2,500	31,000	29,323	1,677
Audit Services	11-000-230-332	25,000		25,000	20,050	4,950	23,500		23,500	18,975	4,525
Other Purchased Professional Services	11-000-230-339	6,000		6,000	2,683	3,317	8,000	(2,500)	5,500	1,426	4,074
Purchased Technical Services	11-000-230-340	16,000	8,500	24,500	24,036	464	23,000		23,000	16,546	6,454
Communications/Telephone	11-000-230-530	64,340	(33,654)	30,686	17,075	13,611	66,500		66,500	21,800	44,700
BOE Other Purchased Services	11-000-230-585	32,500	(16,500)	16,000	6,476	9,524	17,500		17,500	9,717	7,783
Other Purchased Services (400-500Series)	11-000-230-590	-	16,500	16,500	11,786	4,714	17,500	248	17,748	13,195	4,553
General Supplies	11-000-230-610	40,400	894	41,294	18,728	22,566	45,000		45,000	27,903	17,097
BOE In-House Training/Meeting Supplies	11-000-230-630	1,000		1,000		1,000	6,000		6,000		6,000
Miscellaneous Expenditures	11-000-230-890	2,900		2,900	2,095	805	3,000		3,000	2,577	423
BOE Membership Dues & Fees	11-000-230-895	20,000		20,000	15,980	4,020	20,800		20,800	16,633	4,167
Total Support Services General Administration		598,456	3,967	602,423	526,076	76,347	614,907	248	615,155	506,552	108,603
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	537,908		537,908	525,014	12,894	513,473		513,473	512,277	1,196
Salaries of Secretarial & Clerical Assistants	11-000-240-105	262,419	2,660	265,079	263,032	2,047	262,575		262,575	255,164	7,411
Other Salaries	11-000-240-110	7,250		7,250	7,027	223	6,726		6,726	6,661	65
Supplies and Materials	11-000-240-600	11,261		11,261	9,359	1,902	16,065	75	16,140	11,956	4,184
Other Objects	11-000-240-800	6,455		6,455	5,074	1,381	6,420		6,420	5,033	1,387
Total Support Services School Administration		825,293	2,660	827,953	809,506	18,447	805,259	75	805,334	791,091	14,243
Central Services:											
Salaries	11-000-251-100	388,276	14,794	403,070	402,607	463	406,895		406,895	397,599	9,296
Purchased Professional Services	11-000-251-330	18,000		18,000	14,704	3,296	17,000		17,000	16,138	862
Other Purchased Services	11-000-251-592	5,000		5,000	2,248	2,752	5,000		5,000	2,901	2,099
Supplies and Materials	11-000-251-600	4,500		4,500	1,025	3,475	4,500		4,500	2,405	2,095
Interest for Lease Purchase Agreement	11-000-251-832	7,746	(1,000)	6,746	1,745	5,001	9,934		9,934	3,433	6,501
Miscellaneous Expenditures	11-000-251-890	2,200		2,200	1,900	300	2,500		2,500	1,300	1,200

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Central Services	425,722	13,794	439,516	424,229	15,287	445,829		445,829	423,776	22,053	
Administration Information Technology:											
Salaries	11-000-252-100	103,892	(745)	103,147	103,147	99,419		99,419	98,942	477	
Purchased Technical Services	11-000-252-340	45,000	(4,150)	40,850	40,842	8	45,000	17,900	62,900	57,345	5,555
Supplies and Materials	11-000-252-600	160,000	(10,928)	149,072	135,544	13,528	160,000	(17,000)	143,000	72,404	70,596
Miscellaneous Expenditures	11-000-252-800	1,050		1,050	775	275	1,050	1,050	825	225	
Total Administration Information Technology		309,942	(15,823)	294,119	280,308	13,811	305,469	900	306,369	229,516	76,853
Allowable Maintenance for School Facilities:											
Salaries	11-000-261-100	3,000	215	3,215	3,215	5,000		5,000	2,652	2,348	
Cleaning, Repair & Maintenance Services	11-000-261-420	74,483	26,000	100,483	99,781	702	106,000	8,000	114,000	113,347	653
General Supplies	11-000-261-610	66,155	(23,000)	43,155	40,270	2,885	65,500	8,000	73,500	69,485	4,015
Other Objects	11-000-261-800	12,090	(3,000)	9,090	3,273	5,817	12,400	12,400	3,353	9,047	
Total Allowable Maintenance for School Facilities		155,728	215	155,943	146,539	9,404	188,900	16,000	204,900	188,837	16,063
Other Operation & Maintenance of Plant:											
Salaries	11-000-262-100	806,219	(150)	806,069	769,503	36,566	855,303		855,303	797,749	57,554
Purchased Professional & Technical Services	11-000-262-300	10,400	(6,850)	3,550	3,479	71	12,000	1,130	13,130	12,818	312
Cleaning, Repair & Maintenance Services	11-000-262-420	197,962	(10,792)	187,170	146,856	40,314	218,874	(8,500)	210,374	184,330	26,044
Rental of Land & Building	11-000-262-441	2,500		2,500	1,810	690	3,500		3,500		3,500
Other Purchased Property Services	11-000-262-490	75,000	27,000	102,000	90,090	11,910	66,000	20,000	86,000	78,349	7,651
Insurance	11-000-262-520	72,000	(11,000)	61,000	57,593	3,407	61,750	(2,000)	59,750	55,637	4,113
Miscellaneous Purchased Services	11-000-262-590						24,500	(8,000)	16,500	12,899	3,601
General Supplies	11-000-262-610	84,500	8,000	92,500	91,506	994	87,500	3,000	90,500	89,580	920
Energy (Heat & Electricity)	11-000-262-620	650,000	26,198	676,198	648,492	27,706	749,767	17,000	766,767	693,271	73,496
Energy (Natural Gas)	11-000-262-621	150,000		150,000	95,559	54,441					
Other Objects	11-000-262-800	5,225	(750)	4,475	1,050	3,425	5,500	(3,000)	2,500	1,311	1,189

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Other Operation & Maintenance of Plant	2,053,806	31,656	2,085,462	1,905,938	179,524	2,084,694	19,630	2,104,324	1,925,944	178,380	
Care & Upkeep of Grounds:											
Other Purchased Professional											
Salaries	11-000-263-100	58,288		58,288	55,412	2,876					
Technical Services	11-000-263-300	20,000	(10,500)	9,500	9,150	350					
General Supplies	11-000-263-610	3,000	1,500	4,500	4,468	32					
29 Total Care & Upkeep of Grounds		81,288	(9,000)	72,288	69,030	3,258					
Student Transportation Services:											
Contracted Services (Between Home & School) - Vendors	11-000-270-511	477,747		477,747	461,424	16,323	498,000	(45,100)	452,900	442,057	10,843
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	13,940		13,940	8,870	5,070	17,675		17,675	9,366	8,309
Contracted Services (Special Education Students) - Vendors	11-000-270-514	54,500		54,500	49,719	4,781	52,000		52,000	48,591	3,409
Contracted Services (Special Education Students) - Joint	11-000-270-515	55,000		55,000		55,000	55,000	(44,000)	11,000	807	10,193
Contracted Services (Regular Students) - ESC's	11-000-270-517	70,000	24,500	94,500	89,427	5,073	55,000		55,000	41,309	13,691
Contracted Services (Special Education Students) - ESC's	11-000-270-518	310,000	(9,500)	300,500	219,636	80,864	300,000	44,000	344,000	343,827	173
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	85,000	(15,000)	70,000	52,438	17,562	90,000	10,100	100,100	100,060	40
Total Student Transportation Services		1,066,187		1,066,187	881,514	184,673	1,067,675	(35,000)	1,032,675	986,017	46,658
Unallocated Benefits - Employee Benefits:											
Social Security	11-000-291-220	375,000	4,511	379,511	216,570	162,941	355,000		355,000	218,062	136,938
Other Retirement Contributions - Regular	11-000-291-241	250,000		250,000	202,158	47,842	246,000	7,657	253,657	193,355	60,302
Unemployment Compensation	11-000-291-250	50,000		50,000	50,000		50,000		50,000	727	49,273

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
		BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL
Unallocated Benefits - Employee Benefits (continued):											
Workmen's Compensation	11-000-291-260	72,000		72,000	66,162	5,838	75,000		75,000	66,162	8,838
Health Benefits	11-000-291-270	3,174,240	155,026	3,329,266	2,524,541	804,725	3,212,000	500	3,212,500	2,400,830	811,670
Tuition Reimbursements	11-000-291-280	30,000		30,000	4,969	25,031	30,000		30,000	11,784	18,216
Other Employee Benefits	11-000-291-290	90,000		90,000	67,393	22,607	66,000		66,000	38,960	27,040
Total Unallocated Benefits		4,041,240	159,537	4,200,777	3,131,793	1,068,984	4,034,000	8,157	4,042,157	2,929,880	1,112,277
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					665,249	(665,249)				663,304	(663,304)
Reimbursed TPAF Social Security					828,786	(828,786)				755,082	(755,082)
Total Undistributed Expenditures		12,648,465	255,554	12,904,019	12,364,057	539,962	12,545,708	10,410	12,556,118	12,177,314	378,804
Total Expenditures - Current Expense		21,923,452	201,929	22,125,381	21,214,179	911,202	21,671,675	11,202	21,682,877	20,952,414	730,463
Capital Outlay:											
Increase in Capital Reserve	10-604-000-000	200,000		200,000		200,000					
Interest Deposit to Capital Reserve	10-604-000-000	10		10		10	15	(15)			
Total Increase in Capital Reserve		200,010		200,010		200,010	15	(15)			
Equipment:											
Regular Programs - Instruction:											
Grades 6 - 8	12-130-100-730	6,800		6,800	6,800						
Support Services Students - Special Services	12-000-219-730	2,500	(2,500)				2,500		2,500		2,500
Central Services	12-000-251-730	6,500	(5,873)	627		627	6,500		6,500		6,500
Administrative Info Technology Operation & Maintenance of Plant Services	12-000-252-730	5,800	9,150	14,950	14,950		46,200		46,200	34,267	11,933
Custodial Services	12-000-260-730						55,000		55,000	5,137	49,863
Care and Upkeep of Grounds	12-000-262-730	45,000	(10,428)	34,572	33,695	877					
Security	12-000-263-730		28,213	28,213	28,213						
	12-000-266-730		4,794	4,794	4,794						
Total Equipment		66,600	23,356	89,956	88,452	1,504	110,200		110,200	39,404	70,796
Facilities Acquisition & Construction Services:											
Lease Purchase Agreement Principal	12-000-400-721	51,633		51,633	51,633		49,945		49,945	49,945	

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL
Total Facilities Acquisition & Construction Services	51,633		51,633	51,633		49,945		49,945	49,945	
Total Capital Outlay	318,243	23,356	341,599	140,085	201,514	160,160	(15)	160,145	89,349	70,796
Total Expenditures	22,241,695	225,285	22,466,980	21,354,264	1,112,716	21,831,835	11,187	21,843,022	21,041,763	801,259
Excess/(Deficiency) of Revenues Over/(Under)										
⊖ Expenditures	(1,805,954)	(225,285)	(2,031,239)	(914,712)	1,116,527	(1,378,425)	(11,202)	(1,389,627)	785,197	2,174,824
Fund Balances, July 1	4,210,787		4,210,787	4,210,787		3,425,590		3,425,590	3,425,590	
Fund Balances, June 30	\$2,404,833	(225,285)	2,179,548	3,296,075	1,116,527	2,047,165	(11,202)	2,035,963	4,210,787	2,174,824

RECAPITULATION OF FUND BALANCE

Reserve for Encumbrances	\$7,913
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	1,492,968
Reserve for Excess Surplus	302,103
Capital Reserve	552,458
Unreserved - Designated for Subsequent Year's Expenditures	507,032
Unrestricted Fund Balance	<u>433,601</u>
Subtotal	3,296,075
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(832,331)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$2,463,744</u>

LUMBERTON TOWNSHIP BOARD OF EDUCATION
AMERICAN RECOVERY AND REINVESTMENT ACT -
BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2010

REVENUES	ACCOUNT NUMBERS	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Federal Sources		\$ -	1,237,787	1,237,787	1,237,787	
Total Revenues			1,237,787	1,237,787	1,237,787	
EXPENDITURES:						
Instruction:						
ARRA - State Fiscal Stabilization Fund						
Education Stabilization Fund:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 1 - 5	16-120-100-101		372,834	372,834	372,834	
Grades 6 - 8	16-130-100-101		262,645	262,645	262,645	
Total Regular Programs			635,479	635,479	635,479	
Special Education:						
Learning &/or Language Disabilities:						
Salaries of Teachers	16-204-100-101		56,868	56,868	56,868	
Total Learning &/or Language Disabilities			56,868	56,868	56,868	
Resource Room / Resource Center:						
Salaries of Teachers	16-213-100-101		262,055	262,055	262,055	
Total Resource Room/Resource Center			262,055	262,055	262,055	
Preschool Disabilities - Part-Time:						
Salaries of Teachers	16-215-100-101		15,559	15,559	15,559	
Total Preschool Disabilities - Part-Time			15,559	15,559	15,559	
Total Special Education			334,482	334,482	334,482	
Health Services:						
Salaries	16-000-213-100		33,436	33,436	33,436	
Total Health Services			33,436	33,436	33,436	
Other Support Services - Students - Related Services:						
Salaries	16-000-216-100		47,818	47,818	47,818	
Total Other Support Services - Students - Related Services			47,818	47,818	47,818	
Other Support Services - Students - Extraordinary Services:						
Salaries	16-000-217-100		10,357	10,357	10,357	
Total Other Support Services - Students - Extraordinary Services			10,357	10,357	10,357	

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
AMERICAN RECOVERY AND REINVESTMENT ACT -
BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	ACCOUNT NUMBERS	JUNE 30, 2010			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	16-000-218-104		46,261	46,261	46,261
Total Other Support Services - Students - Regular			46,261	46,261	46,261
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	16-000-219-104		61,929	61,929	61,929
Total Other Support Services - Students - Special Services			61,929	61,929	61,929
Educational Media Services/School Library:					
Salaries	16-000-222-100		21,894	21,894	21,894
Total Educational Media Services/ School Library			21,894	21,894	21,894
Total Education Stabilization Fund			1,191,656	1,191,656	1,191,656
Government Services Fund:					
Preschool/Kindergarten	17-110-100-101		46,131	46,131	46,131
Total Government Services Fund			46,131	46,131	46,131
Total State Fiscal Stabilization Fund			1,237,787	1,237,787	1,237,787
Total Expenditures			1,237,787	1,237,787	1,237,787
Total Outflows			1,237,787	1,237,787	1,237,787
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)			\$ -	-	-

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
State Sources	\$5,000	(2,865)	2,135	1,875	(260)	5,700	(885)	4,815	4,815	
Federal Sources	447,000	514,242	961,242	684,694	(276,548)	465,700	85,982	551,682	524,763	(26,919)
Total Revenues	452,000	511,377	963,377	686,569	(276,808)	471,400	85,097	556,497	529,578	(26,919)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	30,000	162,490	192,490	85,772	106,718	50,300		50,300	40,300	10,000
Other Salaries for Instruction		93,008	93,008	48,461	44,547					
Tuition	340,000	39,146	379,146	384,571	(5,425)	274,452	23,626	298,078	298,078	
General Supplies	2,000	39,986	41,986	34,888	7,098	3,676	21,358	25,034	24,634	400
Other Objects	1,800		1,800	1,800		1,800		1,800	1,800	
Total Instruction	373,800	334,630	708,430	555,492	152,938	330,228	44,984	375,212	364,812	10,400
Support Services:										
Salaries	48,800	1,076	49,876	28,603	21,273	88,800	36,363	125,163	110,869	14,294
Personal Services - Employee Benefits	6,600	40,113	46,713	17,104	29,609	20,780	5,365	26,145	24,286	1,859
Purchased Professional - Educational Services						15,922	(6,602)	9,320	9,319	1
Other Purchased Professional Services		75,931	75,931	13,237	62,694					
Other Purchased Services	17,800	16,080	33,880	25,189	8,691	15,670	1,471	17,141	17,141	
Supplies & Materials	5,000	(137)	4,863	3,721	1,142		3,516	3,516	3,151	365
Total Support Services	78,200	133,063	211,263	87,854	123,409	141,172	40,113	181,285	164,766	16,519
Instructional Equipment:										
Equipment		43,684	43,684	43,223	461					
Total Instructional Equipment		43,684	43,684	43,223	461					
Total Expenditures	452,000	511,377	963,377	686,569	276,808	471,400	85,097	556,497	529,578	26,919
Total Outflows	452,000	511,377	963,377	686,569	276,808	471,400	85,097	556,497	529,578	26,919
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	-	-	-	-	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$20,439,552	686,569
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		14,713
Current Year		(7,259)
 State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	 822,556	
 State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	 (832,331)	
	<hr/>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$20,429,777</u>	<u>694,023</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$21,354,264	686,569
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		7,454
		<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$21,354,264</u>	<u>694,023</u>

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

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

	NO CHILD LEFT BEHIND						TITLE IV
	TITLE I TITLE I	TITLE I ARRA	TITLE I SIA ARRA	TITLE II A CARRYOVER	TITLE II A	TITLE II D	
Revenues:							
State Sources							
Federal Source	\$64,493	12,505	2,001	15,388	14,586	882	3,423
Total Revenues	\$64,493	12,505	2,001	15,388	14,586	882	3,423
Expenditures:							
Instruction:							
Salaries of Teachers	\$30,000	9,550					
Other Salaries for Instruction							
Tuition							
Supplies	1,040		2,001		5,685	882	
Other Objects	1,800						
Total Instruction	32,840	9,550	2,001		5,685	882	
Support Services:							
Salaries	7,231			14,294	3,898		3,180
Employee Benefits	4,936	769		1,094	298		243
Purchased Professional Educational Services							
Other Purchased Professional Services	2,253				2,000		
Other Purchased Services Supplies	17,233	2,186			2,705		
Total Support Services	31,653	2,955		15,388	8,901		3,423
Instructional Equipment: Equipment							
Total Instructional Equipment							
Total Expenditures	\$64,493	12,505	2,001	15,388	14,586	882	3,423

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

	IDEA PART B BASIC	IDEA PART B BASIC ARRA	IDEA PART B BASIC CARRYOVER	IDEA PART B PRESCHOOL	IDEA PART B PRESCHOOL ARRA
Revenues:					
State Sources					
Federal Source	\$351,632	167,406	10,765	29,228	12,385
Total Revenues	\$351,632	167,406	10,765	29,228	12,385
Expenditures:					
Instruction:					
Salaries of Teachers		36,222	10,000		
Other Salaries for Instruction		48,461			
Tuition	\$349,918			29,228	5,425
Supplies		25,280			
Other Objects					
Total Instruction	349,918	109,963	10,000	29,228	5,425
Support Services:					
Salaries					
Employee Benefits		8,999	765		
Purchased Professional Educational Services					
Other Purchased Professional Services	1,714	6,570			700
Other Purchased Services		215			2,850
Supplies		1,846			
Total Support Services	1,714	17,630	765		3,550
Instructional Equipment:					
Equipment		39,813			3,410
Total Instructional Equipment		39,813			3,410
Total Expenditures	\$351,632	167,406	10,765	29,228	12,385

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

	NONPUBLIC NURSING AID	NONPUBLIC TEXTBOOK AID	2010	2009
Revenues:				
State Sources	\$1,125	750	1,875	4,815
Federal Sources			684,694	524,763
Total Revenues	\$1,125	750	686,569	529,578
Expenditures:				
Instruction:				
Salaries of Teachers			85,772	40,300
Other Salaries for Instruction			48,461	
Tuition			384,571	298,078
Supplies			34,888	24,634
Other Objects			1,800	1,800
Total Instruction			555,492	364,812
Support Services:				
Salaries			28,603	110,869
Employee Benefits			17,104	24,286
Purchased Professional Educational Services				9,319
Other Purchased Professional Services			13,237	
Other Purchased Services			25,189	17,141
Supplies	\$1,125	750	3,721	3,151
Total Support Services	1,125	750	87,854	164,766
Instructional Equipment:				
Equipment			43,223	
Total Instructional Equipment			43,223	
Total Expenditures	\$1,125	750	686,569	529,578

F. Capital Projects Fund

Not Applicable

G. Proprietary Funds

Enterprise Funds

LUMBERTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	EXTENDED DAY CARE	FOOD SERVICE FUND	2010	2009
Current Assets:				
Cash & Cash Equivalents	\$426,442	63,066	489,508	432,608
Accounts Receivable:				
State		720	720	1,543
Federal		10,131	10,131	20,365
Interfunds		3,657	3,657	3,657
Inventories		7,108	7,108	8,250
Total Current Assets	426,442	84,682	511,124	466,423
Fixed Assets:				
Equipment	268,908	86,507	355,415	355,415
Accumulated Depreciation	(109,390)	(77,784)	(187,174)	(144,120)
Total Fixed Assets	159,518	8,723	168,241	211,295
Total Assets	585,960	93,405	679,365	677,718
LIABILITIES				
Current Liabilities:				
Lease Payable				6,727
Accounts Payable	\$10,019	68,807	78,826	75,651
Total Current Liabilities	10,019	68,807	78,826	82,378
NET ASSETS				
Investment in Fixed Assets	159,518	8,723	168,241	204,568
Unreserved Retained Earnings	416,423	15,875	432,298	390,772
Total Net Assets	\$575,941	24,598	600,539	595,340

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

	EXTENDED DAY CARE	FOOD SERVICE FUND	2010	2009
Operating Revenues:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program		258,050	258,050	260,143
Total - Daily Sales - Reimbursable Programs		258,050	258,050	260,143
Daily Sales Nonreimbursable Programs		144,437	144,437	149,055
Special Functions		15,003	15,003	7,864
Enrollment Fees	\$479,676		479,676	556,238
Miscellaneous		90	90	4,045
Total Operating Revenue	479,676	417,580	897,256	977,345
Operating Expenses:				
Salaries	356,010	203,767	559,777	551,302
Payroll Taxes & Benefits	47,684	36,822	84,506	74,537
Supplies and Materials	48,656	20,990	69,646	170,336
Management Fee		13,540	13,540	23,179
Depreciation	38,176	4,878	43,054	44,113
Miscellaneous	5,259	39,808	45,067	13,730
Cost of Sales		225,015	225,015	266,868
Total Operating Expenses	495,785	544,820	1,040,605	1,144,065
Operating Income/(Loss)	(16,109)	(127,240)	(143,349)	(166,720)
Nonoperating Revenues:				
State Sources:				
State School Lunch Program		7,563	7,563	7,383
Federal Sources:				
National School Lunch Program		103,554	103,554	93,695
Special Milk Program		3,563	3,563	4,332
Food Distribution Program		32,058	32,058	32,994
Interest Revenue	1,544	266	1,810	3,272
Total Nonoperating Revenues/ (Expenses)	1,544	147,004	148,548	141,676
Change in Net Assets	(14,565)	19,764	5,199	(25,044)
Total Net Assets - Beginning	590,506	4,834	595,340	620,384
Total Net Assets - Ending	\$575,941	24,598	600,539	595,340

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	EXTENDED DAY CARE	FOOD SERVICE FUND	2010	2009
Cash Flows From Operating Activities:				
Receipts from Customers	\$479,676	449,638	929,314	1,010,339
Payments to Employees	(356,010)	(203,767)	(559,777)	(551,302)
Payment to Employee Benefits	(47,684)	(36,822)	(84,506)	(74,537)
Payments to Suppliers	(80,338)	(268,613)	(348,951)	(465,684)
Net Cash Provided/(Used) by Operating Activities	(4,356)	(59,564)	(63,920)	(81,184)
Cash Flows From Noncapital Financing Activities:				
Cash Received From State & Federal Reimbursements		125,737	125,737	102,288
Net Cash Provided by Noncapital Financing Activities		125,737	125,737	102,288
Cash Flows From Capital & Related Financing Activities:				
Repayment Lease Principal Acquisition of Capital Assets		(6,727)	(6,727)	(7,506)
Net Cash Provided by Noncapital Financing Activities		(6,727)	(6,727)	(37,820)
Cash Flows From Investing Activities:				
Interest on Investments	1,544	266	1,810	3,272
Net Cash Provided by Investing Activities	1,544	266	1,810	3,272
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,812)	59,712	56,900	(13,444)
Cash and Cash Equivalents, July 1	429,254	3,354	432,608	446,052
Cash and Cash Equivalents, June 30	\$426,442	63,066	489,508	432,608

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

Operating Income/(Loss)	(\$16,109)	(127,240)	(143,349)	(166,720)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	38,176	4,878	43,054	44,113
Food Distribution Program		32,058	32,058	32,994
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory		1,142	1,142	2,420
(Decrease)/Increase in Accounts Payable	(26,423)	29,598	3,175	6,009
Net Cash Provided/(Used) by Operating Activities	(\$4,356)	(59,564)	(63,920)	(81,184)

Internal Service Fund

Not Applicable

H. Fiduciary Fund

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	AGENCY	PRIVATE PURPOSE		2010	2009
	STUDENT ACTIVITY	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION		
Cash & Cash Equivalents	53,982	3,161	229,697	286,840	241,237
Total Assets	53,982	3,161	229,697	286,840	241,237
LIABILITIES					
Due to Student Groups	53,982			53,982	48,138
Accounts Payable					5,716
Claims Payable			5,236	5,236	1,360
Interfund Payable					1,042
Total Liabilities	53,982		5,236	59,218	48,138
NET ASSETS					
Unreserved		3,161	224,461	227,622	184,981
Total Net Assets	-	3,161	224,461	227,622	184,981

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

	PRIVATE PURPOSE		2010	2009
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION		
Operating Revenues:				
Local Sources:				
Deductions from Employees' Salaries		30,501	30,501	21,446
Contribution from General Fund		49,367	49,367	
Interest on Investments	\$11	781	792	1,315
Total Operating Revenues	11	80,649	80,660	22,761
Operating Expenditures:				
Miscellaneous Expense	175	37,844	38,019	18,822
Total Operating Expenses	175	37,844	38,019	18,822
Excess/(Deficit) of Revenues Over Expenditures	(164)	42,805	42,641	3,939
Fund Balances, July 1	3,325	181,656	184,981	181,042
Fund Balances, June 30	\$3,161	224,461	227,622	184,981

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

ASSETS	BALANCE JULY 1, 2009	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2010
Cash & Cash Equivalents	\$53,854	78,519	78,391	53,982
Total Assets	\$53,854	78,519	78,391	53,982
LIABILITIES				
Accounts Payable	\$5,716		5,716	
Due to Student Groups	48,138	78,519	72,675	53,982
Total Liabilities	\$48,138	78,519	78,391	53,982

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

ASSETS	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
Cash & Cash Equivalents	\$1,042	23,787,796	23,788,838	
Total Assets	\$1,042	23,787,796	23,788,838	
LIABILITIES				
Payroll Deductions & Withholdings		23,787,151	23,787,151	
Interfund Payable	\$1,042	645	1,687	
Total Liabilities	\$1,042	23,787,796	23,788,838	

I. Long-Term Debt

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2010**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2009	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2010
			DATE	AMOUNT						
Renovations to Existing Schools & Construction of Addition to Bobby's Run	03/01/1999					\$1,305,000		1,075,000	230,000	
Construction of New Second & Third Grade School	12-15-2001		12-15-10	\$410,000	4.350%	3,130,000		2,330,000	390,000	410,000
Refunding of 1995 Bonds & Capital Lease	08-15-2002		8-15-10	1,090,000	3.000%	5,050,000			1,050,000	4,000,000
			8-15-11	1,135,000	3.250%					
			8-15-12	1,175,000	3.400%					
			8-15-13	600,000	3.500%					
Refunding of 1998 Bonds	11-30-2005		2-15-11	650,000	3.500%	8,400,000			620,000	7,780,000
			2-15-12	670,000	3.750%					
			2-15-13	700,000	3.750%					
			2-15-14	725,000	4.000%					
			2-15-15	755,000	4.000%					
			2-15-16	790,000	4.000%					
			Term Bonds 2-15-17	820,000	4.000%					
			Term Bonds 2-15-18	855,000	4.000%					
			Term Bonds 2-15-19	890,000	4.000%					
			2-15-20	925,000	4.250%					
Refunding of 1999 & 2001 Bonds	02-17-2010		12-15-10	280,000	2.000%		3,535,000			3,535,000
			12-15-11	735,000	2.000%					
			12-15-12	755,000	2.000%					
			12-15-13	770,000	2.000%					
			12-15-14	490,000	2.000%					
			12-15-15	505,000	2.000%					
Total						\$17,885,000	3,535,000	3,405,000	2,290,000	15,725,000

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2010**

SERIES	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2009	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2010
Textbooks/Computers	3.38%	\$51,633		51,633	
Total		\$51,633		51,633	

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$1,839,260		1,839,260	1,839,260		1,800,667		1,800,667	1,800,667	
State Sources:										
Debt Service Aid Type II	1,084,970		1,084,970	1,084,970		1,031,351		1,031,351	1,031,351	
Total Revenues	2,924,230		2,924,230	2,924,230		2,832,018		2,832,018	2,832,018	
Expenditures										
Regular Debt Service:										
Interest	662,617		662,617	609,792	52,825	732,018		732,018	732,016	2
Redemption of Principal	2,290,000		2,290,000	2,290,000		2,100,000		2,100,000	2,100,000	
Total Expenditures	2,952,617		2,952,617	2,899,792	52,825	2,832,018		2,832,018	2,832,016	2
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(28,387)		(28,387)	24,438	52,825				2	2
Fund Balance, July 1	28,389		28,389	28,389		28,387		28,387	28,387	
Fund Balance, June 30	2	-	2	52,827	52,825	28,387	-	28,387	28,389	2

STATISTICAL SECTION (Unaudited)

LUMBERTON TOWNSHIP BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:								
Invested in Capital Assets,								
Net of Related Debt	\$7,564,837	6,039,226	4,361,242	3,077,610	3,672,511	2,414,698	876,761	(3,386,917)
Restricted	2,915,301	3,753,402	3,024,755	3,062,170	3,468,776	3,332,793	2,252,881	5,445,572
Unrestricted	(878,515)	(1,291,399)	(719,918)	(829,513)	(854,838)	820,445	(605,228)	508,665
Total Governmental Activities								
Net Assets	<u>\$9,601,623</u>	<u>8,501,229</u>	<u>6,666,079</u>	<u>5,310,267</u>	<u>6,286,448</u>	<u>6,567,936</u>	<u>2,524,414</u>	<u>2,567,320</u>
Business-Type Activities:								
Invested in Capital Assets,								
Net of Related Debt	\$8,723	13,601	19,538	8,763	16,103	24,552	30,245	31,082
Unrestricted	591,816	581,739	600,846	507,606	430,135	274,126	202,824	230,795
Total Business-Type Activities								
Net Assets	<u>\$600,539</u>	<u>595,340</u>	<u>620,384</u>	<u>516,369</u>	<u>446,238</u>	<u>298,678</u>	<u>233,069</u>	<u>261,877</u>
District-Wide:								
Invested in Capital Assets,								
Net of Related Debt	\$7,573,560	6,052,827	4,380,780	3,086,373	3,688,614	2,439,250	907,006	(3,355,835)
Restricted	2,915,301	3,753,402	3,024,755	3,062,170	3,468,776	3,332,793	2,252,881	5,445,572
Unrestricted	(286,699)	(709,660)	(119,072)	(321,907)	(424,703)	1,094,571	(402,404)	739,460
Total District Net Assets	<u>\$10,202,162</u>	<u>9,096,569</u>	<u>7,286,463</u>	<u>5,826,636</u>	<u>6,732,686</u>	<u>6,866,614</u>	<u>2,757,483</u>	<u>2,829,197</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST EIGHT FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:								
Governmental Activities								
Instruction:								
Regular	\$5,856,255	5,785,756	5,650,403	5,643,556	6,160,513	5,696,426	5,538,390	4,857,122
Special Education	3,030,581	2,848,107	2,645,347	2,615,714	2,178,876	2,009,399	1,842,197	1,622,618
Other Special Instruction	404,705	399,033	362,752	338,939	308,660	322,905	276,640	239,890
Other Instruction	121,527	114,943	101,736	100,094	95,673	95,296	87,609	85,556
Support Services & Undistributed Costs:								
Tuition	550,545	852,065	815,738	835,688	520,701	359,359	339,010	312,929
Health Services	249,763	239,601	241,727	228,614	222,847	211,255	229,046	164,713
Student & Instruction Related Services	1,631,718	1,430,890	1,471,481	1,383,614	1,280,610	1,275,778	1,264,094	1,121,279
Educational Media Services/ School Library	263,063	254,759	243,400	256,486	251,526	236,931	296,027	200,821
School Administrative Services	897,360	955,857	941,835	923,291	893,488	722,155	701,347	582,783
Other Administrative Services	1,230,613	1,159,844	1,157,774	1,119,740	1,051,215	965,580	731,082	633,532
Plant Operations & Maintenance	2,121,507	2,114,781	2,060,916	1,840,068	1,817,682	1,679,241	1,579,954	1,301,624
Pupil Transportation	881,514	986,017	886,463	1,090,043	1,005,439	954,741	864,102	717,389
Employee Benefits	4,625,828	4,348,266	4,849,653	5,051,477	4,281,581	3,624,930	3,410,920	2,808,723
Interest on Long-Term Debt	587,058	712,661	778,495	836,558	792,389	1,004,113	1,053,393	1,429,575
Reduction of Capital Leases			(48,312)	(46,732)	22,755	21,333	21,613	
Amortization of Debt Costs	20,834	12,594	12,595	12,595	7,347			222,822
Increase in Compensated Absences - Unallocated	(291,299)	209,942	(64,704)	63,805	78,312	73,586	77,239	152,653
Reduction in Fixed Assets Unallocated		(291,385)	(10,117)	2,090,720				
Unallocated Depreciation	766,064	752,805	763,681	802,479	819,125	826,988	710,369	697,994
Total Governmental Activities Expenses	22,947,636	22,886,536	22,860,863	25,186,749	21,788,739	20,080,016	19,023,032	17,152,023
Business-Type Activities:								
Food Service	544,820	588,419	583,602	583,894	505,810	459,867	469,705	496,823
Extended Day Care	495,785	555,646	434,681	416,805	344,549	342,950	390,663	319,066
Total Business-Type Activities Expense	1,040,605	1,144,065	1,018,283	1,000,699	850,359	802,817	860,368	815,889
Total District Expenses	\$23,988,241	24,030,601	23,879,146	26,187,448	22,639,098	20,882,833	19,883,400	17,967,912
Program Revenues:								
Governmental Activities:								
Operating Grants & Contributions	\$650,800	537,505	556,080	589,920	599,291	561,853	504,415	521,118
Total Governmental Activities Program Revenues	650,800	537,505	556,080	589,920	599,291	561,853	504,415	521,118
Business-Type Activities:								
Charges for Services:								
Food Service	417,580	421,107	408,904	393,379	381,091	344,794	326,278	424,465
Extended Day Care	479,676	556,238	566,794	515,932	492,890	417,920	392,757	338,352
Operating Grants & Contributions	146,738	138,404	134,239	140,503	109,629	101,114	110,986	97,120
Total Business Type Activities Program Revenues	1,043,994	1,115,749	1,109,937	1,049,814	983,610	863,828	830,021	859,937
Total District Program Revenues	\$1,694,794	1,653,254	1,666,017	1,639,734	1,582,901	1,425,681	1,334,436	1,381,055

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST EIGHT FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Net/(Expense)/Revenue:								
Governmental Activities	(\$22,296,836)	(22,349,031)	(22,304,783)	(24,596,829)	(21,189,448)	(19,518,163)	(18,518,617)	(16,630,905)
Business-Type Activities	3,389	(28,316)	91,654	49,115	133,251	61,011	(30,347)	44,048
Total District-Wide Net Expense	(\$22,293,447)	(22,377,347)	(22,213,129)	(24,547,714)	(21,056,197)	(19,457,152)	(18,548,964)	(16,586,857)
General Revenues & Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General								
General Purposes, Net	\$11,663,728	11,640,334	11,742,567	11,730,134	11,105,202	11,079,226	9,684,186	6,953,168
Taxes Levied for Debt Service	1,839,260	1,800,667	1,841,871	1,724,154	1,769,495	2,412,372	65,699	1,671,258
Unrestricted Grants & Contributions	9,817,447	10,687,221	9,905,597	9,923,983	9,225,587	8,322,130	8,635,135	7,935,205
Tuition Received	7,039	7,891	10,024	3,347	4,892	4,052	46,776	9,579
Investment Earnings	29,984	36,052	138,141	235,938	205,540	97,893		87,817
Miscellaneous Income	39,772	12,016	22,395	3,092	21,626	5,123	43,915	24,491
Total Governmental Activities	23,397,230	24,184,181	23,660,595	23,620,648	22,332,342	21,920,796	18,475,711	16,681,518
Business-Type Activities:								
Investment Earnings	1,810	3,272	12,361	21,016	14,309	4,598	1,539	2,397
Total Business-Type Activities	1,810	3,272	12,361	21,016	14,309	4,598	1,539	2,397
Total District-Wide	\$23,399,040	24,187,453	23,672,956	23,641,664	22,346,651	21,925,394	18,477,250	16,683,915
Change in Net Assets:								
Governmental Activities	\$1,100,394	1,835,150	1,355,812	(976,181)	1,142,894	2,402,633	(42,906)	50,613
Business-Type Activities	5,199	(25,044)	104,015	70,131	147,560	65,609	(28,808)	46,445
Total District	\$1,105,593	1,810,106	1,459,827	(906,050)	1,290,454	2,468,242	(71,714)	97,058

LUMBERTON TOWNSHIP BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:								
Reserved	\$2,355,443	3,525,013	2,982,259	2,888,519	3,374,320	2,319,507	1,219,660	833,624
Unreserved	108,301	(136,782)	97,567	237,229	52,400	919,489	623,314	926,135
Total General Fund	\$2,463,744	3,388,231	3,079,826	3,125,748	3,426,720	3,238,996	1,842,974	1,759,759
All Other Governmental Funds:								
Reserved					90,523		383,890	3,859,739
Unreserved, Reported in:								
Special Revenue Fund			(1,995)	(1,995)				(5,429)
Capital Projects Fund				28,384	3,095	48,319	137,080	306,503
Debt Service Fund	\$52,827	28,389	28,387	838	838	67,370	67,370	354,672
Total All Other Governmental Funds	\$52,827	28,389	26,392	27,227	94,456	115,689	588,340	4,515,485

LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Local Tax Levy	\$13,502,988	13,441,001	13,584,438	13,454,288	12,874,697	13,491,598	9,749,885	8,624,426	7,272,047	6,538,658
Tuition	7,039	7,891	10,024	3,347	4,892	4,052	46,776	9,579	13,866	12,369
Interest	28,332	36,033	138,119	235,905	205,515	97,712		84,855	128,197	170,720
Interest on Capital Reserve	1,652	19	22	33	25	181		2,962	7,675	
Miscellaneous	39,772	12,016	22,395	3,092	21,626	5,123	43,915	24,491	19,735	39,274
State Sources	8,510,467	10,692,036	9,948,457	9,969,905	9,281,430	8,377,102	8,676,544	8,054,939	13,609,461	7,868,134
Federal Sources	1,957,780	532,690	513,220	543,998	543,448	506,881	463,006	401,384	371,622	284,073
Total Revenue	24,048,030	24,721,686	24,216,675	24,210,568	22,931,633	22,482,649	18,980,126	17,202,636	21,422,603	14,913,228
Expenditures:										
Instruction	9,413,068	9,147,839	8,760,238	8,743,722	8,124,026	7,744,836	6,805,186	6,516,127	5,790,251	5,480,503
Undistributed Instruction	12,451,911	12,342,080	12,668,987	11,325,089	10,029,970	9,415,583	7,843,793	6,927,194	6,357,996	6,102,082
Capital Outlay	183,308	89,349	17,196	268,071	531,258	3,728,758	6,590,536	576,021	285,343	2,589,356
Debt Service:	2,899,792	2,832,016	2,817,011	2,894,767	2,874,024	1,934,880	2,451,237	2,447,703	2,421,272	2,430,172
Total Expenditures	24,948,079	24,411,284	24,263,432	23,231,649	21,559,278	22,824,057	23,690,752	16,467,045	14,854,862	16,602,113
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	(900,049)	310,402	(46,757)	978,919	1,372,355	(341,408)	(4,710,626)	735,591	6,567,741	(1,688,885)
Other Financing Sources/(Uses):										
Proceeds from Borrowing								5,160,000		
Escrow Reserve Redemption								(39,694)		
Capital Lease Proceeds				250,000						
Transfers in			28,384			483,222			25,000	
Transfers Out			(28,384)			(483,222)				
Total Other Financing Sources/				250,000				5,120,306	25,000	
(Uses)										
Net Change in Fund Balances	(\$900,049)	310,402	(46,757)	1,228,919	1,372,355	(341,408)	(4,710,626)	5,855,897	6,592,741	(1,688,885)
Debt Service as a Percentage of										
Noncapital Expenditures	11.6%	11.6%	11.6%	12.5%	13.3%	8.5%	10.3%	14.9%	16.3%	14.6%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDED JUNE 30,	TRANSPORTATION	INTEREST ON INVESTMENTS	MISCELLANEOUS	TUITION	TOTAL
2010	-	\$29,984	39,772	7,039	76,795
2009	-	36,052	12,016	7,891	55,959
2008	-	138,141	22,395	10,024	170,560
2007	-	235,938	3,092	3,347	242,377
2006	-	205,540	21,626	4,892	232,058
2005	-	97,893	5,123	4,052	107,068
2004	-	-	43,392	46,776	90,168
2003	-	84,855	18,525	9,579	112,959
2002	-	112,313	13,376	13,866	139,555
2001	-	170,720	11,685	12,369	194,774

Source: District Records

LUMBERTON TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2010	\$11,698,400	1,187,781,700	20,484,200	1,902,800	131,564,300	64,304,600	28,954,400	1,446,690,400	2,285,933	1,448,976,333	1.301	1,523,480,241
2009	11,597,000	1,190,946,000	20,915,300	1,923,700	127,543,600	64,941,400	28,954,400	1,446,821,400	2,245,784	1,449,067,184	1.251	1,566,514,606
2008	11,963,500	1,191,093,800	20,850,000	1,997,980	143,617,300	57,756,100	28,954,400	1,456,233,080	2,213,653	1,458,446,733	1.255	1,433,155,780
2007	12,793,600	1,194,523,300	19,555,800	1,980,100	115,446,100	57,422,000	30,929,800	1,432,650,700	2,115,070	1,434,765,770	1.269	1,301,375,968
2006	5,357,300	601,863,900	10,190,000	1,112,600	71,115,200	29,051,100	21,610,300	740,300,400	1,197,965	741,498,365	2.384	1,272,162,007
2005	10,342,300	57,690,010	9,314,100	1,199,500	63,004,800	29,140,800	21,610,300	192,301,810	1,448,392	193,750,202	2.305	1,058,709,552
2004	19,280,800	549,153,800	9,800,900	1,546,300	64,873,100	29,129,000	21,703,300	695,487,200	1,599,204	697,086,404	2.394	914,325,994
2003	17,124,900	519,517,900	10,271,300	1,622,500	62,063,600	29,129,000	21,703,300	661,432,500	1,837,735	663,270,235	1.867	790,915,385
2002	21,065,700	461,960,800	9,883,600	2,062,600	60,089,700	29,129,000	21,703,300	605,894,700	1,939,471	607,834,171	1.743	677,854,228
2001	28,789,300	408,288,000	10,348,400	2,315,000	60,848,300	29,772,800	21,703,300	562,065,100	1,928,936	563,994,036	1.564	589,645,500

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	MUNICIPAL			
				LUMBERTON TOWNSHIP	OPEN SPACE	BURLINGTON COUNTY	
2010	0.947	0.354	1.301	0.331	0.009	0.400	2.041
2009	0.932	0.319	1.251	0.314	0.009	0.411	1.985
2008	0.937	0.318	1.255	0.298	0.010	0.408	1.971
2007	0.948	0.321	1.269	0.258	0.010	0.383	1.920
2006	1.815	0.569	2.384	0.400	0.010	0.757	3.551
2005	1.806	0.499	2.305	0.406	0.030	0.677	3.418
2004	1.935	0.459	2.394	0.405	0.030	0.616	3.445
2003	1.470	0.397	1.867	0.346	0.010	0.607	2.830
2002	1.419	0.324	1.743	0.377	0.010	0.597	2.727
2001	1.289	0.275	1.564	0.377	0.010	0.584	2.535

Source: Municipal Tax Collector

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND TEN YEARS AGO**

TAXPAYER	2010		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
CVS New York	\$31,950,000	1	2.21%
The Estaugh	29,812,800	2	2.06%
BF Saul Holdings LTD Partnership	14,172,600	3	0.98%
541 Associates, LLC	13,140,900	4	0.91%
Whitehall Apts. Association	12,900,000	5	0.89%
Newman Development Group of Hainesport	10,624,400	6	0.73%
Mt. Holly By-Pass LLC	10,465,200	7	0.72%
Wal-Mart	10,116,600	8	0.70%
Evergreen I Associates, LLC	8,573,300	9	0.59%
East Coast Lumberton Apts., LLC	8,400,000	10	0.58%
Total	<u>\$150,155,800</u>		<u>10.38%</u>

TAXPAYER	2001		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Mark Stevens SVC Merch	25,200,000	1	4.48%
BF Saul Holdings LTD Partnership	10,500,000	2	1.87%
Whitehall Apts. Association	8,500,000	3	1.51%
East Coast Lumberton Apartments	7,680,000	4	1.37%
Viking Enterprises	4,200,000	5	0.75%
Evergreen Plaza, Ltd	3,708,100	6	0.66%
Acacia Lumberton Manor	3,250,000	7	0.58%
Aviation Industrial Realty	2,345,100	8	0.42%
Charles and Frederick Miller	1,800,000	9	0.32%
Rite Aid of NJ	1,200,000	10	0.21%
Total	<u>68,383,200</u>		<u>12.17%</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2010	\$13,502,988	13,502,988	100.00%
2009	13,441,001	13,441,001	100.00%
2008	13,584,438	13,584,438	100.00%
2007	13,454,288	13,454,288	100.00%
2006	12,874,697	12,874,697	100.00%
2005	13,491,598	13,491,598	100.00%
2004	9,749,885	9,749,885	100.00%
2003	8,624,426	8,624,426	100.00%
2002	7,272,047	7,272,047	100.00%
2001	6,538,658	6,538,658	100.00%

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES		
2010	\$15,725,000	-	-	15,725,000	1,315.13
2009	17,885,000	-	51,633	17,936,633	1,500.09
2008	19,985,000	-	101,578	20,086,578	1,673.88
2007	22,005,000	-	149,890	22,154,890	1,831.13
2006	23,935,000	-	196,622	24,131,622	1,970.57
2005	25,820,000	-	-	25,820,000	2,078.24
2004	27,675,000	-	-	27,675,000	2,250.55
2003	28,550,000	-	-	28,550,000	2,371.07
2002	14,160,000	10,165,000	-	24,325,000	2,090.32
2001	14,705,000	10,760,000	-	25,465,000	2,312.06

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2010	\$15,725,000		15,725,000	1.09%	1,315.13
2009	17,885,000		17,885,000	1.23%	1,495.78
2008	19,985,000		19,985,000	1.37%	1,665.42
2007	22,005,000		22,005,000	1.53%	1,796.91
2006	23,935,000		23,935,000	3.23%	1,954.52
2005	25,820,000		25,820,000	13.33%	2,078.24
2004	27,675,000		27,675,000	3.97%	2,250.55
2003	28,550,000		28,550,000	4.30%	2,371.07
2002	14,160,000		14,160,000	2.33%	1,216.81
2001	14,705,000		14,705,000	2.61%	1,335.12

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

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	9,112,126	0.600%	\$54,673
Burlington County	386,310,911	2.980%	11,512,065
Rancocas Valley Regional High School	21,823,000	31.410%	<u>6,854,604</u>
Subtotal, Overlapping Debt			18,421,342
Lumberton Township Board of Education			<u>15,725,000</u>
Total Direct & Overlapping Debt			<u><u>\$34,146,342</u></u>

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	\$45,678,901	44,348,648	41,078,998	36,302,100	36,308,471	28,642,790	25,752,504	20,885,699	19,321,507	17,686,153
Total Net Debt Applicable to Limit	15,725,000	17,885,000	19,985,000	22,005,000	23,935,000	25,820,000	27,675,000	28,550,000	14,160,000	14,705,000
Legal Debt Margin	<u>\$29,953,901</u>	<u>26,463,648</u>	<u>21,093,998</u>	<u>14,297,100</u>	<u>12,373,471</u>	<u>2,822,790</u>	<u>(1,922,496)</u>	<u>(7,664,301)</u>	<u>5,161,507</u>	<u>2,981,153</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	34.43%	40.33%	48.65%	60.62%	65.92%	90.14%	107.47%	136.70%	73.29%	83.14%

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized Valuation Basis	
2009	\$1,515,472,295
2008	1,544,681,806
2007	<u>1,507,735,950</u>
	<u>\$4,567,890,051</u>

Average Equalized Valuation of Taxable Property \$1,522,630,017

Debt Limit (3 % of Average Equalization Value) \$45,678,901
 Net Bonded School Debt 15,725,000

Legal Debt Margin \$29,953,901

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	BURLINGTON COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE
2010	11,957	N/A	9.20%
2009	11,957	N/A	8.50%
2008	12,000	46,564	4.70%
2007	12,080	44,077	3.50%
2006	12,230	42,370	3.80%
2005	12,307	40,090	3.50%
2004	12,201	38,890	3.80%
2003	12,006	37,129	4.20%
2002	11,610	36,425	4.20%
2001	11,005	36,069	4.20%

Source: NJ Dept of Labor and Workforce Development

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

	2010	2001
	EMPLOYEES	EMPLOYEES
CVS Corporation	1,200	N/A
Celebration	210	N/A
Lumberton Board of Education	257	N/A
Total	1,667	N/A

2001 Information was not available

Source: Burlington County Economic Development

INFORMATION NOT CURRENTLY AVAILABLE

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	JUNE 30, 2009 ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2010	1,687	\$21,864,979	12,961	2.95%	155	10.88/1	1,688	1,617	-1.06%	95.79%
2009	1,707	21,489,919	12,589	0.69%	163	10.47/1	1,706	1,642	-0.70%	96.25%
2008	1,714	21,429,225	12,502	2.05%	163	10.52/1	1,718	1,653	-1.83%	96.22%
2007	1,749	21,427,324	12,251	7.07%	163	10.73/1	1,750	1,680	-0.34%	96.00%
2006	1,754	20,068,811	11,442	10.93%	164	10.66/1	1,756	1,686	-0.23%	96.01%
2005	1,760	18,153,996	10,315	5.67%	164	10.73/1	1,760	1,690	0.11%	96.02%
2004	1,758	17,160,419	9,761	11.15%	162	10.85/1	1,758	1,691	5.40%	96.19%
2003	1,668	14,648,979	8,782	1.26%	163	10.23/1	1,668	1,594	7.61%	95.56%
2002	1,550	13,443,321	8,673	3.09%	138	11.23/1	1,550	1,488	7.34%	96.00%
2001	1,444	12,148,247	8,413	-2.74%	130	11.11/1	1,444	1,385	7.84%	95.91%

Sources: District records

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

DISTRICT BUILDINGS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary Schools:										
Bobby's Run School:										
Square Feet	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	358	387	388	379	386	369	382	567	540	N/A
Florence L. Walther School:										
Square Feet	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment	380	370	370	395	402	418	388	567	512	N/A
Ashbrook School:										
Square Feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300		
Capacity (Students)	402	402	402	402	402	402	402	402		
Enrollment	364	372	385	393	388	365	388	N/A		
Middle School:										
Lumberton Middle School:										
Square Feet	91,106	91,106	91,106	91,106	91,106	91,106	91,106	89,210	89,210	89,210
Capacity (Students)	634	634	634	634	634	634	634	514	514	514
Enrollment	585	578	571	582	578	589	583	542	491	N/A

Number of Schools at June 30, 2010:

Elementary = 3

Middle School = 1

Source: District Facilities Office

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

SCHOOL FACILITIES	PROJECT #	2010	2009	2008	2007	2006	2005	2004	2003
Bobby's Run School	Required Maintenance	\$34,324	45,114	39,747	36,122	28,225	17,477	31,526	16,648
Lumberton Middle School	Required Maintenance	48,016	63,687	56,969	50,501	41,391	26,056	48,216	28,621
Florence L. Walther School	Required Maintenance	32,828	44,014	38,104	28,341	46,296	15,714	23,298	23,667
Ashbrook School	Required Maintenance	27,619	36,022	29,951	28,765	23,137	26,056	12,554	
District-Wide Items	Required Maintenance							62,376	38,766
Total		\$142,787	188,837	164,771	143,729	139,049	85,303	177,970	107,702

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

Source: District records

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

	COVERAGE	DEDUCTIBLE
School Package Policy - Mt. Airy Insurance Co.:		
Property - Blank Building & Contents	\$150,000,000	500
Comprehensive General Liability	10,000,000	None
Comprehensive Automobile Liability	10,000,000	None
Boiler and Machinery - Hartford Steam Boiler:		
Property Damage	50,000,000	1,000
School Board Legal Liability - General Star Indemnity Co.:		
Directors and Officers Policy	10,000,000	None
Workers' Compensation - Republic Western Ins. Co.:	Statutory	None
Public Employees' Faithful Performance Blanket		
Position Bond - Aetna	15,000	

Source: District records.

SINGLE AUDIT SECTION



EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Lumberton Township
County of Burlington
Lumberton, New Jersey 08048

We have audited the financial statements of the Board of Education of the Lumberton Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

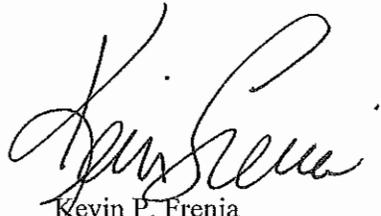
direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or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

We noted certain matters that we reported to management of Lumberton Township Board of Education, in a separate letter titled Administrative Findings Financial, Compliance and Performance, dated October 12, 2010.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is fluid and cursive, with a large initial "K" and "F".

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

Medford, New Jersey
October 12, 2010



Certified Public Accountants & Consultants

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Lumberton Township
County of Burlington
Lumberton, New Jersey 08048

Compliance

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

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

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

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Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
October 12, 2010

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

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2009	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	DUE TO GRANTOR AT JUNE 30, 2010
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:								
Food Distribution Program	10.550	\$32,058	7/1/09-6/30/10		32,058	(32,058)		
National School Lunch Program	10.555	103,554	7/1/09-6/30/10		93,750	(103,554)	(9,804)	
National School Lunch Program	10.555	93,695	7/1/08-6/30/09	(\$19,571)	19,571			
Special Milk Program	10.556	3,563	7/1/09-6/30/10		3,236	(3,563)	(327)	
Special Milk Program	10.556	4,332	7/1/08-6/30/09	(794)	794			
Total U.S. Department of Agriculture				(20,365)	149,409	(139,175)	(10,131)	
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:								
Improving America's School Act amended by No Child Left Behind:								
General Fund:								
Medical Assistance Program (SEMI)	93.778	27,845	9/1/09-8/30/10		27,845	(27,845)		
Education Stabilization Fund - A.R.R.A.	84.394	1,191,656	9/1/09-8/30/10		1,191,656	(1,191,656)		
Government Services Fund - A.R.R.A.	84.397	46,131	9/1/09-8/30/10		46,131	(46,131)		
Total General Fund					1,265,632	(1,265,632)		
Title I	84.010A	86,653	9/1/09-8/30/10		64,229	(64,493)	(264)	
Title I	84.010A	75,193	9/1/08-8/30/09	(35,961)	35,961			
Title I, SIA	84.010A	2,676	9/1/08-8/30/09	(2,676)	2,676			
Title I - A.R.R.A.	84.389	28,432	9/1/09-8/30/10		12,467	(12,505)	(38)	
Title I, SIA - A.R.R.A.	84.388	2,001	9/1/09-8/30/10			(2,001)	(2,001)	
Title IIA	84.281A	37,240	9/1/09-8/30/10		9,423	(14,586)	(5,163)	
Title IIA	84.281A	36,505	9/1/08-8/30/09	(10,960)	10,960			
Title IIA, Carryover	84.281A	15,388	9/1/09-8/30/10		15,388	(15,388)		
Title IID	84.281A	882	9/1/09-8/30/10		882	(882)		
Title IID	84.281D	665	9/1/08-8/30/09	(267)	267			
Title IV	84.186A	3,423	9/1/09-8/30/10		1,292	(3,423)	(2,131)	
Title IV	84.186A	3,516	9/1/08-8/30/09	(2,224)	2,224			
I.D.E.A. Preschool	84.173	29,228	9/1/09-8/30/10		29,228	(29,228)		
I.D.E.A. Preschool - A.R.R.A.	84.392	13,312	9/1/09-8/30/10		3,988	(12,385)	(8,397)	
I.D.E.A. Basic, Carryover	84.027	10,765	9/1/09-8/30/10		10,765	(10,765)		
I.D.E.A. Basic	84.027	365,626	9/1/09-8/30/10		351,632	(351,632)		
I.D.E.A. Basic	84.027	374,156	9/1/08-8/30/09	(83,818)	83,818			
I.D.E.A. Basic - A.R.R.A.	84.391	368,292	9/1/09-8/30/10		158,315	(167,406)	(9,091)	
Total U.S. Department of Education				(135,906)	793,515	(684,694)	(27,085)	
Total Federal Financial Assistance				(156,271)	2,208,556	(2,089,501)	(37,216)	

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

STATE GRANTOR/PROGRAM TITL	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2009		BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	DUE TO GRANTOR AT JUNE 30, 2010	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	MEMO CUMULATIVE TOTAL	
				CASH RECEIVED						BUDGETARY RECEIVABLE	EXPENDITURES
State Department of Education:											
Equalization Aid	10-495-034-5120-078	\$5,584,002	7/1/09-6/30/10		4,381,519	(4,381,519)				(654,990)	4,381,519
Categorical Security Aid	10-495-034-5120-084	128,567	7/1/09-6/30/10		83,569	(83,569)				(9,741)	83,569
Categorical Transportation Aid	10-495-034-5120-014	387,081	7/1/09-6/30/10		251,603	(251,603)				(29,327)	251,603
Categorical Special Education Aid	10-495-034-5120-089	862,484	7/1/09-6/30/10		862,484	(862,484)				(100,532)	862,484
Adjustment Aid	10-495-034-5120-085	498,140	7/1/09-6/30/10		323,791	(323,791)				(37,741)	323,791
Non Public Transportation Aid	10-100-034-5120-068	14,733	7/1/09-6/30/10			(14,733)		(14,733)			14,733
Non Public Transportation Aid	09-100-034-5120-068	18,444	7/1/08-6/30/09	(\$18,444)	18,444						
Extraordinary Aid	10-100-034-5120-473	21,663	7/1/09-6/30/10			(21,663)		(21,663)			21,663
Extraordinary Aid	09-495-034-5120-044	74,862	7/1/08-6/30/09	(74,862)	74,862						
On-Behalf TPAF Pension Contribution	10-495-034-5095-006	665,249	7/1/09-6/30/10		665,249	(665,249)					665,249
On-Behalf TPAF Social Security Reimbursement	10-495-034-5095-002	828,786	7/1/09-6/30/10			(828,786)		(828,786)			828,786
On-Behalf TPAF Social Security Reimbursement	09-495-034-5095-002	657,865	7/1/08-6/30/09	(34,178)	34,178						
Total General Fund				(127,484)	6,695,699	(7,433,397)			(865,182)	(832,331)	7,433,397
State Grants:											
Special Revenue Fund:											
Nonpublic Textbook	10-100-034-5120-064	977	7/1/09-6/30/10		977	(750)		227			750
Nonpublic Textbook	09-100-034-5120-064	1,830	7/1/08-6/30/09	365			(365)				
Nonpublic Technology	09-100-034-5120-067	1,280	7/1/08-6/30/09	400			(400)				
Nonpublic Nursing Services	10-100-034-5120-070	1,158	7/1/09-6/30/10		1,158	(1,125)		33			1,125
Total Special Revenue Fund				765	2,135	(1,875)	(765)	260			1,875
Debt Service Fund:											
Debt Service Aid Type II	10-100-034-5120-125	1,084,970	7/1/09-6/30/10		1,084,970	(1,084,970)					1,084,970
State Department of Agriculture:											
Enterprise Fund:											
National School Lunch Program (State Share)	10-100-010-3360-067	7,563	7/1/09-6/30/10		6,843	(7,563)			(720)		7,563
National School Lunch Program (State Share)	09-100-010-3360-067	7,383	7/1/08-6/30/09	(1,543)	1,543						
Total Enterprise Fund				(1,543)	8,386	(7,563)			(720)		7,563
Total State Financial Assistance				(\$128,262)	7,791,190	(8,527,805)	(765)	260	(865,902)	(832,331)	8,527,805

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

Note 1. General

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

Note 2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements.

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(9,775) for the general fund and \$7,454 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

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

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

	State	Federal
General Fund	\$7,423,622	\$1,265,632
Special Revenue Fund	1,875	692,148
Debt Service Fund	1,084,970	
Enterprise Fund	<u>7,563</u>	<u>139,175</u>
Total Financial Assistance	<u>\$8,518,030</u>	<u>\$2,096,955</u>

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 represents 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.

Note 6. Federal and State Loans Outstanding

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

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

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
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:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. Part B - Basic Regular
84.391	I.D.E.A. – Part B – ARRA
84.394	Education Stabilization Fund - ARRA

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

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

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

Identification of major programs:

GMIS Number(s)	Name of State Program
10-495-034-5095-078	Equalization Aid
10-495-034-5120-085	Adjustment Aid
10-495-034-5095-002	TPAF Social Security Contributions
10-495-034-5120-017	Debt Service Aid
10-495-034-5120-089	Categorical Special Education Aid

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

Section II – Financial Statement Findings

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

No Current Year Findings

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

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

No Current Year Findings

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

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

No Prior Year Findings