SCHOOL DISTRICT

OF

# TOWNSHIP

# OF

# EGG HARBOR

Egg Harbor Township Board of Education
Egg Harbor Township, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

# Comprehensive Annual Financial Report

of the

Township of Egg Harbor Board of Education

Township of Egg Harbor, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

Township of Egg Harbor Board of Education

Business Administration

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# Introductory Section

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# Egg Harbor Township Schools

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November 23, 2011

Honorable President and
Members of the Board of Education
Township of Egg Harbor School District
Atlantic County, NJ

Dear Board Members:

The comprehensive annual financial report of the Township of Egg Harbor School District (District) for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, 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 Amendment of 1996 and the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.* Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Township of Egg Harbor School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards.* All funds and account groups of the District are included in this report. The Township of Egg Harbor Board of Education and all its schools constitute the District's reporting entity.

For the 2010/2011 school year, the District's schools were organized as follows:

H. R. Swift School – This school houses a portion of the pre-kindergarten and the kindergarten through third grade classes. The pre-kindergarten classes are for handicapped children and are subsidized through a Federal Grant. Centralized registration offices, the Kids Klub (latchkey) coordinator and a child study team are located here in modular buildings.

E. H. Slaybaugh School Complex – There is a primary school building and elementary school building housed on this campus. The primary school houses a portion of the District's pre-kindergarten and kindergarten through first grade classes. The elementary school houses a portion of the District's second and third grade classes.

C. J. Davenport School Complex – There is a primary school building and elementary school building housed on this campus. The primary school houses a portion of the District's pre-kindergarten and kindergarten through first grade classes. The elementary school houses a portion of the District's second and third grade classes, as well as the elementary autistic special education program.

Dr. Joyanne D. Miller School – This school houses the District's entire fourth and fifth grade population.

Alder Avenue Middle School – (formerly the Intermediate School) This school houses a portion of the District's sixth through eighth grade classes. There are four modular buildings at this location, containing eight classrooms. The Board of Education public meeting room is also at this location.

Fernwood Avenue Middle School – The District's remaining sixth, seventh and eighth grade classes are housed in this school. There are five modular buildings at this location, containing ten classrooms.

EHT High School – The ninth, tenth, eleventh and twelfth grade classes are housed in this school. The Arthur O. Marinelli Athletic Field House is on this site also. This structure contains locker rooms for home and away teams, athletic trainer treatment room, boys' and girls' coaches' offices, a concession stand and public rest rooms for sporting events. There are ten modular buildings at this location, containing twenty classrooms.

Eagle Academy – This school is an alternative school for grades 7-12. The District is leasing this building from the Township of Egg Harbor.

In addition to the basic elementary curriculum emphasizing language arts and mathematics, each District school provides:

- Remedial instruction
- Resource room instruction for classifiable learning disabilities
- Speech and language development services
- Occupational and physical therapy services
- Enrichment classes
- Computer instruction
- Art and music instruction
- Library programs
- Health and physical education

- Guidance and child study team services
- Full time nurses
- Before and after school child care (grades 1-5)

The District provides a full range of educational services appropriate to grade levels K through twelve. These include regular, vocational, as well as special education for handicapped children. The District completed the 2010-2011 fiscal year with an enrollment of 7,875 students. The average daily enrollment for 2010-2011 was 7,924 students, which is 209 students above the previous year's average daily enrollment. The District's student mobility rate is approximately 9%, ranging from a low of 5.5% at the high school, to a high of 20.8% at the C.J. Davenport School complex. The following details the changes in the student enrollment in the District over the last ten years.

**Average Daily Enrollment**

| Fiscal Year | Student Enrollment | Percent Change |
|---|---|---|
| 2010/2011 | 7,924 | 2.71% |
| 2009/2010 | 7,715 | 1.07% |
| 2008/2009 | 7,633 | 0.71% |
| 2007/2008 | 7,579 | 1.17% |
| 2006/2007 | 7,491 | 2.80% |
| 2005/2006 | 7,287 | 3.70% |
| 2004/2005 | 7,027 | 4.28% |
| 2003/2004 | 6,742 | 5.31% |
| 2002/2003 | 6,402 | 7.51% |
| 2001/2002 | 5,955 | 5.38% |

2) **ECONOMIC CONDITION AND OUTLOOK**: The severe economic down-turn has continued to have an impact on our school district. The past explosive growth in residential real estate development has seen a marked decrease and the area's economic engine, the Atlantic City Casino Industry, has not been immune to the recession. This slow-down presents both opportunities and challenges for the district. The decrease in the rate of growth allows time to assess our long-term growth projections against actual figures and to adjust future initiatives accordingly. As a designated growth zone of the State of New Jersey's Pinelands region, the challenge will be to continue to manage growth as the economy rebounds.

3) **MAJOR INITIATIVES:** During the 2010-2011 school year the Egg Harbor Township School District continued to persevere through a complex renovation and expansion program to our high school with the anticipation of concluding the majority of the work for September 2011. We have been able to utilize the new areas of phase one of this construction: a renovated main gymnasium, a new auxiliary gymnasium, new corridor links, science labs, classrooms, new classroom technology and security upgrades. In the remainder of the district, we continued to maximize state grant opportunities to upgrade our facilities by expanding our solar array, air quality units and by replacing antiquated and inefficient HVAC equipment.

Educationally, we continued to expand and revise our curriculum to address the 21st Century skills our students will need to be successful in their future endeavors. We continued to utilize general principles of Differentiated Instruction, Quadrant D Lessons, Understanding by Design, and Response to

Intervention to organize and deliver instruction. We have also continued to refine our Professional Learning Communities as a mechanism to explore student performance data and facilitate discussion on how best to meet the learning needs of our diverse student population. The 2010-11 school year also included the expansion of Standards Based Report Cards (SBRC) in grades K-3 in an effort to provide more specific information on student progress on the New Jersey Core Curriculum Content Standards. We expanded our use of the Parent Portal, District Website and Blackboard Connect program to communicate and partner with students and parents to make their educational experience the best it can be.

We were thrilled to share with our community the fruits of labor and many of these programmatic improvements have produced results. We have been designated as a High Achieving School District by the State of New Jersey. Our students met with success in 94% of the "No Child Left Behind" (NCLB) indicators for Mathematics and Language Arts Literacy! And, 86% of our graduating seniors went on to colleges and universities around the country and they were awarded well over $12 million in scholarships. Our athletic, club and activity programs achieved honors at every level.

Our students are thriving and our statistics compared to those state-wide continue to show the programmatic and financial efficiency of our schools. In every case we are proud to show our community how the resources they provide are being focused on developing quality facilities, quality instruction, and providing a quality product for our community.

**Curriculum and professional development activities:**

1. The professional development structures and designs offered included:
    a. District wide in-services
    b. In service days which are building and/or district directed.
    c. Professional days – teacher choice
    d. School Business days – District generated
    e. Monthly staff meetings
    f. Weekly Professional Learning Communities
    g. Before, during, and after school building based opportunities
    h. Summer workshops
    i. NJEA convention attendance

Grade levels and/or departments were partnered. Teams utilized Professional Learning Community (PLC) time to review student work and collaborate about successful strategies. In addition, the District created data analysis positions in K-12 to analyze math and language art literacy results from quarterly/benchmark tests. This data is used by teachers and administrators to drive instruction based on the results of the data analysis.

Partnerships have been developed with ACCC, Richard Stockton College and Rowan University for teacher preparation. Additional partnerships include PD 360, ETTC and online and on-site professional development course offerings from NJEA.

2. Common assessments (i.e. quarterly and **trimester** benchmark tests) were developed by teachers across the grade levels, inclusive of special education staff during summer curriculum workshops/institutes sponsored by the district.

3. District personnel have aligned curriculum to the **Common Core State Standards**, creating pacing guides and assessment tools to create learning experiences that allow students to integrate knowledge, skills, and methods of inquiry in all academic areas.

4 The District has supported professional development needs through providing job-embedded opportunities to assist teachers in developing an expanding range of strategies to accommodate a wide array of student learners.

5. The District continues to address professional learning gaps not addressed in schools by sustaining learning communities through team, department, and grade level meetings regarding the different buildings' needs and concerns with a focus on data analysis. Through the use of PD 360, an online training service, the district is able to address learning gaps in a cost effective manner**.**

## No Child Left Behind
## FY 2011
## 2010-2011
## Title I, II, III, CSR
## Grant Implementation

An NCLB program management team facilitated the grant application development as well as program articulation, implementation, and supervision under Title I, II, III as well as Class Size Reduction. Student achievement goals focused on the improvement of learning for the identified at-risk population in the areas of language arts literacy and math.

**Pro-active** academic and professional initiatives were implemented including:

1. An academic summer 2011 program for 250 identified Title I students grades K through 5;
2. An after school program (10-11) for 209 Miller School Title I students to enhance academic achievement.
3. Title I parent coordinators were hired at Davenport (2) and Miller (2) to educate parents regarding the reading and math curricula in each grade level. They also instructed parents in the helping children with homework and how to meaningfully participate in parent-teacher conferences.
4. The Egg Harbor Township NCLB website was improved to increase parent, teacher, student and administrator knowledge of NCLB. The Language Arts Literacy and Math Pacing Guides for 10-11 were added and other academic websites were added to increase parent participation and knowledge of NCLB as well as various resources. As of September 2011, this website has been utilized much more than anticipated and currently has over 200,000 "hits" since its launch in January 2004!
5. Math pacing guides for grades K through 8 were revised in June 2011 and aligned with New Jersey Core Curriculum Standards.
6. Language Arts Literacy pacing guides were revised in June 2011.
7. For the seventh year, Egg Harbor Township teachers have attended the EHT NCLB Summer Institute. During the summer 2011, this Institute focused on two topic areas:
   a. Writing Across the Curriculum – Attended by 22 Miller School teachers.
   b. Phonics First Instruction – Attended by 12 Davenport School teachers.

Program objectives were consistent with Egg Harbor Township district goals established by the Board of Education and the new QSAC regulations. The educational needs of the Non-Public schools, i.e. Trocki Hebrew Academy, Atlantic Christian and English Creek Academy, were also met via multiple consultations with the non-public officials.

**English Language Learners**: Egg Harbor Township completed its 2011-2014 Three Year Program Plan. 219 ELL students district-wide received ELL services consistent with Title III. We have completed the development of a four year "cycle" for coursework with ELL high school students. This is designed to help ELL students meet required HSPA standards as well as the revised WIDA standards which are assessed by the ACCESS testing, additional state testing for ELL students.

**Adequate Yearly Progress Status Based on Spring 2011 Testing**
The following is the status of Egg Harbor Township schools based on Spring 2011 state testing:

1. Swift School – met 39 of 40 indicators
2. Slaybaugh School – met 36 of 40 indicators
3. Davenport School – met 38 of 40 indicators
4. Miller School – met 30 of 40 indicators
5. Alder Middle School – Met 37 of 40 indicators.
6. Fernwood Middle School – Met 34 of 40 indicators.
7. EHT High School – Met 35 of 40 indicators.

**Title I programs were implemented** in the Targeted Assistance Title I Schools, i.e. Davenport and Miller. Multiple assessment measures were used to determine eligibility. Central to this eligibility consideration was utilizing state administered tests results as one factor in determining eligibility for Title I services. Examples of other assessments used for eligibility and/or progress measurement were: Story-Town tests, Math End of Book tests, teacher and parent recommendations. Title I funds paid for 11 split funded remedial teachers. The programs were as follows:

<u>Davenport (K-3) and Miller Schools (4-5)</u>
Eligible students were serviced in an in-class support or pull-out structure from 2 to 5 times per week for 30 to 40 minute sessions. Title I teachers reinforced the reading and math skills introduced by way of the newly revised pacing guides. The revised pacing guides are aligned with the New Jersey Core Curriculum Standards and teaching the necessary skills prior to state testing dates. An after-school program was provided for Miller Title I students for school year 10-11. A summer 2011 program was also available for Title I students in Davenport and Miller.

Title I parents were provided with workshops by parent coordinators (Davenport and Miller), to inform them of the Title I regulations, how to monitor their child's performance, and how to work with their child to improve achievement. At both schools, parents were also instructed in how to use the EHT NCLB website for educational opportunities for their children.

**Title IIA** funds were utilized to pay for substitutes for the K-8 Language Arts Literacy and Math Pacing Guide Committees, and for building quarterly test data analysis for teachers. Additionally, funds were utilized to pay for ETTC and PD 360 Professional Development programs.

**Title III** funds were utilized to pay for one split funded bilingual teacher and for one split funded ELL teacher as well as for instructional supplies.

**Title IV** had only non-public carryover funds available as this title was zero funded during FY11. These minimal amounts were used to purchase instructional supplies.

**Class Size Reduction** funds were used to fund a portion of a teacher's salary with the allocation funding entitlement of the CSR.

**Non-Public School NCLB Activities**

Title IIA funds were utilized to pay for professional conferences at Trocki and Atlantic Christian Schools.

## Individuals with Disabilities Education Act (IDEIA)
## Individuals with Disabilities Education Act (IDEIA) and ARRA-IDEIA
## FY 2011
## 2010-2011
## Grant Implementation

IDEIA funds provided summer school (summer 2010 and 2011) programs for disabled students preschool through age 21. This included teachers, aides, a behavior therapist, speech therapists, and school nurses for the program.

IDEIA funds paid for just under $1 million of out of district tuition for Egg Harbor Township disabled students from pre-school through grade 12. Such placements included Atlantic County Special Services School District, Yale Academy, and Creative Achievement, among other private placements. As in the past, IDEIA funds also provided for an Out of District placement case manager/consultant and a bookkeeper for the special education department. IDEIA funds provided for a 12 month CST secretary to address the needs of disabled students and their parents by providing timely reports and services.

IDEIA funds again provided School to Work Transition Summer Program (summer 2010 and 2011) to enhance disabled students' preparation for the post-graduation working environment. This program has received State recognition for its ability to transition disabled students to the world of work.

IDEIA funds also provided home instruction services for disabled students. This permitted disabled students to continue to meet the goals of their Individual Education Plans.

IDEIA funds also were used to purchase testing supplies for the district's Child Study Teams and evaluation and instructional materials for the preschool disabled students.

In addition to the regular IDEIA funds, additional federal funding was made available through the America Recovery and Reinvestment Act (ARRA). Approximately half of the ARRA funds were used to support special education instructional programs throughout the district. The remaining half of the funds was used to purchase evaluation materials for the Child Study Team and a broad range of instructional materials for the special education department. Additional copies and more updated versions of evaluation instruments were purchased and a new special education data base software system was purchased through a competitive contracting process. In addition, equipment for related service providers such as the occupational therapists was purchased.

ARRA funds also were used to purchase laptops for every Child Study Team member to enable them to produce Individual Education Plans regardless of where the meeting is held to facilitate code compliance and to make notes of classroom observations. Scanners were purchased for each building's team so that the district can move to a more electronic method of record retention.

IPADs and Mac Books and related accessories were purchased for related service providers and special education classroom teachers. The IPADs will be used to facilitate instruction in the areas of speech, math, reading and writing as well as fine motor skills. Projectors and carts to store the IPADs to enable their use as mobile labs also were purchased.

Finally, a significant portion of the ARRA funds were used to construct two new instructional areas at the high school to meet the needs of the district's more profoundly disabled special education students. Funds were used to create a Life Skills instructional space and to purchase equipment and supplies for that classroom. The room is set up as an apartment with an adjoining classroom instructional space so that the students can learn basic daily living skills such as meal planning, cooking, cleaning, laundry, and personal hygiene. The second construction project created a bagel shop where special needs students can learn vocational skills in the commercial food industry including cashiering, taking orders, stocking shelves, and inventory procedures.

## Information Technology Services

During the 2010-2011 year, the Information Technology Services Department dedicated itself in the following areas:

**HARDWARE:**

- A district wide inventory of hardware with the focus of maintaining the minimum 5/1 student computer ratios across the district was performed. The current student computer ratio is 2.94 students for each computer. Repairs tickets documented in the IT Direct application total 929. The number of Help Desk calls during the 2010-2011 school year totaled 7900.
- The implementation of the technology for the High School Phase I and Phase II construction project. This included the setup and installation of over 400 computers, AV technology for each of the new classrooms, printer setup/configuration, etc.
- Replacement of aging data network equipment was a focus as well and will continue to be in the upcoming years.

**COMMUNICATIONS:**

- Due to a renewal of our internet bandwidth agreement and some restructuring, we were able triple our bandwidth provisions and stay within our regularly budgeted amounts.
- A switch in our phone service provider was made to further save the district money, yet still same services.
- The use of various electronic media and audio communications were a focus, such as the district's web page, social media sites, Blackboard Connect phone mass phone communication system, and EHT TV2 Broadcasting Network

**EHT TV2**:

- The community/district broadcast channel, EHT TV2 has expanded their productions to over 500 during the 2010-2011 school year. Quality of the programming continues to improve as more users become skilled with the process and the technology improves. These productions range from various High School productions, to district informative sessions such as the "Superintendant's Round Table", and municipal productions such as the "Mayor's Forum" and the filming of town hall meetings.
- The department utilizes the Telvue Video Message Board System and digital video servers for video programming. This also includes PEGTV video archives for distribution on the internet, live internet distribution of the EHTTV2 video channels and other emergency management features through the new interface. During the 2010-2011 school year, EHT TV2 was responsible for announcing various public emergency events such as weather emergency procedures for the municipal evacuations and school closings.

**SOFTWARE:**

- Completed further work on the Scholastic Read 180 Program to include a media distribution server so as not to rely too heavily on available internet bandwidth and not put further stress on the system.
- Migrated the district to Microsoft Windows XP SP3 for all users. Previously we were running Windows XP SP2 which was not compatible with much of the new software releases. Current plans extend to upgrading to Windows 7 and Office 2010.
- Began training and implementation of OnCourse Lesson Planning System to be used during the 2011-2012 School Year.
- Implemented Impero Desktop Management system in the district lab environments to assist with teaching. This system allows teachers control over all computers in the lab they are using. This allows remote control, lock down of computer to gain undivided attention, sharing of screen to assist or demonstrate, etc.

**CONSTRUCTION:**

The ITS department continued to oversee the technological aspects of the new additions including the equipment to be used in the performing arts center. This involvement included maintaining punch list items, technology that had not been delivered as agreed upon, etc.

**SECURITY:**

The ITS department has continued the maintenance and upgrading of the District Wide Surveillance System which has not only acted as a deterrent, but has been responsible for resolution of various situations. The ITS department is involved with ongoing coordination with the school buildings in not only fire drills but crisis drills and the continuous update and improvement to the crisis plans.

**NJSMART (NJ Standards Measurement and Resource for Teaching (NJ SMART)**:

The district has devoted significant ITS department staff time to comply with the student and staff demographic data input requirements mandated by the New Jersey Department of Education.

**STUDENT INFORMATION SYSTEM:**
We implemented changes to the district's student information management system to allow both student and parent access to the portal. Students are now able to see their own attendance records, grades, etc. Remote access for teachers was also setup.

## STUDENT TESTING

The following tables reflect our district's student assessment results for the 2010-2011 school year:

***NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK3)***
***3TH Grade***
**TOTAL STUDENTS**

| | Partially Proficient | Proficient | Advanced Proficient |
|---|---|---|---|
| **Math** | **22.2%** | **51.7%** | **26.0%** |
| **Language Arts Literacy** | **49.1%** | **48.4%** | **2.5%** |

***NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK4)***
***4TH Grade***
**TOTAL STUDENTS**

| | Partially Proficient | Proficient | Advanced Proficient |
|---|---|---|---|
| **Math** | **28.7%** | **49.8%** | **21.4%** |
| **Language Arts Literacy** | **47.4%** | **50.2%** | **2.3%** |
| **Science** | **9.0%** | **49.0%** | **42.0%** |

***NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK5)***
***5TH Grade***
**TOTAL STUDENTS**

| | Partially Proficient | Proficient | Advanced Proficient |
|---|---|---|---|
| Math | 29.5% | 46.4% | 24.1% |
| Language Arts Literacy | 48.1% | 49.0% | 2.9% |

***NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK6)***
***6TH Grade***
**TOTAL STUDENTS**

| | Partially Proficient | Proficient | Advanced Proficient |
|---|---|---|---|
| Math | 27.5% | 55.6% | 16.9% |
| Language Arts Literacy | 34.1% | 62.0% | 4.0% |

***NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK7)***
***7TH Grade***
**TOTAL STUDENTS**

| | Partially Proficient | Proficient | Advanced Proficient |
|---|---|---|---|
| Math | 38.9% | 41.4% | 19.7% |
| Language Arts Literacy | 41.8% | 50.6% | 7.6% |

***GRADE EIGHT PROFICIENCY ASSESSMENT (GEPA)***
***8TH Grade***
**TOTAL STUDENTS**

| | Partially Proficient | Proficient | Advanced Proficient |
|---|---|---|---|
| Math | 27.9% | 44.9% | 27.2% |
| Language Arts Literacy | 18.9% | 65.8% | 15.3% |
| Science | 20.1% | 54.9% | 25.0% |

*HIGH SCHOOL PROFICIENCY TEST (HSPT)*
*11TH Grade*
**TOTAL STUDENTS**

| Content | Partially Proficient | Proficient | Advanced Proficient |
|---|---|---|---|
| Math | 25.9% | 52.3% | 21.8% |
| Language Arts Literacy | 20.1% | 54.9% | 25.0% |

*SCHOLASTIC APTITUDE TEST RESULTS*

| Year | Test Takers | Reading | Math | Writing | Composite |
|---|---|---|---|---|---|
| 1998-1999 | 182 | 500 | 521 | n/a | 1021 |
| 1999-2000 | 192 | 483 | 502 | n/a | 998 |
| 2000-2001 | 167 | 501 | 510 | n/a | 1001 |
| 2001-2002 | 221 | 497 | 511 | n/a | 1008 |
| 2002-2003 | 205 | 485 | 503 | n/a | 988 |
| 2003-2004 | 229 | 500 | 514 | n/a | 1005 |
| 2004-2005 | 228 | 507 | 510 | n/a | 1017 |
| 2005-2006 | 275 | 478 | 493 | n/a | 971 |
| 2006-2007 | 314 | 477 | 486 | n/a | 963 |
| 2007-2008 | 295 | 481 | 503 | 486 | 1470 |
| 2008-2009 | 328 | 477 | 498 | 470 | 1445 |
| 2009-2010 | 338 | 493 | 507 | 484 | 1484 |
| 2010-2011 | 403 | 477 | 497 | 475 | 1449 |

*2008-2009 SCHOLASTIC APTITUDE TEST*
**EHTHS COMPARISONS**
**WITH NJ AND NATIONAL SCORES**

| | TEST-TAKERS | WRITING | MATH | READING |
|---|---|---|---|---|
| EHTHS | 403 | 475 | 497 | 477 |
| NEW JERSEY | 86,515 | 497 | 516 | 495 |
| NATIONAL | 1,647,123 | 489 | 514 | 497 |

*2011 GRADUATES CONTINUING EDUCATION*

| Year | Four-Year School | Two-Year School | Voc/Tech School | Military | Work |
|---|---|---|---|---|---|
| 2000 | 45% | 32% | 5% | | |
| 2001 | 35% | 36% | 4% | | |
| 2002 | 42% | 34% | 5% | | |
| 2003 | 36% | 36% | 4% | | |
| 2004 | 42.3% | 35.4% | 5.3% | | |
| 2005 | 39% | 39% | 26% | | |
| 2006 | 43% | 41% | 5% | | |
| 2007 | 40% | 43% | 5% | | |
| 2008 | 41% | 45% | 5% | 2% | 7% |
| 2009 | 43% | 42% | 4% | 4% | 7% |
| 2010 | 42% | 42% | 4% | 4% | 7% |
| 2011 | 44% | 42% | 5% | 4% | 5% |

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal controls 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 principals (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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

   An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

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

7) **DEBT ADMINISTRATION**: At June 30, 2011, the District's outstanding debt issues included $67,910,000 in refunding bonds and $37,304,000 in general obligation bonds. The proceeds of these bond issues were to provide funds for capital improvement to the District's buildings. These improvements include repairs and renovations to the High School, Davenport, Slaybaugh and Swift elementary schools, additions to the High School and Swift elementary school, the construction of a 2 new elementary schools as well as another addition to the High School, boiler and chiller replacements, window replacements, roof replacements, solar panel installation, upgrades to the high school athletic complex, and the construction of a fueling canopy.

8) **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.

9) **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 of Education is retaining risk for worker's compensation that is carried over from 2000 when the Board was self- insured. All new claims are covered by traditional insurance through a Joint Insurance Fund.

10) **OTHER INFORMATION**:

**Independent Audit** – State statutes require an annual audit by independent certified public accounts or registered municipal accounts. The accounting firm of Swartz & Co., LLC, CPAs was selected by the Board. 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 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

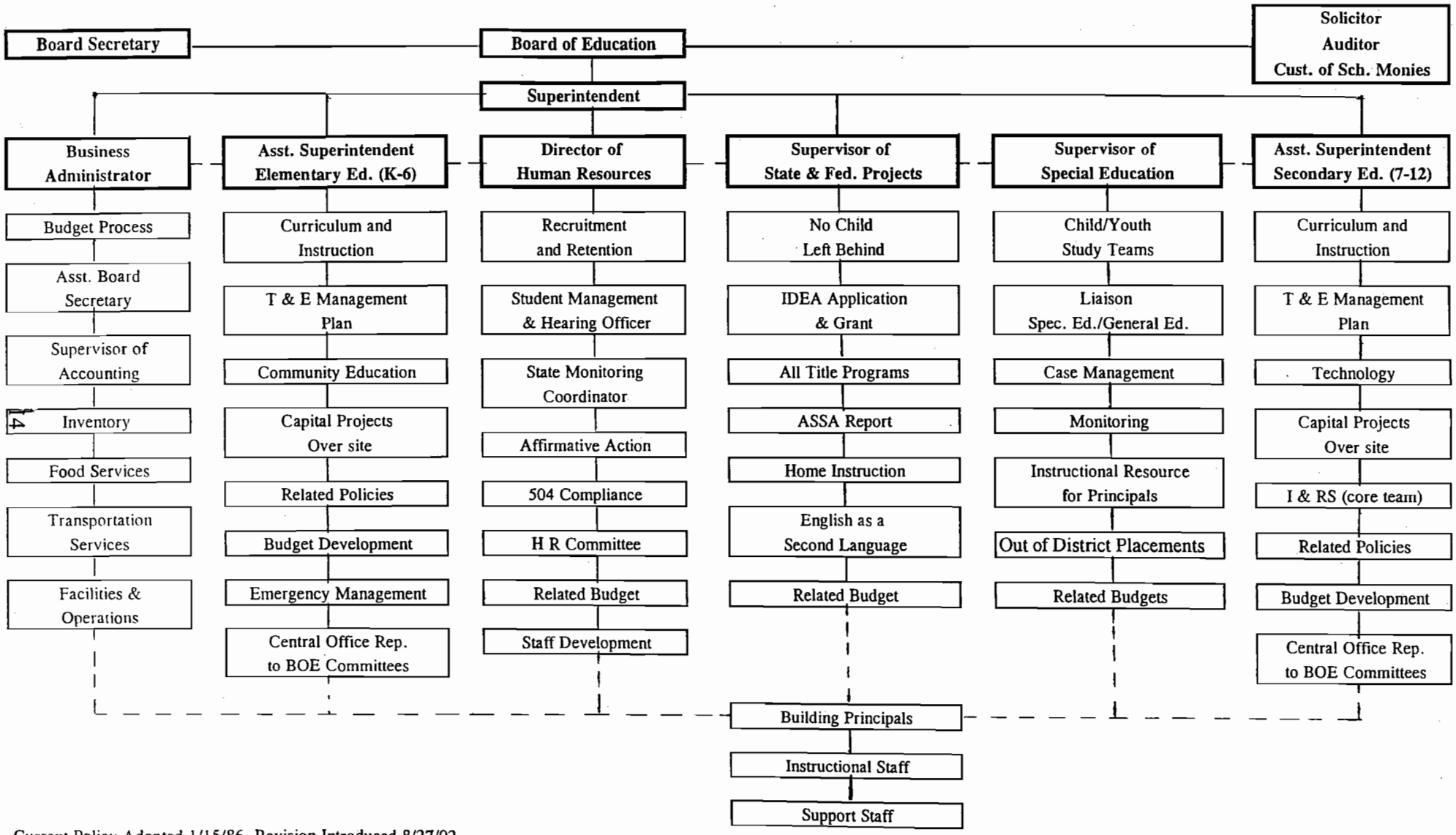
Respectfully submitted,

Scott P. McCartney, Ed. D.
Superintendent

Kateryna W. Bechtel, CPA
School Business Administrator/
Board Secretary

Board Policy 1110 Organizational Chart

**EGG HARBOR TOWNSHIP PUBLIC SCHOOLS**




Current Policy Adopted 1/15/86, Revision Introduced 8/27/02
Revision 8/27/02, 4/27/04
Revision Introduced May 24, 2005

**TOWNSHIP OF EGG HARBOR BOARD OF EDUCATION**

**TOWNSHIP OF EGG HARBOR, NEW JERSEY**

ROSTER OF OFFICIALS
June 30, 2011

| **Members of the Board of Education** | **Term Expires** |
|---|---|
| James W. Galvin, President | 2013 |
| Neil Anderson, Vice President | 2012 |
| Mark Deebold | 2014 |
| Louis Della Barca | 2013 |
| John "Jack" Haines | 2012 |
| Thor Himley | 2014 |
| James Kutch | 2014 |
| Brian J. Murphy | 2012 |
| Barbara A. Szilagyi | 2013 |

**Other Officials**

Scott McCartney, Ed. D., Superintendent

Kateryna W. Bechtel, CPA, Board Secretary/Business Administrator

William Donio, Esq., Solicitor

**TOWNSHIP OF EGG HARBOR BOARD OF EDUCATION**
**Consultants and Advisors**

**Architect**

The Spiezle Group
120 Sanhican Drive
Trenton, NJ 08618

**Audit Firm**

Swartz & Co., LLC
Certified Public Accountants
1409 Cantillon Blvd.
PO Box 548
Mays Landing, NJ 08330

**Attorney**

Cooper Levenson April Neidleman Wagenheim
1125 Atlantic Avenue
Atlantic City, NJ 08401

**Engineer**

Polistina & Associates
6684 Washington Avenue
Egg Harbor Township, NJ 08234

**TOWNSHIP OF EGG HARBOR BOARD OF EDUCATION**
**Consultants and Advisors**
**(continued)**

**Bond Counsel**

McManimon & Scotland, LLC
One Riverfront Plaza, 4th Floor
Newark, NJ 07102

**Official Depository**

Ocean City Home Bank
1184 Ocean Heights Avenue
Egg Harbor Township, NJ 08234

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# Financial Section

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Swartz & Co., LLC
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 548, Mays Landing, NJ 08330

Member: New Jersey Society of CPAs
American Institute of CPAs
AICPA Private Companies Practice Section www.swartzcocpa.com

Phone: (609) 625-0999
Toll Free in N.J.:(877) 310-0999
Fax: (609) 625-2421

## Independent Auditor's Report

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

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 Township of Egg Harbor School District in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Egg Harbor Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Egg Harbor Board of Education, in the County of Atlantic, State of New Jersey, as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated November 23, 2011 on our consideration of the Township of Egg Harbor Board of

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Egg Harbor Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedules of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements of the Township of Egg Harbor Board of Education. The combining and individual fund financial statements, Schedule of Expenditures of Federal Awards and State Financial Assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Licensed Public School Accountant
No. CS00667

*Swartz & Co., LLC*

Swartz & Co., LLC
Certified Public Accountants

November 23, 2011

# Required Supplementary Information
# Part I

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township of Egg Harbor School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

## FINANCIAL HIGHLIGHTS

- The net assets of the District increased $2,507,476 due to the sale of Solar Renewable Energy Credits (SRECS) during the fiscal year, as well as the funding of additional special education program costs with ARRA federal funds. The State of New Jersey continued to defer both June state aid payments until July 2011. The District approved fund balance transfers from Capital Reserve in the amount of $1,657,522 to fund various capital maintenance projects at district buildings. These projects are also funded, in part, through the New Jersey Department of Education grant funds. During the 2010 fiscal year, $106,822 was transferred from Capital Reserve to fund the High School renovations.
- The State of New Jersey reimbursed the District $3,143,692 during the fiscal year ended June 30, 2011 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid $3,453,249 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- In accordance with New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or $250,000. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2011 the District had excess surplus of $3,288,889, or approximately 3.2% of the district's general fund budget, of which $591,944 was applied to the 2011-12 budget. As of June 30, 2010 the District had excess surplus of $3,660,847, of which $3,068,903 was applied to the 2010-11 school budget.
- During the fiscal year ended June 30, 2011, the District's revenue realized was $2,203,525 more than total expenses. This is the result of the $998,538 received from the sale of SRECS as well as cost savings measures put in place by the district over the past year, including reductions in utility costs due to solar electricity production and participation in the Alliance for Competitive Energy Services (ACES), as well as state-imposed limits on payments to employees in lieu of health benefits. During the prior fiscal year, revenue realized was $3,638,229 less than total expenditures.
- In the District's business-type activities, net assets increased $411,268 due to a reduction in costs associated with staff attrition, as well as purchasing through co-ops which provided better pricing. During the 2011 fiscal year, the General Fund did not transfer funds to the Food Service Fund to cover operating deficits. The Enterprise Fund also includes the Kids Klub latchkey program which operated at a profit of $54,703 for the fiscal year ended June 30, 2011.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements, required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
    - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
    - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area.
    - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the formation in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

The following table summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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**Major Features of Egg Harbor Township Board of Education's Government-wide and Fund Financial Statements**

| | | Fund Statements | | |
|---|---|---|---|---|
| | Government wide Statements | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire District (except fiduciary funds) | The activities of the District that are not proprietary or fiduciary, such as food service and student activities | Activities the District operates similar to private businesses; food service and latchkey | Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities. |
| Required financial statements | Statement of net assets<br><br>Statement of activities | Balance sheet<br><br>Statement of revenues, expenditures, and changes in fund balances | Statement of net assets<br><br>Statement of revenues, expenses, and changes in net assets<br><br>Statement of cash flows | Statement of fiduciary net assets<br><br>Statement of changes in fiduciary net assets |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term. | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included. | All assets and liabilities, both financial and capital, and short-term and long-term. | All assets and liabilities, both short-term and long-term. |

| | | | | |
|---|---|---|---|---|
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid. | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses, regardless of when cash is received or paid. | All revenues and expenses during year, regardless of when cash is received or paid. |

**Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the Township's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service and latchkey programs are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the

District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net assets**. During the 2010-2011 school year, net assets increased by $5,694,370. This net increase is due to the sale of SRECS during the fiscal year, as well as cost savings measures put in place by the District. Utility costs were reduced due to the production of solar energy, which was coupled by a reduction in natural gas and utility rates through participation in the Alliance for Competitive Energy Services (ACES). The District switched from a private health benefits carrier to the State sponsored plan, which resulted in savings of over $400,000 due to state-imposed limits on payments to employees in lieu of benefits. The District realized $322,020 in tuition income that was not anticipated as a result of homeless students from other districts. Additionally, federal special education ARRA funding was used to offset over $1 million in tuition costs. Reductions in out-of-district special education tuition costs and residential costs were realized due to the continued reduction in out of district placements, using in-district special education programs servicing students with autism and with auditory impairments. The financial

condition of the District, excluding depreciation expense, improved during the 2011 fiscal year.

The business-type activities net assets increased due to continued profits in the Latchkey program, as well as cost savings measures put in place in the Food Service program. Although revenue remained stable, there was a decline in expenditures during the past year. This is in accordance with the District's three year plan to reduce the food service deficit. During the 2011 fiscal year, the District did not make an operating transfer from the General Fund to the Food Service Fund. During the 2010 fiscal year, the District made an operating transfer from the General Fund to the Food Service Fund in the amount of $357,161.

| | Governmental Activities | Business-Type Activities | Total 2011 | Governmental Activities | Business-Type Activities | Total 2010 |
|---|---|---|---|---|---|---|
| Current and other assets | $18,342,195 | 1,533,001 | 19,875,196 | 19,275,904 | 1,095,208 | 20,371,112 |
| Capital assets | 187,743,321 | 124,316 | 187,867,637 | 190,803,892 | 139,764 | 190,943,656 |
| Total assets | 206,085,516 | 1,657,317 | 207,742,833 | 210,079,796 | 1,234,972 | 211,314,768 |
| Long-term liabilities | 112,931,922 | 141,469 | 113,073,391 | 117,385,600 | 177,145 | 117,562,745 |
| Other liabilities | 6,668,384 | 52,277 | 6,720,661 | 8,716,462 | 5,524 | 8,721,986 |
| Total liabilities | 119,600,306 | 193,746 | 119,794,052 | 126,102,062 | 182,669 | 126,284,731 |
| Net assets | | | | | | |
| Invested in capital assets | 80,245,144 | 124,316 | 80,369,460 | 78,925,882 | 139,764 | 79,065,646 |
| Restricted | 9,181,319 | | 9,181,319 | 17,240,873 | | 17,240,873 |
| Unrestricted | (2,941,253) | 1,339,255 | (1,601,998) | (12,189,021) | 912,539 | (11,276,482) |
| Total net assets | $86,485,210 | 1,463,571 | 87,948,781 | 83,977,734 | 1,052,303 | 85,030,037 |

Net assets of the District increased due to the sale of SRECS during the fiscal year, as well as cost savings measures put into place by the District which included the reduction of 75 instructional and non-instructional staff.

As required by New Jersey Statutes, the unrestricted net assets of the District are not permitted to exceed the greater of 2% of total general fund expenditures or $250,000, after reductions for On-behalf TPAF pension and social security and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2011, the District had excess fund balance in the amount of $3,288,889. At June 30, 2010, the District had excess fund balance in the amount of $3,660,847

**Changes in net assets**. The total general fund revenue of the District decreased $175,361 due to decreases in both restricted and unrestricted state aid. These decreases were offset by the increase in miscellaneous revenue due to the sale of SRECS during the fiscal year and unanticipated tuition revenue for homeless students. The local tax levy is 56.78% of total revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 31% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors. The District expenses are primarily related to instruction, administration, and plant operations.

| | 2011 | | 2010 | |
|---|---|---|---|---|
| | Amount | Percentage | Amount | Percentage |
| Property taxes | $68,509,298 | 56.78% | 68,362,708 | 56.57% |
| Federal and State aid | | | | |
| Unrestricted | 36,430,511 | 30.19% | 37,396,131 | 30.95% |
| Restricted | 3,176,748 | 2.63% | 4,051,939 | 3.35% |
| Tuition | 322,020 | 0.27% | 68,362 | 0.06% |
| Operating grants and contributions | 10,733,173 | 8.90% | 10,533,002 | 8.72% |
| Other | 1,477,596 | 1.23% | 422,982 | 0.35% |
| Totals | $120,649,346 | 100.00% | 120,835,124 | 100.00% |

**Governmental Activities**

The following schedule summarizes the governmental and business-type activities of the District during the 2011 and 2010 fiscal years.

| | Govern-Mental Activities | Business-Type Activities | 2011 Total | Govern-Mental Activities | Business-Type Activities | 2010 Total |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Program revenue | | | | | | |
| Charges for srvs | | 1,988,501 | 1,988,501 | | 2,089,351 | 2,089,351 |
| Federal grants | 3,936,418 | 1,462,180 | 5,398,598 | 9,529,213 | 1,502,613 | 11,031,826 |
| State grants and Entitlements | 6,796,755 | 32,758 | 6,829,513 | 1,003,789 | 64,166 | 1,067,955 |
| General revenues | | | | | | |
| Property taxes | 68,509,298 | | 68,509,298 | 68,362,708 | | 68,362,708 |
| Tuition | 322,020 | | 322,020 | 68,362 | | 68,362 |
| State aid Entitlements | 39,607,259 | | 39,607,259 | 41,448,070 | | 41,448,070 |
| Other | 1,477,596 | 10,417 | 1,488,013 | 422,982 | 9,266 | 432,248 |
| **Total revenues** | $120,649,346 | 3,493,856 | 124,143,202 | 120,835,124 | 3,665,396 | 124,500,520 |

| | Govern-mental Activities | Business-Type Activities | 2011 Total | Govern-mental Activities | Business-Type Activities | 2010 Total |
|---|---|---|---|---|---|---|
| **Expenses** | | | | | | |
| Instruction: | | | | | | |
| Regular | $46,770,376 | | 46,770,376 | 49,702,067 | | 49,702,067 |
| Special Education | 9,832,790 | | 9,832,790 | 10,975,613 | | 10,975,613 |
| Other special instr. | 2,388,646 | | 2,388,646 | 2,857,779 | | 2,857,779 |
| Other Instruction | 1,610,354 | | 1,610,354 | 2,305,275 | | 2,305,275 |
| Nonpublic school programs | 233,225 | | 233,225 | 327,404 | | 327,404 |
| Support services: | | | | | | |
| Tuition | 4,110,824 | | 4,110,824 | 4,539,129 | | 4,539,129 |
| Student & instr related services | 15,643,313 | | 15,643,313 | 15,927,155 | | 15,927,155 |
| School admin srvs | 5,118,734 | | 5,118,734 | 5,093,246 | | 5,093,246 |
| General & business admin services | 3,867,251 | | 3,867,251 | 4,208,735 | | 4,208,735 |
| Plant operations & maintenance | 13,928,061 | | 13,928,061 | 15,135,986 | | 15,135,986 |
| Pupil transport | 9,371,628 | | 9,371,628 | 9,696,290 | | 9,696,290 |
| Interest on Long Term Debt | 4,942,981 | | 4,942,981 | 5,606,697 | | 5,606,697 |
| Business-type Activities | | 3,082,588 | 3,082,588 | | 3,636,912 | 3,636,912 |
| **Total expenses** | 117,818,183 | 3,082,588 | 120,900,771 | 126,375,376 | 3,636,912 | 130,012,288 |
| Excess/(Deficiency) Before special items And transfers | 2,831,163 | 411,268 | 3,242,431 | (5,540,252) | 28,484 | (5,511,768) |
| Special item | (323,687) | | (323,687) | 203,043 | | 203,043 |
| Transfers | | | 0 | (357,161) | 357,161 | 0 |
| **Increase (Decrease) in net assets** | $2,507,476 | 411,268 | 2,918,744 | (5,694,370) | 385,645 | (5,308,725) |

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**Business-type Activities**

Operating revenues of the District's business-type activities decreased $100,850 from the previous year while expenses decreased by $554,324. Factors contributing to these results included:

- Decreased student enrollment and participation in the school lunch programs.
- Cost saving measures put into place by the District in order to reduce the food service deficit, including a reduction in hourly pay rates for food service staff and a reduction in staff due to retirements.
- The cost of food products and related shipping costs continue to increase, while the State of New Jersey caps the school lunch rate.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year ended June 30, 2011, the governmental funds reported a combined fund balance of $13,785,491, which is $925,575 higher than the beginning of the year. This increase is due to cost saving measures put into place by the District during the past fiscal year, including a reduction in staff.

**General Fund Budgetary Highlights**

As further explained in the Notes to the Financial Statements, 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, as a Type II School District, are approved by the voters annually. Transfers of appropriations may be made by Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the board and under certain circumstances require approval by the County Executive Superintendent of Schools. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30$^{th}$ carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by $1,721,621. This is a result of additional tuition received for homeless students as well as the sale of SRECS during the fiscal year. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions and capital leases, actual expenditures were below the budgeted appropriations by $6,998,334. The most significant variances occurred as a result of the continued decreases in tuition costs to special services school districts and private schools for the handicapped due to administration's active efforts to bring back students placed out of district to the least restrictive learning environment, savings in energy costs, and decreases in payments to employees opting out of medical and prescription insurance, reducing the total health benefits costs. Audit Exhibit C-1 does not include current year depreciation expense.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2011, the District had invested $188 million in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of approximately $3.1 million, or (1.61%), over last year.

| | Govern-Mental Activities | Business-Type Activities | 2011 Total | Govern-Mental Activities | Business-Type Activities | 2010 Total |
|---|---|---|---|---|---|---|
| Land | $1,847,000 | | 1,847,000 | 1,847,000 | | 1,847,000 |
| Const in Progress | 42,330,447 | | 42,330,447 | 45,508,547 | | 45,508,547 |
| Buildings & Bldg improv | 138,774,461 | | 138,774,461 | 137,777,073 | | 137,777,073 |
| Machinery & equipment | 681,366 | 124,316 | 805,682 | 1,075,497 | 139,764 | 1,215,261 |
| Vehicles | 4,110,047 | | 4,110,047 | 4,595,775 | | 4,595,775 |
| **Total** | 187,743,321 | 124,316 | 187,867,637 | 190,803,892 | 139,764 | 190,943,656 |

During the 2010 fiscal year the district was in the process of installing solar panels on various schools, as well as repairs and renovations to the high school. Many of these renovations were completed during the 2011 fiscal year. The District also incurred additional purchases for equipment for use throughout the district. More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

### Long-term Debt

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of $105,214,000 and obligations under capital leases of $2,284,177.

| | Balance 6/30/10 | Issued | Retired/ Adjusted | Balance 6/30/11 |
|---|---|---|---|---|
| Bonds payable | 108,614,000 | | 3,400,000 | 105,214,000 |
| Obligations under Capital leases | 3,264,010 | | 979,833 | 2,284,177 |
| Worker's compensation Claims | 0 | | | |
| Compensated absences Payable | 5,610,009 | 227,478 | 336,999 | 5,500,488 |
| Total | 117,488,019 | 227,478 | 4,716,832 | 112,998,665 |

More detailed information about the District's long-term debt is presented in Note 9 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The student population in the District has increased by over 2,000 students over the past 10 years, reflecting a 35% enrollment growth, second highest in the state. This enrollment growth has resulted in a significant strain on the school district and the local taxpayers. Under the school funding formula, the District's state aid for 2010-11 was $35,376,162 which was $5,382,342 less than 2009-10 state aid.

The district's 2010-11 proposed tax levy was defeated by the voters, and the municipal government subsequently reduced the final tax levy to $63,300,938, which is $169,160 less than the 2009-10 tax levy.

These reductions in state aid and tax revenue necessitated the elimination of 75 staff positions in the district, and the staff members in the EHTEA collective bargaining unit agreed to defer their salary increases for half of their work year to avoid additional staff reductions.

The district's 2011-12 tax levy that was approved by the voters was $64,566,957, which is at the statutory maximum tax levy increase of 2% over the 2010-11 tax levy. The District received additional state aid in 2011-12 in the amount of $1,077,762 for a total state aid allocation of $36,453,924. The 2011-12 operating budget also includes a one-time revenue injection of $1,350,773 which is the District's share of the federal Education Jobs Fund grant program. In July 2011, the District was notified of an additional 2011-12 state aid allocation of $1,077,762. The District elected to reserve this additional state aid for use in the 2012-13 budget.

In addition, the district's share of state aid continues to be reduced because of revenue growth caps. The 2010-11 state aid calculated and uncapped should be $62,601,266, but the actual aid received was $40,758,504. Under the school funding formula, the required local share to be raised by taxes for 2010-11 was $47,810,339. The actual tax levy was $63,300,938, which reflects an additional tax burden of $15,490,599 resulting from many years of flat funding and state aid caps, coupled with the mandated growth as a Pinelands High Density Growth area. The housing market and economy has slowed down the rate of student growth, but many developments have been approved and can be built out as the economy recovers.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 13 Swift Drive, Egg Harbor Township, New Jersey 08234.

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# DISTRICT - WIDE FINANCIAL STATEMENTS

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**Exhibit A-1**

**Township of Egg Harbor School District**
**Statement of Net Assets**
**June 30, 2011**

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $7,720,139 | 1,376,471 | 9,096,610 |
| Restricted cash | 6,878,832 | | 6,878,832 |
| Receivables, net | 5,247 | | 5,247 |
| Internal balances | (6,001) | 6,001 | 0 |
| Due from other governments | 1,905,978 | 90,007 | 1,995,985 |
| Inventory | | 60,522 | 60,522 |
| Other Assets | 1,838,000 | | 1,838,000 |
| Capital assets not being depreciated | | | |
| Construction in progress | 42,330,447 | | 42,330,447 |
| Land | 1,847,000 | | 1,847,000 |
| Capital assets, net | 143,565,874 | 124,316 | 143,690,190 |
| Total Assets | 206,085,516 | 1,657,317 | 207,742,833 |
| **LIABILITIES** | | | |
| Accounts payable | 1,257,437 | 52,277 | 1,309,714 |
| Other liabilities | 2,940,755 | | 2,940,755 |
| Payable to state government | 23,204 | | 23,204 |
| Deferred revenue | 2,446,988 | | 2,446,988 |
| Noncurrent liabilities: | | | |
| Due within one year | 4,663,001 | 102,061 | 4,765,062 |
| Due beyond one year | 108,268,921 | 39,408 | 108,308,329 |
| Total liabilities | 119,600,306 | 193,746 | 119,794,052 |
| **NET ASSETS** | | | |
| Invested in capital assets, net of related debt | 80,245,144 | 124,316 | 80,369,460 |
| Restricted for: | | | |
| Capital projects | 5,102,278 | | 5,102,278 |
| Other purposes | 4,079,041 | | 4,079,041 |
| Unrestricted | (2,941,253) | 1,339,255 | (1,601,998) |
| Total net assets | $86,485,210 | 1,463,571 | 87,948,781 |

See Accompanying Notes to the Financial Statements

Exhibit A-2

**Township of Egg Harbor School District**
**Statement of Activities**
**For the Year Ended June 30, 2011**

| Functions/Programs | Expenses | Indirect Expenses Allocation | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets: Governmental Activities | Net (Expense) Revenue and Changes in Net Assets: Business-type Activities | Total |
|---|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | | |
| Instruction: | | | | | | | | |
| Regular | $33,439,842 | 13,330,534 | 322,020 | 5,917,726 | | (40,530,630) | | (40,530,630) |
| Special education | 6,794,254 | 3,038,536 | | 574,631 | | (9,258,159) | | (9,258,159) |
| Other special instruction | 1,648,521 | 740,125 | | 139,968 | | (2,248,678) | | (2,248,678) |
| Other instruction | 1,243,611 | 366,743 | | 69,356 | | (1,540,998) | | (1,540,998) |
| Nonpublic school programs | 233,225 | | | | | (233,225) | | (233,225) |
| Support services: | | | | | | | | |
| Tuition | 2,276,121 | 1,834,703 | | 346,969 | | (3,763,855) | | (3,763,855) |
| Student & instruction related services | 10,847,890 | 4,795,423 | | 1,646,386 | | (13,996,927) | | (13,996,927) |
| School administrative services | 3,125,619 | 1,993,115 | | 376,927 | | (4,741,807) | | (4,741,807) |
| General and business administrative services | 2,554,836 | 1,312,415 | | 248,196 | | (3,619,055) | | (3,619,055) |
| Plant operations and maintenance | 9,356,191 | 4,571,870 | | 864,606 | | (13,063,455) | | (13,063,455) |
| Pupil transportation | 6,471,752 | 2,899,876 | | 548,408 | | (8,823,220) | | (8,823,220) |
| Unallocated benefits | 28,148,263 | (28,148,263) | | | | | | 0 |
| Interest on long-term debt | 4,942,981 | | | | | (4,942,981) | | (4,942,981) |
| Unallocated depreciation | 6,735,077 | (6,735,077) | | | | | | 0 |
| Total governmental activities | 117,818,183 | 0 | 322,020 | 10,733,173 | 0 | (106,762,990) | 0 | (106,762,990) |
| Business-type activities: | | | | | | | | |
| Food Service | 2,770,324 | | 1,624,980 | 1,494,938 | | | 349,594 | 349,594 |
| Child Care | 312,264 | | 363,521 | 0 | | | 51,257 | 51,257 |
| Total business-type activities | 3,082,588 | 0 | 1,988,501 | 1,494,938 | 0 | | 400,851 | 400,851 |
| Total primary government | $120,900,771 | 0 | 2,310,521 | 12,228,111 | 0 | (106,762,990) | 400,851 | (106,362,139) |

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| General revenues: | | | |
| Taxes: | | | |
| Property taxes, levied for general purposes, net | 63,300,938 | | 63,300,938 |
| Taxes levied for debt service | 5,208,360 | | 5,208,360 |
| Federal and State aid not restricted | 36,430,511 | | 36,430,511 |
| Federal and State aid restricted | 3,176,748 | | 3,176,748 |
| Investment Earnings | 428,608 | 10,417 | 439,025 |
| Miscellaneous Income | 1,048,988 | | 1,048,988 |
| Special items: | | | |
| Donated fixed assets | 52,000 | | 52,000 |
| Loss on disposal of fixed assets | (123,108) | | (123,108) |
| Debt service assessment | (400,347) | | (400,347) |
| Cancellation of prior year purchase orders | 1,101 | | 1,101 |
| Amortization of net premium on 2003 bond sale | 146,667 | | 146,667 |
| Total general revenues, special items, extraordinary items and transfers | 109,270,466 | 10,417 | 109,280,883 |
| Change in Net Assets | 2,507,476 | 411,268 | 2,918,744 |
| Net Assets—beginning | 83,977,734 | 1,052,303 | 85,030,037 |
| Net Assets—ending | $86,485,210 | 1,463,571 | 87,948,781 |

See Accompanying Notes to the Financial Statements

# FUND FINANCIAL STATEMENTS

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**Township of Egg Harbor School District**
**Balance Sheet**
**Governmental Funds**
**June 30, 2011**

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $2,586,667 | 0 | 5,133,472 | | 7,720,139 |
| Restricted cash | 6,878,832 | | | | 6,878,832 |
| Receivables, net | 3,000 | 2,247 | | | 5,247 |
| Due from other funds | 562,820 | | | | 562,820 |
| Receivables from other governments | 695,573 | 1,210,405 | 0 | | 1,905,978 |
| Total assets | 10,726,892 | 1,212,652 | 5,133,472 | 0 | 17,073,016 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 1,018,235 | 208,008 | 31,194 | | 1,257,437 |
| Due to other governments | | 23,204 | | | 23,204 |
| Interfund payable | 6,705 | 562,116 | | | 568,821 |
| Other liabilities | 1,002,739 | | | | 1,002,739 |
| Deferred revenue | 16,000 | 419,324 | | | 435,324 |
| Total liabilities | 2,043,679 | 1,212,652 | 31,194 | 0 | 3,287,525 |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Excess Surplus | 2,696,945 | | | | 2,696,945 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 591,944 | | | | 591,944 |
| Capital Projects | | | 2,225,921 | | 2,225,921 |
| Committed for: | | | | | |
| Capital Reserve Fund | 2,500,001 | | | | 2,500,001 |
| Designated for subsequent year's expenditures | 2,592,460 | | | | 2,592,460 |
| Assigned to: | | | | | |
| Encumbrances | 1,202,684 | | 2,876,357 | | 4,079,041 |
| Unreserved, reported in: | | | | | |
| General fund | (900,821) | | | | (900,821) |
| Capital projects fund | | | | | 0 |
| Total Fund balances | 8,683,213 | 0 | 5,102,278 | 0 | 13,785,491 |
| Total liabilities and fund balances | $10,726,892 | 1,212,652 | 5,133,472 | 0 | |

| | |
|---|---|
| Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 187,743,321 |
| Deferred revenue from net premium on bond sale, net of amortization | |
| 11/1/02 refunding issue | (146,664) |
| 10/1/04 refunding issue | (1,865,000) |
| Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds: | |
| 12/5/06 refunding issue - bond costs | 1,838,000 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | |
| Bond payable | (105,214,000) |
| Capital leases | (2,284,177) |
| Accrued interest payable | (1,938,016) |
| Worker's compensation claims | (18,761) |
| Compensated absences | (5,414,984) |
| Net assets of governmental activities | $86,485,210 |

See Accompanying Notes to the Financial Statements

**Township of Egg Harbor School District**
**Statement of Revenues, Expenditures, And Changes in Fund Balances**
**Governmental Funds**
**For the Year Ended June 30, 2011**

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Local tax levy | $63,300,938 | | | 5,208,360 | 68,509,298 |
| Tuition Charges | 322,020 | | | | 322,020 |
| Interest | 428,608 | | | | 428,608 |
| Miscellaneous | 1,048,988 | | | | 1,048,988 |
| Local sources | | 70,201 | | | 70,201 |
| State sources | 42,893,489 | 263,576 | 0 | 3,176,748 | 46,333,813 |
| Federal sources | 133,963 | 3,802,455 | | | 3,936,418 |
| Total revenues | 108,128,006 | 4,136,232 | 0 | 8,385,108 | 120,649,346 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Regular instruction | 31,267,691 | 3,151,984 | | | 34,419,675 |
| Special education instruction | 6,794,254 | | | | 6,794,254 |
| Other special instruction | 1,648,521 | | | | 1,648,521 |
| Other instruction | 1,243,611 | | | | 1,243,611 |
| Nonpublic school programs | | 233,225 | | | 233,225 |
| Support services and undistributed costs: | | | | | |
| Tuition | 2,276,121 | | | | 2,276,121 |
| Student & instruction related services | 10,108,387 | 739,503 | | | 10,847,890 |
| School administrative services | 3,125,619 | | | | 3,125,619 |
| Other administrative services | 2,554,836 | | | | 2,554,836 |
| Plant operations and maintenance | 9,356,191 | | | | 9,356,191 |
| Pupil transportation | 6,471,752 | | | | 6,471,752 |
| Unallocated Benefits | 28,222,108 | | | | 28,222,108 |
| Debt service: | | | | | |
| Principal | | | | 3,400,000 | 3,400,000 |
| Interest and other charges | | | | 4,985,108 | 4,985,108 |
| Capital outlay | 295,855 | 11,520 | 3,438,239 | | 3,745,614 |
| Total expenditures | 103,364,946 | 4,136,232 | 3,438,239 | 8,385,108 | 119,324,525 |
| Excess (Deficiency) of revenues over expenditures | 4,763,060 | 0 | (3,438,239) | 0 | 1,324,821 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Debt service assessment | (400,347) | | | | (400,347) |
| Cancellation of prior year purchase orders | 1,101 | | | | 1,101 |
| Transfers in | | | 1,657,522 | | 1,657,522 |
| Transfers out | (1,657,522) | | | | (1,657,522) |
| Total other financing sources and uses | (2,056,768) | 0 | 1,657,522 | 0 | (399,246) |
| Net change in fund balances | 2,706,292 | 0 | (1,780,717) | 0 | 925,575 |
| Fund balance—July 1 | 5,976,921 | 0 | 6,882,995 | 0 | 12,859,916 |
| Fund balance—June 30 | $8,683,213 | 0 | 5,102,278 | 0 | 13,785,491 |

See Accompanying Notes to the Financial Statements

**Exhibit B-3**

**Township of Egg Harbor School District**
**Reconciliation of the Statement of Revenues, Expenditures,**
**and Changes in Fund Balances of Governmental Funds**
**to the Statement of Activities**
**For the Year Ended June 30, 2011**

| | | |
|---|---|---|
| **Total net change in fund balances - governmental funds (from B-2)** | | $925,575 |
| 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 | (6,735,077) | |
| Donated fixed assets | 52,000 | |
| Loss on disposition of fixed assets | (123,108) | |
| Capital outlays | 3,745,614 | (3,060,571) |
| Repayment of long term debt 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. | | 4,379,833 |
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) | | 42,127 |
| In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). | | |
| Compensated absences | | 73,845 |
| Amortization of net premium on 2003 bond issue | | 146,667 |
| **Change in net assets of governmental activities** | | $2,507,476 |

See Accompanying Notes to the Financial Statements

Exhibit B-4

**Township of Egg Harbor School District**
**Statement of Net Assets**
**Proprietary Funds**
**June 30, 2011**

| | Business-type Activities - Enterprise Funds | | |
|---|---|---|---|
| | **Food Service** | **Non-Major Fund Latchkey Program** | **Total** |
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $967,318 | 409,153 | $1,376,471 |
| Accounts receivable | 90,007 | | 90,007 |
| Interfunds | 6,705 | | 6,705 |
| Inventories | 60,522 | | 60,522 |
| Total current assets | 1,124,552 | 409,153 | 1,533,705 |
| Noncurrent assets: | | | |
| Furniture, machinery & equipment | 216,682 | | 216,682 |
| Less accumulated depreciation | (92,366) | | (92,366) |
| Total noncurrent assets | 124,316 | 0 | 124,316 |
| Total assets | 1,248,868 | 409,153 | 1,658,021 |
| **LIABILITIES** | | | |
| Current liabilities: | | | |
| Interfund payable | 141 | 563 | 704 |
| Accounts payable | 42,046 | 10,231 | 52,277 |
| Capital lease payable | 55,965 | | 55,965 |
| Total current liabilities | 98,152 | 10,794 | 108,946 |
| Noncurrent liabilities: | | | |
| Compensated absences | 85,504 | | 85,504 |
| Total noncurrent liabilities | 85,504 | 0 | 85,504 |
| Total liabilities | 183,656 | 10,794 | 194,450 |
| **NET ASSETS** | | | |
| Invested in capital assets, net of related debt | 124,316 | | 124,316 |
| Unrestricted | 940,896 | 398,359 | 1,339,255 |
| Total net assets | $1,065,212 | 398,359 | $1,463,571 |

See Accompanying Notes to the Financial Statements

Exhibit B-5

**Township of Egg Harbor School District**
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**
**Proprietary Funds**
**For the Year Ended June 30, 2011**

| | Business-type Activities - Enterprise Fund | | |
|---|---|---|---|
| | Food Service | Non-Major Fund Latchkey Program | Total |
| Operating revenues: | | | |
| Charges for services: | | | |
| Daily sales - reimbursable programs | $1,487,392 | | $1,487,392 |
| Daily sales - non-reimbursable programs | 99,376 | | 99,376 |
| Special functions | 38,212 | | 38,212 |
| Latchkey program revenue | | 363,521 | 363,521 |
| Total operating revenues | 1,624,980 | 363,521 | 1,988,501 |
| Operating expenses: | | | |
| Cost of sales | 1,265,604 | | 1,265,604 |
| Salaries | 1,118,848 | 246,176 | 1,365,024 |
| Employee benefits | 312,015 | 26,335 | 338,350 |
| General supplies & materials | 58,409 | 39,753 | 98,162 |
| Depreciation | 15,448 | | 15,448 |
| Total Operating Expenses | 2,770,324 | 312,264 | 3,082,588 |
| Operating income/(loss) | (1,145,344) | 51,257 | (1,094,087) |
| Nonoperating revenues: | | | |
| State sources: | | | |
| State school lunch program | 32,758 | | 32,758 |
| Federal sources: | | | |
| National school lunch program | 1,145,952 | | 1,145,952 |
| National school breakfast program | 149,419 | | 149,419 |
| Special milk program | 8,237 | | 8,237 |
| Food distribution program | 158,572 | | 158,572 |
| Interest and investment revenue | 6,971 | 3,446 | 10,417 |
| Total nonoperating revenues | 1,501,909 | 3,446 | 1,505,355 |
| Income before contributions & transfers | 356,565 | 54,703 | 411,268 |
| Other financing sources: | | | |
| Transfers in | 0 | | 0 |
| Change in net assets | 356,565 | 54,703 | 411,268 |
| Total net assets—beginning | 708,647 | 343,656 | 1,052,303 |
| Total net assets—ending | $1,065,212 | 398,359 | $1,463,571 |

See Accompanying Notes to the Financial Statements

Exhibit B-6

**Township of Egg Harbor School District**
**Statement of Cash Flows**
**Proprietary Funds**
**For the Year Ended June 30, 2011**

| | Business-type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Food Service | Non-Major Fund Latchkey Program | Total |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers | $1,624,980 | 363,521 | $1,988,501 |
| Payments to employees | (1,118,848) | (246,176) | (1,365,024) |
| Payments for employee benefits | (347,691) | (26,335) | (374,026) |
| Payments to suppliers | (58,409) | (29,619) | (88,028) |
| Payments to cost of sales | (1,067,776) | | (1,067,776) |
| Net cash (used) for operating activities | (967,744) | 61,391 | (906,353) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | |
| State Sources | 36,373 | | 36,373 |
| Federal Sources | 1,334,576 | | 1,334,576 |
| Payments from other funds | (49,579) | 11 | (49,568) |
| Operating subsidies and transfers from other funds | 0 | | 0 |
| Net cash provided by non-capital financing activities | 1,321,370 | 11 | 1,321,381 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends | 6,971 | 3,446 | 10,417 |
| Net cash provided by investing activities | 6,971 | 3,446 | 10,417 |
| Net increase in cash and cash equivalents | 360,597 | 64,848 | 425,445 |
| Balances—beginning of year | 606,721 | 344,305 | 951,026 |
| Balances—end of year | $967,318 | 409,153 | 1,376,471 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | |
| Operating income/(loss) | ($1,145,344) | 51,257 | (1,094,087) |
| Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities | | | |
| Depreciation and net amortization | 15,448 | | 15,448 |
| Federal commodities | 158,572 | | 158,572 |
| (Increase) in inventories | 2,637 | | 2,637 |
| (Decrease) in accounts payable | 36,619 | 10,134 | 46,753 |
| (Decrease) in compensated absences | (35,676) | | (35,676) |
| Total adjustments | 177,600 | 10,134 | 187,734 |
| Net cash (used) for operating activities | ($967,744) | 61,391 | ($906,353) |

See Accompanying Notes to the Financial Statements

**Exhibit B-7**

**Township of Egg Harbor School District**
**Statement of Fiduciary Net Assets**
**Fiduciary Funds**
**June 30, 2011**

| | Unemployment Compensation Trust | Agency Fund |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $978,152 | 1,059,884 |
| Due from payroll agency | 34,890 | |
| Total assets | 1,013,042 | 1,059,884 |
| **LIABILITIES** | | |
| Payable to student groups | | 319,202 |
| Due to unemployment trust | | 34,890 |
| Conduit activities payable | | 74,284 |
| Payroll deductions and withholdings | | 631,508 |
| Total liabilities | 0 | 1,059,884 |
| **NET ASSETS** | | |
| Held in trust for unemployment claims and other purposes | $1,013,042 | |

See Accompanying Notes to the Financial Statements

**Exhibit B-8**

**Township of Egg Harbor School District**
**Statement of Changes in Fiduciary Net Assets**
**Fiduciary Funds**
**For the Year Ended June 30, 2011**

| | Unemployment Compensation Trust |
|---|---|
| **ADDITIONS** | |
| Contributions: | |
| Plan member | $107,124 |
| Total Contributions | 107,124 |
| | |
| Investment earnings: | |
| Interest | 9,534 |
| Net investment earnings | 9,534 |
| Total additions | 116,658 |
| | |
| **DEDUCTIONS** | |
| Unemployment claims | 291,521 |
| Total deductions | 291,521 |
| Change in net assets | (174,863) |
| Net assets—beginning of the year | 1,187,905 |
| Net assets—end of the year | $1,013,042 |

See Accompanying Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Board of Education (Board) of the Township of Egg Harbor School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District 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. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY:**

The Township of Egg Harbor School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Egg Harbor Township School District had an enrollment at June 30, 2011 of 7,875 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
- 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. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service and Kids Klub (latchkey) program are classified as business-type activities. Fiduciary funds are excluded from the government-wide financial statements.

In the governmental-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts- invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

## C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts

that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

**1. Governmental Funds:**

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

a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.
c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
d. **Debt service** funds are 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.

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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:

a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs.

    Food Services Fund – provides for the operation of food services in all schools within the school district.

    Latchkey – accounts for the operation of an after school program for all children within the district.

**3. Fiduciary Funds:**

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

## E. FINANCIAL STATEMENT AMOUNTS

### 1. Cash and Cash Equivalents:

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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

NJSA 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.

### 2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned in the Capital Projects Fund is recognized in the District's General Fund.

### 3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2011, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

| | | |
|---|---|---|
| Food | $ | 53,478 |
| Supplies | | 7,043 |
| | $ | 60,521 |

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**4. Capital Assets:**

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

| | |
|---|---|
| Buildings | 20-50 years |
| Machinery and equipment | 5-10 years |
| Improvements | 10-20 years |

Infrastructure assets include roads, parking lots, underground pipe, etc. All infrastructure assets are reported in the financial statements and are being depreciated over their useful lives.

**5. Fund Balances – Governmental Funds**

The Township of Egg Harbor Board of Education elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance.

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**6. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**7. Expenditures:**

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**8. Compensated Absences:**

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

event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**9. Interfund Activity:**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**10. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6:23-2.2(f). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. The Board of Education approved the following material budgetary appropriation transfers during the 2011 fiscal year:

| Account Name | Amount |
|---|---|
| Preschool – Salaries of Teachers | 303,028 |
| Grades 1-5 – Salaries of Teachers | 295,000 |
| Grades 6-8 – Salaries of Teachers | 194,479 |
| Grades 9-12 – Salaries of Teachers | (390,552) |
| Other Salaries for Instruction | 216,769 |
| Learning & Language Disabilities – Salaries of Teachers | (806,886) |
| Multiply Disabled – Salaries of Teachers | 324,045 |
| Resource Room – Salaries of Teachers | 254,512 |
| Preschool Handicapped – Salaries of Teachers | (401,222) |
| Preschool Handicapped – Other Salaries for Instruction | (216,769) |
| Basic Skills – Salaries of Teachers | (190,000) |
| Improvement of Instructional Services – Salaries of Teachers | 131,365 |
| Cleaning, Repairs and Maintenance | 122,000 |
| Contr Serv (Between Home & School)-Vendors | (135,000) |
| Transportation Supplies | 133,000 |
| Other Retirement Contributions | 255,000 |
| Student Transportation – Noninstructional Equipment | 170,000 |
| Construction Services | (101,624) |
| Capital Reserve Transfer to Capital Projects | 1,657,522 |
| | $1,914,667 |

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 one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not (See audit schedule C-4 for reconciliation). Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**11. 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 District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**12. Tuition Receivable**

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.

**13. Tuition Payable**

Tuition charges for the fiscal years 2010/11 and 2009/10 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**14. Use of Estimates**

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

**15. Allocation of Costs**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the original budgetary expenditures by program.

NOTE 2. INVESTMENTS

As of June 30, 2011, the District had no investments.

**Interest Rate Risk.** The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**. New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not

exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

NOTE 3. CASH

**Custodial Credit Risk – Deposits**. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2011, $0 of the District's bank balance of $18,529,581 was exposed to custodial credit risk.

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NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

| | Balance June 30, 2010 | Additions | Disposals/ Adjustments | Balance June 30, 2011 |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital assets that are not being depreciated: | | | | |
| Construction in progress | 45,508,547 | 3,438,239 | (6,616,339) | 42,330,447 |
| Land | 1,847,000 | | | 1,847,000 |
| Total capital assets not being depreciated | 47,355,547 | 3,438,239 | (6,616,339) | 44,177,447 |
| Bldg and bldg improve | 206,512,607 | 165,283 | 5,051,467 | 211,729,357 |
| Machinery & equipment | 12,361,034 | 193,182 | 117,596 | 12,671,812 |
| Vehicles | 7,544,747 | | (96,741) | 7,448,006 |
| Total at historical cost | 226,418,388 | 358,465 | 5,072,322 | 231,849,175 |
| Less accum depr for: | | | | |
| Bldg and improve | (68,735,534) | (5,635,056) | 1,415,694 | (72,954,896) |
| Machinery & equipment | (11,285,537) | (711,034) | 6,125 | (11,990,446) |
| Vehicles | (2,948,972) | (388,987) | | (3,337,959) |
| Total accum deprec | (82,970,043) | (6,735,077) | 1,421,819 | (88,283,301) |
| Total capital assets being depr, net of accum depr | 143,448,345 | (6,376,612) | 6,494,141 | 143,565,874 |
| **Governmental activities capital assets, net** | 190,803,892 | (2,938,373) | (122,198) | 187,743,321 |
| **Business-type activities:** | | | | |
| Equipment | 216,682 | | | 216,682 |
| Less accum depr for: | | | | |
| Equipment | (76,918) | (15,448) | | (92,366) |
| **Business-type activities capital assets, net** | 139,764 | (15,448) | 0 | 124,316 |

Depreciation expense charged to governmental functions is as follows:

| | | |
|---|---|---|
| Regular instruction | $ | 2,573,783 |
| Special education | | 586,663 |
| Other special instruction | | 142,899 |
| Other instruction | | 70,809 |
| Tuition | | 354,234 |
| Student & instruction related services | | 925,873 |
| School administrative expenses | | 384,819 |
| General and business administration | | 253,394 |
| Plant operations and maintenance | | 882,711 |
| Student transportation services | | 559,892 |
| | $ | 6,735,077 |

NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Egg Harbor Board of Education on October 28, 1997 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. During the 2008 fiscal year, the District transferred $2,140,725 from the unreserved fund balance in order to fund the capital reserve fund. A 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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 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.

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The activity of the capital reserve for the 2011 fiscal year is as follows:

| | | |
|---|---|---|
| Beginning balance, July 1 | $ | 1,608,199 |
| Interest earnings | | 2,000 |
| Deposits – June 30, 2011 ratified | | |
| By Board resolution 7/12/11 | | 2,500,000 |
| Withdrawals | | |
| 2010/2011 District Budget | | (59,000) |
| Board resolution 4/19/11 | | (1,551,198) |
| Ending balance, June 30 | $ | 2,500,001 |

NOTE 6. TRANFERS TO CAPITAL OUTLAY

During the year ended June 30, 2011, the District transferred $1,657,522 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement mechanical upgrades at various schools within the District. This project is also funded in part through Department of Education ROD grants.

During the year ended June 30, 2010, the district transferred $106,822 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement the refurbishing of the tennis courts at the high school. This project is included in the capital projects previously approved by the voters of the district on April 15, 2008.

| | | 6/30/11 | 6/30/10 |
|---|---|---|---|
| Renovations to High School Tennis Courts | $ | 0 | 106,822 |
| Mechanical Upgrades, Various Schools | | 1,657,522 | 0 |
| | $ | 1,657,522 | 106,822 |

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NOTE 7. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2011 was as follows:

| | Balance 06-30-10 | Issued | Retired | Balance 6-30-11 | Amounts Due Within One year |
|---|---|---|---|---|---|
| **Governmental Activities** | $ | | | | |
| Bonds & loans payable: | | | | | |
| School bonds | 108,614,000 | 0 | 3,400,000 | 105,214,000 | 3,410,000 |
| Obligations under capital Leases | 3,264,010 | | 979,833 | 2,284,177 | 754,123 |
| | 111,878,010 | | 4,379,833 | 107,498,177 | 4,164,123 |
| Other liabilities: | | | | | |
| Compensated absences Payable | 5,488,829 | 222,707 | 296,552 | 5,414,984 | 498,878 |
| Governmental activities long-Term liabilities | 117,366,839 | 222,707 | 4,676,385 | 112,913,161 | 4,663,001 |
| **Business-type Activities:** | | | | | |
| Other liabilities: | | | | | |
| Compensated absences Payable | 121,180 | 4,771 | 40,447 | 85,504 | 46,096 |
| Business-type activities long-Term-liabilities | 121,180 | 4,771 | 40,447 | 85,504 | 46,096 |

Included on the balance sheet as an other liability is $43,075 to cover the estimated worker's compensation claims over the next twelve months.

A. Bonds Payable:

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

**Long-term debt as of June 30, 2010 consisted of the following:**

$56,400,000 School Bonds dated 5/15/01 payable in annual installments through 7/15/25. Interest is paid semiannually at varying rates between 4.75% per annum and 5.50% per annum.

On October 1, 2004 the District, through a refunding bond issue, called the bonds maturing on July 15 in the years 2012 through 2025 totaling $52,600,000. The balance as of June 30, 2011 was $500,000.

$23,170,000 Refunding Bonds dated 11/1/02 payable in annual installments through 2/15/12. Interest is paid semiannually at varying rates ranging from 1.60% to 5.00% per annum. The total savings to the District was $1,964,099, or 8.48% as a result of refunding the 1993 bond issue. The refunding bonds are not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2011 was $2,745,000.

$50,735,000 Refunding Bonds dated October 1, 2004 payable in annual installments on January 15, 2005 and each July 15 thereafter commencing in 2012 and continuing through 2025. Semi-annual interest payments are due, at rates ranging from 3.00% to 5.75%, on January 15 and July 15, commencing January 15, 2005. The total savings to the District was $1,588,925, or 3.021% as a result of refunding the 2001 bond issue. The refunding bonds are not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2011 was $50,135,000.

$23,052,000 School Bonds dated 4/1/05 payable in annual installments through 4/1/30. Interest is paid semiannually at varying rates ranging from 3.5% to 5.00% per annum. On December 14, 2006 the District, through a refunding bond issue, called the bonds maturing on 4/1/22 and 4/1/25 through 4/1/30 totaling $13,572,000. The balance remaining as of June 30, 2011 was $8,880,000.

$15,410,000 Refunding Bonds dated December 14, 2006 payable in annual installments through April 1, 2030. Interest is paid semiannually at varying rates ranging from 3.50% to 4.125% per annum. The total savings to the District was $413,095, or 3.04% as a result of refunding the 2005 bond issue. Bonds maturing on or after 4/1/17 are redeemable at the option of the Board in whole or in part, on any date on or after 4/1/16 at par, plus unpaid accrued interest to the date fixed for redemption. The balance remaining as of June 30, 2011 was $15,030,000.

$27,924,000 School bonds dated 9/15/08 payable in annual installments beginning 9/15/12 and continuing through 9/15/28. Interest is paid semiannually at varying rates between 4.00% per annum and 4.25% per annum. Bonds maturing on or after 9/15/19 are redeemable at the option of the Board in whole or in part, on any date on or after 9/15/18 at par, plus unpaid accrued interest to the date fixed for redemption. The balance remaining as of June 30, 2011 was $27,924,000.

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

| | Principal | Interest | Total |
|---|---|---|---|
| Year ending June 30, | | | |
| 2012 | 3,410,000 | 4,817,208 | 8,227,208 |
| 2013 | 4,394,000 | 4,595,853 | 8,989,853 |
| 2014 | 4,590,000 | 4,434,960 | 9,024,960 |
| 2015 | 4,785,000 | 4,263,810 | 9,048,810 |
| 2016 | 4,995,000 | 4,733,085 | 9,728,085 |
| 2017-2021 | 28,865,000 | 19,741,343 | 48,606,343 |
| 2022-2026 | 36,480,000 | 9,552,199 | 46,032,199 |
| 2027-2030 | 17,695,000 | 1,584,885 | 19,279,885 |
| | $ 105,214,000 | 53,723,343 | 158,937,343 |

B. Bonds Authorized But Not Issued:

As of June 30, 2011 the Board had authorized but not issued bonds in the amount of $1,357.

C. Capital Leases Payable:

The District is leasing various equipment, vehicles, and facilities totaling $6,933,238 under capital leases. Semiannual lease payments are made to GE Capital Public Finance, Inc., Blue Bird Body Company, SunTrust Leasing Co., Banc of America, and TD Equipment Finance, and include interest at a rate of 3.75% to 5.80% per annum. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2011.

| | Principal | Interest | Total |
|---|---|---|---|
| Year ending June 30, | | | |
| 2012 | 754,123 | 100,969 | 855,092 |
| 2013 | 565,377 | 66,093 | 631,470 |
| 2014 | 402,696 | 41,001 | 443,697 |
| 2015 | 367,756 | 23,438 | 391,194 |
| 2016 | 166,222 | 8,121 | 174,342 |
| 2017 | 28,000 | 1,168 | 29,168 |
| Total | $ 2,284,173 | 240,790 | 2,524,963 |

The following schedule lists the equipment, along with the accumulated depreciation, that has been obtained through capital leases:

| Description | Cost | Accumulated Depreciation | Remaining Value |
|---|---|---|---|
| Transportation Equipment | $6,458,238 | 3,947,696 | 2,510,542 |
| Operation & Maint of Plant Srvs | 475,000 | 142,500 | 332,500 |
| | $6,933,238 | 4,090,196 | 2,843,042 |

NOTE 8. SCHOOL CONSTRUCTION PROJECTS

The District was awarded $2,725,938 in grant funding through the New Jersey Department of Education to fund various capital maintenance projects for repairs and replacement of building systems at various district buildings. The district has also transferred $1,657,522 from capital outlay and capital reserve to fund these projects. As of June 30, 2011, the District expended $104,774 on these projects.

NOTE 9. PENSION PLANS

*Description of Plans*

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at:
http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

*Teachers' Pension and Annuity Fund*

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 non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and

employees of the Department of Education who have titles that are unclassified, professional and certified.

*Public Employees' Retirement System*

The Public Employees' Retirement System 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 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.

*Funding Policy*

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 current TPAF rate is 5.5% and the PERS rate is 5.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2011, 2010, and 2009 were $3,143,692, $3,019,358, and $2,724,217 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2011, 2010, and 2009 were $1,350,065, $1,016,583, and $831,468 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2011, 2010, and 2009, the State of New Jersey contributed $3,143,692, $3,019,358, and $2,724,217 respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board $3,453,249, $3,535,119, and $3,400,644 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 10. LABOR CONTRACTS

As of June 30, 2011, the District's employees are organized in two collective bargaining units.

| Bargaining Unit | Employees Covered | Expiration |
|---|---|---|
| EHT Education Association | All regularly employed certified personnel, secretarial, and clerical personnel, and paraprofessional. This contract also includes regularly employed custodial, grounds, maintenance, and cafeteria personnel, except supervisors. | June 30, 2013 |
| Principals' and Supervisors' Association | All certified administrative personnel, excluding the Superintendent, Asst Superintendents, Business Administrator, and all employees considered confidential by law. | June 30, 2012 |

In addition to the above contracts, the Board of Education has entered into individual employment agreements with the Superintendent, Assistant Superintendents, Business Administrator and Central Office employees. The expiration of these contracts will vary depending on the position.

NOTE 11. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 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, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you go basis beginning in fiscal year 1994.

The State 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 $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

## NOTE 12. SPECIAL PAY DEFERRAL PLAN

Effective July 1, 2003 the District implemented a Special Pay Deferral Plan in accordance with Section 403(b) of the Internal Revenue Code. This plan will allow employees who are 50 years of age or older and have a minimum accumulated leave of $1,000 to contribute the value of these benefits to a Tax-Sheltered Custodial Account for distribution after the participant reaches age 70 1/2. Distribution may be made in the form of a life annuity, 50% qualified joint and survivor annuity, installments, or as a lump sum distribution.

## NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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:

| | |
|---|---|
| Equitable | Vanguard |
| Lincoln Investment Planning | Retirement Annuity Consultants, Inc. |
| Siracusa Benefits Program | Great American |

## NOTE 14. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. 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. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

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

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

NOTE 15. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, there are potential legal proceedings that may have a material affect on the accompanying financial statements.

NOTE 16. FUND BALANCE APPROPRIATED

**General Fund** – Of the $11,970,164 General Fund fund balance at June 30, 2011, $1,202,684 is reserved for encumbrances; $3,280,883 is reserved as excess surplus in accordance with NJSA 18A:7F-7 ($591,944 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); $2,500,001 has been reserved in the Capital Reserve Account; $2,592,460 has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and $2,394,136 is unreserved and undesignated. During the fiscal year, authorized and approved appropriations of $1,657,522 surplus were made on June 30, 2011.

NOTE 17. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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, 2011 is $3,280,883, of which $591,944 has been included in the 2011-12 budget. The excess fund balance at June 30, 2010 was $3,660,847.

NOTE 18. DEFICIT FUND BALANCE

The District has a deficit fund balance of $892,815 in the General Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of

recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statement of $892,815 is less than the last state aid payments.

## NOTE 19. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation to fund the District operations and debt service. Property taxes funded 64% of the Districts 2010-2011 governmental operations.

## NOTE 20. RISK MANAGEMENT

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2011 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

| Fiscal Year | District Contributions | Employee Contributions | Amount Reimbursed | Ending Balance |
|---|---|---|---|---|
| 2010-2011 | None | 116,658 | 291,521 | 1,013,042 |
| 2009-2010 | $575,000 | 116,893 | 167,284 | 1,187,905 |
| 2008-2009 | None | 111,854 | 64,401 | 663,296 |

Worker's Compensation Fund – Through February 1, 1999, the District retained risk through an established self-funded workers compensation fund with Berkley Risk Managers, Inc. Premiums were paid into the fund and were available to pay claims, claim reserves and administrative costs of the program. The Board currently maintains traditional insurance for its worker's compensation coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The workers compensation account is reported in the general fund. Only amounts that are current liabilities have been included as a charge against the budget line item. For the fiscal year ended June 30, 2011, $18,793 was charged to the worker's compensation budget line item. The balance of estimated unpaid claims and settlement expense as of June 30, 2011 and 2010 was $43,075 and $58,956, respectively. There is a potential contingent liability that exceeds the amount the District has in the worker's compensation fund.

| Fiscal Year Ended | Balance Beginning of Year | Claims Incurred | Claims Paid | Balance End of Year |
|---|---|---|---|---|
| 6/30/11 | $58,956 | | 15,881 | 43,075 |
| 6/30/10 | 86,805 | | 27,849 | 58,956 |
| 6/30/09 | 99,929 | | 13,124 | 86,805 |

NOTE 21. BLUE CROSS/BLUE SHIELD – IBNR CLAIMS RESERVE

Effective January 1, 2010 the District changed their health insurance plan to a minimum premium billing plan with Blue Cross/Blue Shield of New Jersey. This plan requires that a liability be maintained on the balance sheet of the District to cover the claims that have been incurred but not reported to the carrier. The District's insurance consultant obtains the amount to be maintained annually from reports obtained from Blue Cross/Blue Shield. The balance in the reserve fund as of June 30, 2011 was $959,665 and $1,904,813 as of June 30, 2010.

Effective September 1, 2010, the District terminated the above agreement and is now covered through the State Health Benefits Plan.

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NOTE 22. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2011, several interfunds remained on the various balance sheets of the Township of Egg Harbor Board of Education.

| | From | To |
|---|---|---|
| General Fund: | | |
| Special Revenue Fund | $562,116 | |
| Enterprise Fund | 704 | 6,705 |
| Special Revenue Fund: | | |
| General Fund | | 562,116 |
| Enterprise Fund: | | |
| General Fund | 6,705 | 704 |
| | $569,525 | 569,525 |

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies and to subsidize operating revenue in food service. In addition, state aid cash is directly deposited into the general bank account and subsequently transferred to the enterprise bank account. During the 2011 fiscal year, the District transferred $1,657,522 from capital outlay to capital projects to fund repairs and renovations at the High School. It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 23. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 23, 2011, the date which the financial statements were available to be issued and no items were noted for disclosure.

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# Required Supplementary Information
# Part II

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# BUDGETARY COMPARISON SCHEDULES

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Exhibit C-1

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| **REVENUES:** | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | 63,300,938 | | 63,300,938 | 63,300,938 | 0 |
| Tuition | 0 | | 0 | 322,020 | 322,020 |
| Interest | 200,000 | | 200,000 | 426,608 | 226,608 |
| Interest Earned on Capital Reserve Funds | 2,000 | | 2,000 | 2,000 | 0 |
| Miscellaneous | 15,000 | | 15,000 | 1,048,988 | 1,033,988 |
| Total - Local Sources | 63,517,938 | 0 | 63,517,938 | 65,100,554 | 1,582,616 |
| State Sources: | | | | | |
| Equalization Aid | 31,985,465 | (707,567) | 31,277,898 | 31,277,898 | 0 |
| Categorical Special Education Aid | 3,390,697 | 707,567 | 4,098,264 | 4,098,264 | 0 |
| Special Education Extraordinary Aid | 300,000 | | 300,000 | 330,943 | 30,943 |
| Nonpublic School Transportation Aid | 0 | | 0 | 86,676 | 86,676 |
| On-Behalf TPAF Pension Contributions (non-budgeted) | 0 | | 0 | 3,143,692 | 3,143,692 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | 0 | | 0 | 3,453,249 | 3,453,249 |
| Total - State Sources | 35,676,162 | 0 | 35,676,162 | 42,390,722 | 6,714,560 |
| Federal Sources: | | | | | |
| Medical Assistance Program | 112,577 | | 112,577 | 133,963 | 21,386 |
| Total - Federal Sources | 112,577 | 0 | 112,577 | 133,963 | 21,386 |
| **Total Revenues** | **99,306,677** | **0** | **99,306,677** | **107,625,239** | **8,318,562** |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| **EXPENDITURES:** | | | | | |
| **Current Expense:** | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Preschool/Kindergarten | 655,356 | 348,617 | 1,003,973 | 999,892 | 4,081 |
| Grades 1-5 | 10,146,417 | 295,000 | 10,441,417 | 10,437,704 | 3,713 |
| Grades 6-8 | 7,547,878 | 194,479 | 7,742,357 | 7,725,151 | 17,206 |
| Grades 9-12 | 9,519,584 | (390,552) | 9,129,032 | 9,127,627 | 1,405 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 198,084 | 0 | 198,084 | 180,454 | 17,630 |
| Purchased Professional - Educational Services | 35,130 | (2) | 35,128 | 9,233 | 25,895 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | | 216,769 | 216,769 | 212,025 | 4,744 |
| Purchased Professional - Educational Services | 24,134 | 1,925 | 26,059 | 17,541 | 8,518 |
| Purchased Technical Services | 27,961 | 0 | 27,961 | 26,169 | 1,792 |
| Other Purchased Services | 21,054 | 0 | 21,054 | 5,400 | 15,654 |
| General Supplies | 1,800,806 | (73,792) | 1,727,014 | 1,458,347 | 268,667 |
| Textbooks | 331,776 | 0 | 331,776 | 324,307 | 7,469 |
| Total Regular Programs | 30,308,180 | 592,444 | 30,900,624 | 30,523,850 | 376,774 |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 1,288,175 | (806,886) | 481,289 | 481,288 | 1 |
| Other Salaries for Instruction | 21,720 | 0 | 21,720 | 0 | 21,720 |
| General Supplies | 20,741 | 900 | 21,641 | 11,902 | 9,739 |
| Textbooks | 3,065 | 200 | 3,265 | 2,251 | 1,014 |
| Total Learning and/or Language Disabilities | 1,333,701 | (805,786) | 527,915 | 495,441 | 32,474 |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 215,460 | 324,045 | 539,505 | 508,354 | 31,151 |
| General Supplies | 6,086 | 0 | 6,086 | 5,815 | 271 |
| Total Multiple Disabilities | 221,546 | 324,045 | 545,591 | 514,169 | 31,422 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Resource Room/Resource Center | | | | | |
| Salaries of Teachers | 5,266,384 | 254,512 | 5,520,896 | 5,303,410 | 217,486 |
| Other Salaries for Instruction | 259,109 | 0 | 259,109 | 228,963 | 30,146 |
| General Supplies | 59,203 | 1,950 | 61,153 | 37,925 | 23,228 |
| Textbooks | 13,054 | 0 | 13,054 | 9,582 | 3,472 |
| Total Resource Room/Resource Center | 5,597,750 | 256,462 | 5,854,212 | 5,579,880 | 274,332 |
| Preschool Disabilities - Part Time | | | | | |
| Salaries of Teachers | 464,917 | (401,222) | 63,695 | 60,407 | 3,288 |
| Other Salaries for Instruction | 256,380 | (216,769) | 39,611 | 38,662 | 949 |
| General Supplies | 13,420 | 0 | 13,420 | 9,308 | 4,112 |
| Total Preschool Disabilities - Part Time | 734,717 | (617,991) | 116,726 | 108,377 | 8,349 |
| Preschool Disabilities - Full Time | | | | | |
| Salaries of Teachers | | 98,194 | 98,194 | 96,387 | 1,807 |
| Total Preschool Disabilities - Full Time | 0 | 98,194 | 98,194 | 96,387 | 1,807 |
| Total Special Education - Instruction | 7,887,714 | (745,076) | 7,142,638 | 6,794,254 | 348,384 |
| Basic Skills/Remedial - Instruction | | | | | |
| Salaries of Teachers | 1,295,655 | (190,000) | 1,105,655 | 1,103,688 | 1,967 |
| General Supplies | 3,430 | 0 | 3,430 | 3,238 | 192 |
| Total Basic Skills/Remedial - Instruction | 1,299,085 | (190,000) | 1,109,085 | 1,106,926 | 2,159 |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 676,039 | (65,000) | 611,039 | 534,526 | 76,513 |
| Purchased Professional - Educational Services | 4,470 | 0 | 4,470 | 36 | 4,434 |
| General Supplies | 15,207 | 0 | 15,207 | 7,033 | 8,174 |
| Total Bilingual Education - Instruction | 695,716 | (65,000) | 630,716 | 541,595 | 89,121 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| School Sponsored Cocurricular Activities - Instruction: | | | | | |
| Salaries | 146,518 | 23,502 | 170,020 | 169,101 | 919 |
| Purchased Services | 4,000 | 500 | 4,500 | 4,460 | 40 |
| Supplies and Materials | 12,618 | 0 | 12,618 | 12,307 | 311 |
| Other Objects | 1,500 | 0 | 1,500 | 0 | 1,500 |
| Total School Sponsored Cocurricular Activities - Instruction | 164,636 | 24,002 | 188,638 | 185,868 | 2,770 |
| School-Sponsored Athletics - Instruction | | | | | |
| Salaries | 366,833 | 63,900 | 430,733 | 430,701 | 32 |
| Purchased Services | 35,466 | (13,464) | 22,002 | 19,731 | 2,271 |
| Supplies and Materials | 139,143 | 2,000 | 141,143 | 131,059 | 10,084 |
| Other Objects | 17,050 | 11,500 | 28,550 | 25,679 | 2,871 |
| Transfers to Cover Deficit (Agency Funds) | 103,617 | (52,586) | 51,031 | 51,031 | 0 |
| Total School-Sponsored Athletics - Instruction | 662,109 | 11,350 | 673,459 | 658,201 | 15,258 |
| Alternative Education Program | | | | | |
| Salaries | 377,542 | 0 | 377,542 | 368,854 | 8,688 |
| Purchased Professional & Technical Services | 46,350 | (1,000) | 45,350 | 22,446 | 22,904 |
| Supplies and Materials | 8,829 | 2,240 | 11,069 | 7,875 | 3,194 |
| Textbooks | 1,836 | (540) | 1,296 | 367 | 929 |
| Total Alternative Education Program | 434,557 | 700 | 435,257 | 399,542 | 35,715 |
| Total Instruction | 41,451,997 | (371,580) | 41,080,417 | 40,210,236 | 870,181 |
| Undistributed Expenditures - Instruction: | | | | | |
| Tuition to Other LEAs Within the State - Regular | 16,922 | 0 | 16,922 | 6,186 | 10,736 |
| Tuition to Other LEAs Within the State - Special | 0 | 21,667 | 21,667 | 20,547 | 1,120 |
| Tuition to County Voc. School Dist. - Regular | 494,738 | 0 | 494,738 | 387,862 | 106,876 |
| Tuition to CSSD & Regional Day Schools | 1,712,311 | 0 | 1,712,311 | 1,401,521 | 310,790 |
| Tuition to Private Schools for the Disabled - Within State | 936,711 | (21,667) | 915,044 | 206,692 | 708,352 |
| Tuition to Private Schools Disabled & Other LEAs- Special - Outside State | 139,458 | 0 | 139,458 | 111,593 | 27,865 |
| Tuition - State Facilities | 172,470 | 0 | 172,470 | 141,720 | 30,750 |
| Tuition - Other | 53,590 | 0 | 53,590 | 0 | 53,590 |
| Total Undistributed Expenditures - Instruction | 3,526,200 | 0 | 3,526,200 | 2,276,121 | 1,250,079 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Undistributed Expenditures - Attendance and Social Work: | | | | | |
| Salaries | 246,900 | 0 | 246,900 | 241,715 | 5,185 |
| Other Purchased Services | 5,452 | 0 | 5,452 | 3,368 | 2,084 |
| Supplies and Materials | 2,675 | 0 | 2,675 | 1,776 | 899 |
| Total Undistributed Expenditures - Attendance and Social Work | 255,027 | 0 | 255,027 | 246,859 | 8,168 |
| Undistributed Expenditures - Health Services: | | | | | |
| Salaries | 925,691 | (26,050) | 899,641 | 864,089 | 35,552 |
| Purchased Professional and Technical Services | 51,499 | (700) | 50,799 | 31,783 | 19,016 |
| Supplies and Materials | 16,336 | 235 | 16,571 | 14,458 | 2,113 |
| Total Undistributed Expenditures - Health Services | 993,526 | (26,515) | 967,011 | 910,330 | 56,681 |
| Undistributed Expenditures - Other Support Services - Students - Related Services: | | | | | |
| Salaries of Other Professional Staff | 1,095,909 | 83,448 | 1,179,357 | 1,138,864 | 40,493 |
| Purchased Professional - Educational Services | 144,612 | 0 | 144,612 | 71,332 | 73,280 |
| Supplies and Materials | 17,800 | 0 | 17,800 | 7,087 | 10,713 |
| Total Undistributed Expenditures - Other Support Services - Students - Related Services | 1,258,321 | 83,448 | 1,341,769 | 1,217,283 | 124,486 |
| Undistributed Expenditures - Other Support Services - Students - Extra Services: | | | | | |
| Salaries | 1,367,922 | 0 | 1,367,922 | 1,316,762 | 51,160 |
| Purchased Professional - Educational Services | 65,908 | 0 | 65,908 | 50,543 | 15,365 |
| Supplies and Materials | 20,000 | 0 | 20,000 | 7,541 | 12,459 |
| Total Undistributed Expenditures - Other Support Services - Extra Services | 1,453,830 | 0 | 1,453,830 | 1,374,846 | 78,984 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Undistributed Expenditures - Other Support Services - | | | | | |
| Students - Regular: | | | | | |
| Salaries of Other Professional Staff | 1,991,585 | (45,000) | 1,946,585 | 1,849,470 | 97,115 |
| Salaries of Secretarial and Clerical Assistants | 134,793 | 0 | 134,793 | 131,856 | 2,937 |
| Other Purchased Professional and Technical Services | 12,260 | 0 | 12,260 | 10,445 | 1,815 |
| Other Purchased Services | 10,391 | 0 | 10,391 | 3,348 | 7,043 |
| Supplies and Materials | 32,466 | (2,637) | 29,829 | 22,463 | 7,366 |
| Total Undistributed Expenditures - Other Support Services - Students - Regular | 2,181,495 | (47,637) | 2,133,858 | 2,017,582 | 116,276 |
| Undistributed Expenditures - Other Support Services - | | | | | |
| Students - Special: | | | | | |
| Salaries of Other Professional Staff | 1,734,659 | (50,000) | 1,684,659 | 1,519,150 | 165,509 |
| Salaries of Secretarial and Clerical Assistants | 266,206 | 0 | 266,206 | 248,740 | 17,466 |
| Other Purchased Professional and Technical Services | 17,730 | 0 | 17,730 | 17,658 | 72 |
| Residential Costs | 134,715 | 0 | 134,715 | 129,693 | 5,022 |
| Miscellaneous Purchased Services | 14,271 | 0 | 14,271 | 9,427 | 4,844 |
| Supplies and Materials | 36,020 | (4,700) | 31,320 | 22,268 | 9,052 |
| Total Undistributed Expenditures - Other Support Services - Students - Special | 2,203,601 | (54,700) | 2,148,901 | 1,946,936 | 201,965 |
| Undistributed Expenditures - Improvement of Instruction Services: | | | | | |
| Salaries of Secretary and Clerical Assistants | 26,900 | (26,900) | 0 | 0 | 0 |
| Salaries of Supervisors of Instruction | 677,695 | 131,365 | 809,060 | 809,060 | 0 |
| Salaries of Other Professional Staff | 82,448 | 0 | 82,448 | 81,623 | 825 |
| Other Purchased Services | 49,258 | 0 | 49,258 | 49,258 | 0 |
| Total Undistributed Expenditures - Improv. of Instr. Services | 836,301 | 104,465 | 940,766 | 939,941 | 825 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Undistributed Expenditures - Educational Media Services - School Library | | | | | |
| Salaries | 806,346 | 0 | 806,346 | 716,638 | 89,708 |
| Salaries of Technology Coordinators | 79,777 | 0 | 79,777 | 79,002 | 775 |
| Purchased Professional and Technical Services | 522,305 | (3,959) | 518,346 | 179,932 | 338,414 |
| Other Purchased Services | 46,633 | 0 | 46,633 | 39,809 | 6,824 |
| Supplies and Materials | 244,476 | (6,128) | 238,348 | 207,098 | 31,250 |
| Other Objects | 83,949 | 1 | 83,950 | 65,322 | 18,628 |
| Total Undistributed Expenditures - Educational Media Services - School Library | 1,783,486 | (10,086) | 1,773,400 | 1,287,801 | 485,599 |
| Undistributed Expenditures - Instructional Staff Training Services | | | | | |
| Salaries of Supervisors of Instruction | 124,456 | 0 | 124,456 | 123,977 | 479 |
| Salaries of Other Professional Staff | 50,048 | 0 | 50,048 | 11,911 | 38,137 |
| Purchased Professional - Educational Services | 44,806 | 0 | 44,806 | 23,966 | 20,840 |
| Other Purchased Services | 21,424 | 0 | 21,424 | 444 | 20,980 |
| Supplies and Materials | 5,616 | 0 | 5,616 | 5,592 | 24 |
| Other Objects | 11,615 | 0 | 11,615 | 919 | 10,696 |
| Total Undistributed Expenditures - Instructional Staff Training Srvc | 257,965 | 0 | 257,965 | 166,809 | 91,156 |
| Undistributed Expenditures - Support Services - Gen. Admin.: | | | | | |
| Salaries | 623,233 | 4,253 | 627,486 | 627,485 | 1 |
| Legal Services | 226,624 | 11,890 | 238,514 | 220,064 | 18,450 |
| Audit Fees | 33,000 | 0 | 33,000 | 33,000 | 0 |
| Architectural/Engineering Services | 52,971 | 0 | 52,971 | 24,988 | 27,983 |
| Other Purchased Professional Services | 82,496 | (11,890) | 70,606 | 28,608 | 41,998 |
| Purchased Technical Services | 14,029 | 0 | 14,029 | 6,834 | 7,195 |
| Communications/Telephone | 282,470 | 0 | 282,470 | 171,046 | 111,424 |
| Other Purchased Services | 262,312 | (11,481) | 250,831 | 197,413 | 53,418 |
| General Supplies | 19,130 | (3,629) | 15,501 | 8,208 | 7,293 |
| BOE In-House Training/Meeting Supplies | 11,652 | 0 | 11,652 | 9,894 | 1,758 |
| Miscellaneous Expenditures | 26,600 | 0 | 26,600 | 10,384 | 16,216 |
| BOE Membership Dues and Fees | 38,300 | 0 | 38,300 | 26,663 | 11,637 |
| Total Undistributed Expenditures - Support Services - Gen. Admin. | 1,672,817 | (10,857) | 1,661,960 | 1,364,587 | 297,373 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Undistributed Expenditures - Support Serv. - School Admin.: | | | | | |
| Salaries of Principals/Assistant Principals | 1,697,254 | 7,500 | 1,704,754 | 1,700,664 | 4,090 |
| Salaries of Other Professional Staff | 441,622 | 0 | 441,622 | 432,227 | 9,395 |
| Salaries of Secretarial and Clerical Assistants | 842,614 | 12,697 | 855,311 | 824,770 | 30,541 |
| Purchased Professional and Technical Services | 36,384 | 465 | 36,849 | 16,366 | 20,483 |
| Other Purchased Services | 150,596 | 0 | 150,596 | 110,049 | 40,547 |
| Supplies and Materials | 69,638 | (465) | 69,173 | 41,543 | 27,630 |
| Other Objects | 4,000 | (235) | 3,765 | 0 | 3,765 |
| Total Undistributed Expenditures - Support Serv. - School Admin. | 3,242,108 | 19,962 | 3,262,070 | 3,125,619 | 136,451 |
| Undistributed Expenditures - Central Services | | | | | |
| Salaries | 519,850 | 0 | 519,850 | 506,675 | 13,175 |
| Purchased Technical Services | 52,331 | 0 | 52,331 | 34,718 | 17,613 |
| Miscellaneous Purchased Services (400-500 series) | 280,428 | 0 | 280,428 | 233,570 | 46,858 |
| Supplies and Materials | 23,908 | (3,350) | 20,558 | 18,109 | 2,449 |
| Miscellaneous Expenditures | 12,000 | 0 | 12,000 | 4,283 | 7,717 |
| Total Undistributed Expenditures - Central Services | 888,517 | (3,350) | 885,167 | 797,355 | 87,812 |
| Undistributed Expenditures - Administrative Information Technology | | | | | |
| Salaries | 383,017 | (7,500) | 375,517 | 333,626 | 41,891 |
| Purchased Technical Services | 136,429 | (6,886) | 129,543 | 48,271 | 81,272 |
| Supplies and Materials | 32,886 | 0 | 32,886 | 10,997 | 21,889 |
| Total Undistributed Expenditures - Admin. Information Technology | 552,332 | (14,386) | 537,946 | 392,894 | 145,052 |
| Undistributed Expenditures - Required Maint for School Facilities | | | | | |
| Salaries | 449,456 | (35,000) | 414,456 | 393,468 | 20,988 |
| Cleaning, Repair, and Maintenance Services | 405,924 | 122,000 | 527,924 | 457,027 | 70,897 |
| General Supplies | 146,671 | 25,000 | 171,671 | 131,611 | 40,060 |
| Other Objects | 2,678 | 0 | 2,678 | 928 | 1,750 |
| Total Undistributed Expenditures - Required Maint for School Facilities | 1,004,729 | 112,000 | 1,116,729 | 983,034 | 133,695 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Undistributed Expenditures - Custodial Services | | | | | |
| Salaries | 3,690,530 | (36,000) | 3,654,530 | 3,412,111 | 242,419 |
| Cleaning, Repair and Maintenance Services | 293,604 | 12,904 | 306,508 | 240,395 | 66,113 |
| Rental of Land & Building Other than Lease Purch Agmt | 364,338 | (21,850) | 342,488 | 299,082 | 43,406 |
| Other Purchased Property Services | 171,214 | 0 | 171,214 | 129,428 | 41,786 |
| Insurance | 380,107 | 0 | 380,107 | 353,638 | 26,469 |
| General Supplies | 315,289 | (65,000) | 250,289 | 205,664 | 44,625 |
| Energy (Electricity) | 2,622,101 | (42,450) | 2,579,651 | 2,325,579 | 254,072 |
| Other Objects | 2,800 | 0 | 2,800 | 104 | 2,696 |
| Energy (Natural Gas) | 1,164,023 | 0 | 1,164,023 | 729,565 | 434,458 |
| Energy (Oil) | 7,900 | 500 | 8,400 | 7,988 | 412 |
| Total Undistributed Expenditures - Custodial Services | 9,011,906 | (151,896) | 8,860,010 | 7,703,554 | 1,156,456 |
| Undistributed Expenditures - Care & Upkeep of Grounds | | | | | |
| Salaries | 302,819 | 17,000 | 319,819 | 307,932 | 11,887 |
| Cleaning, Repair and Maintenance Services | 121,438 | 21,850 | 143,288 | 88,878 | 54,410 |
| General Supplies | 63,955 | 0 | 63,955 | 54,530 | 9,425 |
| Total Undistributed Expenditures - Care & Upkeep of Grounds | 488,212 | 38,850 | 527,062 | 451,340 | 75,722 |
| Undistributed Expenditures - Security | | | | | |
| Salaries | 81,179 | 0 | 81,179 | 80,799 | 380 |
| Cleaning, Repair and Maintenance Services | 160,267 | (11,575) | 148,692 | 134,264 | 14,428 |
| General Supplies | 13,350 | 0 | 13,350 | 3,200 | 10,150 |
| Total Undistributed Expenditures - Security | 254,796 | (11,575) | 243,221 | 218,263 | 24,958 |
| Total Undistributed Expenditures - Oper & Main of Plant Services | 10,759,643 | (12,621) | 10,747,022 | 9,356,191 | 1,390,831 |
| Undistributed Expenditures - Student Transportation Services: | | | | | |
| Sal for Pupil Transp (Between Home and School)-Reg. | 2,231,991 | (39,904) | 2,192,087 | 2,152,874 | 39,213 |
| Sal for Pupil Transp (Between Home and School)-Sp Ed | 174,157 | 14,404 | 188,561 | 188,560 | 1 |
| Sal for Pupil Transp (Other than Bet. Home & School) | 198,996 | (75,000) | 123,996 | 82,712 | 41,284 |
| Other Purchased Professional and Technical Services | 36,956 | (14,500) | 22,456 | 11,776 | 10,680 |
| Cleaning, Repair, and Maintenance Services | 162,755 | 12,000 | 174,755 | 139,488 | 35,267 |
| Lease Purchase Payments - School Buses | 873,073 | 0 | 873,073 | 873,073 | 0 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Contracted Services - (Between Home and School) - Joint Agree. | 46,668 | 0 | 46,668 | 22,100 | 24,568 |
| Contracted Services - (Between Home and School) - Vendors | 638,833 | (135,000) | 503,833 | 493,557 | 10,276 |
| Contracted Services - (Special Ed Students) - Vendors | 65,000 | (65,000) | 0 | 0 | 0 |
| Contracted Services - (Special Ed Students) - Joint Agree. | 1,251,664 | 0 | 1,251,664 | 1,162,273 | 89,391 |
| Contracted Services - Aid in Lieu of Payments | 109,208 | 0 | 109,208 | 81,351 | 27,857 |
| Contracted Services - Aid in Lieu of Payments - Charter School | 34,732 | 0 | 34,732 | 27,099 | 7,633 |
| Miscellaneous Purchased Services - Transportation | 105,718 | 0 | 105,718 | 103,749 | 1,969 |
| Supplies and Materials | 13,402 | 0 | 13,402 | 4,148 | 9,254 |
| Transportation Supplies | 1,030,649 | 133,000 | 1,163,649 | 1,121,732 | 41,917 |
| Miscellaneous Expenditures | 12,893 | 0 | 12,893 | 7,260 | 5,633 |
| Total Undistributed Expenditures - Student Transportation Serv. | 6,986,695 | (170,000) | 6,816,695 | 6,471,752 | 344,943 |
| Unallocated Benefits: | | | | | |
| Social Security Contributions | 1,191,264 | 0 | 1,191,264 | 1,125,160 | 66,104 |
| Other Retirement Contributions - Regular | 1,097,247 | 255,000 | 1,352,247 | 1,350,065 | 2,182 |
| Workmen's Compensation | 1,056,226 | 0 | 1,056,226 | 914,434 | 141,792 |
| Health Benefits | 18,348,432 | 0 | 18,348,432 | 17,818,760 | 529,672 |
| Tuition Reimbursement | 69,800 | 0 | 69,800 | 49,600 | 20,200 |
| Other Employee Benefits | 489,637 | 0 | 489,637 | 367,148 | 122,489 |
| Total Unallocated Benefits | 22,252,606 | 255,000 | 22,507,606 | 21,625,167 | 882,439 |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | 3,143,692 | (3,143,692) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 3,453,249 | (3,453,249) |
| Total On-behalf Contributions | 0 | 0 | 0 | 6,596,941 | (6,596,941) |
| Total Undistributed Expenditures | 61,104,470 | 112,723 | 61,217,193 | 62,115,014 | (897,821) |
| **Total Current Expense** | **102,556,467** | **(258,857)** | **102,297,610** | **102,325,250** | **(27,640)** |
| **Capital Outlay:** | | | | | |
| Interest Deposit to Capital Reserve | 2,000 | 0 | 2,000 | 2,000 | 0 |
| Total Interest Deposit to Capital Reserve | 2,000 | 0 | 2,000 | 2,000 | 0 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Equipment: | | | | | |
| Undistributed Expenditures: | | | | | |
| Grades 1-5 | 3,000 | 12,358 | 15,358 | 12,159 | 3,199 |
| Grades 6-8 | 4,225 | 0 | 4,225 | 4,225 | 0 |
| Grades 9-12 | 11,689 | 22,709 | 34,398 | 33,937 | 461 |
| Support Services - Regular | | 3,959 | 3,959 | 0 | 3,959 |
| Undist. Expend. - General Administration | | 15,110 | 15,110 | 3,629 | 11,481 |
| Undist. Expend. - Central Services | | 3,350 | 3,350 | 3,350 | 0 |
| Support Services - Student Transportation-Non Inst. Equip | 10,000 | 170,000 | 180,000 | 8,087 | 171,913 |
| Undist. Expend. - Admin Info Tech. | | 16,575 | 16,575 | 0 | 16,575 |
| Undist. Expend. - Instruction | 52,704 | 6,050 | 58,754 | 58,566 | 188 |
| Undist. Expend. - Operation & Maint. Of Plant Serv | 15,900 | 0 | 15,900 | 15,119 | 781 |
| Undist. Expend. - Custodial Services | 12,600 | 0 | 12,600 | 12,600 | 0 |
| Undist. Expend. - Care and Upkeep of Grounds | 0 | 4,046 | 4,046 | 0 | 4,046 |
| Undist. Expend. - Security | 34,400 | 0 | 34,400 | 2,830 | 31,570 |
| Total Equipment | 144,518 | 254,157 | 398,675 | 154,502 | 244,173 |
| Facilities Acquisition and Construction Services: | | | | | |
| Construction Services | 306,368 | (101,624) | 204,744 | 139,353 | 65,391 |
| Other Objects | 76,701 | 0 | 76,701 | 0 | 76,701 |
| Total Facilities Acquisition and Construction Services | 383,069 | (101,624) | 281,445 | 139,353 | 142,092 |
| **Total Capital Outlay** | **529,587** | **152,533** | **682,120** | **295,855** | **386,265** |
| **Transfer to Charter Schools** | 786,609 | 0 | 786,609 | 743,841 | 42,768 |
| **Total Expenditures** | **103,872,663** | **(106,324)** | **103,766,339** | **103,364,946** | **401,393** |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (4,565,986) | 106,324 | (4,459,662) | 4,260,293 | 8,719,955 |
| Other Financing Sources (Uses): | | | | | |
| Cancellation of prior year purchase orders | 0 | | 0 | 1,101 | 1,101 |
| Debt service assessment | (400,347) | | (400,347) | (400,347) | 0 |
| Operating Transfers Out: | | | | | |
| Capital Reserve transfer to capital projects | | (1,657,522) | (1,657,522) | (1,657,522) | 0 |

**Exhibit C-1**

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**General Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (4,966,333) | (1,551,198) | (6,517,531) | 2,203,525 | 8,721,056 |
| Fund Balances, July 1 | 9,766,639 | | 9,766,639 | 9,766,639 | 0 |
| Fund Balances, June 30 | $4,800,306 | (1,551,198) | 3,249,108 | 11,970,164 | 8,721,056 |

| | |
|---|---|
| **Recapitulation of Fund Balance:** | |
| **Restricted Fund Balance:** | |
| Reserve for Excess Surplus | 2,696,945 |
| Excess Surplus-Designated for Subsequent Year's Expenditures | 591,944 |
| **Committed Fund Balance:** | |
| Reserve for Capital Reserve | 2,500,001 |
| Designated for Subsequent Year's Expenditures | 2,592,460 |
| **Assigned Fund Balance:** | |
| Year-end Encumbrances | 1,202,684 |
| **Unassigned Fund Balance** | 2,386,130 |
| | 11,970,164 |
| Reconciliation to Governmental Funds Statements (GAAP) | |
| Last State Aid Payment Not Recognized on GAAP Basis | (3,286,951) |
| | $8,683,213 |

Exhibit C-2

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**Special Revenue Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| **REVENUES:** | | | | | |
| Local Sources: | | | | | |
| Revenue from Local Sources | 85,203 | 0 | 85,203 | 68,037 | (17,166) |
| Total - Local Sources | 85,203 | 0 | 85,203 | 68,037 | (17,166) |
| State Sources: | | | | | |
| Nonpublic aid | 255,066 | 0 | 255,066 | 232,187 | (22,879) |
| Total - State Sources | 255,066 | 0 | 255,066 | 232,187 | (22,879) |
| Federal Sources: | | | | | |
| ARRA - Title I | 354,745 | 0 | 354,745 | 325,730 | (29,015) |
| Title I | 931,370 | 7,913 | 939,283 | 733,080 | (206,203) |
| Title II | 221,931 | 0 | 221,931 | 188,135 | (33,796) |
| Title III | 68,699 | 46 | 68,745 | 50,538 | (18,207) |
| Title IV | 9,389 | 0 | 9,389 | 8,105 | (1,284) |
| ARRA - IDEA, Part B | 1,412,664 | 0 | 1,412,664 | 1,128,153 | (284,511) |
| I.D.E.A., Part B | 2,083,802 | 4,452 | 2,088,254 | 1,566,109 | (522,145) |
| Vocational Education | 67,558 | 0 | 67,558 | 66,368 | (1,190) |
| Other | 137,823 | 100 | 137,923 | | (137,923) |
| Total - Federal Sources | 5,287,981 | 12,511 | 5,300,492 | 4,066,218 | (1,234,274) |
| **Total Revenues** | **5,628,250** | **12,511** | **5,640,761** | **4,366,442** | **(1,274,319)** |
| **EXPENDITURES:** | | | | | |
| **Instruction** | | | | | |
| Salaries of Teachers | 1,716,443 | (61,730) | 1,654,713 | 1,228,948 | 425,765 |
| Purchased Professional and Technical Services | 358,704 | (40,484) | 318,220 | 256,127 | 62,093 |
| Other Purchased Services (400-500 series) | 1,870,108 | 133,267 | 2,003,375 | 1,766,764 | 236,611 |
| General Supplies | 76,538 | 44,216 | 120,754 | 76,591 | 44,163 |
| Textbooks | 24,839 | (2) | 24,837 | 23,231 | 1,606 |
| Other objects | 15,500 | (1,276) | 14,224 | 14,224 | 0 |
| **Total instruction** | 4,062,132 | 73,991 | 4,136,123 | 3,365,885 | 770,238 |

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**Special Revenue Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| **EXPENDITURES (CONT'D):** | | | | | |
| Support Services | | | | | |
| Salaries of Program Directors | 369,755 | (52,985) | 316,770 | 202,289 | 114,481 |
| Personal Services - Employee Benefits | 291,367 | (46,400) | 244,967 | 156,467 | 88,500 |
| Purchased Professional - Educational Services | 89,492 | 0 | 89,492 | 89,492 | 0 |
| Purchased Technical Services | 220,280 | 33,256 | 253,536 | 180,936 | 72,600 |
| Travel | 830 | (764) | 66 | 66 | 0 |
| Other purchased Services (400-500 series) | 107,221 | (13,492) | 93,729 | 39,471 | 54,258 |
| Supplies & Materials | 84,964 | (5,427) | 79,537 | 71,865 | 7,672 |
| **Total support services** | 1,163,909 | (85,812) | 1,078,097 | 740,586 | 337,511 |
| **Facilities acquisition and construction services:** | | | | | |
| Buildings | 315,000 | (17,400) | 297,600 | 214,954 | 82,646 |
| Instructional Equipment | 87,209 | 41,732 | 128,941 | 45,017 | 83,924 |
| Noninstructional Equipment | | 0 | | 0 | 0 |
| **Total facilities acquisition and construction services** | 402,209 | 24,332 | 426,541 | 259,971 | 166,570 |
| **Transfers to Charter Schools** | | 0 | | 0 | 0 |
| **Total expenditures** | **5,628,250** | **12,511** | **5,640,761** | **4,366,442** | **1,274,319** |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 | 0 |

Exhibit C-3

Township of Egg Harbor School District
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2011

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

| | General Fund | Special Revenue |
|---|---|---|
| **Sources/inflows of resources** | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | $107,625,239 | 4,366,442 |
| 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 | | 183,126 |
| Current year | | (413,336) |
| State aid payment rcognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 3,789,718 | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | (3,286,951) | |
| Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds | 108,128,006 | 4,136,232 |
| **Uses/outflows of resources** | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | 103,364,946 | 4,366,442 |
| 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 | | |
| Prior year | | 183,126 |
| Current year | | (413,336) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | $103,364,946 | 4,136,232 |

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# SPECIAL REVENUE FUND

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**TOWNSHIP OF EGG HARBOR**
**Special Revenue Fund**
**Combining Schedule of Revenue and Expenditures**
**Budgetary Basis**
**FOR THE FISCAL YEAR ENDED June 30, 2011**

| | | Nonpublic Auxiliary Aid | | Nonpublic Handicapped Aid | | | | |
|---|---|---|---|---|---|---|---|---|
| | Nonpublic Textbooks | Compensatory Education | Transportation | Examination & Classification | Corrective Speech | Supplemental Instruction | Nonpublic Nursing | Total State Funds |
| REVENUES: | | | | | | | | |
| State Sources | 23,231 | 102,984 | 17,288 | 31,738 | 12,517 | 16,676 | 27,753 | 232,187 |
| Federal Sources | | | | | | | | 0 |
| Local Sources | | | | | | | | 0 |
| Total revenues | 23,231 | 102,984 | 17,288 | 31,738 | 12,517 | 16,676 | 27,753 | 232,187 |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of teachers | | | | | | | | 0 |
| Purchased prof. and technical services | | 102,984 | 17,288 | 31,738 | 12,517 | 16,676 | | 181,203 |
| Other purchased services | | | | | | | | 0 |
| General supplies | | | | | | | | 0 |
| Textbooks | 23,231 | | | | | | | 23,231 |
| Other objects | | | | | | | | 0 |
| Total instruction | 23,231 | 102,984 | 17,288 | 31,738 | 12,517 | 16,676 | 0 | 204,434 |
| Support services: | | | | | | | | |
| Salaries of program directors | | | | | | | | 0 |
| Personal services- employee benefits | | | | | | | | 0 |
| Purchased professional-educational services | | | | | | | 27,753 | 27,753 |
| Purchased technical services | | | | | | | | 0 |
| Miscellaneous purchased services | | | | | | | | 0 |
| Travel | | | | | | | | 0 |
| Supplies and materials | | | | | | | | 0 |
| Total support services | 0 | 0 | 0 | 0 | 0 | 0 | 27,753 | 27,753 |
| Facilities acquisition and const. serv.: | | | | | | | | |
| Buildings | | | | | | | | 0 |
| Instructional equipment | | | | | | | | 0 |
| Noninstructional equipment | | | | | | | | 0 |
| Total facilities acquisition and construction services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to charter schools | | | | | | | | 0 |
| Total expenditures | 23,231 | 102,984 | 17,288 | 31,738 | 12,517 | 16,676 | 27,753 | 232,187 |

**TOWNSHIP OF EGG HARBOR**
**Special Revenue Fund**
**Combining Schedule of Revenue and Expenditures**
**Budgetary Basis**
**FOR THE FISCAL YEAR ENDED June 30, 2011**

| | ARRA I.D.E.A. Part - B Basic | I.D.E.A. Part - B Basic | Carryover I.D.E.A. Part - B Basic | ARRA I.D.E.A. Part - B Preschool | I.D.E.A. Part - B Preschool | Carryover I.D.E.A. Part - B Preschool | ARRA Title I Part A | ARRA Title I SIA |
|---|---|---|---|---|---|---|---|---|
| REVENUES: | | | | | | | | |
| State Sources | | | | | | | | |
| Federal Sources | 1,118,579 | 1,359,527 | 153,608 | 9,574 | 1,481 | 51,493 | 310,377 | 15,353 |
| Local Sources | | | | | | | | |
| Total revenues | 1,118,579 | 1,359,527 | 153,608 | 9,574 | 1,481 | 51,493 | 310,377 | 15,353 |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of teachers | 10,605 | 98,441 | 109,460 | | | 47,834 | 260,392 | 13,392 |
| Purchased prof. and technical services | | 51,194 | 2,720 | | | | | |
| Other purchased services | 773,713 | 988,334 | | | | | | |
| General supplies | 32,276 | | 1,638 | 6,162 | 1,481 | | | |
| Textbooks | | | | | | | | |
| Other objects | | | | | | | | |
| Total instruction | 816,594 | 1,137,969 | 113,818 | 6,162 | 1,481 | 47,834 | 260,392 | 13,392 |
| Support services: | | | | | | | | |
| Salaries of program directors | | 58,157 | 29,184 | | | | 11,021 | |
| Personal services- employee benefits | 811 | 11,980 | 10,606 | | | 3,659 | 38,964 | 1,961 |
| Purchased professional-educational services | 60,239 | | | 1,500 | | | | |
| Purchased technical services | | 150,636 | | | | | | |
| Miscellaneous purchased services | 288 | | | | | | | |
| Travel | | | | | | | | |
| Supplies and materials | 25,693 | 785 | | 1,912 | | | | |
| Total support services | 87,031 | 221,558 | 39,790 | 3,412 | 0 | 3,659 | 49,985 | 1,961 |
| Facilities acquisition and const. serv.: | | | | | | | | |
| Buildings | 214,954 | | | | | | | |
| Instructional equipment | | | | | | | | |
| Noninstructional equipment | | | | | | | | |
| Total facilities acquisition and construction services | 214,954 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to charter schools | | | | | | | | |
| Total expenditures | 1,118,579 | 1,359,527 | 153,608 | 9,574 | 1,481 | 51,493 | 310,377 | 15,353 |

**TOWNSHIP OF EGG HARBOR**
**Special Revenue Fund**
**Combining Schedule of Revenue and Expenditures**
**Budgetary Basis**
**FOR THE FISCAL YEAR ENDED June 30, 2011**

| | Title I Part A | Carryover Title I Part A | Carryover Title I SIA | Title II Part A | Title II Part D | Carryover Title II Part A | Carryover Title II Part D |
|---|---|---|---|---|---|---|---|
| REVENUES: | | | | | | | |
| State Sources | | | | | | | |
| Federal Sources | 630,087 | 101,063 | 1,930 | 143,463 | 2,430 | 36,332 | 5,911 |
| Local Sources | | | | | | | |
| Total revenues | 630,087 | 101,063 | 1,930 | 143,463 | 2,430 | 36,332 | 5,911 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | 468,345 | 63,742 | | 66,675 | | | |
| Purchased prof. and technical services | | | | | | | |
| Other purchased services | | | | | | | |
| General supplies | | | 1,644 | | | | |
| Textbooks | | | | | | | |
| Other objects | | | | | | | |
| Total instruction | 468,345 | 63,742 | 1,644 | 66,675 | 0 | 0 | 0 |
| Support services: | | | | | | | |
| Salaries of program directors | 38,785 | 30,139 | | 27,003 | | 8,000 | |
| Personal services- employee benefits | 63,201 | 7,182 | | 10,799 | | 612 | |
| Purchased professional-educational services | | | | | | | |
| Purchased technical services | 24,000 | | | 6,300 | | | |
| Miscellaneous purchased services | 3,000 | | | 2,818 | 1,436 | 27,622 | 1,511 |
| Travel | | | | | | | |
| Supplies and materials | 1,786 | | 286 | 29,868 | 994 | 98 | 4,400 |
| Total support services | 130,772 | 37,321 | 286 | 76,788 | 2,430 | 36,332 | 5,911 |
| Facilities acquisition and const. serv.: | | | | | | | |
| Buildings | | | | | | | |
| Instructional equipment | 30,970 | | | | | | |
| Noninstructional equipment | | | | | | | |
| Total facilities acquisition and construction services | 30,970 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to charter schools | | | | | | | |
| Total expenditures | 630,087 | 101,063 | 1,930 | 143,463 | 2,430 | 36,332 | 5,911 |

**TOWNSHIP OF EGG HARBOR**
**Special Revenue Fund**
**Combining Schedule of Revenue and Expenditures**
**Budgetary Basis**
**FOR THE FISCAL YEAR ENDED June 30, 2011**

| | Title III English Language Enhancement | Carryover Title III ELH | Carryover Title IV, Part A Drug Free Schools | Carl D. Perkins Vocational | Total Federal Funds | Workforce Investment Board (WIB) | Total All Other Funds | Totals |
|---|---|---|---|---|---|---|---|---|
| REVENUES: | | | | | | | | |
| State Sources | | | | | 0 | | 0 | 232,187 |
| Federal Sources | 49,988 | 549 | 8,105 | 66,368 | 4,066,218 | | 0 | 4,066,218 |
| Local Sources | | | | | 0 | 68,037 | 68,037 | 68,037 |
| Total revenues | 49,988 | 549 | 8,105 | 66,368 | 4,066,218 | 68,037 | 68,037 | 4,366,442 |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of teachers | 43,463 | 510 | 1,884 | 1,915 | 1,186,658 | 42,290 | 42,290 | 1,228,948 |
| Purchased prof. and technical services | | | 34 | 346 | 54,294 | 20,630 | 20,630 | 256,127 |
| Other purchased services | | | | | 1,762,047 | 4,717 | 4,717 | 1,766,764 |
| General supplies | 162 | | | 32,828 | 76,191 | 400 | 400 | 76,591 |
| Textbooks | | | | | 0 | | 0 | 23,231 |
| Other objects | | | | 14,224 | 14,224 | | 0 | 14,224 |
| Total instruction | 43,625 | 510 | 1,918 | 49,313 | 3,093,414 | 68,037 | 68,037 | 3,365,885 |
| Support services: | | | | | | | | |
| Salaries of program directors | | | | | 202,289 | | 0 | 202,289 |
| Personal services- employee benefits | 6,363 | 39 | 144 | 146 | 156,467 | | 0 | 156,467 |
| Purchased professional-educational services | | | | | 61,739 | | 0 | 89,492 |
| Purchased technical services | | | | | 180,936 | | 0 | 180,936 |
| Miscellaneous purchased services | | | | 2,796 | 39,471 | | 0 | 39,471 |
| Travel | | | | 66 | 66 | | 0 | 66 |
| Supplies and materials | | | 6,043 | | 71,865 | | 0 | 71,865 |
| Total support services | 6,363 | 39 | 6,187 | 3,008 | 712,833 | 0 | 0 | 740,586 |
| Facilities acquisition and const. serv.: | | | | | | | | |
| Buildings | | | | | 214,954 | | 0 | 214,954 |
| Instructional equipment | | | | 14,047 | 45,017 | | 0 | 45,017 |
| Noninstructional equipment | | | | | 0 | | 0 | 0 |
| Total facilities acquisition and construction services | 0 | 0 | 0 | 14,047 | 259,971 | 0 | 0 | 259,971 |
| Transfer to charter schools | | | | | 0 | | 0 | 0 |
| Total expenditures | 49,988 | 549 | 8,105 | 66,368 | 4,066,218 | 68,037 | 68,037 | 4,366,442 |

# CAPITAL PROJECTS FUND

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**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Capital Projects Fund**
**Summary Statement of Project Expenditures**
**Year Ended June 30, 2011**

| Number | Issue/Project Title | Original Date | Appropriations | Expenditures to Date Prior Years | Expenditures to Date Current Year | Unexpended Balance |
|---|---|---|---|---|---|---|
| SP#200324 | Construction of elementary school | 3/28/00 | 21,670,374 | 21,433,993 | 0 | 236,381 |
| SP#1310-034-05-1000 | Intermediate School Addition and Alterations | 1/27/05 | 5,226,174 | 5,202,748 | 23,426 | 0 |
| SP#1310-005-05-1000 | Installation of Security System at the High School | 3/9/05 | 302,695 | 302,630 | 65 | 0 |
| | Various Repairs and Renovations at | 4/15/08 | | | | |
| SP#1310-033-08-1000 | Davenport Elementary | | 5,226,777 | 4,332,341 | 159,979 | 734,457 |
| SP#1310-035-08-1000 | Slaybaugh Elementary | | 4,391,664 | 3,298,611 | 195,007 | 898,046 |
| SP#1310-034-08-1000 | Alder Avenue Middle School | | 2,581,224 | 1,976,535 | 85,406 | 519,283 |
| SP#1310-039-08-1000 | Fernwood Avenue Middle School | | 4,958,800 | 4,797,653 | 161,147 | 0 |
| SP#1310-050-08-1000 | Swift Elementary School | | 1,903,196 | 1,375,940 | 88,512 | 438,744 |
| SP#1310-045-08-1000 | Miller Elementary School | | 2,287,280 | 1,612,798 | 50,447 | 624,035 |
| SP#1310-005-08-1000 | Egg Harbor Township High School | | 7,964,426 | 5,216,714 | 2,569,476 | 178,236 |
| | Various Repairs and Renovations at | 8/26/10 | | | | |
| SP#1310-005-10-1001 | Egg Harbor Township High School | | 24,203 | | 3,967 | 20,236 |
| SP#1310-039-10-1006 | Fernwood Avenue Middle School | | 412,704 | | 26,412 | 386,292 |
| SP#1310-038-10-1004 | Alder Avenue Middle School | | 234,026 | | 14,954 | 219,072 |
| SP#1310-033-10-1002 | Davenport Elementary | | 390,221 | | 21,314 | 368,907 |
| SP#1310-035-10-1003 | Slaybaugh Elementary | | 596,368 | | 38,127 | 558,241 |
| Totals | | | $58,170,132 | 49,549,963 | 3,438,239 | 5,181,930 |

Township of Egg Harbor School District
Capital Projects Fund
Sumary Schedule of Projects Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2011

| | |
|---|---|
| **Revenues and other Financing Sources** | |
| State sources - | |
| School Facilities Grant Program | 0 |
| NJ Department of Treasury Grant | 0 |
| NJ Economic Development Authority | 0 |
| Bond proceeds and transfers | 0 |
| Township of Egg Harbor | 0 |
| Transfer from capital reserve | 106,324 |
| Transfer from capital outlay | 1,551,198 |
| Total revenues | 1,657,522 |
| | |
| **Expenditures and other Financing Uses** | |
| Salaries | 0 |
| Purchased professional and technical services | 104,774 |
| Legal services | 0 |
| Land and improvements | 0 |
| Construction services | 3,333,465 |
| Equipment purchases | 0 |
| Total expenditures | 3,438,239 |
| | |
| Excess (deficiency) of revenues over (under) expenditures | (1,780,717) |
| | |
| Fund balance - beginning | 6,962,647 |
| | |
| Fund balance - ending | $5,181,930 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Construction of Dr. Joyanne D. Miller Elementary School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | 21,670,374 | | 21,670,374 | |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 21,670,374 | 0 | 21,670,374 | 0 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | | | 0 | |
| Purchased professional and technical services | 74,592 | | 74,592 | |
| Legal services | 21,528 | | 21,528 | |
| Contingency | 57,505 | | 57,505 | |
| Construction services | 20,510,154 | | 20,510,154 | |
| Furniture & equipment purchases | 770,214 | | 770,214 | |
| Total expenditures | 21,433,993 | 0 | 21,433,993 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | 236,381 | 0 | 236,381 | 0 |

**Additional project information:**

| | |
|---|---|
| Project number | SP-200324 |
| Grant Date | N/A |
| Bond Authorization Date | 3/28/00 |
| Bonds Authorized | 21,800,000 |
| Bonds Issued | 21,800,000 |
| Original Authorized Cost | 21,800,000 |
| Additional/Reduction in Authorized Cost | (129,626) |
| Revised Authorized Cost | 21,670,374 |
| Percentage Increase over Original Authorized Cost | -0.59% |
| Percentage Completion | 100.00% |
| Original target completion date | 9/1/03 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Intermediate (Alder Avenue Middle) School Additions and Alterations
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | $786,000 | | 786,000 | 786,000 |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | | | 0 | |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | 1,584,221 | | 1,584,221 | |
| Transfer from capital outlay | 2,855,953 | | 2,855,953 | 2,855,953 |
| Total revenues | 5,226,174 | 0 | 5,226,174 | 3,641,953 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | | | 0 | |
| Purchased professional and technical services | 494,793 | | 494,793 | |
| Legal services | | | 0 | |
| Contingency | | | 0 | |
| Construction services | 4,707,955 | 23,426 | 4,731,381 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 5,202,748 | 23,426 | 5,226,174 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $23,426 | (23,426) | 0 | 3,641,953 |

| **Additional project information:** | |
|---|---|
| Project number | 1310-034-05-1000 |
| Grant date | 1/27/05 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 4,095,476 |
| Additional Authorized Cost | 1,473,390 |
| Revised Authorized Cost | 5,568,866 |
| Percentage Increase over Original Authorized Cost | 35.98% |
| Percentage Completion | 100.00% |
| Original target completion date | 6/30/06 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Installation of Security System at the High School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | $98,984 | | 98,984 | |
| Bond proceeds and transfers | | | 0 | |
| Township of Egg Harbor | 100,000 | | 100,000 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | 103,711 | | 103,711 | |
| Total revenues | 302,695 | 0 | 302,695 | 0 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | | | 0 | |
| Purchased professional and technical services | | | 0 | |
| Legal services | | | 0 | |
| Contingency | | | 0 | |
| Construction services | 302,630 | 65 | 302,695 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 302,630 | 65 | 302,695 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $65 | (65) | 0 | 0 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 1310-005-05-1000 |
| Grant date | 3/9/05 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 202,695 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 202,695 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 100.00% |
| Original target completion date | 9/30/05 |
| Revised target completion date | 9/30/07 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Davenport Elementary School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | 5,226,777 | | 5,226,777 | 5,226,777 |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 5,226,777 | 0 | 5,226,777 | 5,226,777 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | 15,898 | | 15,898 | |
| Purchased professional and technical services | 285,962 | | 285,962 | |
| Legal services | 111 | | 111 | |
| Contingency | | | 0 | |
| Construction services | 4,030,370 | 159,979 | 4,190,349 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 4,332,341 | 159,979 | 4,492,320 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $894,436 | (159,979) | 734,457 | 5,226,777 |

**Additional project information:**

| | |
|---|---|
| Project number | 01-1310-033-08-1000 |
| Grant date | N/A |
| Bond Authorization Date | 4/15/08 |
| Bonds Authorized | 5,226,777 |
| Bonds Issued | 0 |
| Original Authorized Cost | 5,226,777 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 5,226,777 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 85.95% |
| Original target completion date | 6/30/09 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Slaybaugh Elementary School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | 4,391,664 | | 4,391,664 | 4,391,664 |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 4,391,664 | 0 | 4,391,664 | 4,391,664 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | 13,358 | | 13,358 | |
| Purchased professional and technical services | 182,165 | | 182,165 | |
| Legal services | 98 | | 98 | |
| Contingency | | | 0 | |
| Construction services | 3,102,990 | 195,007 | 3,297,997 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 3,298,611 | 195,007 | 3,493,618 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $1,093,053 | (195,007) | 898,046 | 4,391,664 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-035-08-1000 |
| Grant date | N/A |
| Bond Authorization Date | 4/15/08 |
| Bonds Authorized | 4,391,664 |
| Bonds Issued | 0 |
| Original Authorized Cost | 4,391,664 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 4,391,664 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 79.55% |
| Original target completion date | 6/30/09 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Alder Avenue Middle School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | 2,581,224 | | 2,581,224 | 2,581,224 |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 2,581,224 | 0 | 2,581,224 | 2,581,224 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | 7,851 | | 7,851 | |
| Purchased professional and technical services | 146,960 | | 146,960 | |
| Legal services | 52 | | 52 | |
| Contingency | | | 0 | |
| Construction services | 1,821,672 | 85,406 | 1,907,078 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 1,976,535 | 85,406 | 2,061,941 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $604,689 | (85,406) | 519,283 | 2,581,224 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-034-08-1000 |
| Grant date | N/A |
| Bond Authorization Date | 4/15/08 |
| Bonds Authorized | 2,581,224 |
| Bonds Issued | 0 |
| Original Authorized Cost | 2,581,224 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 2,581,224 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 79.88% |
| Original target completion date | 6/30/09 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Fernwood Avenue Middle School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | 4,958,800 | | 4,958,800 | 4,958,800 |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 4,958,800 | 0 | 4,958,800 | 4,958,800 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | 15,083 | | 15,083 | |
| Purchased professional and technical services | 296,498 | | 296,498 | |
| Legal services | 82 | | 82 | |
| Contingency | | | 0 | |
| Construction services | 4,485,990 | 161,147 | 4,647,137 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 4,797,653 | 161,147 | 4,958,800 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $161,147 | (161,147) | 0 | 4,958,800 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-039-08-1000 |
| Grant date | N/A |
| Bond Authorization Date | 4/15/08 |
| Bonds Authorized | 4,958,800 |
| Bonds Issued | 0 |
| Original Authorized Cost | 4,958,800 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 4,958,800 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 100.00% |
| Original target completion date | 6/30/09 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Swift Elementary School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | 1,903,196 | | 1,903,196 | 1,903,196 |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 1,903,196 | 0 | 1,903,196 | 1,903,196 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | 5,789 | | 5,789 | |
| Purchased professional and technical services | 108,972 | | 108,972 | |
| Legal services | 60 | | 60 | |
| Contingency | | | 0 | |
| Construction services | 1,261,119 | 88,512 | 1,349,631 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 1,375,940 | 88,512 | 1,464,452 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $527,256 | (88,512) | 438,744 | 1,903,196 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-050-08-1000 |
| Grant date | N/A |
| Bond Authorization Date | 4/15/08 |
| Bonds Authorized | 1,903,196 |
| Bonds Issued | 0 |
| Original Authorized Cost | 1,903,196 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 1,903,196 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 76.95% |
| Original target completion date | 6/30/09 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Miller Elementary School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | 2,287,280 | | 2,287,280 | 2,287,280 |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 2,287,280 | 0 | 2,287,280 | 2,287,280 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | 6,957 | | 6,957 | |
| Purchased professional and technical services | 130,709 | | 130,709 | |
| Legal services | 69 | | 69 | |
| Contingency | | | 0 | |
| Construction services | 1,475,063 | 50,447 | 1,525,510 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 1,612,798 | 50,447 | 1,663,245 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $674,482 | (50,447) | 624,035 | 2,287,280 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-045-08-1000 |
| Grant date | N/A |
| Bond Authorization Date | 4/15/08 |
| Bonds Authorized | 2,287,280 |
| Bonds Issued | 0 |
| Original Authorized Cost | 2,287,280 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 2,287,280 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 72.72% |
| Original target completion date | 6/30/09 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at the High School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | 6,425,900 | | 6,425,900 | 6,425,900 |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | 1,538,526 | | 1,538,526 | 1,538,526 |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 7,964,426 | 0 | 7,964,426 | 7,964,426 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | 19,545 | | 19,545 | |
| Purchased professional and technical services | 329,980 | | 329,980 | |
| Legal services | 169 | | 169 | |
| Contingency | 68,729 | | 68,729 | |
| Construction services | 4,798,291 | 2,569,476 | 7,367,767 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 5,216,714 | 2,569,476 | 7,786,190 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $2,747,712 | (2,569,476) | 178,236 | 7,964,426 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-005-08-1000 |
| Grant date | N/A |
| Bond Authorization Date | 4/15/08 |
| Bonds Authorized | 6,425,900 |
| Bonds Issued | 0 |
| Original Authorized Cost | 6,425,900 |
| Additional Authorized Cost | 1,538,526 |
| Revised Authorized Cost | 7,964,426 |
| Percentage Increase over Original Authorized Cost | 23.94% |
| Percentage Completion | 97.76% |
| Original target completion date | 6/30/09 |
| Revised target completion date | 6/30/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at the High School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | | | 0 | |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | 24,203 | 24,203 | 24,203 |
| Transfer from capital outlay | | | 0 | |
| Total revenues | 0 | 24,203 | 24,203 | 24,203 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | | | 0 | |
| Purchased professional and technical services | | 3,967 | 3,967 | |
| Legal services | | | 0 | |
| Contingency | | | 0 | |
| Construction services | | | 0 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 0 | 3,967 | 3,967 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $0 | 20,236 | 20,236 | 24,203 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-005-10-1001 |
| Grant date | 8/26/10 |
| Bond Authorization Date | N/A |
| Bonds Authorized | 0 |
| Bonds Issued | 0 |
| Original Authorized Cost | 45,800 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 45,800 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 0.00% |
| Original target completion date | 8/31/11 |
| Revised target completion date | 8/31/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Fernwood Middle School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | | | 0 | |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | 51,596 | 51,596 | 51,596 |
| Transfer from capital outlay | | 361,108 | 361,108 | 361,108 |
| Total revenues | 0 | 412,704 | 412,704 | 412,704 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | | | 0 | |
| Purchased professional and technical services | | 26,412 | 26,412 | |
| Legal services | | | 0 | |
| Contingency | | | 0 | |
| Construction services | | | 0 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 0 | 26,412 | 26,412 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $0 | 386,292 | 386,292 | 412,704 |

**Additional project information:**

| | |
|---|---|
| Project number | 01-1310-039-10-1006 |
| Grant date | 8/26/10 |
| Bond Authorization Date | N/A |
| Bonds Authorized | 0 |
| Bonds Issued | 0 |
| Original Authorized Cost | 929,985 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 929,985 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 0.00% |
| Original target completion date | 8/31/11 |
| Revised target completion date | 12/31/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Alder Middle School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | | | 0 | |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | 30,525 | 30,525 | 30,525 |
| Transfer from capital outlay | | 203,501 | 203,501 | 203,501 |
| Total revenues | 0 | 234,026 | 234,026 | 234,026 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | | | 0 | |
| Purchased professional and technical services | | 14,954 | 14,954 | |
| Legal services | | | 0 | |
| Contingency | | | 0 | |
| Construction services | | | 0 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 0 | 14,954 | 14,954 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $0 | 219,072 | 219,072 | 234,026 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-038-10-1004 |
| Grant date | 8/26/10 |
| Bond Authorization Date | N/A |
| Bonds Authorized | 0 |
| Bonds Issued | 0 |
| Original Authorized Cost | 1,272,725 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 1,272,725 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 0.00% |
| Original target completion date | 8/31/11 |
| Revised target completion date | 12/31/11 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Davenport Elementary School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | | | 0 | |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | 390,221 | 390,221 | 390,221 |
| Total revenues | 0 | 390,221 | 390,221 | 390,221 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | | | 0 | |
| Purchased professional and technical services | | 21,314 | 21,314 | |
| Legal services | | | 0 | |
| Contingency | | | 0 | |
| Construction services | | | 0 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 0 | 21,314 | 21,314 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $0 | 368,907 | 368,907 | 390,221 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-033-10-1002 |
| Grant date | 8/26/10 |
| Bond Authorization Date | N/A |
| Bonds Authorized | 0 |
| Bonds Issued | 0 |
| Original Authorized Cost | 827,525 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 827,525 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 0.00% |
| Original target completion date | 8/31/11 |
| Revised target completion date | 2/28/12 |

Township of Egg Harbor School District
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Slaybaugh Elementary School
From Inception and for the Year Ended June 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Costs |
|---|---|---|---|---|
| **Revenues and other Financing Sources** | | | | |
| State sources - | | | | |
| School Facilities Grant Program | | | 0 | |
| NJ Department of Treasury Grant | | | 0 | |
| NJ Economic Development Authority | | | 0 | |
| Bond proceeds and transfers | | | 0 | |
| Township of Egg Harbor | | | 0 | |
| Transfer from capital reserve | | | 0 | |
| Transfer from capital outlay | | 596,368 | 596,368 | 596,368 |
| Total revenues | 0 | 596,368 | 596,368 | 596,368 |
| **Expenditures and other Financing Uses** | | | | |
| Salaries | | | 0 | |
| Purchased professional and technical services | | 38,127 | 38,127 | |
| Legal services | | | 0 | |
| Contingency | | | 0 | |
| Construction services | | | 0 | |
| Furniture & equipment purchases | | | 0 | |
| Total expenditures | 0 | 38,127 | 38,127 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | $0 | 558,241 | 558,241 | 596,368 |

| | |
|---|---|
| **Additional project information:** | |
| Project number | 01-1310-035-10-1003 |
| Grant date | 8/26/10 |
| Bond Authorization Date | N/A |
| Bonds Authorized | 0 |
| Bonds Issued | 0 |
| Original Authorized Cost | 1,307,425 |
| Additional Authorized Cost | 0 |
| Revised Authorized Cost | 1,307,425 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 0.00% |
| Original target completion date | 8/31/11 |
| Revised target completion date | 2/28/12 |

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# PROPRIETARY FUNDS

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**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Enterprise Funds**
**Combining Balance Sheet**
**June 30, 2011**

| | Non-Major Funds | | |
|---|---|---|---|
| | Food Service | Latchkey Program | Total Non-Major Funds |
| ASSETS: | | | |
| Cash and cash equivalents | $967,318 | 409,153 | 1,376,471 |
| Accounts Receivable: | | | |
| State | 2,377 | | 2,377 |
| Federal | 87,630 | | 87,630 |
| Interfunds | 6,705 | | 6,705 |
| Inventories | 60,522 | | 60,522 |
| Total Current Assets | 1,124,552 | 409,153 | 1,533,705 |
| Fixed Assets: | | | |
| Equipment | 216,682 | | 216,682 |
| Accumulated depreciation | (92,366) | | (92,366) |
| Total fixed assets | 124,316 | 0 | 124,316 |
| Total assets | 1,248,868 | 409,153 | 1,658,021 |
| LIABILITIES AND FUND EQUITY: | | | |
| Current liabilities: | | | |
| Interfund payable | 141 | 563 | 704 |
| Accounts payable | 42,046 | 10,231 | 52,277 |
| Capital lease payable | 55,965 | | 55,965 |
| Total current liabilities | 98,152 | 10,794 | 108,946 |
| Noncurrent liabilities: | | | |
| Compensated absences | 85,504 | | 85,504 |
| Total noncurrent liabilities | 85,504 | 0 | 85,504 |
| Total liabilities | 183,656 | 10,794 | 194,450 |
| Unreserved retained earnings | 1,065,212 | 398,359 | 1,463,571 |
| Total fund equity | 1,065,212 | 398,359 | 1,463,571 |
| Total liabilities and fund equity | $1,248,868 | 409,153 | 1,658,021 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Enterprise Funds**
**Combining Statement of Revenues, Expenses**
**and Changes in Retained Earnings/Fund Balance**
**For the Fiscal Year ended June 30, 2011**

| | Non-Major Funds | | |
|---|---|---|---|
| | Food Service | Latchkey Program | Total Non-Major Funds |
| OPERATING REVENUES: | | | |
| Local Sources: | | | |
| Daily sales- reimbursable programs | | | |
| School lunch and special milk program | $1,487,392 | | 1,487,392 |
| Daily sales non- reimbursable programs | 99,376 | | 99,376 |
| Special functions | 38,212 | | 38,212 |
| Latchkey program revenue | | 363,521 | 363,521 |
| Total Operating Revenues | 1,624,980 | 363,521 | 1,988,501 |
| OPERATING EXPENSES: | | | |
| Salaries | 1,118,848 | 246,176 | 1,365,024 |
| Employee benefits | 312,015 | 26,335 | 338,350 |
| Supplies & Materials | 58,409 | 39,753 | 98,162 |
| Depreciation | 15,448 | | 15,448 |
| Cost of sales | 1,265,604 | | 1,265,604 |
| Total operating expenses | 2,770,324 | 312,264 | 3,082,588 |
| Operating income/(loss) | (1,145,344) | 51,257 | (1,094,087) |
| Nonoperating revenues: | | | |
| State sources | | | |
| State school lunch program | 32,758 | | 32,758 |
| State school breakfast program | | | 0 |
| Federal sources | | | |
| National school lunch program | 1,145,952 | | 1,145,952 |
| National school breakfast program | 149,419 | | 149,419 |
| Special milk program | 8,237 | | 8,237 |
| Food Distribution Program | 158,572 | | 158,572 |
| Interest revenue | 6,971 | 3,446 | 10,417 |
| Total nonoperating revenues | 1,501,909 | 3,446 | 1,505,355 |
| Net income | 356,565 | 54,703 | 411,268 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Enterprise Funds**
**Combining Statement of Revenues, Expenses**
**and Changes in Retained Earnings/Fund Balance**
**For the Fiscal Year ended June 30, 2011**

| | Non-Major Funds | | |
|---|---|---|---|
| | Food Service | Latchkey Program | Total Non-Major Funds |
| Other financing sources (uses): | | | |
| Operating Transfers: | | | |
| Operating transfer - general fund | | | 0 |
| Net assets, July 1 | 708,647 | 343,656 | 1,052,303 |
| Net assets, June 30 | $1,065,212 | 398,359 | 1,463,571 |

**Township of Egg Harbor School District**
**Combining Statement of Cash Flows**
**All Proprietary fund Types and Similar Trust Funds**
**For the Fiscal Year Ended June 30, 2011**

| | Non-Major Funds | | |
|---|---|---|---|
| | Food Service | Latchkey Program | Total |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers | $1,624,980 | 363,521 | 1,988,501 |
| Payments to employees | (1,118,848) | (246,176) | (1,365,024) |
| Payments for employee benefits | (347,691) | (26,335) | (374,026) |
| Payments to suppliers | (58,409) | (29,619) | (88,028) |
| Payments to cost of sales | (1,067,776) | | (1,067,776) |
| Net cash provided/(used) for operating activities | (967,744) | 61,391 | (906,353) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | |
| State Sources | 36,373 | | 36,373 |
| Federal Sources | 1,334,576 | | 1,334,576 |
| Payments from other funds | (49,579) | 11 | (49,568) |
| Operating subsidies and transfers to other funds | 0 | | 0 |
| Net cash provided by non-capital financing activities | 1,321,370 | 11 | 1,321,381 |
| **CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES** | | | |
| Acquisition of capital assets | 0 | | |
| Net cash provided by capital financing activities | 0 | 0 | 0 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends | 6,971 | 3,446 | 10,417 |
| Net cash provided by investing activities | 6,971 | 3,446 | 10,417 |
| Net increase in cash and cash equivalents | 360,597 | 64,848 | 425,445 |
| Balances—beginning of year | 606,721 | 344,305 | 951,026 |
| Balances—end of year | $967,318 | 409,153 | 1,376,471 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | |
| Operating income/(loss) | ($1,145,344) | 51,257 | (1,094,087) |
| Adjustments to reconcile operating (loss) to net cash provided by/ (used for) operating activities | | | |
| Depreciation and net amortization | 15,448 | | 15,448 |
| Federal commodities | 158,572 | | 158,572 |
| (Increase) in inventories | 2,637 | | 2,637 |
| Increase/(Decrease) in accounts payable | 36,619 | 10,134 | 46,753 |
| (Decrease) in compensated absences | (35,676) | | (35,676) |
| Total adjustments | 177,600 | 10,134 | 187,734 |
| Net cash provided/(used) for operating activities | ($967,744) | 61,391 | (906,353) |

# FIDUCIARY FUNDS

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**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Fiduciary Fund**
**Combining Statement of Fiduciary Net Assets**
**June 30, 2011**

| | Expendable Trust | Agency | | | |
|---|---|---|---|---|---|
| | Unemployment | Student Activity | Conduit | Payroll | Total |
| ASSETS: | | | | | |
| Cash and cash equivalents | $978,152 | 319,202 | 74,284 | 666,398 | 2,038,036 |
| Due from payroll agency | 34,890 | | | | 34,890 |
| Total Assets | 1,013,042 | 319,202 | 74,284 | 666,398 | 2,072,926 |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Payroll deductions and withholdings | | | | 631,508 | 631,508 |
| Due to unemployment trust | | | | 34,890 | 34,890 |
| Due to student groups | | 319,202 | | | 319,202 |
| Conduit activities payable | | | 74,284 | | 74,284 |
| Total Liabilities | 0 | 319,202 | 74,284 | 666,398 | 1,059,884 |
| Fund balances: | | | | | |
| Reserved - Expendable Trust | | | | | |
| Unemployment | 1,013,042 | | | | 1,013,042 |
| Total fund balances | 1,013,042 | 0 | 0 | 0 | 1,013,042 |
| Total liabilities and fund balances | $1,013,042 | 319,202 | 74,284 | 666,398 | 2,072,926 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Student Activity Agency Fund**
**Schedule of Receipts and Disbursements**
For the Fiscal Year Ended June 30, 2011

| | Balance July 1, 2010 | Cash Receipts | Cash Disbursements | Accounts Payable June 30, 2011 | Balance June 30, 2011 |
|---|---|---|---|---|---|
| Elementary and Middle Schools | $114,367 | 116,096 | 91,878 | | 138,585 |
| Graduated Classes | 24,533 | 4,482 | | | 29,015 |
| Athletic Fund | 3,017 | 98,876 | 89,800 | | 12,093 |
| High School Students | 154,931 | 520,878 | 537,865 | | 137,944 |
| Alternative School (Grades 7-12) | 2,935 | 2,233 | 3,603 | | 1,565 |
| Total all schools | $299,783 | 742,565 | 723,146 | 0 | 319,202 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**

H-4a

**Payroll Agency Fund**

**Schedule of Receipts and Disbursements**

**For the Fiscal Year ended June 30, 2011**

| | Balance July 1, 2010 | Additions | Deletions | Balance July 1, 2011 |
|---|---|---|---|---|
| ASSETS: | | | | |
| Cash and cash equivalents | $644,150 | 26,735,939 | 26,713,691 | 666,398 |
| Total assets | 644,150 | 26,735,939 | 26,713,691 | 666,398 |
| LIABILITIES: | | | | |
| Payroll deductions and withholdings | 607,041 | 26,701,049 | 26,676,582 | 631,508 |
| Due to unemployment trust | 37,109 | 34,890 | 37,109 | 34,890 |
| Total liabilities | $644,150 | 26,735,939 | 26,713,691 | 666,398 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT** H-4b

**Agency Fund - Conduit**

**Schedule of Receipts and Disbursements**

**For the Fiscal Year ended June 30, 2011**

| | |
|---|---|
| **OPERATING REVENUES:** | |
| Local sources: | |
| Contributions | $40,761 |
| Total operating revenues | 40,761 |
| **OPERATING EXPENSES:** | |
| Purchased professional services | 49,933 |
| Total operating expenses | 49,933 |
| Operating Income | (9,172) |
| Fund balances, July 1 | 83,456 |
| Fund balances, June 30 | $74,284 |

# LONG-TERM DEBT

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# TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT

**Long-Term Debt**

**Schedule of Serial Bonds**

June 30, 2011

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance July 1, 2010 | Issued | Retired | Balance June 30, 2011 |
|---|---|---|---|---|---|---|---|---|---|
| School Bonds | 5/15/01 | 56,400,000 | 7/15/11 | 500,000 | 5.000% | 985,000 | | 485,000 | 500,000 |
| General Obligation - Refunding Bonds | 11/1/02 | 23,170,000 | 2/15/12 | 2,745,000 | 5.000% | 5,495,000 | | 2,750,000 | 2,745,000 |
| General Obligation - Refunding Bonds | 10/1/04 | 50,735,000 | 7/15/12 | 1,000,000 | 3.000% | | | | |
| | | | 7/15/12 | 1,560,000 | 3.250% | | | | |
| | | | 7/15/13 | 1,000,000 | 3.500% | | | | |
| | | | 7/15/13 | 1,650,000 | 3.375% | | | | |
| | | | 7/15/14 | 2,750,000 | 3.500% | | | | |
| | | | 7/15/15 | 1,375,000 | 3.550% | | | | |
| | | | 7/15/15 | 1,490,000 | 3.500% | | | | |
| | | | 7/15/16 | 3,020,000 | 5.500% | | | | |
| | | | 7/15/17 | 3,195,000 | 5.500% | | | | |
| | | | 7/15/18 | 3,375,000 | 5.500% | | | | |
| | | | 7/15/19 | 3,570,000 | 5.500% | | | | |
| | | | 7/15/20 | 3,775,000 | 5.500% | | | | |
| | | | 7/15/21 | 3,995,000 | 5.500% | | | | |
| | | | 7/15/22 | 4,220,000 | 5.500% | | | | |
| | | | 7/15/23 | 4,460,000 | 5.500% | | | | |
| | | | 7/15/24 | 4,715,000 | 5.750% | | | | |
| | | | 7/15/25 | 4,985,000 | 5.750% | 50,135,000 | | | 50,135,000 |

# TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT

**Long-Term Debt**

**Schedule of Serial Bonds**

June 30, 2011

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance July 1, 2010 | Issued | Retired | Balance June 30, 2011 |
|---|---|---|---|---|---|---|---|---|---|
| School Bonds | 4/1/05 | 23,052,000 | 4/1/12 | 100,000 | 3.500% | | | | |
| | | | 4/1/13 | 650,000 | 3.625% | | | | |
| | | | 4/1/14 | 705,000 | 3.750% | | | | |
| | | | 4/1/15 | 740,000 | 4.000% | | | | |
| | | | 4/1/16 | 780,000 | 4.000% | | | | |
| | | | 4/1/17 | 800,000 | 4.000% | | | | |
| | | | 4/1/18 | 825,000 | 4.125% | | | | |
| | | | 4/1/19 | 825,000 | 4.250% | | | | |
| | | | 4/1/20 | 850,000 | 4.250% | | | | |
| | | | 4/1/21 | 860,000 | 4.375% | | | | |
| | | | 4/1/23 | 860,000 | 4.500% | | | | |
| | | | 4/1/24 | 885,000 | 4.500% | 8,980,000 | | 100,000 | 8,880,000 |
| General Obligation - Refunding Bonds | 12/5/06 | 15,410,000 | 4/1/12 | 65,000 | 3.500% | | | | |
| | | | 4/1/13-14 | 70,000 | 3.500% | | | | |
| | | | 4/1/15 | 75,000 | 3.500% | | | | |
| | | | 4/1/16 | 75,000 | 3.750% | | | | |
| | | | 4/1/17 | 80,000 | 4.000% | | | | |
| | | | 4/1/18-19 | 85,000 | 4.000% | | | | |
| | | | 4/1/20 | 90,000 | 4.000% | | | | |
| | | | 4/1/21 | 95,000 | 4.000% | | | | |
| | | | 4/1/22 | 955,000 | 4.000% | | | | |
| | | | 4/1/23 | 95,000 | 3.500% | | | | |
| | | | 4/1/24 | 100,000 | 3.500% | | | | |
| | | | 4/1/25 | 1,035,000 | 3.500% | | | | |
| | | | 4/1/26 | 980,000 | 3.500% | | | | |
| | | | 4/1/27 | 2,315,000 | 3.500% | | | | |
| | | | 4/1/28 | 2,515,000 | 3.500% | | | | |
| | | | 4/1/29 | 3,220,000 | 4.125% | | | | |
| | | | 4/1/30 | 3,025,000 | 4.125% | 15,095,000 | | 65,000 | 15,030,000 |

# TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT

**Long-Term Debt**

**Schedule of Serial Bonds**

June 30, 2011

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance July 1, 2010 | Issued | Retired | Balance June 30, 2011 |
|---|---|---|---|---|---|---|---|---|---|
| School Bonds | 9/15/08 | 27,924,000 | 9/15/12 | 1,114,000 | 4.000% | | | | |
| | | | 9/15/13 | 1,165,000 | 4.000% | | | | |
| | | | 9/15/14 | 1,220,000 | 4.000% | | | | |
| | | | 9/15/15 | 1,275,000 | 4.000% | | | | |
| | | | 9/15/16 | 1,335,000 | 4.000% | | | | |
| | | | 9/15/17 | 1,400,000 | 4.000% | | | | |
| | | | 9/15/18 | 1,465,000 | 4.000% | | | | |
| | | | 9/15/19 | 1,530,000 | 4.000% | | | | |
| | | | 9/15/20 | 1,605,000 | 4.000% | | | | |
| | | | 9/15/21 | 1,675,000 | 4.000% | | | | |
| | | | 9/15/22 | 1,755,000 | 4.000% | | | | |
| | | | 9/15/23 | 1,835,000 | 4.000% | | | | |
| | | | 9/15/24 | 1,920,000 | 4.000% | | | | |
| | | | 9/15/25 | 2,010,000 | 4.125% | | | | |
| | | | 9/15/26 | 2,105,000 | 4.200% | | | | |
| | | | 9/15/27 | 2,205,000 | 4.250% | | | | |
| | | | 9/15/28 | 2,310,000 | 4.250% | 27,924,000 | | | 27,924,000 |
| | | | | | | $108,614,000 | 0 | 3,400,000 | 105,214,000 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Long-Term Debt**
**Schedule of Obligations under Capital Leases**
**June 30, 2011**

| Series | Date of Inception | Interest Rate Payable | Amount of Original Issue | Amount Outstanding June 30, 2010 | Issued Current Year | Retired Current Year | Amount Outstanding June 30, 2011 |
|---|---|---|---|---|---|---|---|
| Blue Bird Type D - 54 passenger buses (18) 10 year obligation | 8/19/02 | 5.450% | 1,283,310 | 297,592 | | 144,849 | 152,743 |
| Ford E-350 Type D - 54 passenger buses (15) | 10/1/03 | 4.880% | 1,033,279 | 394,659 | | 125,337 | 269,322 |
| Type D 24 passenger buses (5) | 9/1/04 | 5.800% | 378,844 | 176,700 | | 40,512 | 136,188 |
| Blue Bird Type D (refinance) 54 passenger buses (22) | 8/15/06 | 4.155% | 1,438,805 | 953,310 | | 175,462 | 777,848 |
| Blue Bird 24 passenger buses (2) | 8/15/06 | 4.138% | 373,000 | 85,725 | | 85,725 | 0 |
| Blue Bird 54 passenger buses (14) | 8/15/06 | 4.155% | 941,000 | 539,024 | | 80,948 | 458,076 |
| Blue Bird 54 passenger buses (3) 29 passenger buses (3) 25 passenger bus (1) with wheelchair lift | 8/15/07 | 4.170% | 530,000 | 296,000 | | 81,000 | 215,000 |
| Blue Bird - 29 passenger buses (3) & various technology equipment | 8/7/08 | 3.750% | 700,000 | 296,000 | | 211,000 | 85,000 |
| International 54 passenger buses (2) 29 passenger buses (1) | 9/9/09 | 4.250% | 255,000 | 225,000 | | 35,000 | 190,000 |
| | | | | $3,264,010 | 0 | 979,833 | 2,284,177 |

Exhibit I-3

**Township of Egg Harbor School District**
**Budgetary Comparison Schedule**
**Debt Service Fund**
**For the Fiscal Year Ended June 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---|---|---|---|---|
| **REVENUES:** | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | $5,208,360 | 0 | 5,208,360 | 5,208,360 | 0 |
| Miscellaneous | | | | | 0 |
| | 5,208,360 | 0 | 5,208,360 | 5,208,360 | 0 |
| State Sources: | | | | | |
| Debt Service Aid Type II | 3,176,748 | 0 | 3,176,748 | 3,176,748 | 0 |
| Total - State Sources | 3,176,748 | 0 | 3,176,748 | 3,176,748 | 0 |
| **Total Revenues** | **8,385,108** | **0** | **8,385,108** | **8,385,108** | **0** |
| **EXPENDITURES:** | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 4,985,108 | 0 | 4,985,108 | 4,985,108 | 0 |
| Redemption of Principal | 3,400,000 | 0 | 3,400,000 | 3,400,000 | 0 |
| Total Regular Debt Service | 8,385,108 | 0 | 8,385,108 | 8,385,108 | 0 |
| **Total expenditures** | **8,385,108** | **0** | **8,385,108** | **8,385,108** | **0** |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 | 0 |
| Fund Balance, July 1 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance, June 30 | $0 | 0 | 0 | 0 | 0 |

**Recapitulation of Fund Balance:**

| | |
|---|---|
| Designated for Subsequent Year's Expenditures | 0 |
| Unrestricted Fund Balance | 0 |
| | $0 |

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# Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. Effective with the fiscal year ended June 30, 2003, the District's financial statements are presented in accordance with GASB 34. As a result, 10 years of information may not be available to report.

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**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Net Assets by Component,**
**Last Nine Fiscal Years**
***Unaudited***

| | Fiscal Year Ending June 30, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Governmental activities | | | | | | | | | |
| Invested in capital assets, net of related debt | 56,975,842 | 59,399,940 | 41,208,035 | 39,306,247 | 38,524,993 | 65,409,682 | 68,517,439 | 78,925,882 | 80,245,144 |
| Restricted | 6,072,419 | 5,371,242 | 31,878,493 | 34,697,055 | 35,134,539 | 34,240,661 | 39,309,721 | 17,240,873 | 9,181,319 |
| Unrestricted | (7,114,529) | (8,427,250) | (11,021,150) | (9,456,186) | (9,020,267) | (7,336,108) | (18,155,056) | (12,189,021) | (2,941,253) |
| Total governmental activities net asset | 55,933,732 | 56,343,932 | 62,065,378 | 64,547,116 | 64,639,265 | 92,314,235 | 89,672,104 | 83,977,734 | 86,485,210 |
| Business-type activities | | | | | | | | | |
| Invested in capital assets, net of related debt | 58,806 | 41,340 | 23,875 | 8,247 | 59,631 | 64,568 | 154,785 | 139,764 | 124,316 |
| Unrestricted | (149,119) | (62,785) | 63,506 | 77,192 | 262,480 | 291,589 | 511,873 | 912,539 | 1,339,255 |
| Total business-type activities net asset | (90,313) | (21,445) | 87,381 | 85,439 | 322,111 | 356,157 | 666,658 | 1,052,303 | 1,463,571 |
| District-wide | | | | | | | | | |
| Invested in capital assets, net of related debt | 57,034,648 | 59,441,280 | 41,231,910 | 39,314,494 | 38,584,624 | 65,474,250 | 68,672,224 | 79,065,646 | 80,369,460 |
| Restricted | 6,072,419 | 5,371,242 | 31,878,493 | 34,697,055 | 35,134,539 | 34,240,661 | 39,309,721 | 17,240,873 | 9,181,319 |
| Unrestricted | (7,263,648) | (8,490,035) | (10,957,644) | (9,378,994) | (8,757,787) | (7,044,519) | (17,643,183) | (11,276,482) | (1,601,998) |
| Total district net assets | 55,843,419 | 56,322,487 | 62,152,759 | 64,632,555 | 64,961,376 | 92,670,392 | 90,338,762 | 85,030,037 | 87,948,781 |

The District converted to GASB 34 effective with the fiscal year ended June 30, 2003. Based on this, only nine years of information is presented.

Source: CAFR Scehdule A-1

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Changes in Net Assets, Last Nine Fiscal Years**
***Unaudited***

| | Fiscal Year Ending June 30, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Expenses** | | | | | | | | | |
| Governmental activities | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular | 27,722,472 | 27,931,280 | 29,800,740 | 32,856,171 | 35,755,679 | 44,610,760 | 45,612,915 | 49,702,067 | 46770376 |
| Special education | 5,669,974 | 6,255,442 | 7,127,997 | 8,041,863 | 9,243,100 | 10,447,761 | 10,359,391 | 10,975,613 | 9,832,790 |
| Other special education | 385,186 | 1,093,920 | 1,199,459 | 1,581,791 | 1,833,470 | 2,022,923 | 2,845,120 | 2,857,779 | 2,388,646 |
| Other instruction | 985,116 | 1,044,545 | 992,905 | 1,182,748 | 1,341,128 | 1,592,984 | 1,627,343 | 2,305,275 | 1,610,354 |
| Nonpublic school programs | 141,957 | 125,122 | 310,826 | 331,811 | 247,722 | 326,339 | 271,036 | 327,404 | 233,225 |
| Support Services: | | | | | | | | | |
| Tuition | 4,174,022 | 3,772,420 | 3,357,383 | 4,669,094 | 4,326,100 | 4,617,756 | 5,339,044 | 4,539,129 | 4,110,824 |
| Student & instruction related services | 7,319,679 | 10,202,869 | 9,370,872 | 10,675,035 | 11,211,589 | 13,284,517 | 14,216,429 | 15,927,155 | 15,643,313 |
| General administrative services | 2,517,192 | 4,377,442 | 3,178,383 | 3,497,578 | 3,824,605 | 3,984,247 | 4,064,643 | 4,208,735 | 3,867,251 |
| School administrative services | 2,578,766 | 2,981,281 | 3,159,827 | 3,507,991 | 3,874,447 | 4,100,130 | 4,312,650 | 5,093,246 | 5,118,734 |
| Plant operations and maintenance | 6,360,011 | 12,642,476 | 12,670,828 | 10,994,484 | 12,201,742 | 14,110,569 | 15,299,962 | 15,135,986 | 13,928,061 |
| Pupil transportation | 4,151,058 | 5,198,189 | 5,993,442 | 9,106,023 | 9,445,930 | 8,821,333 | 9,113,711 | 9,696,290 | 9,371,628 |
| Special Schools | 204,820 | 86,556 | 64,819 | 182,844 | 198,060 | 246,120 | 251,555 | - | |
| Interest on long-term debt | 3,776,063 | 3,777,923 | 3,258,006 | 4,577,714 | 4,385,934 | 4,245,200 | 4,411,123 | 5,606,697 | 4,942,981 |
| Capital Outlay | | | | | 309,664 | | | | |
| Total governmental activities expenses | 65,986,316 | 79,489,465 | 80,485,487 | 91,205,147 | 98,199,170 | 112,410,639 | 117,724,922 | 126,375,376 | 117,818,183 |
| Business-type activities: | | | | | | | | | |
| Food service | 1,919,675 | 2,296,649 | 2,569,631 | 2,901,381 | 2,904,526 | 3,316,662 | 3,367,972 | 3,282,613 | 2,770,324 |
| Child Care | 228,458 | 230,911 | 284,686 | 308,349 | 333,692 | 379,271 | 395,166 | 354,299 | 312,264 |
| Total business-type activities expense | 2,148,133 | 2,527,560 | 2,854,317 | 3,209,730 | 3,238,218 | 3,695,933 | 3,763,138 | 3,636,912 | 3,082,588 |
| Total district expenses | 68,134,449 | 82,017,025 | 83,339,804 | 94,414,877 | 101,437,388 | 116,106,572 | 121,488,060 | 130,012,288 | 120,900,771 |
| **Program Revenues** | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| Special schools | 14,759 | 4,580 | 10,514 | 5,725 | 4,695 | 4,205 | - | - | |
| Tuition | 9,803 | 22,432 | 52,002 | 77,136 | 54,619 | 86,606 | 117,355 | 68,362 | 322,020 |
| Operating grants and contributions | 5,137,309 | 5,803,166 | 6,742,191 | 7,860,730 | 10,608,785 | 11,423,527 | 9,126,728 | 10,533,002 | 10,733,173 |
| Total governmental activities program revenues | 5,161,871 | 5,830,178 | 6,804,707 | 7,943,591 | 10,668,099 | 11,514,338 | 9,244,083 | 10,601,364 | 11,055,193 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Changes in Net Assets, Last Nine Fiscal Years**
***Unaudited***

| | Fiscal Year Ending June 30, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Business-type activities: | | | | | | | | | |
| Charges for services | | | | | | | | | |
| Food service | 962,429 | 1,221,618 | 1,354,105 | 1,448,147 | 1,519,027 | 1,613,890 | 1,762,168 | 1,713,237 | 1,624,980 |
| Child care | 219,468 | 234,542 | 314,645 | 379,599 | 418,344 | 416,505 | 402,202 | 376,114 | 363,521 |
| Operating grants and contributions | 586,497 | 701,649 | 862,330 | 982,246 | 1,109,599 | 1,281,265 | 1,460,900 | 1,566,779 | 1,494,938 |
| Total business type activities program revenues | 1,768,394 | 2,157,809 | 2,531,080 | 2,809,992 | 3,046,970 | 3,311,660 | 3,625,270 | 3,656,130 | 3,483,439 |
| Total district program revenues | 6,930,265 | 7,987,987 | 9,335,787 | 10,753,583 | 13,715,069 | 14,825,998 | 12,869,353 | 14,257,494 | 14,538,632 |
| **Net (Expense)/Revenue** | | | | | | | | | |
| Governmental activities | (60,824,445) | (73,659,287) | (73,680,780) | (83,261,556) | (87,531,071) | (100,896,301) | (108,480,839) | (115,774,012) | (106,762,990) |
| Business-type activities | (379,739) | (369,751) | (323,237) | (399,738) | (191,248) | (384,273) | (137,868) | 19,218 | 400,851 |
| Total district-wide net expense | (61,204,184) | (74,029,038) | (74,004,017) | (83,661,294) | (87,722,319) | (101,280,574) | (108,618,707) | (115,754,794) | (106,362,139) |
| **General Revenues and Other Changes in Net Assets** | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Property taxes levied for general purposes, net | 28,803,056 | 39,816,846 | 43,235,321 | 48,685,023 | 50,843,214 | 63,222,982 | 59,739,242 | 63,470,098 | 63,300,938 |
| Taxes levied for debt service | 2,481,195 | 3,018,583 | 3,008,039 | 4,269,318 | 4,222,368 | 4,139,846 | 4,178,493 | 4,892,610 | 5,208,360 |
| Unrestricted grants and contributions | 25,933,961 | 27,947,437 | 29,449,451 | 29,749,540 | 29,933,028 | 30,931,744 | 37,998,580 | 37,396,131 | 36,430,511 |
| Federal and state aid restricted | 4,574,576 | 3,368,871 | 3,500,938 | 3,196,421 | 3,929,213 | 3,152,322 | 3,297,657 | 4,051,939 | 3,176,748 |
| Transportation charges | | 23,860 | | | | | | | |
| Investment earnings | 753,614 | 134,050 | 316,686 | 1,332,186 | 878,240 | 2,318,742 | 571,745 | 393,742 | 428,608 |
| Miscellaneous income | 170,327 | 48,173 | 165,529 | 242,731 | 301,994 | 131,731 | 280,371 | 29,240 | 1,048,988 |
| Special items | (141,278) | 146,667 | 146,667 | (72,053) | (2,091,837) | 25,067,305 | 157,653 | 203,043 | (323,687) |
| Transfers | (350,000) | (435,000) | (420,405) | (380,000) | (393,000) | (393,401) | (385,033) | (357,161) | - |
| Total governmental activities | 62,225,451 | 74,069,487 | 79,402,226 | 87,023,166 | 87,623,220 | 128,571,271 | 105,838,708 | 110,079,642 | 109,270,466 |
| Business-type activities: | | | | | | | | | |
| Investment earnings | 10,119 | 3,651 | 11,658 | 17,796 | 34,920 | 24,918 | 7,917 | 9,266 | 10,417 |
| Special items | | | | | | | 55,419 | | |
| Transfers | 350,000 | 435,000 | 420,405 | 380,000 | 393,000 | 393,401 | 385,033 | 357,161 | - |
| Total business-type activities | 360,119 | 438,651 | 432,063 | 397,796 | 427,920 | 418,319 | 448,369 | 366,427 | 10,417 |
| Total district-wide | 62,585,570 | 74,508,138 | 79,834,289 | 87,420,962 | 88,051,140 | 128,989,590 | 106,287,077 | 110,446,069 | 109,280,883 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Changes in Net Assets, Last Nine Fiscal Years**
***Unaudited***

| | Fiscal Year Ending June 30, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Change in Net Assets** | | | | | | | | | |
| Governmental activities | 1,401,006 | 410,200 | 5,721,446 | 3,761,610 | 92,149 | 27,674,970 | (2,642,131) | (5,694,370) | 2,507,476 |
| Business-type activities | (19,620) | 68,900 | 108,826 | (1,942) | 236,672 | 34,046 | 310,501 | 385,645 | 411,268 |
| Total district | 1,381,386 | 479,100 | 5,830,272 | 3,759,668 | 328,821 | 27,709,016 | (2,331,630) | (5,308,725) | 2,918,744 |

The District converted to GASB 34 effective with the fiscal year ended June 30, 2003. Based on this, only nine years of information is presented.

Source: CAFR Schedule A-2

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Fund Balances, Governmental Funds,**
**Last Nine Fiscal Years**
***Unaudited***

| | Fiscal Year Ending June 30, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| General Fund | | | | | | | | | |
| Restricted | | | | | | | | | 5,514,810 |
| Committed | | | | | | | | | 5,092,461 |
| Assigned | | | | | | | | | 4,079,041 |
| Unassigned | | | | | | | | | (900,821) |
| Reserved | 351,252 | 3,188,935 | 7,416,626 | 9,510,351 | 7,524,256 | 10,497,827 | 10,924,049 | 7,164,472 | |
| Unreserved | 873,683 | 852,275 | 54,480 | 942,136 | 1,124,179 | 1,340,851 | (1,002,958) | (1,187,551) | |
| Total general fund | 1,224,935 | 4,041,210 | 7,471,106 | 10,452,487 | 8,648,435 | 11,838,678 | 9,921,091 | 5,976,921 | 13,785,491 |
| All Other Governmental Funds | | | | | | | | | |
| Reserved | 4,212,270 | 1,175,181 | 648,949 | 331,726 | 2,248,195 | 924,018 | 9,141,444 | 3,193,406 | |
| Unreserved, reported in: | | | | | | | | | |
| Special revenue fund | (42,133) | (28,577) | (28,577) | (28,577) | (28,577) | (28,577) | - | - | |
| Capital projects fund | 1,484,832 | (168,055) | 23,164,628 | 24,458,882 | 23,090,766 | 21,886,172 | 10,102,784 | 3,689,589 | |
| Debt service fund | 24,065 | | (659) | 64,370 | 23,127 | 8,626 | - | - | |
| Total all other governmental funds | 5,679,034 | 978,549 | 23,784,341 | 24,826,401 | 25,333,511 | 22,790,239 | 19,244,228 | 6,882,995 | - |

The District converted to GASB 34 effective with the fiscal year ended June 30, 2003. Based on this, only nine years of information is presented.

The requirements related to reporting fund balance in the general fund were modified by the Governmental Accounting Standards Board (GASB) effective for fiscal years ending June 30, 2011.

Source: CAFR Schedule B-1

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Changes in Fund Balances, Governmental Funds,**
**Last Nine Fiscal Years**
***Unaudited***

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | |
| Tax levy | 31,284,251 | 42,835,429 | 46,243,360 | 52,954,341 | 55,065,582 | 67,362,828 | 63,917,735 | 68,362,708 | 68,509,298 |
| Tuition charges | 9,803 | 22,432 | 52,002 | 77,136 | 54,619 | 86,606 | 117,355 | 68,362 | 322,020 |
| Transportation charges | | 23,860 | | | | | | | |
| Interest earnings | 753,614 | 134,050 | 316,686 | 1,332,186 | 878,240 | 2,318,742 | 571,745 | 393,742 | 428,608 |
| Miscellaneous | 189,108 | 63,196 | 180,460 | 148,456 | 306,689 | 135,936 | 280,371 | 29,240 | 1,048,988 |
| Local sources | | | | 134,730 | 16,129 | 17,232 | 121,697 | 89,726 | 70,201 |
| State sources | 34,179,770 | 35,343,888 | 37,602,799 | 38,424,801 | 42,079,421 | 43,014,597 | 47,695,428 | 42,424,817 | 46,333,813 |
| Federal sources | 1,462,055 | 1,765,142 | 2,085,364 | 2,347,160 | 2,375,476 | 2,475,764 | 2,605,840 | 9,466,529 | 3,936,418 |
| Total revenue | 67,878,601 | 80,187,997 | 86,480,671 | 95,418,810 | 100,776,156 | 115,411,705 | 115,310,171 | 120,835,124 | 120,649,346 |
| **Expenditures** | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular Instruction | 23,115,826 | 23,038,379 | 25,378,858 | 26,400,956 | 28,151,621 | 33,128,570 | 33,559,452 | 35,679,871 | 34,419,675 |
| Special education instruction | 4,276,842 | 4,611,468 | 5,380,544 | 6,094,441 | 6,603,506 | 7,399,402 | 7,360,619 | 7,600,335 | 6,794,254 |
| Other special instruction | 289,308 | 807,090 | 897,798 | 1,177,353 | 1,290,177 | 1,411,857 | 2,017,871 | 1,926,862 | 1,648,521 |
| Other instruction | 709,155 | 740,207 | 735,146 | 888,535 | 955,992 | 1,127,189 | 1,155,686 | 1,757,760 | 1,243,611 |
| Nonpublic school programs | 141,957 | 125,122 | 310,826 | 331,811 | 247,722 | 326,339 | 271,036 | 327,404 | 233,225 |
| Support Services: | | | | | | | | | |
| Tuition | 3,014,066 | 2,561,948 | 2,213,257 | 3,275,263 | 2,689,298 | 2,950,776 | 3,364,205 | 2,773,305 | 2,276,121 |
| Student & instruction related services | 5,571,524 | 6,608,228 | 7,172,961 | 8,215,775 | 8,407,953 | 9,765,885 | 10,418,560 | 11,068,011 | 10,847,890 |
| General administrative services | 1,854,598 | 1,899,956 | 2,315,763 | 2,524,363 | 2,682,231 | 2,716,949 | 2,775,962 | 2,806,420 | 2,554,836 |
| School Administrative services | 1,936,612 | 2,185,551 | 2,367,237 | 2,583,967 | 2,776,309 | 2,883,757 | 3,061,745 | 3,073,874 | 3,125,619 |
| Plant operations and maintenance | 4,772,042 | 9,245,603 | 9,471,788 | 8,201,148 | 8,599,212 | 9,872,178 | 10,704,263 | 10,310,439 | 9,356,191 |
| Pupil transportation | 3,087,865 | 3,780,558 | 4,460,189 | 7,199,273 | 7,140,085 | 6,091,422 | 6,286,850 | 6,573,305 | 6,471,752 |
| Unallocated employee benefits | 11,035,165 | 14,008,922 | 14,937,251 | 15,466,418 | 20,602,086 | 25,430,478 | 26,248,423 | 31,065,098 | 28,222,108 |
| Special Schools | 153,379 | 59,429 | 48,737 | 136,657 | 140,268 | 174,998 | 179,675 | - | |
| Capital outlay | 45,845,460 | 7,258,641 | 1,246,016 | 2,832,868 | 5,728,646 | 4,264,995 | 11,211,686 | 13,137,361 | 3,745,614 |
| Debt service: | | | | | | | | | |
| Principal | 3,310,000 | 2,600,000 | 3,245,000 | 2,800,000 | 2,980,000 | 3,035,000 | 3,185,000 | 3,265,000 | 3,400,000 |
| Interest and other charges | 3,841,159 | 3,843,258 | 3,178,276 | 4,656,069 | 4,362,454 | 4,321,538 | 4,172,324 | 5,688,175 | 4,985,108 |
| Total expenditures | 112,954,958 | 83,374,360 | 83,359,647 | 92,784,897 | 103,357,560 | 114,901,333 | 125,973,357 | 137,053,220 | 119,324,525 |
| Excess (Deficiency) of revenues over (under) expenditures | (45,076,357) | (3,186,363) | 3,121,024 | 2,633,913 | (2,581,404) | 510,372 | (10,663,186) | (16,218,096) | 1,324,821 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Changes in Fund Balances, Governmental Funds,**
**Last Nine Fiscal Years**
***Unaudited***

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|
| **Other Financing sources (uses)** | | | | | | | | | |
| Capital leases (non-budgeted) | 2,752,696 | 1,737,153 | 483,069 | 1,769,528 | 1,645,382 | 530,000 | 700,000 | 255,000 | - |
| Debt service assessment | | | | | | | | | (400,347) |
| Cancellation of prior year payables | | | | | 32,080 | | 13,137 | 14,854 | 1,101 |
| Bond proceeds | 23,170,000 | | 73,787,000 | | | | 27,924,000 | | |
| Proceeds of refunding debt | | 10,715,000 | | | 13,572,000 | | | | |
| Payment to refunded debt escrow agent | (23,170,000) | (10,715,000) | (50,735,000) | | (13,572,000) | | | | |
| Prior year expenditure - Conectiv | (144,619) | | | | | | | | |
| Costs of issuance | 3,341 | | | | | | | | |
| Transfers in | 332,000 | | 103,711 | 1,322,563 | 3,057,611 | 60,000 | 1,431,704 | 106,822 | 1,657,522 |
| Transfers out | (682,000) | (435,000) | (524,116) | (1,702,563) | (3,450,611) | (453,401) | (1,816,737) | (463,983) | (1,657,522) |
| Total other financing sources (uses) | 2,261,418 | 1,302,153 | 23,114,664 | 1,389,528 | 1,284,462 | 136,599 | 28,252,104 | (87,307) | (399,246) |
| Net change in fund balances | (42,814,939) | (1,884,210) | 26,235,688 | 4,023,441 | (1,296,942) | 646,971 | 17,588,918 | (16,305,403) | 925,575 |
| Debt service as a percentage of noncapital expenditures | 10.66% | 8.47% | 7.82% | 8.29% | 7.52% | 6.65% | 6.41% | 7.23% | 7.25% |

The District converted to GASB 34 effective with the fiscal year ended June 30, 2003. Based on this, only nine years of information is presented.

Source: CAFR Schedule B-2

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**General Fund Other Local Revenue by Source**
**Last Ten Fiscal Years**
***Unaudited***

| Fiscal Year Ended June 30, | Tuition | Adult Evening School Tuition | Refund of Prior Year Expenditures | Use of Facilities | Gain/Loss on Sale of Capital Assets | Easement Fees | Sale of SRECS | Misc. | Total |
|---|---|---|---|---|---|---|---|---|---|
| 2002 | 70,954 | 9,698 | 132,360 | 11,362 | | | | 8,773 | 233,147 |
| 2003 | 11,783 | 18,775 | | 11,787 | | | | 65,030 | 107,375 |
| 2004 | 22,432 | 4,580 | | 14,211 | | | | 33,961 | 75,184 |
| 2005 | 52,002 | 10,514 | 47,974 | 11,474 | 24,691 | | | 81,390 | 228,045 |
| 2006 | 77,135 | 5,725 | 62,804 | 21,736 | | | | 58,191 | 225,591 |
| 2007 | 54,619 | 4,695 | 74,997 | 32,839 | | 170,000 | | 24,158 | 361,308 |
| 2008 | 86,606 | 4,205 | 83,476 | 7,975 | | | | 40,280 | 222,542 |
| 2009 | 117,355 | - | 259,784 | 11,587 | | | | 9,000 | 397,726 |
| 2010 | 68,362 | 919 | 26,492 | 350 | | | | 395,221 | 491,344 |
| 2011 | 322,019 | 1,845 | 20,054 | 26,358 | | | 998,538 | 430,802 | 1,799,616 |

Source: District Records

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Assessed Value and Actual Value of Taxable Property**
**Last Ten Fiscal Years**
***Unaudited***

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax-Exempt Property | Class I Railroad | Public Utilities[a] | Net Valuation Taxable | Total Direct School Tax Rate[b] | Estimated Actual (County Equalized Value) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2002 | 146,224,325 | 1,166,787,400 | 3,482,200 | 508,000 | 413,563,600 | - | 8,572,600 | 1,739,138,125 | | 15,300 | 9,723,630 | 1,748,877,055 | 1.73 | 1,975,462,617 |
| 2003 | 152,368,925 | 1,277,318,000 | 3,357,300 | 465,200 | 423,484,900 | - | 8,452,000 | 1,865,446,325 | | 15,300 | 11,304,100 | 1,876,765,725 | 2.01 | 2,214,211,568 |
| 2004 | 170,624,325 | 1,395,556,600 | 3,392,900 | 467,900 | 423,454,900 | - | 8,452,000 | 2,001,948,625 | | 15,300 | 10,349,696 | 2,012,313,621 | 2.21 | 2,654,767,310 |
| 2005 | 174,390,925 | 1,550,498,400 | 3,732,900 | 477,300 | 427,746,000 | - | 8,452,000 | 2,165,297,525 | | 15,300 | 8,831,180 | 2,174,144,005 | 2.28 | 3,186,492,752 |
| 2006 | 161,498,900 | 1,675,678,100 | 3,272,800 | 430,100 | 432,335,600 | - | 8,452,000 | 2,281,667,500 | | 15,300 | 7,006,905 | 2,288,689,705 | 2.36 | 3,994,920,065 |
| 2007 | 159,294,300 | 1,800,348,500 | 2,783,000 | 399,800 | 444,702,400 | - | 8,452,000 | 2,415,980,000 | | 15,300 | 6,354,500 | 2,422,349,800 | 2.53 | 4,752,501,079 |
| 2008 | 137,144,000 | 1,911,350,500 | 3,363,500 | 508,400 | 426,413,900 | 27,295,200 | 8,210,400 | 2,514,285,900 | | 15,300 | 6,382,200 | 2,520,683,400 | 2.60 | 5,294,441,084 |
| 2009 | 125,401,800 | 1,971,682,300 | 3,875,800 | 527,000 | 423,293,700 | 28,633,700 | 8,210,400 | 2,561,624,700 | | 15,300 | 7,020,900 | 2,568,660,900 | 2.58 | 5,395,212,980 |
| 2010 | 118,169,900 | 1,988,870,600 | 3,888,200 | 527,000 | 422,623,800 | 28,633,700 | 8,210,400 | 2,570,923,600 | | 15,300 | 6,851,800 | 2,577,790,700 | 2.65 | 5,414,389,204 |
| 2011 | 113,010,400 | 1,989,216,200 | 3,707,300 | 529,100 | 427,410,800 | 28,633,700 | 8,210,400 | 2,570,717,900 | | 15,300 | 6,202,900 | 2,576,936,100 | 2.68 | 5,412,594,203 |

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per $100

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Direct and Overlapping Property Tax Rates**
**Rate per $100 of Assessed Value**
**Last Ten Fiscal Years**
***Unaudited***

| | Egg Harbor Township Board of Education | | | | | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended June 30, | Basic Rate [a] | General Obligation Debt Service [b] | Total Direct | Egg Harbor Township | Atlantic County | Total Direct and Overlapping Tax Rate |
| 2002 | 1.517 | 0.213 | 1.730 | 0.370 | 0.580 | 2.680 |
| 2003 | 1.828 | 0.182 | 2.010 | 0.370 | 0.580 | 2.960 |
| 2004 | 2.029 | 0.182 | 2.211 | 0.363 | 0.610 | 3.184 |
| 2005 | 2.114 | 0.163 | 2.277 | 0.360 | 0.610 | 3.247 |
| 2006 | 2.174 | 0.182 | 2.357 | 0.363 | 0.639 | 3.359 |
| 2007 | 2.354 | 0.172 | 2.526 | 0.448 | 0.605 | 3.579 |
| 2008 | 2.439 | 0.163 | 2.602 | 0.518 | 0.605 | 3.725 |
| 2009 | 2.398 | 0.182 | 2.580 | 0.606 | 0.624 | 3.810 |
| 2010 | 2.459 | 0.189 | 2.648 | 0.706 | 0.619 | 3.973 |
| 2011 | 2.481 | 0.201 | 2.682 | 0.755 | 0.664 | 4.101 |

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

**b** Rates for debt service are based on each year's requirements.

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Principal Property Tax Payers,**
**Current Year and Nine Years Ago**
***Unaudited***

| | 2011 | | | 2002 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| Shore Mall Associates | 30,002,902 | 1 | 1.16% | 34,083,600 | 1 | 1.95% |
| Cardiff Circle Associates | | | | 12,098,100 | 2 | 0.69% |
| Harbor Pines Golf LLC | 16,927,408 | 2 | 0.66% | 5,375,800 | 10 | 0.31% |
| Atlantic City Electric Co. | 15,134,821 | 3 | 0.59% | 11,172,900 | 3 | 0.64% |
| English Creek LLC | 10,665,472 | 4 | 0.41% | 10,242,600 | 4 | 0.59% |
| Trocki Hotels, L.P. | 10,714,289 | 5 | 0.42% | | | |
| Bellevue Prop Group (6550 Delilah Rd.) | 9,753,402 | 6 | 0.38% | | | |
| Hidden Creek Golf Club, LLC | 9,714,704 | 7 | 0.38% | | | 0.00% |
| Lowe's Home Centers, Inc. | 9,010,193 | 8 | 0.35% | | | 0.00% |
| Home Depot Development Co of MD | 7,397,098 | 9 | 0.29% | 7,397,100 | 5 | 0.42% |
| Fire Road Associates LLC | 6,921,409 | 10 | 0.27% | | | |
| Par-Ruffo Realty Co. | | | | 6,294,200 | 6 | 0.36% |
| Margate Bridge Company | | | | 5,914,000 | 7 | 0.34% |
| Spencer Gifts, Inc. | | | | 5,502,800 | 8 | 0.31% |
| Eagle Creek Partners, LLC | | | | 5,469,200 | 10 | 0.31% |
| Total | 126,241,697 | | 4.90% | 103,550,300 | | 5.61% |

Source: District CAFR & Municipal Tax Assessor
District Total Taxable Value

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Property Tax Levies and Collections,**
**Last Ten Fiscal Years**
***Unaudited***

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|---|---|---|---|---|
| | | Amount | Percentage of Levy | |
| 2002 | 28,102,944 | 28,102,944 | 100% | - |
| 2003 | 31,284,251 | 31,284,251 | 100% | - |
| 2004 | 42,835,429 | 42,835,429 | 100% | - |
| 2005 | 46,243,360 | 46,243,360 | 100% | - |
| 2006 | 52,954,341 | 52,954,341 | 100% | - |
| 2007 | 53,934,718 | 53,934,718 | 100% | - |
| 2008 | 67,362,828 | 67,362,828 | 100% | - |
| 2009 | 63,917,735 | 63,917,735 | 100% | - |
| 2010 | 68,362,708 | 68,362,708 | 100% | - |
| 2011 | 68,509,298 | 68,509,298 | 100% | - |

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

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Ratios of Outstanding Debt by Type**
**Last Ten Fiscal Years**
**Unaudited**

| | Governmental Activities | | Business-Type Activities | | | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended June 30, | General Obligation Bonds | Capital Leases | Capital Leases | Total District | Percentage of Personal Income [a] | Per Capita [a] |
| 2002 | 83,405,000 | 6,568,436 | - | 89,973,436 | 8.26% | 2,715 |
| 2003 | 78,775,000 | 6,901,011 | - | 85,676,011 | 7.34% | 2,468 |
| 2004 | 76,175,000 | 5,999,787 | - | 82,174,787 | 6.49% | 2,249 |
| 2005 | 94,117,000 | 3,453,132 | - | 97,570,132 | 7.21% | 2,584 |
| 2006 | 91,317,000 | 3,788,173 | | 95,105,173 | 6.64% | 2,468 |
| 2007 | 90,175,000 | 4,631,798 | 59,618 | 94,866,416 | 6.24% | 2,406 |
| 2008 | 87,140,000 | 4,273,454 | 55,419 | 91,468,873 | 5.74% | 2,292 |
| 2009 | 111,879,000 | 3,942,669 | 55,965 | 115,877,634 | 7.35% | 2,880 |
| 2010 | 108,614,000 | 3,264,010 | 55,965 | 111,933,975 | 7.10% | 2,782 |
| 2011 | 105,214,000 | 2,284,177 | 55,965 | 107,554,142 | 6.83% | 2,673 |

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

**Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.**

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Ratios of Net General Bonded Debt Outstanding**
**Last Ten Fiscal Years**
***Unaudited***

| | General Bonded Debt Outstanding | | | | |
|---|---|---|---|---|---|
| Fiscal Year Ended June 30, | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value [a] of Property | Per Capita [b] |
| 2002 | 83,405,000 | - | 83,405,000 | 4.77% | 2,516 |
| 2003 | 78,775,000 | - | 78,775,000 | 4.20% | 2,269 |
| 2004 | 76,175,000 | - | 76,175,000 | 3.79% | 2,085 |
| 2005 | 94,117,000 | - | 94,117,000 | 4.33% | 2,493 |
| 2006 | 91,317,000 | - | 91,317,000 | 3.99% | 2,370 |
| 2007 | 90,175,000 | - | 90,175,000 | 3.72% | 2,287 |
| 2008 | 87,140,000 | - | 87,140,000 | 3.46% | 2,184 |
| 2009 | 111,879,000 | - | 111,879,000 | 4.36% | 2,780 |
| 2010 | 108,614,000 | - | 108,614,000 | 4.21% | 2,699 |
| 2011 | 105,214,000 | - | 105,214,000 | 4.08% | 2,615 |

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.
**a** See Exhibit NJ J-6 for property tax data.
**b** Population data can be found in Exhibit NJ J-13.

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Ratios of Overlapping Governmental Activities Debt**
**As of June 30, 2011**
***Unaudited***

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable [a] | Estimated Share of Overlapping Debt |
|---|---|---|---|
| **Debt repaid with property taxes** | | | |
| Township of Egg Harbor | 36,753,809 | 100.00% | 36,753,809 |
| **Other debt** | | | |
| Egg Harbor Township Golf Corporation | 9,730,000 | 100.00% | 9,730,000 |
| Atlantic County | 137,077,871 | 9.66% | 13,239,263 |
| Subtotal, overlapping debt | | | 59,723,072 |
| **Township of Egg Harbor School District debt** | 105,214,000 | 100.00% | 105,214,000 |
| **Total direct and overlapping debt** | | | 164,937,072 |

**Sources:** Township of Egg Harbor Finance Officer and Atlantic County Finance Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Egg Harbor. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Legal Debt Margin Information,**
**Last Ten Fiscal Years**
***Unaudited***

**Legal Debt Margin Calculation for Fiscal Year 2011**

| | Equalized valuation basis | |
|---|---|---|
| | 2010 | 4,746,028,429 |
| | 2009 | 5,016,891,304 |
| | 2008 | 5,227,205,613 |
| | | 14,990,125,346 |
| Average equalized valuation of taxable property | | 4,996,708,449 |
| Debt limit (4% of average) | | 199,868,338 |
| Net bonded school debt | | 105,214,000 |
| Legal debt margin | | 94,654,338 |

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt limit | 67,309,635 | 73,890,283 | 85,057,391 | 99,867,311 | 122,328,896 | 149,201,964 | 177,740,688 | 197,042,918 | 204,248,254 | 199,868,338 |
| Total net debt applicable to limit | 83,405,000 | 78,775,000 | 76,175,000 | 94,117,000 | 91,317,000 | 90,175,000 | 87,140,000 | 111,879,000 | 108,614,000 | 105,214,000 |
| Legal debt margin | (16,095,365) | (4,884,717) | 8,882,391 | 5,750,311 | 31,011,896 | 59,026,964 | 90,600,688 | 85,163,918 | 95,634,254 | 94,654,338 |
| Total net debt applicable to the limit as a percentage of debt limit | 123.91% | 106.61% | 89.56% | 94.24% | 74.65% | 60.44% | 49.03% | 56.78% | 53.18% | 52.64% |

Source: Abstract of Ratables and District Records CAFR Schedule J-11

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Demographic and Economic Statistics**
**Last Ten Fiscal Years**
***Unaudited***

| Year | Population [a] | Personal Income (thousands of dollars) [b] | Per Capita Personal Income [c] | Unemployment Rate [d] |
|---|---|---|---|---|
| 2001 | 31,857 | 1,030,096 | 32,335 | 4.40% |
| 2002 | 33,144 | 1,088,814 | 32,851 | 5.40% |
| 2003 | 34,715 | 1,167,222 | 33,623 | 5.70% |
| 2004 | 36,537 | 1,266,774 | 34,671 | 5.00% |
| 2005 | 37,753 | 1,352,539 | 35,826 | 4.20% |
| 2006 | 38,538 | 1,433,382 | 37,194 | 4.20% |
| 2007 | 39,431 | 1,520,183 | 38,553 | 4.80% |
| 2008 | 39,900 | 1,592,928 | 39,923 | 5.10% |
| 2009 | 40,239 | 1,575,598 | 39,156 | 6.20% |
| 2010 | 40,239 | 1,575,598 | 39,156 | 11.00% |
| 2011 | 40,239 | 1,575,598 | 39,156 | 11.30% |

**Source:**
a Population information provided by the NJ Dept of Labor and Workforce Development
b Personal income is calculated by multiplying per capita income by the population
c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, April 2010
d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Principal Employers,**
**Current Year and Nine Years Ago**
***Unaudited***

| | 2008 | | | 2001 | | |
|---|---|---|---|---|---|---|
| **Employer** | **Employees** | **Rank (Optional)** | **Percentage of Total Employment** | **Employees** | **Rank (Optional)** | **Percentage of Total Employment** |
| Federal Aviation Administration | 3,500 | 1 | 16% | Information not available | | 0.00% |
| Egg Harbor Township School District | 1,168 | 2 | 5% | | | 0.00% |
| AtlantiCare | 546 | 3 | 3% | | | 0.00% |
| Air National Guard | 400 | 4 | 2% | | | 0.00% |
| Boscov's | 275 | 5 | 1% | | | 0.00% |
| U.S. Coast Guard | 255 | 6 | 1% | | | 0.00% |
| Home Depot | 248 | 7 | 1% | | | 0.00% |
| Egg Harbor Township | 246 | 8 | 1% | | | 0.00% |
| Spencer Gifts | 210 | 9 | 1% | | | 0.00% |
| Lowe's | 208 | 10 | 1% | | | 0.00% |
| | 7,056 | | 33% | - | | - |

GASB requires this table present the principal taxpayers for the current year and nine years ago, however information from 2001 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Egg Harbor Tax Assessor

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Full-time Equivalent District Employees by Function/Program,**
**Last Eight Fiscal Years**
***Unaudited***

| Function/Program | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|
| Instruction | | | | | | | | |
| Regular | 395.2 | 409.0 | 396.9 | 432.0 | 484.0 | 499.6 | 491.6 | 457.6 |
| Special education | 80.0 | 92.0 | 96.0 | 98.0 | 103.2 | 100.8 | 109.0 | 107.0 |
| Vocational | 11.0 | 12.0 | 12.0 | 13.0 | 15.6 | 15.4 | 15.4 | 14.4 |
| Other instruction | 78.6 | 76.6 | 87.6 | 87.0 | 99.8 | 99.8 | 99.9 | 93.2 |
| Support Services: | | | | | | | | |
| Student & instruction related services | 128.0 | 165.0 | 149.0 | 142.0 | 177.0 | 177.0 | 177.0 | 168.0 |
| General administrative services | 7.0 | 7.0 | 8.0 | 8.0 | 8.0 | 8.5 | 8.5 | 8.0 |
| School administrative services | 43.0 | 46.0 | 46.0 | 46.0 | 48.0 | 49.0 | 49.0 | 49.0 |
| Central services | 9.0 | 9.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 9.0 |
| Administrative information technology | 6.0 | 7.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Plant operations and maintenance | 78.0 | 73.0 | 76.0 | 92.0 | 104.0 | 111.0 | 106.0 | 113.0 |
| Pupil transportation | 98.0 | 92.0 | 107.0 | 112.0 | 115.0 | 115.0 | 115.0 | 118.0 |
| Food Service | 53.5 | 45.0 | 52.0 | 47.0 | 48.0 | 46.0 | 44.5 | 44.5 |
| Total | 987.3 | 1,033.6 | 1,046.5 | 1,093.0 | 1,218.6 | 1,238.1 | 1,231.9 | 1,187.7 |

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years, however only eight years of information was available.

**Source:** District Personnel Records

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Operating Statistics**
**Last Ten Fiscal Years**
***Unaudited***

| Fiscal Year | Enrollment | Operating Expenditures [a] | Cost Per Pupil | Percentage Change | Teaching Staff [b] | Pupil/Teacher Ratio: Elementary | Pupil/Teacher Ratio: Middle School | Pupil/Teacher Ratio: High School | Average Daily Enrollment (ADE) [c] | Average Daily Attendance (ADA) [c] | % Change in Average Daily Enrollment | Student Attendance Percentage |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2002 | 6,250 | 54,994,305 | 8,799 | -0.45% | 542 | 12.6:1 | 12.2:1 | 9.7:1 | 5,955 | 5,643 | 5.38% | 94.76% |
| 2003 | 6,402 | 59,958,339 | 9,366 | 6.44% | 567 | 12.2:1 | 12.5:1 | 10.3:1 | 6,402 | 6,064 | 7.51% | 94.72% |
| 2004 | 6,940 | 69,672,461 | 10,039 | 7.19% | 565 | 12.2:1 | 12.2:1 | 11.5:1 | 6,742 | 6,417 | 5.31% | 95.18% |
| 2005 | 7,289 | 75,690,355 | 10,384 | 3.44% | 628 | 12.6:1 | 13.0:1 | 10.7:1 | 7,027 | 6,659 | 4.23% | 94.76% |
| 2006 | 7,513 | 82,495,960 | 10,980 | 5.74% | 690 | 12.5:1 | 12.3:1 | 10.9:1 | 7,287 | 6,885 | 3.70% | 94.48% |
| 2007 | 7,869 | 90,286,460 | 11,474 | 4.49% | 690 | 12.5:1 | 12.7:1 | 11.0:1 | 7,490 | 7,100 | 2.79% | 94.79% |
| 2008 | 7,982 | 103,279,800 | 12,939 | 12.77% | 692 | 12.5:1 | 12.7:1 | 11.0:1 | 7,579 | 7,219 | 1.19% | 95.25% |
| 2009 | 7,978 | 107,404,347 | 13,463 | 4.05% | 714 | 11.0:1 | 9.85:1 | 11.4:1 | 7,633 | 7,370 | 0.71% | 96.55% |
| 2010 | 7,984 | 114,962,684 | 14,399 | 6.96% | 716 | 10.8:1 | 9.25:1 | 12.1:1 | 7,715 | 7,464 | 1.07% | 96.75% |
| 2011 | 7,875 | 107,193,803 | 13,612 | -5.47% | 672 | 10.6:1 | 9.00:1 | 12.2:1 | 7,924 | 7,536 | 2.71% | 95.10% |

**Sources: District records, ASSA and Schedules J-12, J-14**

**Note: Enrollment based on annual October district count.**

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**School Building Information**
**Last Ten Fiscal Years**
***Unaudited***

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| **District Building** | | | | | | | | | | |
| **Elementary** | | | | | | | | | | |
| H. Russell Swift School (1956, 1967, 1970, 2003) | | | | | | | | | | |
| Square Feet | 83,229 | 83,229 | 83,229 | 83,229 | 83,229 | 83,229 | 83,229 | 83,229 | 83,229 | 83,229 |
| Capacity (students) | 525 | 525 | 525 | 525 | 525 | 525 | 525 | 525 | 525 | 525 |
| Enrollment | 465 | N/A | 395 | 407 | 417 | 432 | 504 | 467 | 476 | 471 |
| E. H. Slaybaugh School (1970, 1989) | | | | | | | | | | |
| Square Feet | 77,430 | 77,430 | 77,430 | 77,430 | 77,430 | 77,430 | 77,430 | 77,430 | 77,430 | 77,430 |
| Capacity (students) | 586 | 586 | 586 | 586 | 586 | 586 | 586 | 586 | 586 | 586 |
| Enrollment | 755 | N/A | 677 | 584 | 557 | 553 | 438 | 426 | 494 | 480 |
| E. H. Slaybaugh Primary School (2007) | | | | | | | | | | |
| Square Feet | | | | | | | 58,807 | 58,807 | 58,807 | 58,807 |
| Capacity (students) | | | | | | | 500 | 500 | 500 | 500 |
| Enrollment | | | | | | | 476 | 487 | 442 | 456 |
| C. J. Davenport School (1976) | | | | | | | | | | |
| Square Feet | 89,718 | 89,718 | 89,718 | 89,718 | 89,718 | 89,718 | 89,718 | 89,718 | 89,718 | 89,718 |
| Capacity (students) | 657 | 657 | 657 | 657 | 657 | 657 | 657 | 657 | 657 | 657 |
| Enrollment | 686 | N/A | 518 | 554 | 576 | 638 | 412 | 439 | 449 | 429 |
| C. J. Davenport Primary School (2007) | | | | | | | | | | |
| Square Feet | | | | | | | 57,646 | 57,646 | 57,646 | 57,646 |
| Capacity (students) | | | | | | | 500 | 500 | 500 | 500 |
| Enrollment | | | | | | | 418 | 420 | 441 | 434 |
| Dr. Joy Miller Elementary School (2003) | | | | | | | | | | |
| Square Feet | | 154,538 | 154,538 | 154,538 | 154,538 | 154,538 | 154,538 | 154,538 | 154,538 | 154,538 |
| Capacity (students) | | 1,194 | 1,194 | 1,194 | 1,194 | 1,194 | 1,194 | 1,194 | 1,194 | 1,194 |
| Enrollment | | N/A | 1,092 | 1,170 | 1,152 | 1,126 | 1,170 | 1,131 | 1,143 | 1,197 |
| **Middle School** | | | | | | | | | | |
| Fernwood Avenue (1992) | | | | | | | | | | |
| Square Feet | 203,436 | 203,436 | 203,436 | 203,436 | 203,436 | 203,439 | 203,439 | 203,439 | 203,439 | 203,439 |
| Capacity (students) | 1,321 | 1,321 | 1,321 | 1,321 | 1,321 | 1,321 | 1,321 | 1,321 | 1,321 | 1,321 |
| Enrollment | 1,107 | N/A | 1,102 | 1,175 | 1,214 | 1,301 | 1,023 | 973 | 966 | 958 |
| Alder Avenue (1992, 2007) | | | | | | | | | | |
| Square Feet | 147,334 | 147,334 | 147,334 | 147,334 | 147,334 | 147,334 | 169,174 | 169,174 | 169,174 | 169,174 |
| Capacity (students) | 989 | 989 | 989 | 989 | 989 | 989 | 1,389 | 1,389 | 1,389 | 1,389 |
| Enrollment | 1,181 | N/A | 1,141 | 1,193 | 1,221 | 1,233 | 913 | 897 | 893 | 868 |

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**School Building Information**
**Last Ten Fiscal Years**
***Unaudited***

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| **High School** | | | | | | | | | | |
| EHT High School (1983, 2003) | | | | | | | | | | |
| Square Feet | 253,636 | 253,636 | 253,636 | 253,636 | 253,636 | 321,715 | 321,715 | 321,715 | 321,715 | 321,715 |
| Capacity (students) | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 |
| Enrollment | 1,410 | N/A | 1,813 | 1,941 | 2,146 | 2,207 | 2,392 | 2,478 | 2,543 | 2,492 |
| **Other** | | | | | | | | | | |
| Central Administration Building (1969) (vacant as of 9/1/07) | | | | | | | | | | |
| Square Feet | 9,744 | 9,744 | 9,744 | 9,744 | 9,744 | 9,744 | 9,744 | 9,744 | 9,744 | 9,744 |
| District Warehouse (1976) | | | | | | | | | | |
| Square Feet | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 |
| Transportation (1980) | | | | | | | | | | |
| Square Feet | 8,495 | 8,495 | 8,495 | 8,495 | 8,495 | 8,495 | 8,495 | 8,495 | 8,495 | 8,495 |
| Maintenance Building (1980) | | | | | | | | | | |
| Square Feet | 2,160 | 2,160 | 2,160 | 2,160 | 2,160 | 2,160 | 2,160 | 2,160 | 2,160 | 2,160 |
| Grounds Building (1980) | | | | | | | | | | |
| Square Feet | 3,360 | 3,360 | 3,360 | 3,360 | 3,360 | 3,360 | 3,360 | 3,360 | 3,360 | 3,360 |
| High School Field House (1995) | | | | | | | | | | |
| Square Feet | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 |
| Eagle Academy (Leased) | | | | | | | | | | |
| Square Feet | 6,924 | 6,924 | 6,924 | 6,924 | 6,924 | 6,924 | 6,924 | 6,924 | 6,924 | 6,924 |

Number of Schools at June 30, 2011
- Elementary = 4
- Middle School = 2
- High School = 1
- Other = 1

**Source: District records, ASSA**

Note: Year of original construction, or major renovation, is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**General Fund**
**Schedule of Required Maintenance for School Facilities**
**Last Ten Years**
***Unaudited***

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

| School Facilities | Project # (s) | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| H. Russell Swift Elementary School | N/A | 93,557 | 72,007 | 72,019 | 50,732 | 50,363 | 69,876 | 59,175 | 75,157 | 40,247 | 55,376 |
| E.H. Slaybaugh Elementary School | N/A | 97,662 | 109,979 | 123,376 | 79,587 | 163,289 | 64,953 | 55,006 | 43,555 | 37,811 | 51,518 |
| Clayton J. Davenport Elementary School | N/A | 114,387 | 130,670 | 113,139 | 89,109 | 84,286 | 75,318 | 63,783 | 62,441 | 43,144 | 59,694 |
| Joy D. Miller Elementary School | N/A | 91,304 | 137,012 | 108,894 | 100,540 | 88,335 | 132,324 | 112,059 | 77,874 | - | - |
| Fernwood Avenue Middle School | N/A | 157,845 | 186,965 | 149,651 | 130,167 | 128,894 | 170,760 | 144,609 | 191,861 | 135,026 | 135,355 |
| Alder Avenue Middle School | N/A | 125,522 | 149,511 | 182,960 | 129,167 | 103,041 | 123,687 | 104,745 | 95,635 | 77,814 | 98,028 |
| Egg Harbor Township High School | N/A | 286,400 | 294,829 | 335,473 | 285,355 | 197,851 | 218,697 | 185,205 | 188,207 | 168,105 | 168,756 |
| Total School Facilities | | 966,677 | 1,080,973 | 1,085,512 | 864,657 | 816,059 | 855,615 | 724,582 | 734,730 | 502,147 | 568,727 |
| Other Facilities | | 16,356 | 13,513 | 18,801 | 37,358 | 26,206 | 8,119 | 6,876 | 3,409 | 12,894 | 115,980 |
| Grand Total | | 983,033 | 1,094,486 | 1,104,313 | 902,015 | 842,265 | 863,734 | 731,458 | 738,139 | 515,041 | 684,707 |

# TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT

**Insurance Schedule**
**June 30, 2011**
***Unaudited***

| | Coverage | Deductible |
|---|---|---|
| **Property, Inland Marine and Automobile Physical Damages** | | |
| A. Limit of Liability | 150,000,000 | |
| ACCASBOJIF Self Insured Retention, per occurrence | 200,000 | |
| Members District Deductible, per occurrence | | 500 |
| Perils Included | "All Risk" | |
| B. Property Valuation | | |
| Buildings and Contents | Replacement Cost | |
| Contractors Equipment | Actual Cash Value | |
| Automobiles | Actual Cash Value | |
| **Boiler and Machinery** | | |
| A. Limit of Liability | 125,000,000 | |
| ACCASBOJIF Self Insured Retention | None | |
| Members District Deductible | | 1,000 |
| **Crime** | | |
| A. Limit of Liability | 500,000 | |
| ACCASBOJIF Self Insured Retention | 200,000 | |
| Members District Deductible | | 500 |
| **General and Automobile Liability** | | |
| A. Limit of Liability | 10,000,000 | |
| ACCASBOJIF Self Insured Retention | 150,000 | |
| Members District Deductible | | None |
| **Workers' Compensation** | | |
| A. Limit of Liability | Statutory | |
| ACCASBOJIF Self Insured Retention | 250,000 | |
| Members District Deductible | | None |
| **Educator's Legal Liability** | | |
| A. Limit of Liability | 10,000,000 | |
| ACCASBOJIF Self Insured Retention | 100,000 | |
| Members District Deductible | | None |
| **Pollution Legal Liability/Mold Legal Liability** | | |
| A. Limit of Liability | | |
| Pollution | 3,000,000 | |
| Mold | 1,000,000 | |
| ACCASBOJIF Self Insured Retention | None | |
| Members District Deductible | | |
| Pollution | | 25,000 |
| Mold | | 50,000 |

# EGG HARBOR TOWNSHIP SCHOOL DISTRICT

**Insurance Schedule**
**June 30, 2011**
***Unaudited***

| | Coverage | Deductible |
|---|---|---|
| **Flood Policy** | | |
| Coverage - Administrative Building | 500,000 | 1,000 |
| **Storage Tank Systems** | | |
| Limit of Liability, each occurrence | 1,000,000 | 5,000 |
| Aggregate | 1,000,000 | |
| **Student Activity Policy** | | |
| All Students and Athletes | 6,000,000 | None |
| Student Disability | 1,500,000 | None |
| Athletic Disability | 1,500,000 | None |

Source: District Records (Coverage is through the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBOJIF), Harleysville Insurance Co. of NJ, Zurich American Insurance Company, and Peoples Benefit Life Insurance Company.

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# Single Audit Section

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**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
Township of Egg Harbor School District
County of Atlantic, New Jersey

We have audited the financial statements of the Township of Egg Harbor School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2011. 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

Management of the Township of Egg Harbor School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Egg Harbor 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 Township of Egg Harbor Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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 District'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 was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies

or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to the Board of Education of the Township of Egg Harbor School District in the separate *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 23, 2011.

This report is intended solely for the information and use of the audit committee, management, Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Robert E. Swartz, CPA
Licensed Public School Accountant
No. CS00667

*Swartz & Co., LLC*

Swartz & Co., LLC
Certified Public Accountants

November 23, 2011

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**Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A133 And New Jersey Circular OMB 04-04**

**Independent Auditor's Report**

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

## Compliance

We have audited the Township of Egg Harbor Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Grants Compliance Supplement* that could have a direct and material effect on each of the Township of Egg Harbor Board of Education's major federal and state programs for the year ended June 30, 2011. The Township of Egg Harbor Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Township of Egg Harbor Board of Education's management. Our responsibility is to express an opinion on the Township of Egg Harbor Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB 04-04, *New Jersey State Grants Compliance Supplement.* Those standards, OMB Circular A-133 and New Jersey OMB 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Egg Harbor Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Township of Egg Harbor Board of Education's compliance with those requirements.

In our opinion, the Township of Egg Harbor Board of Education complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

Management of the Township of Egg Harbor Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township of Egg Harbor Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

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

Robert E. Swartz, CPA
Licensed Public School Accountant
No. CS00667

*Swartz & Co., LLC*
Swartz & Co., LLC
Certified Public Accountants

November 23, 2011

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Schedule of Expenditures of Federal Awards**
**for the Fiscal Year ended June 30, 2011**

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Grant or State Project Number | Program or Award Amount | Grant Period | Balance at June 30, 2010 | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2011 (Accounts Receivable) | Balance at June 30, 2011 Deferred Revenue | Balance at June 30, 2011 Due to Grantor |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **U. S. Department of Agriculture** | | | | | | | | | | | | | |
| **Passed-through State Department of Education** | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| Food Distribution Program | 10.555 | | 158,572 | 7/1/10 - 6/30/11 | | | 158,572 | (158,572) | | | | | |
| National School Breakfast Program | 10.553 | | 171,923 | 7/1/09 - 6/30/10 | (17,038) | | 17,038 | | | | | | |
| National School Breakfast Program | 10.553 | | 419,419 | 7/1/10 - 6/30/11 | | | 73,298 | (149,419) | | | (76,121) | | |
| National School Lunch Program | 10.555 | | 1,080,552 | 7/1/09 - 6/30/10 | (100,800) | | 100,800 | | | | | | |
| National School Lunch Program | 10.555 | | 1,145,952 | 7/1/10 - 6/30/11 | | | 1,134,991 | (1,145,952) | | | (10,961) | | |
| Special Milk Program | 10.556 | | 7,938 | 7/1/09 - 6/30/10 | (760) | | 760 | | | | | | |
| Special Milk Program | 10.556 | | 8,237 | 7/1/10 - 6/30/11 | | | 5,860 | (8,237) | | | (2,377) | | |
| Total U.S. Department of Agriculture | | | | | (118,598) | 0 | 1,491,319 | (1,462,180) | 0 | 0 | (89,459) | 0 | 0 |
| **U.S. Department of Education** | | | | | | | | | | | | | |
| **Passed-through State Department of Education** | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| Medical Assistance Program | 93.778 | N/A | 133,963 | 7/1/10 - 6/30/11 | | | 133,963 | (133,963) | | | | | |
| | | | | | 0 | 0 | 133,963 | (133,963) | 0 | 0 | 0 | 0 | 0 |
| Special Revenue Fund: | | | | | | | | | | | | | |
| Title I, Part A, Carryover | 84.010 | NCLB-1310-10 | 644,640 | 9/1/09 - 8/31/10 | | (304,267) | 397,416 | (101,063) | 7,914 | | | | |
| Title I, Part A | 84.010 | NCLB-1310-10 | 644,640 | 9/1/09 - 8/31/10 | (304,267) | 304,267 | | | | | | | |
| Title I, Part A | 84.010 | NCLB-1310-11 | 797,404 | 9/1/10 - 8/31/11 | | | 360,641 | (630,087) | | | (269,446) | | |
| ARRA, Title I, Part A | 84.389 | ARRA NCLB-1310-11 | 431,641 | 7/1/09 - 6/30/11 | (20,212) | | 238,462 | (310,377) | | | (92,127) | | |
| Title I, School Improvement Allocation (SIA) | 84.010 | NCLB-1310-09 | 17,127 | 9/1/08 - 8/31/09 | (4,479) | | 4,479 | | | | | | |
| Title I, School Improvement Allocation (SIA) | 84.010 | NCLB-1310-10 | 1,930 | 9/1/09 - 8/31/10 | | | 1,929 | (1,930) | 1 | | | | |
| ARRA, Title I, School Improvement Allocation (SIA) | 84.389 | ARRA NCLB-1310-11 | 16,070 | 7/1/09 - 6/30/11 | | | 10,714 | (15,353) | | | (4,639) | | |
| Title II, Part A, Carryover | 84.367A | NCLB-1310-10 | 161,522 | 9/1/09 - 8/31/10 | | (77,937) | 114,269 | (36,332) | | | | | |
| Title II, Part A | 84.367A | NCLB-1310-10 | 161,522 | 9/1/09 - 8/31/10 | (77,937) | 77,937 | | | | | | | |
| Title II, Part A | 84.367A | NCLB-1310-11 | 170,691 | 9/1/10 - 8/31/11 | | | 62,016 | (143,463) | 1 | | (81,446) | | |
| Title II, Part D, Carryover | 84.367D | NCLB-1310-10 | 6,501 | 9/1/09 - 8/31/10 | | (590) | 6,501 | (5,911) | | | | | |
| Title II, Part D | 84.367D | NCLB-1310-10 | 6,501 | 9/1/09 - 8/31/10 | (590) | 590 | | | | | | | |
| Title II, Part D | 84.367D | NCLB-1310-11 | 2,430 | 9/1/10 - 8/31/11 | | | 122 | (2,430) | | | (2,308) | | |
| Title III, English Language Enhance., Carryover | 84.365A | NCLB-1310-10 | 97,421 | 9/1/09 - 8/31/10 | | (48,964) | 49,467 | (549) | 46 | | | | |
| Title III, English Language Enhancement | 84.365A | NCLB-1310-10 | 97,421 | 9/1/09 - 8/31/10 | (48,964) | 48,964 | | | | | | | |
| Title III, English Language Enhancement | 84.365A | NCLB-1310-11 | 59,451 | 9/1/10 - 8/31/11 | | | 34,044 | (49,988) | | | (15,944) | | |
| Title III, Immigrant, Carryover | 84.xxx | NCLB-1310-09 | 37,660 | 9/1/08 - 8/31/09 | (8,561) | | 8,465 | | 96 | | | | |
| Title IV Safe and Drug Free Schools, Carryover | 84.186 | NCLB-1310-10 | 18,683 | 9/1/09 - 8/31/10 | | (9,340) | 17,494 | (8,105) | (49) | | | | |
| Title IV Safe and Drug Free Schools | 84.186 | NCLB-1310-10 | 18,683 | 9/1/09 - 8/31/10 | (9,340) | 9,340 | | | | | | | |
| I.D.E.A. Part B - Basic, Carryover | 84.027 | IDEA2010 | 1,650,765 | 7/1/09 - 6/30/10 | | (694,602) | 843,659 | (153,608) | 4,551 | | | | |
| I.D.E.A. Part B - Basic | 84.027 | IDEA2010 | 1,650,765 | 7/1/09 - 6/30/10 | (694,602) | 694,602 | | | | | | | |
| I.D.E.A. Part B - Basic | 84.027 | IDEA2011 | 1,719,862 | 7/1/10 - 6/30/11 | | | 995,005 | (1,359,527) | (1) | | (364,523) | | |

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Schedule of Expenditures of Federal Awards**
**For the Fiscal Year Ended June 30, 2011**

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Grant or State Project Number | Program or Award Amount | Grant Period | Balance at June 30, 2010 | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2011 (Accounts Receivable) | Balance at June 30, 2011 Deferred Revenue | Balance at June 30, 2011 Due to Grantor |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ARRA - I.D.E.A. Part B - Basic | 84.391 | ARRA - IDEA2011 | 1,908,659 | 7/1/09 - 6/30/11 | (120,515) | | 922,779 | (1,118,579) | | | (316,315) | | |
| I.D.E.A. Part B - Preschool, Carryover | 84.173 | IDEA2007 | 63,942 | 7/1/06 - 6/30/07 | 315 | | | | | | | | 315 |
| I.D.E.A. Part B - Preschool, Carryover | 84.173 | IDEA2009 | 61,629 | 7/1/08 - 6/30/09 | (7,549) | | 4,786 | | 2,763 | | | | |
| I.D.E.A. Part B - Preschool, Carryover | 84.173 | IDEA2010 | 65,706 | 7/1/09 - 6/30/10 | | (7,470) | 58,963 | (51,493) | | | | | |
| I.D.E.A. Part B - Preschool | 84.173 | IDEA2010 | 65,706 | 7/1/09 - 6/30/10 | (7,470) | 7,470 | | | | | | | |
| I.D.E.A. Part B - Preschool | 84.173 | IDEA2011 | 69,282 | 7/1/10 - 6/30/11 | | | | (1,481) | | | (1,481) | | |
| ARRA - I.D.E.A. Part B - Preschool | 84.392 | ARRA - IDEA2011 | 68,870 | 7/1/09 - 6/30/11 | (649) | | 649 | (9,574) | | | (9,574) | | |
| Carl Perkins Vocational PL #101-392 | 84.048 | PERK012010 | 55,978 | 7/1/09 - 6/30/10 | (10,603) | | 10,537 | | 66 | | | | |
| Carl Perkins Vocational PL #101-392 | 84.048 | PERK012011 | 67,558 | 7/1/10 - 6/30/11 | | | 13,766 | (66,368) | | | (52,602) | | |
| Total Special Revenue Fund | | | | | (1,315,423) | 0 | 4,156,163 | (4,066,218) | 15,388 | 0 | (1,210,405) | 0 | 315 |
| Total Federal Financial Awards | | | | | (1,434,021) | 0 | 5,781,445 | (5,662,361) | 15,388 | 0 | (1,299,864) | 0 | 315 |

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**Schedule of Expenditures of State Financial Assistance**
**For the Fiscal Year Ended June 30, 2011**

| Federal Grantor/Pass-Through Grantor/ Program Title | Grant or State Project Number | Award Amount | Grant Period | Balance at June 30, 2010 | Carryover Amount | Cash Received | Budgetary Expenditures | Transfer/ Adjustment | Repayment of Prior Year's Balances | (Accounts Receivable) June 30, 2011 | Deferred Revenue June 30, 2011 | Due to Grantor at June 30, 2011 | MEMO Budgetary Receivable | MEMO Cumulative Total Expenditures |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **State Department of Education** | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | |
| Equalization Aid | 495-034-5120-078 | 31,277,898 | 7/1/10-6/30/11 | | | 31,277,898 | (31,277,898) | | | | | | (2,906,164) | 31,277,898 |
| Categorical Special Education Aid | 495-034-5120-089 | 4,098,264 | 7/1/10-6/30/11 | | | 4,098,264 | (4,098,264) | | | | | | (380,787) | 4,098,264 |
| Special Education Extraordinary Aid | 495-034-5120-473 | 412,758 | 7/1/09-6/30/10 | ($412,758) | | 412,758 | | | | | | | | |
| Special Education Extraordinary Aid | 495-034-5120-473 | 330,943 | 7/1/10-6/30/11 | | | | (330,943) | | | (330,943) | | | | 330,943 |
| Nonpublic School Transportation Aid | N/A | 83,077 | 7/1/09-6/30/10 | (83,077) | | 83,077 | | | | | | | | |
| Nonpublic School Transportation Aid | N/A | 86,676 | 7/1/10-6/30/11 | | | | (86,676) | | | (86,676) | | | | 86,676 |
| Reimbursed TPAF Social Security Contributions | 495-034-5095-002 | 3,535,119 | 7/1/09-6/30/10 | (175,781) | | 175,781 | | | | | | | | |
| Reimbursed TPAF Social Security Contributions | 495-034-5095-002 | 3,453,249 | 7/1/10-6/30/11 | | | 3,278,160 | (3,453,249) | | | (175,089) | | | | 3,453,249 |
| Total General Fund | | | | (671,616) | 0 | 39,325,938 | (39,247,030) | 0 | 0 | (592,708) | 0 | 0 | (3,286,951) | 39,247,030 |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | | |
| Textbook Aid | 100-034-5120-064 | 31,053 | 7/1/09-6/30/10 | 564 | | | | | (564) | | | | | 30,489 |
| Textbook Aid | 100-034-5120-064 | 24,839 | 7/1/10-6/30/11 | | | 24,839 | (23,231) | | | (10) | | 1,618 | | 23,231 |
| Auxiliary Services: | | | | | | | | | | | | | | |
| Compensatory Education | 100-034-5120-067 | 105,496 | 7/1/10-6/30/11 | | | 105,496 | (102,984) | | | | | 2,512 | | 102,984 |
| English as a Second Language (ESL) | 100-034-5120-067 | 979 | 7/1/09-6/30/10 | 979 | | | | | (979) | | | | | |
| Transportation | 100-034-5120-067 | 25,589 | 7/1/09-6/30/10 | 2 | | | | | (2) | | | | | 25,587 |
| Transportation | 100-034-5120-067 | 17,288 | 7/1/10-6/30/11 | | | 17,288 | (17,288) | | | | | | | |
| Handicapped Services: | | | | | | | | | | | | | | |
| Examination and Classification | 100-034-5120-066 | 46,257 | 7/1/09-6/30/10 | 2,944 | | | | | (2,944) | | | | | 43,313 |
| Examination and Classification | 100-034-5120-066 | 34,290 | 7/1/10-6/30/11 | | | 34,290 | (31,738) | | | | | 2,552 | | 31,738 |
| Corrective Speech | 100-034-5120-066 | 33,178 | 7/1/09-6/30/10 | 15,238 | | | | | (15,238) | | | | | 17,940 |
| Corrective Speech | 100-034-5120-066 | 27,381 | 7/1/10-6/30/11 | | | 27,381 | (12,517) | | | | | 14,864 | | 12,517 |
| Supplemental Instruction | 100-034-5120-066 | 17,363 | 7/1/09-6/30/10 | 10 | | | | | (10) | | | | | 17,353 |
| Supplemental Instruction | 100-034-5120-066 | 16,676 | 7/1/10-6/30/11 | | | 16,676 | (16,676) | | | | | | | 16,676 |
| Nursing | 100-034-5120-070 | 36,360 | 7/1/09-6/30/10 | 152 | | | | | (152) | | | | | 36,208 |
| Nursing | 100-034-5120-070 | 29,096 | 7/1/10-6/30/11 | | | 29,096 | (27,753) | | | | | 1,343 | | 27,753 |
| Career Academy | NA | 100,000 | 7/1/09-6/30/10 | (6,897) | | 9,082 | | 7,577 | (9,762) | | | | | 93,035 |
| Total Special Revenue Fund | | | | 12,992 | 0 | 264,148 | (232,187) | 7,577 | (29,651) | (10) | 0 | 22,889 | 0 | 478,824 |
| Debt Service Fund: | | | | | | | | | | | | | | |
| Debt Service Aid Type II | 495-034-5120-017 | 3,176,748 | 7/1/10-6/30/11 | | | 3,176,748 | (3,176,748) | | | | | | | 3,176,748 |
| Total Debt Service Fund | | | | 0 | 0 | 3,176,748 | (3,176,748) | 0 | 0 | 0 | 0 | 0 | 0 | 3,176,748 |
| **State Department of Agriculture** | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| State School Lunch Program | 100-010-3360-067 | 51,975 | 7/1/09-6/30/10 | (4,808) | | 4,808 | | | | | | | | 51,975 |
| State School Lunch Program | 100-010-3360-067 | 32,758 | 7/1/10-6/30/11 | | | 30,381 | (32,758) | | | (2,377) | | | | 32,758 |
| State School Breakfast Program | 100-010-3360-096 | 12,191 | 7/1/09-6/30/10 | (1,184) | | 1,184 | | | | | | | | 12,191 |
| | | | | (5,992) | 0 | 36,373 | (32,758) | 0 | 0 | (2,377) | 0 | 0 | 0 | 96,924 |
| Total State Financial Assistance | | | | ($664,616) | 0 | 42,803,207 | (42,688,723) | 7,577 | (29,651) | (595,095) | 0 | 22,889 | (3,286,951) | 42,999,526 |

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement

**Township of Egg Harbor Board of Education**
**Notes to the Schedules of Financial Assistance**
**June 30, 2011**

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 NJSA 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 NJSA 18A:22-44.2.

The net adjustment to reconcile from budgetary basis to GAAP basis is $502,767 for the general fund and ($232,374) for the special revenue fund. See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

**Township of Egg Harbor Board of Education**
**Notes to the Schedules of Financial Assistance**
**June 30, 2011**

| | General Fund | Special Revenue Fund | Debt Service Fund | Food Service | Total |
|---|---|---|---|---|---|
| **State Assistance:** | | | | | |
| Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance | $39,247,030 | 232,187 | 3,176,748 | 32,758 | 42,688,723 |
| Difference – budget to "GAAP" | | | | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | 31,389 | | | 31,389 |
| On-behalf payments recognized for GAAP statements but no included in the Schedule of Expenditures of State Financial Assistance | 3,143,692 | | | | 3,143,692 |
| The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33). | 502,767 | | | | 502,767 |
| Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances | $42,893,489 | 263,576 | 3,176,748 | 32,758 | 46,366,571 |

| | General Fund | Special Revenue Fund | Food Service | Total |
|---|---|---|---|---|
| **Federal Assistance:** | | | | |
| Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards | $133,963 | 4,066,218 | 1,462,180 | 5,662,361 |
| Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | (263,763) | | (263,763) |
| Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances | $133,963 | 3,802,455 | 1,462,180 | 5,398,598 |

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2011 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, 2011.

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

***Part I -- Summary of Auditor's Results***

**Financial Statement Section**

| | | | | |
|---|---|---|---|---|
| Type of auditor's report issued: | Unqualified | | | |
| Internal control over financial reporting: | | | | |
| 1) Material weakness(es) identified? | | yes | X | no |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | | yes | X | none reported |
| Noncompliance material to basic financial statements noted? | | yes | X | no |

**Federal Awards Section**

| | | | | |
|---|---|---|---|---|
| Internal Control over major programs: | | | | |
| 1) Material weakness(es) identified? | | yes | X | no |
| 2) Significant deficiencies identified | | yes | X | none reported |
| Type of auditor's report on compliance for major programs | Unqualified | | | |
| Any audit findings disclosed that are required to be reported in accordance section 510(a) of OMB Circular A-133? | | yes | X | no |

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| 10.553 | National School Breakfast Program |
| 10.555 | National School Lunch Program |
| 10.556 | Special Milk Program |
| 84.010 | Title I, Part A |
| 84.389 | ARRA - Title I, Part A |
| 84.027 | I.D.E.A. Part B - Basic |
| 84.173 | I.D.E.A. Part B - Basic, Preschool |
| 84.391 | ARRA - I.D.E.A. Part B - Basic |
| 84.392 | ARRA - I.D.E.A. Part B - Basic, Preschool |

Dollar threshold used to determine Type A programs: $300,000

Auditee qualified as low-risk auditee? X yes _____ no

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

***Part I -- Summary of Auditor's Results***

**State Awards Section**

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes ___X___ no

2) Significant deficiencies identified _____ yes ___X___ none reported

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

Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 04-04? _____ yes ___X___ no

Identification of major programs:

| GMIS Number(s) | Name of State Program |
|---|---|
| 495-034-5120-078 | Equalization Aid |
| 495-034-5120-089 | Special Education Categorical Aid |
| | |
| | |
| | |
| | |

N) Dollar threshold used to determine Type A programs: $1,280,662

O) Auditee qualified as low-risk auditee? ___X___ yes _____ no

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

***Part 2 – Schedule of Financial Statement Findings***

NONE

***Part 3 – Schedule of Federal and State Award Findings and Questioned Costs***

NONE

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*STATUS OF PRIOR YEAR FINDINGS*

NONE