

**SCHOOL DISTRICT OF
SHAMONG TOWNSHIP**

SHAMONG BOARD OF EDUCATION

Shamong, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SHAMONG TOWNSHIP BOARD OF EDUCATION

SHAMONG, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by

**Shamong Township Board of Education
Finance Department**

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INTRODUCTORY SECTION



**SHAMONG TOWNSHIP
BOARD OF EDUCATION
295 INDIAN MILLS ROAD
SHAMONG, NEW JERSEY 08088-9513**

Dolores Szymanski, Ed.D.
Interim Superintendent
Tel. 609-268-0120
Fax. 609-268-1229

Michael J. Mados, RSBA
Business Administrator/
School Board Secretary
Tel. 609-268-0316
Fax. 609-268-1229

August 31, 2011

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Shamong Township School 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 operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: Shamong Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement-14. All funds and account groups of the District are included in this report. The Shamong Township Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-school handicapped through 8. These include regular education as well as special education services. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	914.5	-2.3%
2009-2010	935.7	1.3%
2008-2009	924.7	-2.7%
2007-2008	950.1	0%
2006-2007	950.1	-2.6%
2005-2006	975.9	+3.8%
2004-2005	940.4	+ .6%
2003-2004	935.0	+1.8%
2002-2003	918.1	+1.4%
2001-2002	905.1	-0.01%

2) ECONOMIC CONDITION AND OUTLOOK:

Shamong is located within the Pinelands Preservation area and development is highly regulated. The community's population has declined slightly. The community has not experienced an increase in businesses, therefore, there has been an increase in residential property taxes to support the school system. At present, there is no local purpose tax for the community.

Housing development is expected to continue for those areas already designated on the Master Plan. There is a need to attract some business and industry to broaden the tax base and give some relief to the homeowners. Shamong is a stable bedroom community and a desired place to reside.

The national economic conditions and state budget cuts have not changed the quality of education in the district.

3) MAJOR INITIATIVES

Academic: Students in the Shamong School District performed well on the state assessment – NJASK 3-8, and local MAP Testing.

Major initiatives in the area of instruction included: curriculum mapping, Responsive Classroom, MAP Testing, and a capital maintenance bond referendum. Collaborative plans have increased at both schools where two or more teachers work together in researching instructional techniques/strategies. Year three of the five-year Strategic Plan was successfully completed and the plan will continue for one more year. Community service continues to be a major focus for our children.

Funding: The Shamong Foundation for Educational Excellence was formed early in the 2002-2003 school year. Several mini-grants were awarded to teachers over the past year, and the Foundation is currently raising funds for the upcoming school year. During the 2010-2011 school year, the Foundation funded several small projects. The Home and School Association continues to fund resources to teachers for items not included in the school budget.

Facilities: Due to decreasing budget revenues, the area of capital maintenance and facilities has been reduced significantly as funds are directed towards instruction and programs. As a result, capital maintenance/repairs were addressed in a September 29, 2009 Bond Referendum. The district was awarded 2 Safety Awards for a total of \$3,000. The construction from the September 29, 2009 Bond Referendum for renovations, site work, solar panels and windows was substantially completed by the end of September, 2010.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The district completed the New Jersey State mandatory Standard Operating Procedures at the end of December, 2009. It expanded its personnel software to conform to the payroll/accounting system which was required due to the new accountability 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 and are 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 cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 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) FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2011.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Sources	\$8,952,664	64.0%
State Sources	4,729,187	33.9%
Federal Sources	<u>290,618</u>	<u>2.1%</u>
Total	<u>\$13,972,469</u>	<u>100.00%</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2011.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>
Current Expense:		
Instruction	\$ 5,206,531	34.2%
Undistributed	7,163,849*	47.1%
Capital Outlay	1,698,994	11.2%
Special Revenues	314,229	2.1%
Debt Service	<u>827,757</u>	<u>5.4%</u>
Total	<u>\$15,211,360</u>	<u>100.00%</u>

*This figure includes \$430,857 for State reimbursement of TPAF social security and \$415,794 for State contributions to TPAF pensions, both of which are unbudgeted expenses and revenues.

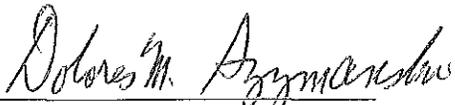
8) DEBT ADMINISTRATION: At June 30, 2011 the District's outstanding debt issues included \$6,849,346 of general obligation bonds.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provision 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. The District also deposits funds in the New Jersey Cash Management Fund which is guaranteed by the State of New Jersey when a competitive rate is available.

10) RISK MANAGEMENT: The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, and worker's compensation. The district participated in the Burlington County Insurance Pool Joint Insurance Fund for all line insurance during the 2010-2011 school year.

11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia P.C. was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB's circular 04-04. The auditor's report on the basic financial statements and combined and individual fund statements and schedules are 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.

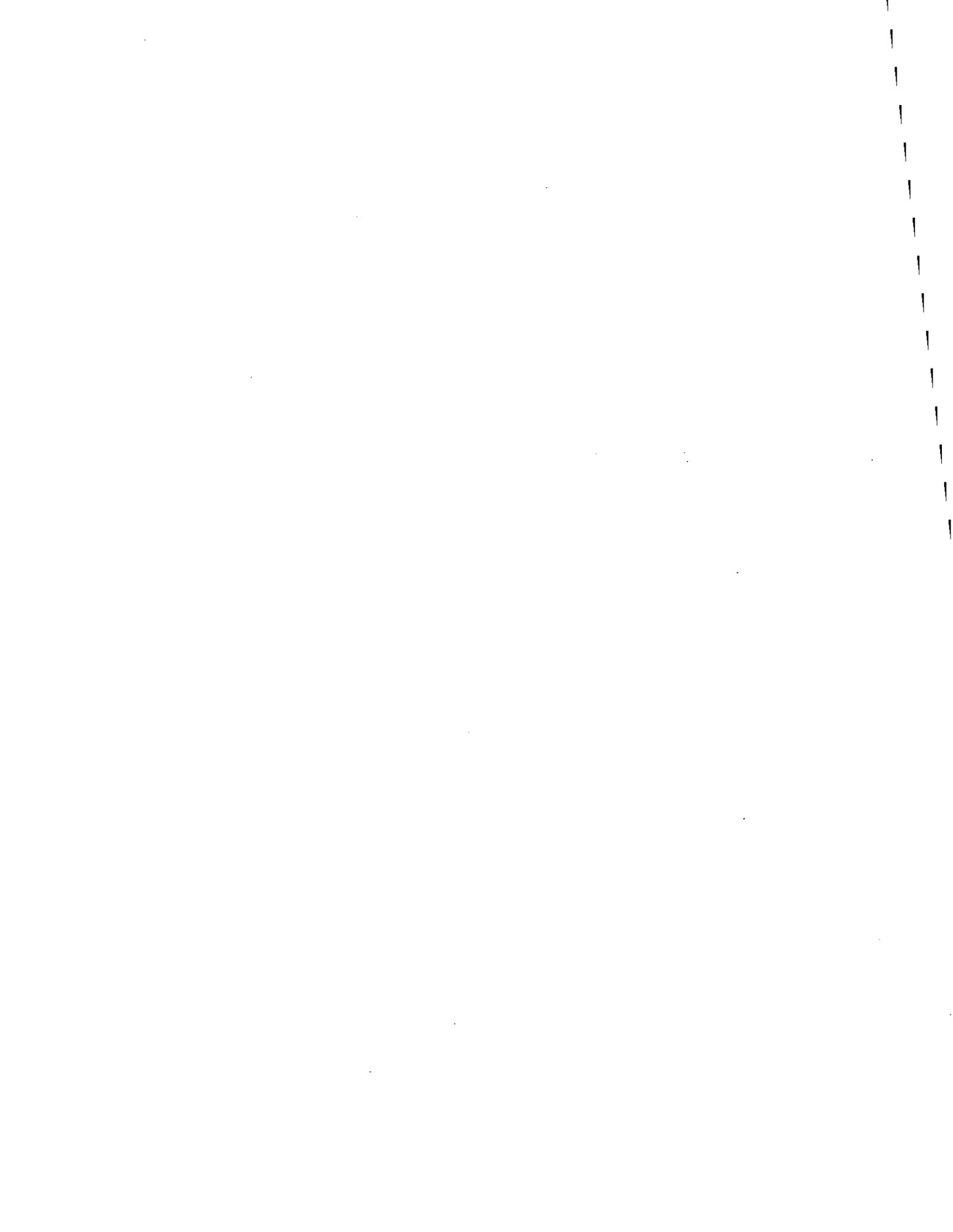
Respectfully submitted,



Dolores Szymanski, Ed.D.
Interim Superintendent



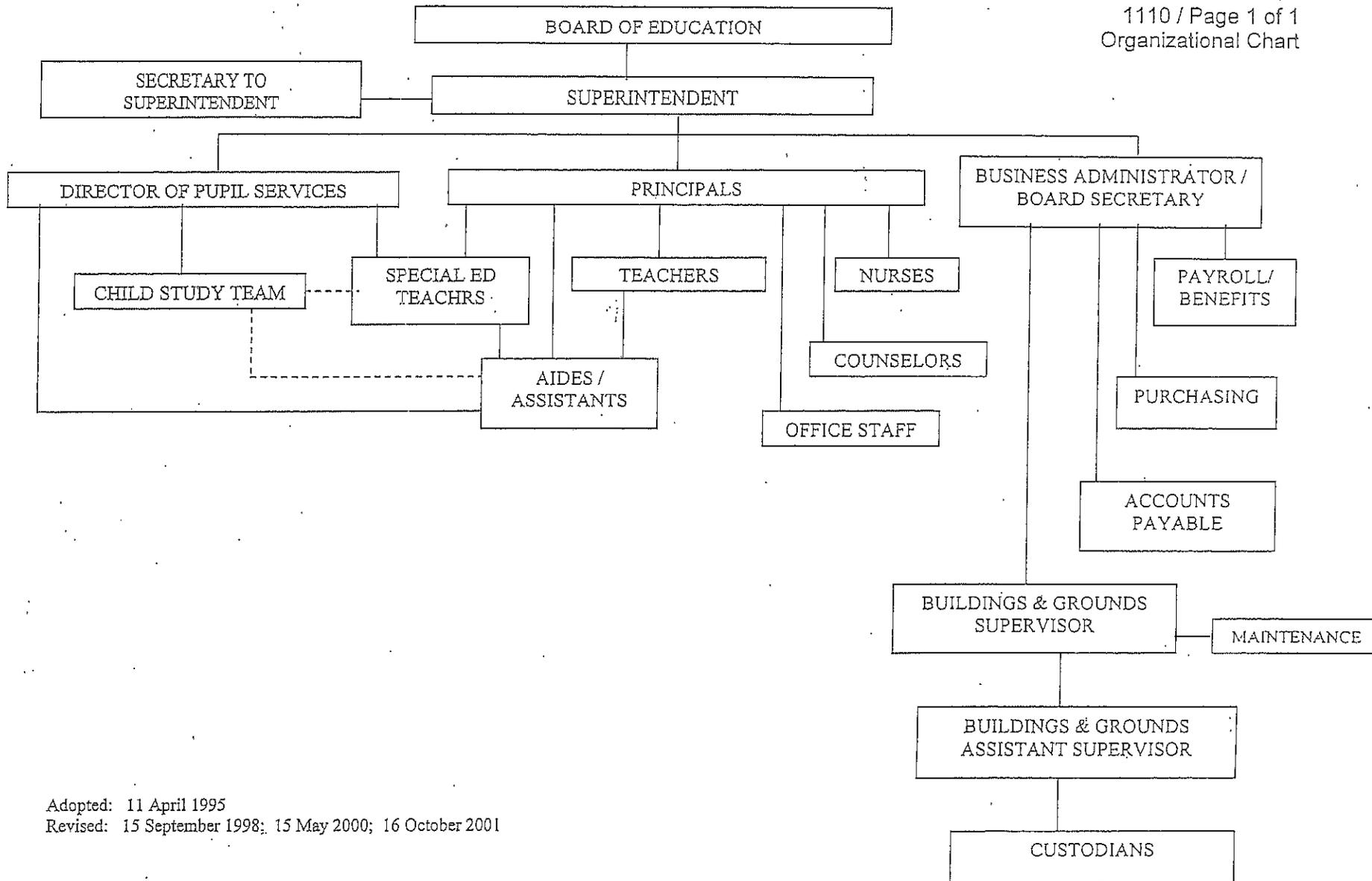
Michael J. Mados, RSBA
Business Administrator/Board Secretary



POLICY

SHAMONG TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart



Adopted: 11 April 1995
Revised: 15 September 1998; 15 May 2000; 16 October 2001



SHAMONG TOWNSHIP BOARD OF EDUCATION

295 Indian Mills Road
Shamong, New Jersey 08088

ROSTER OF OFFICIALS

JUNE 30, 2011

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Melissa Ciliberti, President	2014
Karl Tower, Vice President	2013
Jeffrey Siedlecki	2013
Michael Tuman	2012
Gregory Vitagliano	2014

OTHER OFFICIALS

Thomas P. Christensen, Superintendent

Michael J. Mados, RSBA, Business Administrator/Board Secretary

Kathryn Taylor, Treasurer

Frank P. Cavallo, Jr., Solicitor

CONSULTANTS AND ADVISORS

INSURANCE BROKER

Burlington County JIF

AUDIT FIRM

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

ATTORNEY

Frank Cavallo
Parker McCay, P.A.
Three Greentree Centre
7001 Lincoln Drive West
P.O. Box 974
Marlton, New Jersey 08053-0974

OFFICIAL DEPOSITORY

Beneficial Bank
530 Walnut Street
Philadelphia, PA 19106

FINANCIAL SECTION



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Shamong Township School District
County of Burlington
Shamong, New Jersey 08088

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Shamong Township School District, County of Burlington, 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 August 31, 2011, on our consideration of the Shamong Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

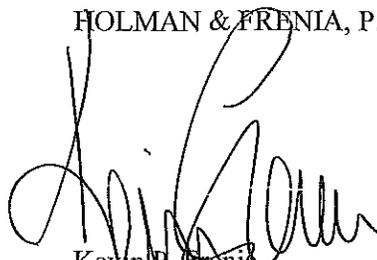
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 19 and 54 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the

basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Shamong Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of state financial assistance and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of 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 information 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.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
August 31, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SHAMONG, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

The discussion and analysis of the Shamong Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

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

Financial Highlights

Key financial highlights for 2010/2011 are as follows:

- For the eighth consecutive year, the final payment of state aid to school districts was delayed until the next fiscal year. The payment was received in July 2011 in the amount of \$368,900. These funds supported the General Fund and Special Revenue Fund revenues.
- At the school election held in April 2011 the voters of the School District defeated the proposed school budget and a further reduction of \$150,000 was reduced from the original budget.
- The Shamong Foundation for Educational Excellence continued funding mini-grants to teachers.

Using This Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Shamong Township School District as a financial whole; an entire operating entity. The statements then proceed to provide an increasingly detailed look at the financial activities of each fund. In addition, this report contains other supplementary and statistical information.

Reporting the School District as a Whole (Government-wide Financial Statements)

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and Statement of Activities provides information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental activities and business-type activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school district's individual funds

with all funds presented. In the case of the Shamong Township School District, the General Fund is by far the most significant fund. The governmental activities are mainly supported by taxes and intergovernmental revenues, while the business-type activities are intended to recover all or a significant portion of their costs through user fees and charges.

While this document contains all of the funds used by the school district to provide programs and activities, the view of the school district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answers this question. The Statement of Net Assets includes all assets and liabilities, while the Statement of Activities shows the cost of program services and the charges for those services and the grants offsetting those services. They use the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting includes all of the current year's revenues and expenses regardless of when the timing of the related cash is received or paid.

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

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

Governmental Activities – These activities report on the School District's programs and services including instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, grant programs, and capital outlay. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund.

Business Type Activities – These activities provide for a charge for goods or services to recover the expenses of the goods and services provided. The Food Service operation is reported here.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's activities that are segregated for specific activities or objectives. The School District uses many funds to account for a multitude of financial transactions. These funds are divided into three categories: Governmental, Proprietary and Fiduciary Funds.

Governmental Funds

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

governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements. The School District adopts an annual appropriated budget for its general, special revenue and debt service funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with these budgets.

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

Proprietary Funds

The school district maintains one proprietary fund, which consists of an enterprise fund that reports on the food service operation. This fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The basic proprietary fund financial statements can be found in Exhibits B-4 through B-6 of this report.

Fiduciary Funds

The school district's fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the school district's activities. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in Exhibits B-7 through B-8 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 to 53 and 112 to 113 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents statistical and single audit information and schedules relative to the school district and/or its serving community.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for fiscal year 2011.

Table 1

Net Assets

BOARD OF EDUCATION TOWNSHIP OF SHAMONG, COUNTY OF BURLINGTON STATEMENT OF NET ASSETS JUNE 30, 2011				
	Governmental	Business- Type	TOTALS	
	Activities	Activities	2011	2010
Assets:				
Current & Other Assets	\$1,618,656	35,363	1,654,019	2,123,067
Capital Assets	13,638,603	38,631	13,677,234	12,680,521
Total Assets	15,257,259	73,994	15,331,253	14,803,588
Liabilities:				
Long-Term Liabilities Outstanding	7,329,824		7,329,824	6,017,827
Other Liabilities	121,319		121,319	1,269,279
Total Liabilities	7,451,143		7,451,143	7,287,106
Net Assets				
Invested in Capital Assets, Net of				
Related Debt	7,410,688	38,631	7,449,319	7,482,939
Restricted	999,371		999,371	693,519
Unrestricted	(603,943)	35,363	(568,580)	(659,976)
Total Net Assets	\$7,806,116	73,994	7,880,110	7,516,482

As noted earlier, the District's net assets may serve over time as a useful indicator of a government's financial position. The largest portion of the District's net assets (94.6 percent) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide the educational programs; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (13.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations.

Table 2 shows changes in net assets for fiscal year 2011.

Table 2
Changes in Net Asset Governmental Activities

Exhibit A-2

BOARD OF EDUCATION
TOWNSHIP OF SHAMONG, COUNTY OF BURLINGTON
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Governmental Activities	Business- Type Activities	Total
General Revenues:			
Property Taxes, Levied For General Purposes	\$8,765,917	-	8,765,917
Federal/State Aid Not Restricted	4,711,979		4,711,979
Other Revenues	491,573	256,435	745,281
Total revenues	<u>13,969,469</u>	<u>256,435</u>	<u>14,223,177</u>
Expenses:			
Instruction Services	5,331,560	-	5,331,560
Support Services	7,341,426	-	7,341,426
Interest on Long-Term Debt	277,282	-	277,282
Other Expenses	657,177		657,177
Food Service Operations		254,831	254,831
Total Expenses	<u>13,607,445</u>	<u>254,831</u>	<u>13,862,276</u>
Change in Net Assets	362,024	1,604	363,628
Net Assets, July 1,	7,444,092	72,390	7,516,482
Net Assets, June 30,	<u>\$ 7,806,116</u>	<u>\$ 73,994</u>	<u>\$ 7,880,110</u>

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. The District's total governmental activities revenues were \$13,972,469 for the year ended June 30, 2011.

Revenues by Source - Governmental Funds

Property Taxes, Levied For General Purposes	64%
Federal/State Aid Not Restricted	34%
Other Revenues	<u>2%</u>
Total	<u>100%</u>

EXPENSES – GOVERNMENTAL FUNDS

Instruction Services	39%
Support Services	54%
Interest on Long-Term Debt	2%
Other Expenses	<u>5%</u>
 Total	 <u>100%</u>

Business-Type Activities

Revenues for the District’s business-type activities (food service program) were comprised of charges for services and federal and state reimbursements. Business-Type revenues exceeded expenses by \$1,604.

The School District’s Funds

Governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund) presented in the fund-based statements, are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$13,972,469 and expenditures were \$13,215,360. The net change in overall fund balance for the year was an decrease of \$757,109.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Table 3 presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011 and the amount and percentage of increases and decreases in relation to prior year revenues.

**Table 3
Revenues of the Governmental Funds**

<u>Revenues</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase/ (Decrease) From 2009</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 8,765,917	63%	\$306,257	4%
State/Federal Sources	5,019,805	36%	(868,075)	(15%)
Other Revenues	<u>186,747</u>	<u>1%</u>	<u>82,496</u>	79%
 Total	 <u>\$13,972,496</u>	 <u>100.00%</u>	 <u>(\$479,322)</u>	

The increase in local revenue was due to a tax increase to fund the additional expenditures of the school district associated with an increase in higher operating costs. State revenues to support district operations decreased by 15% from the previous year. Increases in State TPAF pension and social security contributions (non-

budgeted revenues) increased. Other revenues increased due to additional contributions from the Shamong Township Foundation for Educational Excellence and the Shamong Township Home and School Association.

Table 4 represents a summary of the combined general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts.

Table 4
Expenditures of the Governmental Funds

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2009</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$5,331,560	35%	(\$392,434)	(7%)
Undistributed	7,346,646	49%	(132,556)	(2%)
Capital Outlay	1,705,397	11%	1,310,726	332%
Debt Service:				
Principal	625,000	4%	25,000	4%
Interest	202,757	1%	(15,580)	7%
Total	\$15,211,360	100.00%	\$795,156	

Changes in expenditures were the result of varying factors. Current expense increased due to salary increases, increases in health benefit costs and utility costs. Capital outlay increased due to completion of building improvement projects financed with bond proceeds. Debt service changed in accordance with the bond amortization schedule.

GENERAL FUND BUDGETING HIGHLIGHTS

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions include expenditures for Instruction, Special Education and the Operation and Maintenance of Plant Facilities. The details of individual program budget revisions are reflected in Exhibit C-1 of the CAFR.

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

Support services include tuition paid to out of district schools, health and library services, instruction related services, and the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

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

FUND BALANCES

Table 5 shows a comparison of the fund balances in each of the District's Governmental and Business-type activities funds.

**Table 5
Changes in Fund Balances**

	Fund Balances, 2011	June 30, 2010	Difference
Governmental Funds:			
General Fund	\$965,897	\$522,239	\$443,658
Capital Projects Fund	\$652,740	\$339,302	\$313,438
Business-type Activities:			
Food Service Enterprise Fund	\$73,994	\$72,390	\$1,604

The \$443,658 increase in General Fund balance is due to the increase in revenue over expenses. The increase in the Capital Projects fund is due receipt of bond proceeds which were previously approved by the voters.

CAPITAL ASSETS

At the end of the fiscal year 2011, the School District had \$21,277,830 invested in land, buildings, furniture, equipment, and vehicles. Table 6 shows fiscal year 2011 balances compared to 2010. (Depreciation not in the Schedule below:)

**Table 6
Capital Assets at June 30**

	2011	2010
Land	\$1,068,766	\$1,068,766
Site and Building	19,024,720	17,380,671
Machinery and Equipment	1,184,344	1,203,010
Total	<u>\$21,277,830</u>	<u>\$19,652,447</u>

Land and Construction-in-Progress are not depreciated.

Additional information on the District's capital assets can be found in Note 6 of the basic financial statements.

DEBT ADMINISTRATION

In the governmental funds, at June 30, 2011, the School District had \$7,329,824 of outstanding debt. Of this amount \$429,470 is for compensated absences; \$31,328 is for capital leases of equipment, \$4,373,000 for Serial Bonds dated 3/1/2003, \$477,346 for school bonds issued on 6/21/2007, \$1,999,000 for school bonds issued on 8/26/10 and \$19,680 for Post-Retirement Benefits Payable.

There was no debt outstanding in the business-type activities funds.

State statutes limit the amount of general obligation debt a governmental entity may issue. The District's limit is 3 percent of its equalized valuation basis. The current debt limitation for the District is \$23,774,756, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in note 7 in the notes to the basic financial statements.

For the Future

It is the opinion of the Superintendent and School Business Administrator that the Shamong Township School District is presently in good financial condition. The School District is proud of its community support, the support of the Home & School Association and the Shamong Foundation for Educational Excellence.

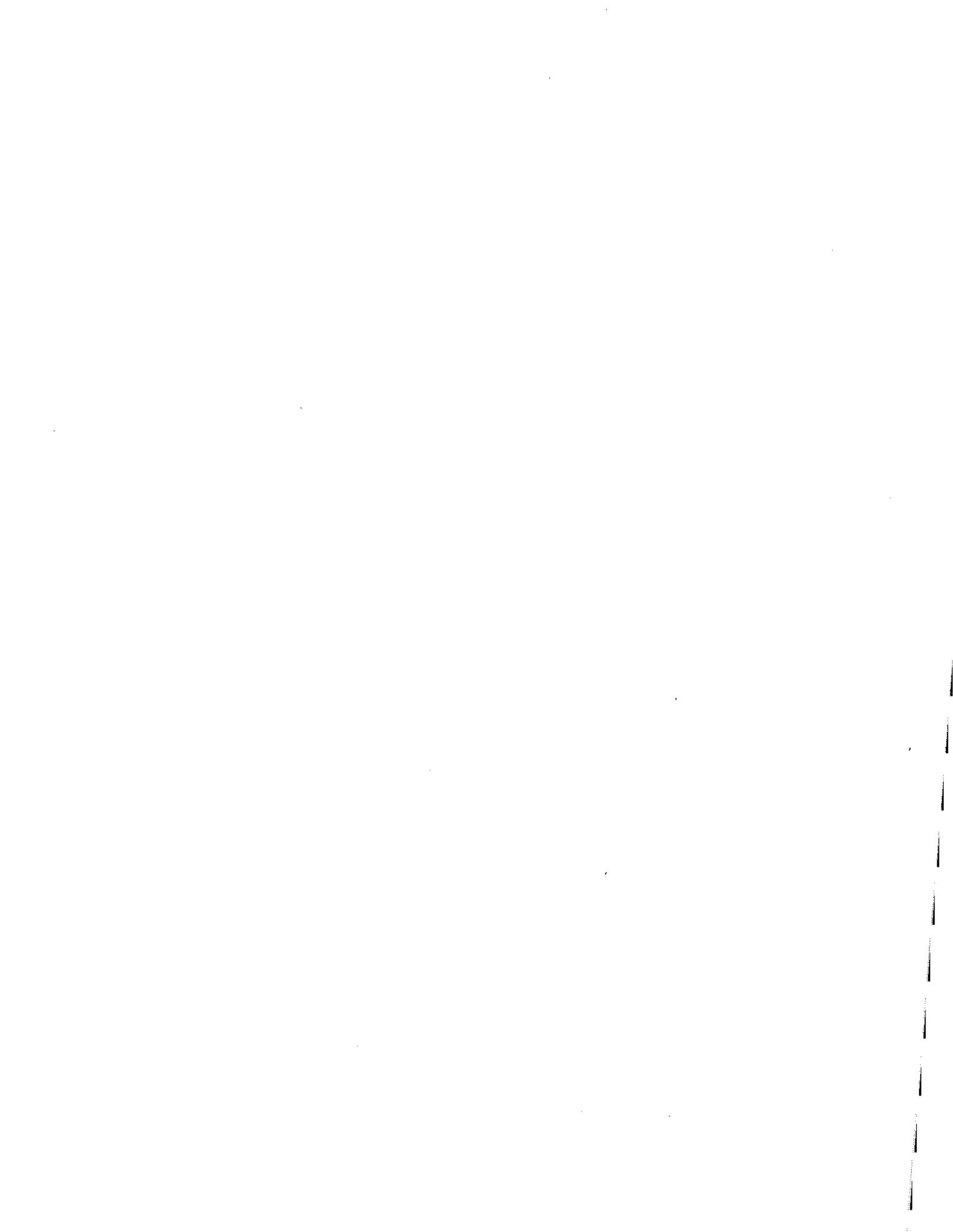
Shamong Township is primarily a rural, residential community with very few commercial ratables; thus it becomes the responsibility of homeowners to foot the majority of the tax burden. The lack of adequate state and federal revenues has resulted in increased property taxes. This has resulted in our budgets being defeated in five out of the last ten years.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Mr. Michael J. Mados, RSBA, School Business Administrator/Board Secretary, at the Shamong Board of Education, 295 Indian Mills Road, Shamong, NJ 08088.

BASIC FINANCIAL STATEMENTS



A. District-Wide Financial Statements

SHAMONG TOWNSHIP BOARD OF EDUCATION
DISTRICT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2011	JUNE 30, 2010
Cash & Cash Equivalents	\$932,783	26,589	959,372	1,487,110
Receivables, Net	685,873	6,453	692,326	629,742
Inventory		2,321	2,321	6,215
Capital Assets, Net (Note 6)	13,638,603	38,631	13,677,234	12,680,521
Total Assets	15,257,259	73,994	15,331,253	14,803,588
LIABILITIES				
Accrued Interest	81,831		81,831	37,261
Deferred Revenue				32,018
Bond Anticipation Note Payable				1,200,000
Unamortized Bond Premium	39,488		39,488	
Noncurrent Liabilities (Notes 7):				
Due Within One Year	776,328		776,328	719,094
Due Beyond One Year	6,553,496		6,553,496	5,298,733
Total Liabilities	7,451,143		7,451,143	7,287,106
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	7,410,688	38,631	7,449,319	7,482,939
Restricted For:				
Other Purposes	281,000		281,000	237,154
Excess Surplus	718,371		718,371	456,365
Unrestricted	(603,943)	35,363	(568,580)	(659,976)
Total Net Assets	\$7,806,116	73,994	7,880,110	7,516,482

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

SHAMONG TOWNSHIP BOARD OF EDUCATION
DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY) JUNE 30, 2011	JUNE 30, 2010
Governmental Activities:							
Instruction:							
Regular	\$3,764,211			(3,764,211)		(3,764,211)	(4,086,502)
Special Education	1,311,508		125,029	(1,186,479)		(1,186,479)	(1,214,347)
Other Special Instruction	165,951			(165,951)		(165,951)	(202,658)
Other Instruction	89,890			(89,890)		(89,890)	(85,969)
Support Services & Undistributed Costs:							
Tuition	24,476			(24,476)		(24,476)	(1,492)
Health Services	140,331			(140,331)		(140,331)	(138,677)
Student & Instruction Related Services	755,930			(755,930)		(755,930)	(832,353)
Educational Media Services/School Librar	219,493			(219,493)		(219,493)	(219,503)
School Administrative Services	598,470		180,021	(418,449)		(418,449)	(422,512)
Other Administrative Services	351,379			(351,379)		(351,379)	(338,053)
Central Services	248,438			(248,438)		(248,438)	(255,678)
Plant Operations & Maintenance	1,088,629			(1,088,629)		(1,088,629)	(1,039,421)
Pupil Transportation	576,014			(576,014)		(576,014)	(598,024)
Unallocated Benefits	3,338,266		2,776	(3,335,490)		(3,335,490)	(3,423,081)
Interest on Long Term Debt	277,282			(277,282)		(277,282)	(212,824)
Amortization of Debt Costs	39,488			(39,488)		(39,488)	
Increase/(Decrease) in Compensated Absences - Unallocated	(31,793)			31,793		31,793	(10,041)
Unallocated Amortization							(18,036)
Unallocated Depreciation	649,482			(649,482)		(649,482)	(663,323)
Total Governmental Activities	13,607,445		307,826	(13,299,619)		(13,299,619)	(13,762,494)

SHAMONG TOWNSHIP BOARD OF EDUCATION
DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
	CHARGES	OPERATING	GOVERNMENTAL	BUSINESS-	TOTALS		
	FOR	GRANTS &			TYPE	(MEMORANDUM ONLY)	
EXPENSES	SERVICES	CONTRIBUTIONS	ACTIVITIES	ACTIVITIES	JUNE 30,	JUNE 30,	
					2011	2010	
Business-Type Activities:							
Food Service	254,831	194,310	57,368	(3,153)	(3,153)	(2,919)	
Total Business-Type Activities	254,831	194,310	57,368	(3,153)	(3,153)	(2,919)	
Total Primary Government	\$13,862,276	194,310	365,194	(13,299,619)	(3,153)	(13,302,772)	(13,765,413)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				8,765,917	8,765,917	8,459,660	
Federal & State Aid Not Restricted				4,711,979	4,711,979	5,573,846	
Donated Capital Assets						7,211	
Tuition				4,965	4,965	13,844	
Miscellaneous Income				181,782	1,757	183,539	93,611
Transfers				(3,000)	3,000		
Total General Revenues, Special Items, Extraordinary Items & Transfers				13,661,643	4,757	13,666,400	14,148,172
Change In Net Assets				362,024	1,604	363,628	382,759
Net Assets - Beginning				7,444,092	72,390	7,516,482	7,133,723
Net Assets - Ending				\$7,806,116	73,994	7,880,110	7,516,482

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

B. Fund Financial Statements

Governmental Funds

**SHAMONG TOWNSHIP BOARD OF EDUCATION BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011**

(With Comparative Totals for June 30, 2010)

ASSETS	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2011	JUNE 30, 2010
Cash & Cash Equivalents	\$873,968		271,069	19	1,145,056	1,471,921
Accounts Receivable:						
Intergovernmental - State	68,260		381,671		449,931	614,454
Intergovernmental - Federal		216,029			216,029	2,307
Intergovernmental - Other	16,439	3,474			19,913	4,883
Interfund	7,230				7,230	7,230
Total Assets	\$965,897	219,503	652,740	19	1,838,159	2,100,795
 LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Deficit		212,273			212,273	
Interfund Payables		7,230			7,230	7,230
Deferred Revenue						32,018
Bond Anticipation Note Payable						1,200,000
Total Liabilities		219,503			219,503	1,239,248
 Fund Balances:						
Restricted for:						
Capital Reserve						1,154
Emergency Reserve	\$196,000				196,000	196,000
Maintenance Reserve	85,000				85,000	40,000
Capital Projects			513,819		513,819	339,302
Debt Service				19	19	6
Excess Surplus	562,464				562,464	155,907
Excess Surplus Designated for Subsequent Year's Expenditures	155,907				155,907	300,458
Committed to:						
Other Purposes			138,921		138,921	1,339,274
Assigned to:						
Designated for Subsequent Year's Expenditures	59,864				59,864	
Unassigned Fund Balance	(93,338)				(93,338)	(1,510,554)
Total Fund Balances	965,897		652,740	19	1,618,656	861,547
Total Liabilities & Fund Balances	\$965,897	219,503	652,740	19		
 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. The cost of the assets is \$21,247,874 and the accumulated depreciation is \$7,609,271.					13,638,603	12,637,633
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.					(81,831)	(37,261)
Net Unamortized Bond Costs, Premiums and Loss on Early Retirement of Debt					(39,488)	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 7 & 15)					(7,329,824)	(6,017,827)
Net Assets of Governmental Activities					\$7,806,116	7,444,092

See accompanying notes to the financial statements.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2011	JUNE 30, 2010
Revenues:						
Local Sources:						
Local Tax Levy	\$8,019,800			746,117	8,765,917	8,459,660
Tuition	4,965				4,965	13,844
Miscellaneous	158,171	23,611			181,782	90,407
Total Revenues - Local Sources	8,182,936	23,611		746,117	8,952,664	8,563,911
State Sources	4,689,047			40,140	4,729,187	4,903,914
Federal Sources		290,618			290,618	983,966
Total Revenues	12,871,983	314,229		786,257	13,972,469	14,451,791
Expenditures:						
Current Expense						
Instruction - Regular Programs	3,764,211				3,764,211	4,086,502
Special Education	1,186,479	125,029			1,311,508	1,348,865
Other Special Instruction	165,951				165,951	202,658
Other Instruction	89,890				89,890	85,969
Support Services:						
Tuition	24,476				24,476	1,492
Health Services	140,331				140,331	138,677
Student & Instruction Related Services	755,930				755,930	832,353
Educational Media Services/School Library	249,703				249,703	248,635
School Administrative Services	418,449	180,021			598,470	589,113
Other Administrative Services	351,379				351,379	338,053
Central Services	248,438				248,438	255,678
Plant Operations & Maintenance	1,063,639				1,063,639	1,039,421
Pupil Transportation	576,014				576,014	598,024
Employee Benefits	3,335,490	2,776			3,338,266	3,437,756
Capital Outlay	54,945	6,403	1,644,049		1,705,397	394,671
Debt Service:						
Principal				625,000	625,000	600,000
Interest & Other Charges				202,757	202,757	218,337
Total Expenditures	12,425,325	314,229	1,644,049	827,757	15,211,360	14,416,204
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	446,658		(1,644,049)	(41,500)	(1,238,891)	35,587
Other Financing Sources/(Uses):						
Food Services:						
Transfer to Cover Deficit	(3,000)				(3,000)	(5,000)
Bond Proceeds			1,999,000		1,999,000	
Operating Transfers In				41,513	41,513	40,528
Operating Transfers Out			(41,513)		(41,513)	(40,528)
Total Other Financing Sources/(Uses)	(3,000)		1,957,487	41,513	1,996,000	(5,000)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other	443,658		313,438	13	757,109	30,587
Financing Uses	443,658		313,438	13	757,109	30,587
Fund Balance - July 1	522,239		339,302	6	861,547	830,960
Fund Balance - June 30	\$965,897	-	652,740	19	1,618,656	861,547

See accompanying notes to the financial statements.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$757,109
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	(\$649,482)	
Capital Outlays	<u>1,650,452</u>	1,000,970
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		625,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Bond proceeds		(1,999,000)
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.		
Accrued Interest Prior Year	37,261	
Accrued Interest Current Year	<u>(81,831)</u>	(44,570)
Unamortized Loss on Early Retirement of Debt, Bond Issuance Costs and Premium on Unamortized Bond		(39,488)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		30,210
Repayment of Post-Retirement Benefits 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.		
Current Year	(19,680)	
Prior Year	<u>19,680</u>	
Increase of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
Current Year	(429,470)	
Prior Year	<u>461,263</u>	31,793
Change in Net Assets of Governmental Activities		<u><u>\$362,024</u></u>

See accompanying notes to the financial statements.

Proprietary Funds

SHAMONG TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

ASSETS	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2011	JUNE 30, 2010
Current Assets:			
Cash & Cash Equivalents	\$26,589	26,589	15,189
Accounts Receivable:			
State	370	370	348
Federal	6,083	6,083	7,750
Inventories	2,321	2,321	6,215
Total Current Assets	<u>35,363</u>	<u>35,363</u>	<u>29,502</u>
Noncurrent Assets:			
Equipment	55,025	55,025	55,025
Less: Accumulated Depreciation	<u>(16,394)</u>	<u>(16,394)</u>	<u>(12,137)</u>
Total Fixed Assets	<u>38,631</u>	<u>38,631</u>	<u>42,888</u>
Total Assets	<u>73,994</u>	<u>73,994</u>	<u>72,390</u>
 NET ASSETS			
Investment in Capital Assets	38,631	38,631	42,888
Unrestricted	<u>35,363</u>	<u>35,363</u>	<u>29,502</u>
Total Net Assets	<u>\$73,994</u>	<u>73,994</u>	<u>72,390</u>

See accompanying notes to the financial statements.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2011	JUNE 30, 2010
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$151,703	151,703	155,482
Daily Sales - Nonreimbursable Programs	42,607	42,607	40,076
Miscellaneous	1,395	1,395	2,865
	<hr/>		
Total Operating Revenue	195,705	195,705	198,423
	<hr/>		
Operating Expenses:			
Salaries & Benefits	117,866	117,866	117,198
Miscellaneous Expenses	4,010	4,010	5,226
Management Fee	17,254	17,254	17,254
Supplies and Materials	11,476	11,476	12,462
Depreciation	4,257	4,257	1,821
Cost of Sales	99,968	99,968	93,872
	<hr/>		
Total Operating Expenses	254,831	254,831	247,833
	<hr/>		
Operating Income/(Loss)	(59,126)	(59,126)	(49,410)
	<hr/>		
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	3,156	3,156	3,249
Federal Sources:			
National School Lunch Program	38,614	38,614	32,936
Food Distribution Program	15,598	15,598	13,171
	<hr/>		
Total Nonoperating Revenues/(Expenses)	57,368	57,368	49,356
	<hr/>		
Net Income/(Loss) Before Other Financing Sources/(Uses)	(1,758)	(1,758)	(54)
	<hr/>		
Other Financing Sources/(Uses):			
Board Contribution	3,000	3,000	5,000
Contributed Capital			7,211
Interest Revenue - Board Contribution	362	362	339
	<hr/>		
Total Other Financing Sources/Uses)	3,362	3,362	12,550
	<hr/>		
Net Income/(Loss)	1,604	1,604	12,496
Total Net Assets - Beginning	72,390	72,390	59,894
	<hr/>		
Total Net Assets - Ending	\$73,994	73,994	72,390
	<hr/>		

See accompanying notes to the financial statements.

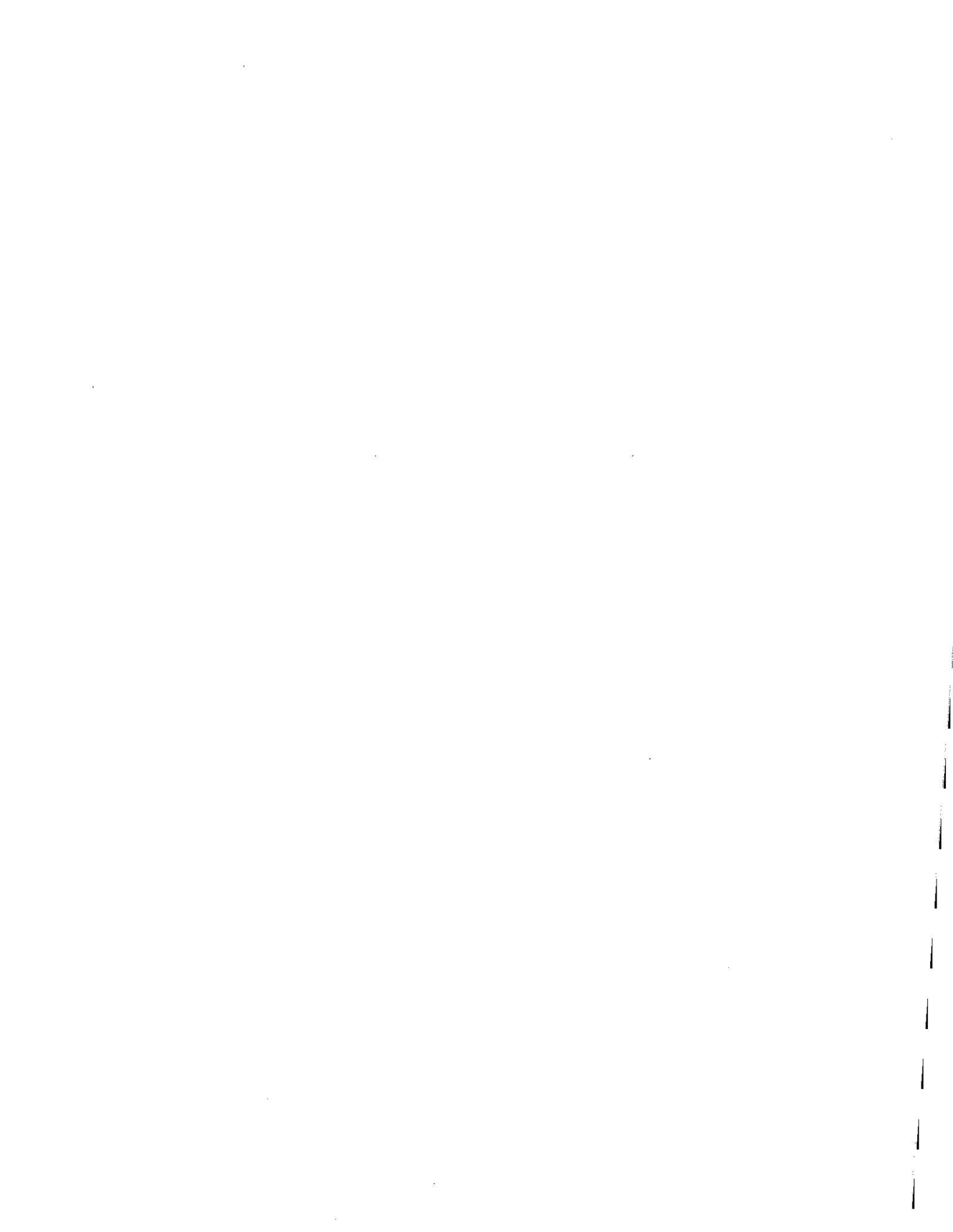
**SHAMONG TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE		
	ACTIVITIES -		
	ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
FOOD SERVICE	JUNE 30, 2011	JUNE 30, 2010	
Cash Flows From Operating Activities:			
Receipts from Customers	\$195,705	195,705	198,423
Payments to Employees	(117,866)	(117,866)	(117,198)
Payments to Suppliers	(128,814)	(128,814)	(132,072)
Net Cash Provided by/(Used) by Operating Activities	(50,975)	(50,975)	(50,847)
Cash Flows From Noncapital Financing Activities:			
State Sources	3,134	3,134	3,209
Federal Sources	55,879	55,879	45,352
Board Contributions & Transfers	3,000	3,000	1,103
Net Cash Provided by/(Used) by Noncapital Financing Activities	62,013	62,013	49,664
Cash Flows From Investing Activities:			
Interest & Dividends	362	362	339
Net Cash Provided by/(Used) by Investing Activities	362	362	339
Net Increase/(Decrease) in Cash & Cash Equivalents	11,400	11,400	(844)
Balances - Beginning of Year	15,189	15,189	16,033
Balances - End of Year	\$26,589	26,589	15,189

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

Operating Income/(Loss)	(\$59,126)	(59,126)	(49,410)
Adjustments to Reconcile Operating Income/Loss to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	4,257	4,257	1,821
(Increase)/Decrease in Inventories	3,894	3,894	(3,258)
Total Adjustments	8,151	8,151	(1,437)
Net Cash Provided/(Used) by Operating Activities	(\$50,975)	(50,975)	(50,847)

See accompanying notes to the financial statements.



Fiduciary Fund

SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

ASSETS	AGENCY		PRIVATE PUPOSE	TOTALS (MEMORANDUM ONLY)	
	STUDENT ACTIVITY	PAYROLL	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2011	JUNE 30, 2010
Cash & Cash Equivalent	\$24,377	1,511	136,464	162,352	159,731
Total Assets	24,377	1,511	136,464	162,352	159,731
LIABILITIES					
Payroll Withholdings		1,511		1,511	3,916
Due to Student Groups	24,377			24,377	31,120
Total Liabilities	24,377	1,511		25,888	35,036
NET ASSETS					
Reserve for Unemployment Compensation			136,464	136,464	124,695
Total Net Assets	-	-	136,464	136,464	124,695

See accompanying notes to the financial statements.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	PRIVATE PURPOSE	TOTALS	
	UNEMPLOYMENT COMPENSATION TRUST	(MEMORANDUM ONLY) JUNE 30, 2011	JUNE 30, 2010
ADDITIONS			
Contributions:			
Plan Members	\$13,647	13,647	1,650
Total Contributions	13,647	13,647	1,650
Investment Earnings:			
Interest	1,577	1,577	854
Net Investment Earnings	1,577	1,577	854
Total Additions	15,224	15,224	2,504
DEDUCTIONS			
Unemployment Claims	3,455	3,455	10,343
Total Deductions	3,455	3,455	10,343
Change in Net Assets	11,769	11,769	(7,839)
Net Assets - Beginning of the Year	124,695	124,695	132,534
Net Assets - End of the Year	\$136,464	136,464	124,695

See accompanying notes to the financial statements.

**SHAMONG TOWNSHIP
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

Note 1. Summary of Significant Accounting Policies

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

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

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures*; Statement 44 – *Economic Condition Reporting – The Statistical Section*; Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2011 and for the year then ended with comparative totals as of and for the year ended June 30, 2010 (Memorandum Only).

A. Reporting Entity:

The Shamong Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 5 members elected to three-year terms. These terms are staggered. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The operations of the District include two elementary schools located in Shamong Township. The Shamong Township Board of Education has an approximate enrollment at June 30, 2011 of 917 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

SHAMONG TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

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

A. Reporting Entity (continued):

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

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

B. District-Wide and Fund Financial Statements

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

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

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

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

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued):

cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

D. Fund Accounting:

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

Governmental Funds

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

D. Fund Accounting (continued):

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

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

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

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

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

Proprietary Fund

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

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

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

Proprietary Fund (continued):

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

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

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

Food Service Fund:	
Equipment	15 Years
Light Trucks & Vehicle	7 Years
Heavy Trucks & Vehicle	7 Years

Fiduciary Fund

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

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

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

E. Basis of Accounting:

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

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

E. Basis of Accounting (continued):

revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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

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

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

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

F. Budgets/Budgetary Control:

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

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

F. Budgets/Budgetary Control (continued):

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

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

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

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$12,808,469	\$314,229
State aid payment recognized for GAAP statements in the current year, previously recognized	434,757	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(368,900)	

SHAMONG TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

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

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$12,874,326</u>	<u>\$314,229</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$12,427,658</u>	<u>\$314,229</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$12,427,658</u>	<u>\$314,229</u>

G. Encumbrances:

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

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

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

H. Cash, Cash Equivalents and Investments:

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

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

H. Cash, Cash Equivalents and Investments (continued):

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

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

I. Tuition Receivable/Payable

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2011, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2007-2008 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories & Prepaid Expenses

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

K. Short-Term Interfund Receivables/Payables

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

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

L. Fixed Assets:

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

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

Machinery and Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years
Infrastructure	30 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2011 for such salaries.

N. Compensated Absences

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

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

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

O. Deferred Revenue

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

P. Long-Term Obligations

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

Q. Fund Equity

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

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

R. Subsequent Events

Shamong Township Board of Education has evaluated subsequent events occurring after June 30, 2011 through the date of August 31, 2011, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2011, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$1,121,724</u>
Total Deposits	<u>\$1,121,724</u>

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

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

Type	Carrying Value
The District's Cash and Cash Equivalents are Reported as Follows:	
Governmental Activities	\$ 932,783
Business-Type Activities	26,589
Fiduciary Funds	<u>162,352</u>
 Total Cash and Cash Equivalents	 <u>\$1,121,724</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$1,398,260 at June 30, 2011. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$1,148,260 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

Investment Interest Rate Risk – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2011, are provided in the above schedule.

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the District or bonds or other obligations of the local unit or units within which the District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the District;
- Local Governments investment pools;

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

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

- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

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

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2011 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

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

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

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

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

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

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

Note 4. Capital Reserve Account

A capital reserve account was established by the Shamong Township Board of Education by inclusion of \$100,000 in the original 1995-1996 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	\$1,154
Budgeted Withdrawal	(1,154)
Interest Earnings	
Ending Balance, June 30, 2011	<u>\$ -</u>

SHAMONG TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 4. Capital Reserve Account (continued):

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is \$3,481,959. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Rang Facilities Plan.

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2011, the District transferred \$55,318 to the capital outlay accounts.

Note 6. Fixed Assets

The following schedule is a summarization of the general fixed assets for the fiscal year ended June 30, 2011:

	June 30, 2010	Additions	Deletions	June 30, 2011
Land	\$ 1,068,766		\$ -	\$ 1,068,776
Site & Buildings	17,117,633			17,117,633
Machinery & Equipment	1,147,985	\$ 6,403		1,154,388
Construction in Progress	263,038	1,644,049		1,907,087
	<hr/>			<hr/>
Subtotal	19,597,422	1,650,452		21,247,874
Accumulated Depreciation	(6,959,789)	(649,482)		(7,609,271)
	<hr/>			<hr/>
Total	\$12,637,633	\$1,000,970	\$ -	\$13,638,603

The following schedule is a summary of the proprietary fund type fixed assets at June 30, 2011:

	Balance as of June 30, 2010	Additions	Balance as of June 30, 2011
Machinery & Equipment	\$55,025		\$55,025
Less: Depreciation	(12,137)	\$(4,257)	(16,394)
	<hr/>		<hr/>
Total	\$42,888	\$(4,257)	\$38,631

SHAMONG TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 7. Long-Term Debt

During the fiscal year ended June 30, 2011 the following changes occurred in liabilities reported in the long-term debt:

	Balance 6/30/10	Accrued/ Increases	Retired/ Decreases	Balance 6/30/11	Due Within One Year
Compensated Absences Payable	\$ 461,263		\$ (31,793)	\$ 429,470	
Post-Retirement Benefits Payable	19,680			19,680	
Bonds Payable	5,475,346	\$1,999,000	(625,000)	6,849,346	\$745,000
Bond Anticipation Note Payable	1,200,000		(1,200,000)		
Obligations Under Capital Leases	61,538		(30,210)	31,328	31,328
	<u>\$7,217,827</u>	<u>\$1,999,000</u>	<u>\$(1,887,003)</u>	<u>\$7,329,824</u>	<u>\$776,328</u>
Total	<u>\$7,217,827</u>	<u>\$1,999,000</u>	<u>\$(1,887,003)</u>	<u>\$7,329,824</u>	<u>\$776,328</u>

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

Bonds Payable:

On March 1, 2003, the Board of Education issued \$5,498,000 of bonds, with varying interest rates from 3.375% to 3.600%, to provide funds for the renovations, additions and conversions to both the Indian Mills School and the Indian Mills Memorial School.

On August 1, 2003, the Board of Education issued \$3,025,000 of Non-Callable Serial Bonds to provide for a current refunding of the callable 1995 Refunding School Bonds maturing May 15, 2005 through 2010 with varying interest rates from 2.00% to 3.40%. As a result of the refunding the Board reduced the total debt service requirements by \$103,008, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$115,130.

On June 21, 2007, the Board of Education issued \$757,346 of Noncallable Serial Bonds to provide for roof repairs and a fire alarm system at the Indian Mills Memorial School and a partial roof replacement at the Indian Mills Middle School.

On August 26, 2010, the Board of Education issued \$1,999,000 of Non Callable bonds, with varying interest rates from 3.000% to 3.500%, of which \$1,200,000 was used to pay off a Temporary Note and \$799,000 was used to provide funds for the improvements, renovations, site work and installation of solar energy panels to both the Indian Mills School and the Indian Mills Memorial School. The Board of

SHAMONG TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 7. Long-Term Debt (continued):

Education also received an additional \$41,731.53 that was intended to provide funds for the payment of certain costs and expenses incurred by the Issuer in connection with the authorization, issuance and delivery of the Bonds, consisting of underwriter are spread on the Bonds.

Summary of principal and interest due on bonded debt outstanding is as follows:

Year-ending June 30,	Principal	Interest	Total
2012	\$ 745,000	\$235,367	\$ 980,367
2013	785,000	208,255	993,255
2014	825,000	179,655	1,004,655
2015	862,346	149,629	1,011,975
2016	760,000	121,399	881,399
2017-2021	2,028,000	266,409	2,294,409
2022-2026	<u>844,000</u>	<u>73,189</u>	<u>917,189</u>
Total	<u>\$6,849,346</u>	<u>\$1,233,903</u>	<u>\$8,083,249</u>

C. Obligations Under Capital Lease

The District is leasing educational equipment and software and telecommunications equipment under a capital lease. The following is a schedule of the remaining future minimum lease payments at June 30, 2011:

Year 2012	<u>\$32,487</u>
Total Minimum Lease Payments	32,487
Less: Amount Representing Interest	<u>(1,159)</u>
Present Value of Net Minimum Lease Payments	<u>\$31,328</u>

D. Operating Leases

At June 30, 2011, the School District had operating lease agreements in effect for four copiers. Total operating lease payments made during the year ended June 30, 2011 and 2010 were \$16,410 and \$19,499 respectively. Future minimum lease payments are as follows:

Year 2012	<u>\$12,097</u>
Total Minimum Lease Payments	<u>\$12,097</u>

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8. Pension Plans

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

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

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

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

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 8. Pension Plans (continued):

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

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

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

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

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$147,172	100%	\$ -0-
6/30/10	109,929	100%	-0-
6/30/09	96,348	100%	-0-

SHAMONG TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 8. Pension Plans (continued):

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$415,794	100%	\$ -0-
6/30/10	402,162	100%	-0-
6/30/09	388,031	100%	-0-

During the year ended June 30, 2011 the State of New Jersey contributed \$415,794 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A. 18A:66-66* the State of New Jersey reimbursed the District \$433,200 for the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-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 P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

Note 10. Risk Management

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

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

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

Fiscal Year	District Contributions	Amount Reimbursed	Ending Balance
2010-2011	\$13,647	\$1,577	\$139,919
2009-2010	1,650	854	124,695
2008-2009	1,305	440	132,534

Note 11. GASB #54 – Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Shamong Board of Education classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

Note 11. GASB #54 – Fund Balance (continued):

General Fund – Of the \$965,897 General Fund fund balance at June 30, 2011, \$155,907 is restricted for subsequent years expenditures; \$196,000 is restricted to establish the Emergency Reserve Account; \$85,000 is restricted to establish the Maintenance Reserve Account; \$562,464 is restricted for excess surplus in accordance with *N.J.S.A.18A:7F-7*; \$59,864 is assigned as designated for subsequent year’s expenditures and \$(93,338) is unassigned.

Note 12. Litigation

There is no pending litigation involving any material monetary amount.

Note 13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$7,230	
Special Revenue Fund	_____	<u>\$7,230</u>
Total	<u>\$7,230</u>	<u>\$7,230</u>

Note 14. Compensated Absences

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

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

Note 14. Compensated Absences (continued):

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2011 is \$429,470.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011 no liability existed for compensated absences in the proprietary fund types.

Note 15. Post-Retirement Benefits

The District sometimes offers benefits to their employees that do not start or take effect until after the employee leaves the District. These benefits are negotiated in their contracts during employment at the District. The benefits offered usually pertain to previous administrative employees of the District. There are three (3) past District employees currently receiving these post-retirement benefits. As of June 30 2011 a long term liability existed for post-retirement benefits totaling \$19,680.

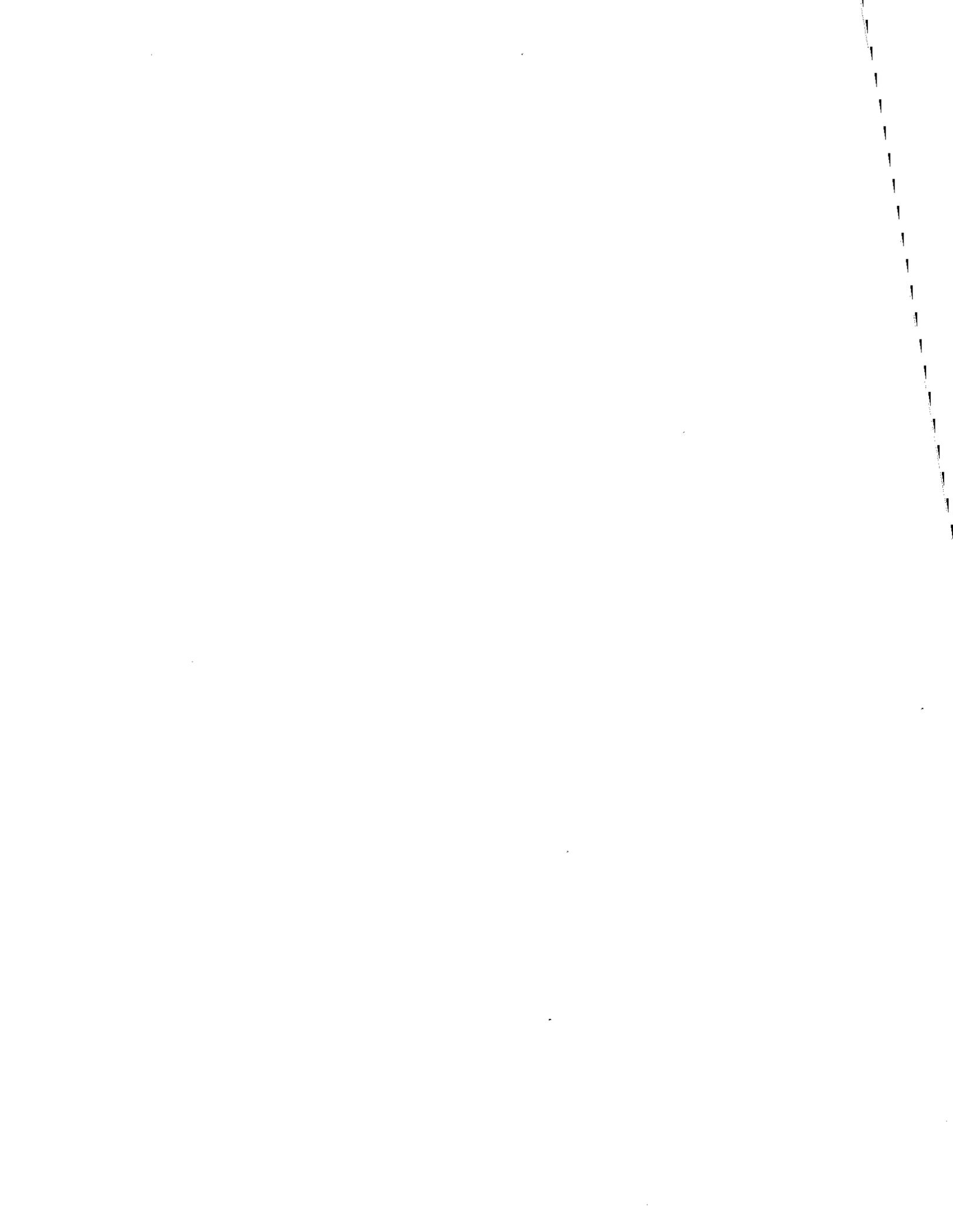
Note 16. Deferred Bond Issuance Cost, Loss on Early Retirement of Debt and Bond Premium

In the Government Funds the bond issuance, the loss on refinancing costs and premium on Bonds are recognized in the current period. For district-wide financial statements, debt issuance, refinancing costs and premium on Bonds are amortized over the life of the original issue or refunding issue, whichever is longer, the cost associated with the 2003 refunding issue was \$69,698, the loss on the refunding was \$100,119 and premium on Bonds was \$29,817. Unamortized balances of losses, issue costs and premium on Bonds for the 2010-2011 school year was \$-0-, \$39,488 and \$-0- respectively.

Note 17. Calculation of Excess Surplus

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), and the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$562,464.

REQUIRED SUPPLEMENTARY INFORMATION – PART II



C. Budgetary Comparison Schedules

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

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ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$8,019,800		8,019,800	8,019,800		7,829,296		7,829,296	7,829,296	
Tuition	10-1320				4,965	4,965				13,844	13,844
Interest on Capital Reserve Funds	10-1511				5	5					
Miscellaneous	10-1990	53,911		53,911	158,166	104,255	53,911		53,911	83,121	29,210
Total Local Sources		8,073,711		8,073,711	8,182,936	109,225	7,883,207		7,883,207	7,926,261	43,054
State Sources:											
Categorical Transportation Aid	10-3121						301,982		301,982	196,288	(105,694)
Categorical Special Education Aid	10-3132	469,134		469,134	469,134		476,351		476,351	476,351	
Equalization Aid	10-3176	3,243,138		3,243,138	3,243,138		3,341,841	(606,363)	2,735,478	2,481,535	(253,943)
Categorical Security Aid	10-3177	12,956		12,956	12,956		63,439		63,439	41,235	(22,204)
Adjustment Aid	10-3178						172,636		172,636	112,213	(60,423)
Extraordinary Aid	10-3190	25,749		25,749	40,676	14,927	16,585		16,585	25,749	9,164
Other State Aid					10,635	10,635				4,313	4,313
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					415,794	415,794				402,162	402,162
Reimbursed TPAF Social Security Contributions					430,857	430,857				476,296	476,296
Total State Sources		3,750,977		3,750,977	4,623,190	872,213	4,372,834	(606,363)	3,766,471	4,216,142	449,671
Federal Sources:											
ARRA - ESF								583,765	583,765	583,765	
ARRA - GSF								22,598	22,598	22,598	
Total Federal Sources								606,363	606,363	606,363	
Total Revenues		11,824,688		11,824,688	12,806,126	981,438	12,256,041		12,256,041	12,748,766	492,725

SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool/Kindergarten	110-100-101	104,554	(22,000)	82,554	81,979	575	130,370	(980)	129,390	129,390	
Grades 1 - 5	120-100-101	1,942,452	148,918	2,091,370	2,089,851	1,519	2,129,543	48,147	2,177,690	2,177,687	3
Grades 6 - 8	130-100-101	1,428,146	(75,302)	1,352,844	1,350,296	2,548	1,588,625	(63,675)	1,524,950	1,524,436	514
Home Instruction	150-100-101	2,000		2,000	500	1,500	2,000	(527)	1,473	1,390	83
Regular Programs - Undistributed Instruction:											
Purchased Professional/											
Educational Services	190-100-320						3,000	(2,999)	1		1
Purchased Technical Services	190-100-340	64,321	(4)	64,317	59,329	4,988	57,495	3,994	61,489	61,487	2
Rental of Equipment	190-100-500	51,120	24	51,144	51,141	3	47,120	3,790	50,910	50,909	1
Teacher Travel Between Schools	190-100-580		675	675	674	1		386	386	386	
General Supplies	190-100-610	135,765	(11,818)	123,947	116,444	7,503	129,481	(33,976)	95,505	95,471	34
Textbooks	190-100-640	946	12,632	13,578	13,541	37	20,100	24,793	44,893	44,892	1
Other Objects	190-100-800	608	5	613	456	157	463	(5)	458	454	4
Total Regular Programs		3,729,912	53,130	3,783,042	3,764,211	18,831	4,108,197	(21,052)	4,087,145	4,086,502	643
Special Education:											
Auditory Impairments:											
Salaries of Teachers	207-100-101						45,000		45,000		45,000
General Supplies	207-100-610						5,000	(3,868)	1,132	1,131	1
Total Auditory Impairments							50,000	(3,868)	46,132	46,131	45,001
Resource Room/ Resource Center:											
Salaries of Teachers	213-100-101	899,409	2,641	902,050	897,890	4,160	901,860	(2,499)	899,361	898,457	904
Other Salaries for Instruction	213-100-106	205,317	(810)	204,507	186,891	17,616	243,669	(52,977)	190,692	189,583	1,109
General Supplies	213-100-610	10,300	(2,142)	8,158	3,100	5,058	11,300	7,935	19,235	19,235	
Textbooks	213-100-640	2,124	311	2,435	2,434	1					

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Resource Room	1,117,150		1,117,150	1,090,315	26,835	1,156,829	(47,541)	1,109,288	1,107,275	2,013	
Preschool Disabilities - Part-Time:											
Salaries of Teachers	215-100-101	71,889	75	71,964	62,961	9,003	71,889	(575)	71,314	71,089	225
Other Salaries for Instruction	215-100-106	44,097	(4,850)	39,247	31,810	7,437	15,842	18,048	33,890	33,890	
General Supplies	215-100-610	1,637	(110)	1,527	1,393	134	1,000	(37)	963	962	1
Total Preschool Disabilities - Part-Time		117,623	(4,885)	112,738	96,164	16,574	88,731	17,436	106,167	105,941	226
Total Special Education		1,234,773	(4,885)	1,229,888	1,186,479	43,409	1,295,560	(33,973)	1,261,587	1,214,347	47,240
Basic Skills/Remedial:											
Salaries of Teachers	230-100-101	162,049	4,885	166,934	164,997	1,937	164,412	37,633	202,045	201,418	627
General Supplies	230-100-610	3,729	(612)	3,117	783	2,334	1,100	141	1,241	1,240	1
Other Objects	230-100-800	250	(79)	171	171		500	(500)			
Total Basic Skills/Remedial		166,028	4,194	170,222	165,951	4,271	166,012	37,274	203,286	202,658	628
School Sponsored Cocurricular Activities:											
Salaries	401-100-100	42,180	5,905	48,085	46,176	1,909	42,180	4,064	46,244	46,244	
Supplies & Materials	401-100-600	2,979	(48)	2,931	2,929	2	4,870	(2,058)	2,812	2,798	14
Other Objects	401-100-800	900	1,043	1,943	1,924	19	1,000	44	1,044	1,044	
Total School Sponsored Cocurricular Activities		46,059	6,900	52,959	51,029	1,930	48,050	2,050	50,100	50,086	14
School Sponsored Athletics:											
Salaries	402-100-100	27,779		27,779	27,779		27,779		27,779	27,779	
Purchased Services	402-100-500	7,166	(2,787)	4,379	4,379		7,052	(2,342)	4,710	4,710	
Supplies & Materials	402-100-600	4,113	(2,585)	1,528	1,528		2,412	(6)	2,406	1,590	816
Other Objects	402-100-800	355	(155)	200	200		355	(155)	200	200	

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total School Sponsored Athletics	39,413	(5,527)	33,886	33,886		37,598	(2,503)	35,095	34,279	816	
Community Service Programs:											
Salaries	800-330-100	5,408		5,408	4,975	433	5,408	(1,238)	4,170	1,604	2,566
Total Community Service Programs		5,408		5,408	4,975	433	5,408	(1,238)	4,170	1,604	2,566
Total Other Instructional Programs		90,880	1,373	92,253	89,890	2,363	91,056	(1,691)	89,365	85,969	3,396
Total - Instruction		5,221,593	53,812	5,275,405	5,206,531	68,874	5,660,825	(19,442)	5,641,383	5,589,476	51,907
Undistributed Expenditures:											
Instruction:											
Tuition to Other LEAs Outside State	000-100-562	5,754	11,712	17,466	17,466						
Tuition to CSSD & Regional Day Schools	000-100-565	3,500	2,701	6,201	6,200	1	3,500	(790)	2,710	702	2,008
Tuition State Facilities	000-100-568		810	810	810			790	790	790	
Total Instruction		9,254	15,223	24,477	24,476	1	3,500		3,500	1,492	2,008
Health Services:											
Salaries	000-213-100	133,393	1,853	135,246	135,246		133,393	215	133,608	133,608	
Purchased Professional & Technical Services	000-213-300	4,000	(80)	3,920	3,920		3,996	(76)	3,920	3,920	
Supplies and Materials	000-213-600	1,270	(124)	1,146	1,145	1	1,282	(110)	1,172	1,109	63
Other Objects	000-213-800	110	(90)	20	20		110	(29)	81	40	41
Total Health Services		138,773	1,559	140,332	140,331	1	138,781		138,781	138,677	104

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Related Services:											
Salaries	000-216-101	166,693		166,693	141,889	24,804	166,693		166,693	166,693	
Purchased Professional/Educational											
Services	000-216-320	82,250	(19,094)	63,156	21,236	41,920	33,650	(415)	33,235		33,235
Supplies & Materials	000-216-610	3,280		3,280	1,757	1,523	3,400		3,400	3,383	17
Total Related Services		252,223	(19,094)	233,129	164,882	68,247	203,743	(415)	203,328	170,076	33,252
Extra Services:											
Salaries	000-217-100	46,727	255	46,982	46,127	855	91,327	(64,081)	27,246		27,246
Salaries - Aides	000-217-101							51,574	51,574	51,573	
Purchased Professional/Educational											
Services	000-217-320	19,073		19,073	18,723	350	78,668	(23,633)	55,035	10,592	44,443
Supplies & Materials	000-217-610	5,710	(255)	5,455	3,210	2,245	5,550	5,888	11,438	6,976	4,462
Total Extra Services		71,510		71,510	68,060	3,450	175,545	(30,252)	145,293	69,141	76,151
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	000-218-104	169,359	(31,500)	137,859	137,854	5	169,359		169,359	169,359	
Purchased Professional & Technical											
Services	000-218-390	3,500		3,500		3,500	3,100		3,100	1,264	1,836
Supplies & Materials	000-218-600	4,070		4,070	2,659	1,411	2,605	306	2,911	2,625	286
Other Objects	000-218-800	417		417		417	517		517	124	393
Total Other Support Services - Students - Regular		177,346	(31,500)	145,846	140,513	5,333	175,581	306	175,887	173,372	2,515
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	000-219-104	239,361	54,000	293,361	291,602	1,759	324,913		324,913	324,387	526

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

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	ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Other Support Services - Students - Special Services (continued):											
Salaries of Secretarial & Clerical Assistants	000-219-105	45,208		45,208	44,558	650	45,208	175	45,383	44,837	546
Purchased Professional/Educational Services	000-219-320	25,000	(25,000)								
Rental of Equipment	000-219-440		3,770	3,770	3,370	400		3,595	3,595	3,437	158
Seminars/Travel	000-219-580		3,700	3,700	1,141	2,559		3,815	3,815	2,327	1,488
Miscellaneous Purchased Services	000-219-592	12,470	(9,470)	3,000	2,244	756	12,170	(7,170)	5,000	2,731	2,269
Supplies and Materials	000-219-600	5,975		5,975	3,690	2,285	4,625		4,625	4,319	306
Other Objects	000-219-800	1,275		1,275		1,275	1,275		1,275	1,065	210
Total Other Support Services - Students - Special Services		329,289	27,000	356,289	346,605	9,684	388,191	415	388,606	383,103	5,503
Improvement of Instruction:											
Supervisor of Instruction	000-221-102						21,388	1	21,389	21,388	1
Salary of Other Professional Staff	000-221-104	8,452	15,000	23,452	23,033	419	8,452	(500)	7,952	3,753	4,199
Purchased Professional/Educational Services	000-221-320	42,000	(42,000)								
Purchased Services	000-221-590	2,850		2,850	2,763	87	2,850	(1)	2,849	2,841	8
Total Improvement of Instruction		53,302	(27,000)	26,302	25,796	506	32,690	(500)	32,190	27,982	4,208
Instructional Staff Training:											
Purchased Professional Educational Services	000-223-320	4,400	350	4,750	4,750		4,400		4,400	456	3,944
Staff Development - Travel	000-223-580	5,450		5,450	3,463	1,987	5,450	500	5,950	5,760	190
Supplies & Materials	000-223-600	500		500	136	364	500		500	463	37
Other Objects	000-223-800	2,075	(350)	1,725	1,725		2,075		2,075	2,000	75
Total Instructional Staff Training		12,425		12,425	10,074	2,351	12,425	500	12,925	8,679	4,246

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Educational Media Services/School Library:											
Salaries	000-222-100	231,194	440	231,634	231,634		166,169	65,000	231,169	231,067	102
Purchased Professional & Technical											
Services	000-222-300	6,195	(80)	6,115	5,884	231	6,130		6,130	5,928	202
Other Purchased Services	000-222-500	2,620		2,620	2,208	412	1,812		1,812	1,812	
Supplies and Materials	000-222-600	14,600	(360)	14,240	9,977	4,263	14,900		14,900	9,828	5,072
Total Educational Media Services/School Library		254,609		254,609	249,703	4,906	189,011	65,000	254,011	248,635	5,376
Support Services General Administration:											
Salaries	000-230-100	215,255		215,255	215,255		219,088	29	219,117	215,255	3,862
Legal Services	000-230-331	20,000	8,437	28,437	28,437		20,000	2,342	22,342	15,445	6,897
Audit Fees	000-230-332	15,525	(75)	15,450	15,450		15,000		15,000	15,000	
Architectural/Engineering Services	000-230-334	2,000	(2,000)				2,000	(2,000)			
Other Purchased Professional											
Services	000-230-339	20,900	(3,608)	17,292	17,286	6	14,000	13,314	27,314	14,707	12,607
Communications/Telephone	000-230-530	29,200	3,610	32,810	26,357	6,453	33,200	(927)	32,273	32,272	1
Travel	000-230-580		5,500	5,500	1,733	3,767		4,405	4,405	2,220	2,185
BOE Other Purchased Services	000-230-585	4,200	(3,280)	920		920	5,200	(4,892)	308	200	108
Other Purchased Services	000-230-590	32,500	(3,761)	28,739	28,739		32,863	(8,194)	24,669	23,223	1,446
Supplies and Materials	000-230-600	3,400	190	3,590	3,590		3,400	(428)	2,972	2,492	480
BOE In-House Training/Meeting											
Supplies	000-230-630						500	(500)			
Miscellaneous Expenditures	000-230-890	11,500	(190)	11,310	7,699	3,611	11,500	(1,622)	9,878	9,878	
BOE Membership Dues & Fees	000-230-895	8,100	(823)	7,277	6,833	444	8,100	(1,030)	7,070	7,068	2
Total Support Services General Administration		362,580	4,000	366,580	351,379	15,201	364,851	497	365,348	337,760	27,588
Support Services School Administration:											
Salaries of Principals & Assistant											
Principal	000-240-103	222,030		222,030	222,030		222,030		222,030	222,030	

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Support Services School Administration (continued):											
Salaries of Secretarial & Clerical											
Assistants	000-240-105	178,032	1,000	179,032	178,137	895	178,532	1,430	179,962	175,318	4,644
Purchased Professional & Technical											
Services	000-240-300	13,240		13,240	11,234	2,006	16,182	(1,412)	14,770	12,204	2,566
Other Purchased Services	000-240-500	5,000	(196)	4,804	949	3,855	5,000		5,000	114	4,886
Supplies and Materials	000-240-600	6,638	(804)	5,834	1,324	4,510	7,428	34	7,462	7,262	200
Other Objects	000-240-800	5,600		5,600	4,775	825	6,765	(52)	6,713	5,584	1,129
Total Support Services School Administration		430,540		430,540	418,449	12,091	435,937		435,937	422,512	13,425
Support Services Central Services:											
Salaries	000-251-100	230,264		230,264	230,264		238,969		238,969	233,599	5,370
Purchased Technical Services	000-251-340	10,400		10,400	10,350	50	10,017	(67)	9,950	9,950	
Travel	000-251-580		3,000	3,000	2,498	502					
Miscellaneous Purchased Services	000-251-590	4,600	(3,000)	1,600	1,320	280	4,545	185	4,730	4,074	656
Supplies and Materials	000-251-600	6,400		6,400	2,503	3,897	6,400		6,400	5,640	760
Interest on Lease Purchase											
Agreements	000-251-832	1,110		1,110		1,110	1,110		1,110	1,110	
Miscellaneous Expenditures	000-251-890	2,200		2,200	1,503	697	2,155	(118)	2,037	1,305	732
Total Support Services Central Services		254,974		254,974	248,438	6,536	263,196		263,196	255,678	7,518
Administrative Information Technology:											
Purchased Technical Services	000-252-340	500		500		500	500		500	293	207
Total Administrative Information Technology		500		500		500	500		500	293	207

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Required Maintenance for School Facilities:											
Salaries	000-261-100	102,944		102,944	98,021	4,923	102,944	(2,000)	100,944	98,790	2,154
Cleaning, Repair & Maintenance Services	000-261-420	90,189	(343)	89,846	87,590	2,256	109,350		109,350	78,303	31,047
General Supplies	000-261-610	30,100	343	30,443	28,784	1,659	28,600		28,600	25,095	3,505
Total Required Maintenance for School Facilities		223,233		223,233	214,395	8,838	240,894	(2,000)	238,894	202,188	36,706
Operation & Maintenance of Plant Services:											
Salaries	000-262-100	518,245	(5,356)	512,889	512,614	275	518,245	3,383	521,628	520,239	1,389
Cafeteria Salaries	000-262-106		5,356	5,356		5,356		5,000	5,000	4,968	32
Purchased Professional/Technical Services	000-262-300	7,200	2,476	9,676	7,118	2,558	6,700	2,923	9,623	9,580	43
Cleaning, Repair & Maintenance Services	000-262-420	39,614	(1,263)	38,351	18,880	19,471	39,514	(7,408)	32,106	9,796	22,310
Insurance	000-262-520	27,511	(1,213)	26,298	25,262	1,036	27,031		27,031	25,473	1,558
Travel	000-262-590	1,250		1,250	326	924	1,250		1,250	334	916
General Supplies	000-262-610	69,363		69,363	60,845	8,518	70,363	630	70,993	60,545	10,448
Energy (Natural Gas)	000-262-621	86,433		86,433	78,242	8,191	86,433		86,433	68,311	18,122
Energy (Electricity)	000-262-622	160,900		160,900	145,307	15,593	183,882	(1,698)	182,184	137,337	
Other Objects	000-262-800	1,100		1,100	650	450	1,100	(200)	900	650	250
Total Operation & Maintenance of Plant Services		911,616		911,616	849,244	62,372	934,518	2,630	937,148	837,233	55,068
Student Transportation Services:											
Purchased Professional & Technical Services	000-270-350	6,500		6,500	5,642	858	6,500		6,500	4,134	2,366
Other Purchased Professional & Technical Services	000-270-390	2,400		2,400	2,150	250	2,400		2,400	2,150	250

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Student Transportation Services (continued)::											
Contracted Services (Between Home & School) - Vendors	000-270-511	476,137		476,137	441,179	34,958	476,137	(15,217)	460,920	459,558	1,362
Contracted Services (Other Than Between Home & School) - Vendors	000-270-512	11,458		11,458	8,093	3,365	11,458		11,458	10,118	1,340
Contracted Services (Joint Agreements) - Special Ed	000-270-515							9,801	9,801	9,800	
Contracted Services - CTSA's Regular	000-270-517	25,900	2,452	28,352	28,352		25,900	4,675	30,575	30,574	1
Contracted Services - CTSA's Special	000-270-518	109,764	(2,452)	107,312	83,526	23,786	109,764	741	110,505	75,502	35,003
Aid in Lieu of Payments	000-270-503	9,200		9,200	7,072	2,128	9,200		9,200	6,188	3,012
Total Student Transportation Services		641,359		641,359	576,014	65,345	641,359		641,359	598,024	43,334
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	000-291-220	164,000		164,000	154,016	9,984	156,235		156,235	144,443	11,792
PERS - Other Retirement	000-291-241	140,000	7,172	147,172	147,172		136,850		136,850	109,929	26,921
Workmen's Compensation	000-291-260	53,100		53,100	47,716	5,384	50,113		50,113	48,114	1,999
Health Benefits	000-291-270	2,148,634	(131,172)	2,017,462	1,971,426	46,036	2,168,591	(25,161)	2,143,430	2,071,657	71,773
Tuition Reimbursements	000-291-280	39,000		39,000	8,856	30,144	38,000	(2,016)	35,984	22,610	13,374
Other Employee Benefits	000-291-290	178,100	100,000	278,100	159,653	118,447	171,250	(1,723)	169,527	149,630	19,897
Total Unallocated Benefits - Employee Benefits		2,722,834	(24,000)	2,698,834	2,488,839	209,995	2,721,039	(28,900)	2,692,139	2,546,383	145,756
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					415,794	(415,794)				402,162	(402,162)
Reimbursed TPAF Social Security Contributions					430,857	(430,857)				476,296	(476,296)

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total Undistributed Expenditures	6,846,367	(53,812)	6,792,555	7,163,849	(371,294)	6,921,761	7,281	6,929,042	7,299,686	(415,493)
Total Expenditures - Current Expense	12,067,960		12,067,960	12,370,380	(302,420)	12,582,586	(12,161)	12,570,425	12,889,162	(363,586)
Capital Outlay:										
Equipment:										
Regular Programs - Instruction:										
Grades 1-5	120-100-730						13,408	13,408	13,408	
Total Equipment							13,408	13,408	13,408	
Facilities Acquisition & Construction Services:										
Facilities Construction	000-400-450					22,637	(630)	22,007	22,007	
Lease Purchase Agreements:										
Principal	000-400-721	25,363	25,363	24,990	373	25,363		25,363	25,363	
Other Objects	000-400-800	29,955	29,955	29,955						
Total Facilities Acquisition & Construction Services		55,318	55,318	54,945	373	48,000	(630)	47,370	47,370	
Total Capital Outlay		55,318	55,318	54,945	373	48,000	12,778	60,778	60,778	
Total Expenditures		12,123,278	12,123,278	12,425,325	(302,047)	12,630,586	617	12,631,203	12,949,940	(363,586)
Other Financing (Uses)/Sources:										
Food Services:										
Transfer to Cover Deficit	000-310-930	(3,000)	(3,000)	(3,000)		(5,000)		(5,000)	(5,000)	

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

NUMBERS	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total Expenditures & Other Financing Uses	12,126,278		12,126,278	12,428,325	(302,047)	12,635,586	617	12,636,203	12,954,940	(318,737)
Excess/(Deficiency) of Revenues & Other Financing Sources/(Uses) Over/(Under) Expenditures & Other Financing Uses	(301,590)		(301,590)	377,801	679,391	(379,545)	(617)	(380,162)	(206,174)	173,988
5 Fund Balances, July 1	956,996		956,996	956,996		1,163,170		1,163,170	1,163,170	
Fund Balances, June 30	\$655,406	-	655,406	1,334,797	679,391	783,625	(617)	783,008	956,996	173,988

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Maintenance Reserve	\$85,000
Emergency Reserve	196,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	155,907
Excess Surplus	622,328
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	59,864
Unassigned Fund Balance	<u>215,698</u>
Subtotal	1,334,797
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(368,900)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$965,897</u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
AMERICAN RECOVERY AND REINVESTMENT ACT -
BUDGET AND ACTUAL
FOR FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

REVENUES	ACCOUNT NUMBERS	JUNE 30, 2011		VARIANCE	JUNE 30, 2010		VARIANCE
		ORIGINAL BUDGET	FINAL BUDGET TRANSFERS	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	ORIGINAL BUDGET	FINAL BUDGET TRANSFERS	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Federal Sources		\$ -			606,363	606,363	606,363
Total Revenues					606,363	606,363	606,363
EXPENDITURES:							
Instruction:							
ARRA - State Fiscal Stabilization Fund:							
Education Stabilization Fund:							
Media Specialist Salary	16-000-222-100				65,000	65,000	65,000
Health Benefits	16-000-291-270				158,483	158,483	158,483
Salaries of Teachers Gr 1-4	16-000-120-101				159,373	159,373	159,373
Salaries of Teachers Gr 6-8	16-000-130-101				39,940	39,940	39,940
Basic Skills Salaries	16-230-100-101				160,969	160,969	160,969
Total Education Stabilization Fund					583,765	583,765	583,765
ARRA - State Fiscal Stabilization Fund - ESF:							
Government Services Fund:							
Health Benefits	17-000-291-270				22,598	22,598	22,598
Total Government Services Fund					22,598	22,598	22,598
Total State Fiscal Stabilization Fund					606,363	606,363	606,363
Total Expenditures					606,363	606,363	606,363
Total Outflows					606,363	606,363	606,363
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)		\$ -	-	-	-	-	-

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
State Sources										
Federal Sources	\$233,968	87,068	321,036	290,618	(30,418)	233,328	187,108	420,436	377,603	(42,833)
Local Sources		27,999	27,999	23,611	(4,388)		7,286	7,286	7,286	
Total Revenues	233,968	115,067	349,035	314,229	(34,806)	233,328	194,394	427,722	384,889	(42,833)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	32,730	6,664	39,394	26,457	12,937	16,988	3,064	20,052	9,834	10,218
Tuition	66,904	2,879	69,783	69,783		188,669	(111,302)	77,367	73,673	3,694
General Supplies		35,354	35,354	28,789	6,565	1,599	49,412	51,011	51,011	
Total Instruction	99,634	44,897	144,531	125,029	19,502	207,256	(58,826)	148,430	134,518	13,912
Support Services:										
Other Salaries		41,429	41,429	41,429		15,382	37,622	53,004	53,004	
Personal Services - Employee Benefits	1,099	1,677	2,776	2,776			12,915	12,915	12,915	
Purchased Professional Educational Services	122,200	15,710	137,910	122,607	15,303	10,690	119,170	129,860	107,296	22,564
Other Purchased Services	11,035	4,950	15,985	15,985			7,384	7,384	6,301	1,083
Total Support Services	134,334	63,766	198,100	182,797	15,303	26,072	177,091	203,163	179,516	23,647
Facilities Acquisition & Construction Services:										
Instructional Equipment		6,404	6,404	6,403	1		76,129	76,129	70,855	5,274
Total Facilities Acquisition & Construction		6,404	6,404	6,403	1		76,129	76,129	70,855	5,274
Total Expenditures	233,968	115,067	349,035	314,229	34,806	233,328	194,394	427,722	384,889	42,833
Total Outflows	233,968	115,067	349,035	314,229	34,806	233,328	194,394	427,722	384,889	42,833
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/ (Uses)	\$ -	-	-	-	-	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**SHAMONG TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$12,806,126	314,229
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	434,757	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(368,900)	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$12,871,983	314,229
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$12,425,325	314,229
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$12,425,325	314,229

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**SHAMONG TOWNSHIP BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (With Comparative Totals for June 30, 2010)**

	NO CHILD LEFT BEHIND		
	TITLE I	TITLE II A	TITLE IID
Revenues:			
Federal Sources	\$17,306	11,707	1,117
Local Sources			
Total Revenues	\$17,306	11,707	1,117
Expenditures:			
Instruction:			
Salaries of Teachers	\$10,218	10,608	
Tuition			
General Supplies	5,178		
Total Instruction	15,396	10,608	
Support Services:			
Other Salaries	233		
Personal Services - Employee Benefits	1,677	1,099	
Purchased Professional - Educational Services			
Other Purchased Services			1,117
Total Support Services	1,910	1,099	1,117
Facilities Acquisition & Construction Services:			
Instructional Equipment			
Total Facilities Acquisition & Construction Services			
Total Expenditures	\$17,306	11,707	1,117

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	I.D.E.A. PART B - BASIC		I.D.E.A. PRESCHOOL PROGRAM
	REGULAR PROGRAM	A.R.R.A PROGRAM	
Revenues:			
Federal Sources	\$199,150	50,337	11,001
Local Sources			
Total Revenues	\$199,150	50,337	11,001
Expenditures:			
Instruction:			
Salaries of Teachers	\$5,631		
Tuition	69,783		
General Supplies			
Total Instruction	75,414		
Support Services:			
Other Salaries		41,196	
Personal Services - Employee Benefits			
Purchased Professional - Educational Services	122,607		
Other Purchased Services		3,867	11,001
Total Support Services	122,607	45,063	11,001
Facilities Acquisition & Construction Services:			
Instructional Equipment	1,129	5,274	
Total Facilities Acquisition & Construction Services	1,129	5,274	
Total Expenditures	\$199,150	50,337	11,001

**SHAMONG TOWNSHIP BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (With Comparative Totals for June 30, 2010)**

	SHAMONG TOWNSHIP FOUNDATION FOR EDUCATION EXCELLENCE	2011	2010
Revenues:			
Federal Sources		290,618	377,603
Local Sources	\$23,611	23,611	7,286
Total Revenues	\$23,611	314,229	384,889
Expenditures:			
Instruction:			
Salaries of Teachers		26,457	9,834
Tuition		69,783	73,673
General Supplies	\$23,611	28,789	51,011
Total Instruction	23,611	125,029	134,518
Support Services:			
Other Salaries		41,429	53,004
Personal Services - Employee Benefits		2,776	12,915
Purchased Professional Educational Services		122,607	107,296
Other Purchased Services		15,985	6,301
Total Support Services		182,797	179,516
Facilities Acquisition & Construction Services:			
Instructional Equipment		6,403	70,855
Total Facilities Acquisition & Construction Services		6,403	70,855
Total Expenditures	\$23,611	314,229	384,889

F. Capital Projects Fund

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

PROJECT TITLE/ISSUE	DATE	ORIGINAL APPROPRIATIONS	REAPPROPRIATION OF PROCEEDS	TRANSFER TO DEBT SERVICE FUND	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2011
					PRIOR YEARS	CURRENT YEAR	
Renovations, Additions & Conversions to the Indian Mills School	12/08/02	\$6,607,347	(44,053)	253	6,563,041		
Partial Roof Replacement at Indian Mills School	06/21/07	388,200		77,805	310,395		
Fire Alarm Replacement at Indian Mills Memorial School	06/21/07	217,540	(16,240)	54,970	146,330		
Renovations, Site Work & Solar Panel Installation at Indian Mills Memorial School & Indian Mills School	09/29/09	2,560,467	(640)		263,038	1,644,049	652,740
Total		\$9,773,554	(60,933)	133,028	7,282,804	1,644,049	652,740
						Fund Balance	\$652,740
						Total	\$652,740

SHAMONG TOWNSHIP BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE-BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

REVENUES:	
Bond Proceeds	<u>\$1,999,000</u>
Total Revenues	<u>1,999,000</u>
EXPENDITURES:	
Purchased Professional & Technical Services	39,371
Construction Services	1,568,563
Supplies	28,456
Miscellaneous/Contingency	<u>7,659</u>
Total Expenditures	<u>1,644,049</u>
Excess/(Deficiency) of Revenues & Other Financing Sources	
Over/(Under) Expenditures & Other Financing Sources	354,951
Transfer to Debt Service Fund	<u>(41,513)</u>
Fund Balance - Beginning	<u>339,302</u>
Fund Balance - Ending	<u><u>\$652,740</u></u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS, ADDITIONS AND CONVERSIONS TO INDIAN MILLS SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$2,225,469		2,225,469	2,225,469
Bond Proceeds & Transfers	4,337,825		4,337,825	4,337,825
Total Revenues	6,563,294		6,563,294	6,563,294
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				
Technical Services	565,207		565,207	565,207
Construction Services	5,902,453		5,902,453	5,902,453
Supplies	95,381		95,381	95,381
Miscellaneous/Contingency				
Total Expenditures	6,563,041		6,563,041	6,563,041
Transfer to Debt Service	253		253	253
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-

ADDITIONAL PROJECT INFORMATION

Project Number	4740-050-02-0947
Grant Date	1/23/03
Bond Authorization Date	2/24/03
Bonds Authorized	\$5,498,000
Bonds Issued	\$5,498,000
Original Authorized Cost	\$6,607,347
Additional Authorized Cost	(\$44,807)
Revised Authorized Cost	\$6,536,041
Percentage Increase Over Original Authorized Cost	-0.68%
Percentage Completion	100%
Original Target Completion Date	8/2006
Revised Target Completion Date	12/2007

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
INDIAN MILLS SCHOOL - PARTIAL ROOF REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant				
Bond Proceeds & Transfers	\$388,200		388,200	388,200
Total Revenues	388,200		388,200	388,200
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				
Technical Services	24,109		24,109	24,109
Construction Services	281,298		281,298	281,298
Supplies	3,629		3,629	3,629
Miscellaneous/Contingency	1,359		1,359	1,359
Total Expenditures	310,395		310,395	310,395
Transfer to Debt Service Fund	49,134	28,671	77,805	77,805
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$28,671	(28,671)	-	-

ADDITIONAL PROJECT INFORMATION

Project Number	4740-050-07-1000
Grant Date	N/A
Bond Authorization Date	05/15/2007
Bonds Authorized	\$388,200
Bonds Issued	\$388,200
Original Authorized Cost	\$388,200
Additional Authorized Cost	
Revised Authorized Cost	\$388,200
Percentage Increase Over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	8/2007
Revised Target Completion Date	8/2007

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
INDIAN MILLS MEMORIAL SCHOOL - FIRE ALARM REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant				
Bond Proceeds & Transfers	\$201,300		201,300	201,300
Total Revenues	201,300		201,300	201,300
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				
Technical Services	18,058		18,058	18,058
Construction Services	127,522		127,522	127,522
Supplies				
Miscellaneous/Contingency	750		750	750
Total Expenditures	146,330		146,330	146,330
Transfer to Debt Service Fund	42,128	12,842	54,970	54,970
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$12,842	(12,842)	-	-

ADDITIONAL PROJECT INFORMATION

Project Number	4740-055-06-1000
Grant Date	N/A
Bond Authorization Date	05/15/2007
Bonds Authorized	\$217,540
Bonds Issued	N/A
Original Authorized Cost	\$217,540
Additional Authorized Cost	(\$16,240)
Revised Authorized Cost	\$201,300
Percentage Increase Over Original Authorized Cost	-7.47%
Percentage Completion	100%
Original Target Completion Date	8/2007
Revised Target Completion Date	8/2007

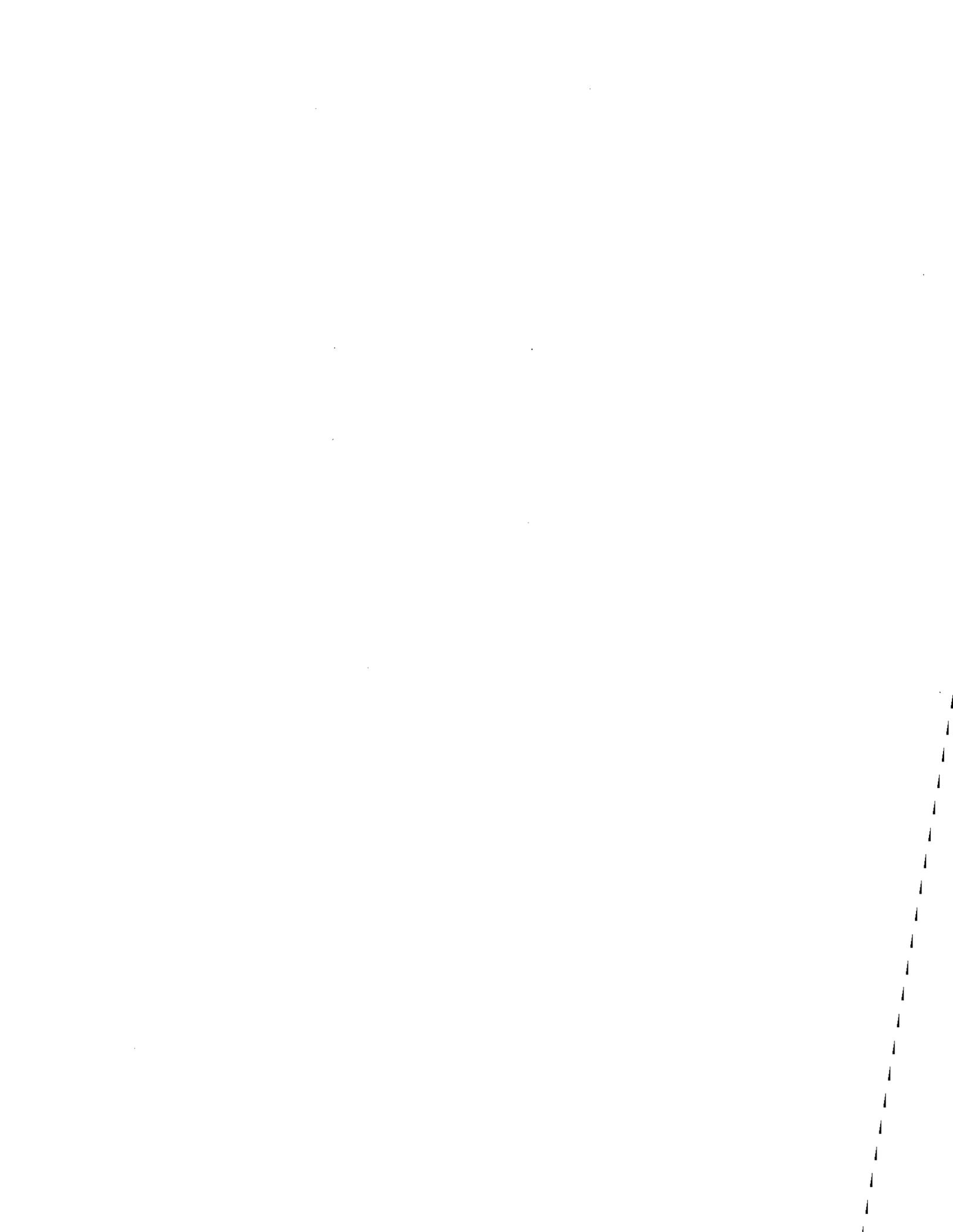
**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
INDIAN MILLS MEMORIAL SCHOOL & INDIAN MILLS SCHOOL
RENOVATIONS, SITE WORK AND SOLAR PANEL INSTALLATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	560,827		560,827	560,827
Bond Proceeds & Transfers		1,999,000	1,999,000	1,999,000
Total Revenues	560,827	1,999,000	2,559,827	2,559,827
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	177,355	39,371	216,726	216,726
Construction Services	84,977	1,568,563	1,653,540	1,653,540
Supplies		28,456	28,456	28,456
Miscellaneous/Contingency	706	7,659	8,365	8,365
Total Expenditures	263,038	1,644,049	1,907,087	1,907,087
Transfer to Debt Service Fund				
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	297,789	354,951	652,740	652,740

ADDITIONAL PROJECT INFORMATION

Project Number	4740-050-09
Grant Date	N/A
Bond Authorization Date	8/26/10
Bonds Authorized	\$1,999,640
Bonds Issued	N/A
Original Authorized Cost	\$2,560,467
Additional Authorized Cost	(\$640)
Revised Authorized Cost	\$2,559,827
Percentage Increase Over Original Authorized Cost	-0.02%
Percentage Completion	100%
Original Target Completion Date	9/2010
Revised Target Completion Date	9/2010

G. Proprietary Funds



Enterprise Funds

SHAMONG TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2011	2010
Current Assets:			
Cash & Cash Equivalents	\$26,589	26,589	15,189
Accounts Receivable:			
State	370	370	348
Federal	6,083	6,083	7,750
Inventories	2,321	2,321	6,215
Total Current Assets	<u>35,363</u>	<u>35,363</u>	<u>29,502</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	55,025	55,025	55,025
Less: Accumulated Depreciation	(16,394)	(16,394)	(12,137)
Total Fixed Assets	<u>38,631</u>	<u>38,631</u>	<u>42,888</u>
Total Assets	<u>73,994</u>	<u>73,994</u>	<u>72,390</u>
 NET ASSETS			
Investment in Capital Assets	38,631	38,631	42,888
Unrestricted	35,363	35,363	29,502
Total Net Assets	<u>\$73,994</u>	<u>73,994</u>	<u>72,390</u>

SHAMONG TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2011	2010
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$151,703	151,703	155,482
Daily Sales - Nonreimbursable Programs	42,607	42,607	40,076
Miscellaneous	1,395	1,395	2,865
Total Operating Revenue	<u>195,705</u>	<u>195,705</u>	<u>198,423</u>
Operating Expenses:			
Salaries & Benefits	117,866	117,866	117,198
Miscellaneous Expenses	4,010	4,010	5,226
Management Fee	17,254	17,254	17,254
Supplies and Materials	11,476	11,476	12,462
Depreciation	4,257	4,257	1,821
Cost of Sales	99,968	99,968	93,872
Total Operating Expenses	<u>254,831</u>	<u>254,831</u>	<u>247,833</u>
Operating Income/(Loss)	<u>(59,126)</u>	<u>(59,126)</u>	<u>(49,410)</u>
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	3,156	3,156	3,249
Federal Sources:			
National School Lunch Program	38,614	38,614	32,936
Cash in Lieu of Commodities	15,598	15,598	13,171
Total Nonoperating Revenues/(Expenses)	<u>57,368</u>	<u>57,368</u>	<u>49,356</u>
Net Income/(Loss) Before Other Financing Sources/(Uses)	<u>(1,758)</u>	<u>(1,758)</u>	<u>(54)</u>
Other Financing Sources/(Uses)			
Board Contribution	3,000	3,000	5,000
Contribution of Capital			7,211
Interest Revenue - Board Contribution	362	362	339
Total Other Financing Sources/(Uses)	<u>3,362</u>	<u>3,362</u>	<u>12,550</u>
Net Income/(Loss)	1,604	1,604	12,496
Total Net Assets - Beginning	<u>72,390</u>	<u>72,390</u>	<u>59,894</u>
Total Net Assets - Ending	<u>\$73,994</u>	<u>73,994</u>	<u>72,390</u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2011	2010
Cash Flows From Operating Activities:			
Receipts from Customers	\$195,705	195,705	198,423
Payments to Employees	(117,866)	(117,866)	(117,198)
Payments to Suppliers	(128,814)	(128,814)	(132,072)
Net Cash Provided/(Used) by Operating Activities	(50,975)	(50,975)	(50,847)
Cash Flows From Noncapital Financing Activities:			
State Sources	3,134	3,134	3,209
Federal Sources	55,879	55,879	45,352
Board Contributions & Transfers	3,000	3,000	1,103
Net Cash Provided/(Used) by Noncapital Financing Activities	62,013	62,013	49,664
Cash Flows From Investing Activities:			
Interest & Dividends	362	362	339
Net Cash Provided/(Used) by Investing Activities	362	362	339
Net Increase/(Decrease) in Cash & Cash Equivalents	11,400	11,400	(844)
Balances - Beginning of Year	15,189	15,189	16,033
Balances - End of Year	\$26,589	26,589	15,189

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

Operating Income/(Loss)	(\$59,126)	(59,126)	(49,410)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used For) Operating Activities:			
Depreciation & Net Amortization	4,257	4,257	1,821
(Increase)/Decrease in Inventories	3,894	3,894	(3,258)
Total Adjustments	8,151	8,151	(1,437)
Net Cash Provided/(Used) by Operating Activities	(\$50,975)	(50,975)	(50,847)



Internal Service Fund

Not Applicable

H. Fiduciary Fund

**SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

ASSETS	PRIVATE PURPOSE		2011	2010
	UNEMPLOYMENT COMPENSATION TRUST	AGENCY STUDENT ACTIVITY		
Cash & Cash Equivalents	\$136,464	24,377	1,511	162,352
Total Assets	136,464	24,377	1,511	162,352
LIABILITIES				
Payroll Taxes Payable			1,511	3,916
Due to Student Groups		24,377		31,120
Total Liabilities		24,377	1,511	35,036
NET ASSETS				
Reserve for Unemployment Compensation	136,464			124,695
Total Net Assets	\$136,464	-	-	124,695

SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

ADDITIONS	PRIVATE PURPOSE <u>UNEMPLOYMENT</u> COMPENSATION TRUST	2011	2010
Contributions:			
Plan Members	\$13,647	13,647	1,650
Total Contributions	13,647	13,647	1,650
Investment Earnings:			
Interest	1,577	1,577	854
Net Investment Earnings	1,577	1,577	854
Total Additions	15,224	15,224	2,504
DEDUCTIONS			
Unemployment Claims	3,455	3,455	10,343
Total Deductions:	3,455	3,455	10,343
Change in Net Assets	11,769	11,769	(7,839)
Net Assets - Beginning of the Year	124,695	124,695	132,534
Net Assets - End of the Year	\$136,464	136,464	124,695

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BALANCE JULY 1, 2010	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2011
Student Activities Account	\$27,682	50,725	55,131	23,276
Student Council	2,066	7,231	9,296	1
Basketball League	1,372	1,415	1,687	1,100
Total All Activity	<u>\$31,120</u>	<u>59,371</u>	<u>66,114</u>	<u>24,377</u>

**PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BALANCE JULY 1, 2010	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2011
ASSETS				
Cash & Cash Equivalents	\$3,916	8,295,026	8,297,431	1,511
Total Assets.	<u>\$3,916</u>	<u>8,295,026</u>	<u>8,297,431</u>	<u>1,511</u>
LIABILITIES				
Payroll Deductions & Withholdings Due to General Fund	\$3,916	8,293,708 1,318	8,296,113 1,318	1,511
Total Liabilities	<u>\$3,916</u>	<u>8,295,026</u>	<u>8,297,431</u>	<u>1,511</u>

I. Long-Term Debt

**SHAMONG TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2011**

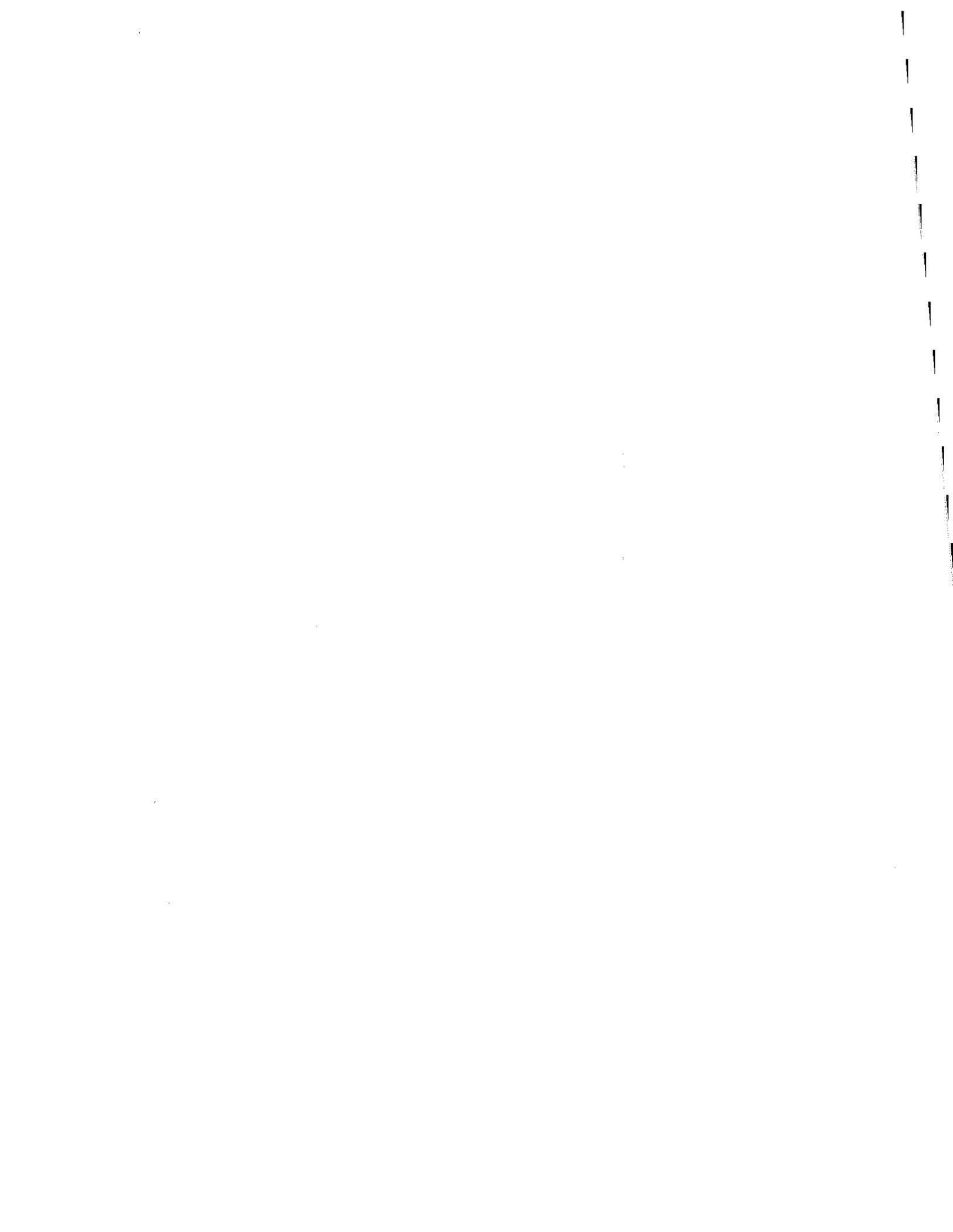
ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2010	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2011
			DATE	AMOUNT					
School Bond Issue	3/1/2003	\$5,498,000	5/15/2012	\$550,000	3.500%	\$4,898,000		525,000	4,373,000
			5/15/2013	575,000	3.500%				
			5/15/2014	600,000	3.500%				
			5/15/2015	625,000	3.500%				
			5/15/2016	650,000	3.500%				
			5/15/2017	675,000	3.500%				
			5/15/2018	698,000	3.600%				
School Bond Issue	6/21/07	757,346	12/01/2011	105,000	4.625%	577,346		100,000	477,346
			12/01/2012	115,000	4.625%				
			12/01/2013	125,000	4.625%				
			12/01/2014	132,346	4.625%				
School Bond Issue	8/26/10	1,999,000	2/15/2012	90,000	3.000%		1,999,000		1,999,000
			2/15/2013	95,000	3.000%				
			2/15/2014	100,000	3.000%				
			2/15/2015	105,000	3.000%				
			2/15/2016	110,000	3.125%				
			2/15/2017	115,000	3.125%				
			2/15/2018	120,000	3.125%				
			2/15/2019	130,000	3.125%				
			2/15/2020	140,000	3.125%				
			2/15/2021	150,000	3.125%				
			2/15/2022	155,000	3.125%				
			2/15/2023	160,000	3.125%				
			2/15/2024	170,000	3.250%				
2/15/2025	180,000	3.375%							
2/15/2026	179,000	3.500%							
Total						\$5,475,346	1,999,000	625,000	6,849,346

**SHAMONG TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2011**

DESCRIPTION	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2010	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2011
Computers	3.07%	124,500	\$61,538		30,210	31,328
Total			\$61,538	-	30,210	31,328

**SHAMONG TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$746,117		746,117	746,117		630,364		630,364	630,364	
State Sources:										
Debt Service Aid Type II	40,140		40,140	40,140		147,446		147,446	147,446	
Total Revenues	786,257		786,257	786,257		777,810		777,810	777,810	
Expenditures:										
Regular Debt Service:										
Interest	202,770		202,770	202,757	13	218,338		218,338	218,337	1
Redemption of Principal	625,000		625,000	625,000		600,000		600,000	600,000	
Total Regular Debt Service	827,770		827,770	827,757	13	818,338		818,338	818,337	1
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(41,513)		(41,513)	(41,500)	13	(40,528)		(40,528)	(40,527)	1
Other Financing Sources/(Uses):										
Operating Transfers In	41,508		41,508	41,513	5	40,528		40,528	40,528	
Total Other Financing Sources/(Uses)	41,508		41,508	41,513	5	40,528		40,528	40,528	
Fund Balance, July 1,	6		6	6		5		5	5	
Fund Balance, June 30	1	-	1	19	18	5	-	5	6	1



STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	\$7,410,688	7,440,051	6,840,346	6,869,344	6,817,805	6,735,833	6,793,568	3,185,232
Restricted	999,371	1,243,977	1,435,875	750,387	935,364	350,413	251,278	3,538,815
Unrestricted	(603,943)	(1,239,936)	(1,202,392)	(440,892)	(539,631)	(167,076)	(13,369)	432,305
Total Governmental Activities								
Net Assets	<u>\$7,806,116</u>	<u>7,444,092</u>	<u>7,073,829</u>	<u>7,178,839</u>	<u>7,213,538</u>	<u>6,919,170</u>	<u>7,031,477</u>	<u>7,156,352</u>
Business-Type Activities:								
Invested in Capital Assets, Net of Related Debt	\$38,631	42,888	33,002	24,888	26,986	24,770	23,595	
Unrestricted	35,363	29,502	26,892	15,390	5,661	6,885	9,613	28,376
Total Business-Type Activities								
Net Assets	<u>\$73,994</u>	<u>72,390</u>	<u>59,894</u>	<u>40,278</u>	<u>32,647</u>	<u>31,655</u>	<u>33,208</u>	<u>28,376</u>
District-Wide:								
Invested in Capital Assets, Net of Related Debt	\$7,449,319	7,482,939	6,873,348	6,894,232	6,844,791	6,760,603	6,817,163	3,185,232
Restricted	999,371	1,243,977	1,435,875	750,387	935,364	350,413	251,278	3,538,815
Unrestricted	(568,580)	(1,210,434)	(1,175,500)	(425,502)	(533,970)	(160,191)	(3,756)	460,681
Total District Net Assets	<u>\$7,880,110</u>	<u>7,516,482</u>	<u>7,133,723</u>	<u>7,219,117</u>	<u>7,246,185</u>	<u>6,950,825</u>	<u>7,064,685</u>	<u>7,184,728</u>

SHAMONG TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST EIGHT FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:								
Governmental Activities								
Instruction:								
Regular	\$3,764,211	4,086,502	3,929,404	3,904,909	3,810,059	3,762,680	3,637,646	3,403,545
Special Education	1,311,508	1,348,865	1,286,574	1,281,394	1,252,312	1,131,652	1,212,873	1,158,320
Other Special Education	165,951	202,658	201,474	161,451	133,801	126,828	114,559	208,691
Other Instruction	89,890	85,969	95,257	96,575	85,562	83,750	77,575	66,684
Support Services:								
Tuition	24,476	1,492	16,740	120,862	28,968	8,586	75,328	91,695
Student & Instruction Related								
Services	1,115,754	1,190,533	1,137,230	1,157,551	1,149,932	1,110,835	1,143,183	1,068,298
School Administrative Services	598,470	589,113	537,880	539,601	403,812	476,878	456,037	344,221
General & Business Administrative								
Services	599,817	593,731	602,727	575,409	599,647	577,730	571,392	357,315
Plant Operations & Maintenance	1,088,629	1,039,421	1,140,716	1,133,152	1,034,260	972,658	971,606	865,993
Pupil Transportation	576,014	598,024	595,326	601,006	582,690	572,520	583,938	624,806
Business & Other Support Services								225,906
Unallocated Benefits	3,338,266	3,435,996	3,304,180	3,530,139	3,276,665	2,759,629	2,285,201	2,041,023
Rental of Land & Building								14,450
Interest on Long-Term Debt	277,282	212,824	253,745	252,456	233,396	249,471	295,820	305,567
Amortization of Debt Costs	39,488							
Increase/(Decrease) in Compensated								
Absences - Unallocated	(31,793)	10,041	(68,062)	18,790	32,259	93,696	15,178	26,487
Unallocated Amortization		18,036	20,614	20,614	20,613	20,614	20,614	
Loss on Disposition of Fixed Assets							2,735	
Unallocated Depreciation	649,482	663,323	669,242	640,587	589,410	607,340	521,337	291,790
Total Governmental Activities Expenses	13,607,445	14,076,528	13,723,047	14,034,496	13,233,386	12,554,866	11,985,022	11,094,791
Business-Type Activities:								
Food Service	254,831	247,833	252,556	249,674	293,671	290,177	276,136	267,763

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

	FISCAL YEAR ENDING JUNE 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Total Business-Type Activities Expense	254,831	247,833	252,556	249,674	293,671	290,177	276,136	267,763
Total District Expenses	<u>\$13,862,276</u>	<u>14,324,361</u>	<u>13,975,603</u>	<u>14,284,170</u>	<u>13,527,057</u>	<u>12,845,043</u>	<u>12,261,158</u>	<u>11,362,554</u>
Program Revenues:								
Governmental Activities:								
Charges for Services:								
Instruction (Tuition)							9,200	10,005
Operating Grants & Contributions	\$307,826	314,034	266,246	329,144	248,657	259,233	275,554	216,696
Total Governmental Activities Program Revenues	<u>307,826</u>	<u>314,034</u>	<u>266,246</u>	<u>329,144</u>	<u>248,657</u>	<u>259,233</u>	<u>284,754</u>	<u>226,701</u>
Business-Type Activities:								
Charges for Services:								
Food Service	194,310	195,558	204,483	191,809	195,092	208,748	185,179	193,168
Operating Grants & Contributions	57,368	49,356	50,410	50,932	53,062	49,094	42,058	42,767
Total Business Type Activities Program Revenues	<u>251,678</u>	<u>244,914</u>	<u>254,893</u>	<u>242,741</u>	<u>248,154</u>	<u>257,842</u>	<u>227,237</u>	<u>235,935</u>
Total District Program Revenues	<u>\$559,504</u>	<u>558,948</u>	<u>521,139</u>	<u>571,885</u>	<u>496,811</u>	<u>517,075</u>	<u>511,991</u>	<u>462,636</u>
Net (Expense)/Revenue:								
Governmental Activities	(\$13,299,619)	(13,762,494)	(13,456,801)	(13,705,352)	(12,984,729)	(12,295,633)	(11,700,268)	(10,868,090)
Business-Type Activities	(3,153)	(2,919)	2,337	(6,933)	(45,517)	(32,335)	(48,899)	(31,828)
Total District-Wide Net Expense	<u>(\$13,302,772)</u>	<u>(13,765,413)</u>	<u>(13,454,464)</u>	<u>(13,712,285)</u>	<u>(13,030,246)</u>	<u>(12,327,968)</u>	<u>(11,749,167)</u>	<u>(10,899,918)</u>

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

FISCAL YEAR ENDING JUNE 30,

	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Assets:								
Governmental Activities:								
Taxes:								
Property Taxes, Levied for General Purposes, Net	\$8,765,917	8,459,660	8,158,533	7,868,988	7,593,527	6,985,896	6,027,724	5,655,579
Federal & State Aid Not Restricted	4,714,706	5,573,846	5,089,474	5,557,526	5,484,823	5,068,705	588,343	687,536
Donated Capital Assets						18,263	4,876,894	4,777,963
Adjustment to Prior Year Fixed Asset			(11,300)			(76,716)		
Tuition	4,965	13,844		15,925	16,588	28,947		
Miscellaneous Income	179,055	90,407	120,084	236,214	151,399	136,967		
Transfers	(3,000)	(5,000)	(5,000)	(8,000)	(26,813)	(16,604)		
Total Governmental Activities	13,661,643	14,132,757	13,351,791	13,670,653	13,219,524	12,145,458	11,492,961	11,121,078
Business-Type Activities:								
Investment Earnings							395	225
Miscellaneous Income	1,757	10,415	12,279	6,564	15,521	14,178	14,164	11,827
Transfers	3,000	5,000	5,000	8,000	26,813	16,604	39,172	33,275
Total Business-Type Activities	4,757	15,415	17,279	14,564	42,334	30,782	53,336	45,102
Total District-Wide	\$13,666,400	14,148,172	13,369,070	13,685,217	13,261,858	12,176,240	11,546,297	11,166,180
Change in Net Assets:								
Governmental Activities	\$362,024	370,263	(105,010)	(34,699)	234,795	(150,176)	(207,307)	252,988
Business-Type Activities	1,604	12,496	19,616	7,631	(3,183)	(1,553)	4,437	13,274
Total District	\$363,628	382,759	(85,394)	(27,068)	231,612	(151,729)	(202,870)	266,262

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

	FISCAL YEAR ENDING JUNE 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:									
Reserved	\$1,059,235	693,519	1,435,875	810,387	935,364	350,413	251,278	180,864	97,085
Unreserved	(93,338)	(171,280)	(686,961)	79,201	(8,833)	333,974	392,121	446,455	481,097
Total General Fund	\$965,897	522,239	748,914	889,588	926,531	684,387	643,399	627,319	578,182
All Other Governmental Funds:									
Reserved				138,921		26,730		3,357,951	634,805
Unreserved, Reported in:									
Special Revenue Fund									(1,980)
Capital Projects Fund	\$652,740	339,302	82,041	158,370	726,423	16,185	60,588	347,599	7,257,703
Debt Service Fund	19	6	5					30,164	
Total All Other Governmental Funds	\$652,759	339,308	82,046	297,291	726,423	42,915	60,588	3,735,714	7,890,528

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Tax Levy	\$8,765,917	8,459,660	8,158,533	7,868,988	7,593,527	6,985,896	6,616,067	6,343,115	5,833,994	5,456,312
Tuition Charges	4,965	13,844		15,925	16,588	28,947	9,200	10,005	17,139	11,750
Miscellaneous	179,055	90,407	120,084	229,513	147,328	118,564	121,604	133,696	72,486	122,150
State Sources	4,731,914	4,903,914	5,136,262	5,666,989	5,495,975	5,096,618	4,922,357	4,788,643	7,393,312	4,444,066
Federal Sources	290,618	983,966	219,458	219,681	237,505	231,718	230,091	206,016	178,807	153,146
Total Revenue	13,972,469	14,451,791	13,634,337	14,001,096	13,490,923	12,461,743	11,899,319	11,481,475	13,495,738	10,187,424
Expenditures:										
Instruction:										
Regular Instruction	3,764,211	4,086,502	3,929,404	3,938,066	3,810,059	3,762,680	3,637,646	3,403,545	3,426,926	3,326,016
Special Education Instruction	1,311,508	1,348,865	1,286,574	1,281,394	1,252,312	1,131,652	1,212,873	1,158,320	770,159	709,927
Other Special Instruction	165,951	202,658	201,474	161,451	133,801	126,828	114,559	208,691	234,486	169,887
Other Instruction	89,890	85,969	95,257	96,575	85,562	83,750	77,575	66,684	95,875	103,006
Support Services:										
Tuition	24,476	1,492	16,740	120,862	28,968	8,586	75,328	91,695	59,311	66,424
Student & Instruction Related										
Services	1,145,964	1,219,665	1,137,230	1,173,178	1,149,932	1,110,835	1,143,183	1,068,298	1,048,921	1,068,472
School Administrative Services	598,470	589,113	537,880	539,601	403,812	477,276	456,037	344,221	342,351	329,001
General & Business Administration										
Services	599,817	593,731	602,727	575,409	599,647	577,730	571,392	583,221	569,892	521,580
Plant Operations & Maintenance	1,063,639	1,039,421	1,164,045	1,133,152	1,034,260	972,658	971,606	865,993	786,381	734,620
Pupil Transportation	576,014	598,024	595,326	601,006	582,690	572,520	583,938	624,806	604,219	607,554
Employee Benefits	3,338,266	3,437,756	3,282,740	3,530,139	3,276,665	2,759,629	2,285,201	2,041,023	1,910,356	1,723,186
Capital Outlay	1,705,397	394,671	244,658	702,009	181,260	229,390	3,843,575	4,298,125	663,074	252,947
Debt Service:										
Principal	625,000	600,000	605,000	530,000	525,000	530,000	500,000	515,000	445,000	425,000
Interest & Other Charges	202,757	218,337	271,780	221,951	235,907	247,607	260,413	296,025	162,563	181,262
Total Expenditures	15,211,360	14,416,204	13,970,835	14,604,793	13,299,875	12,591,141	15,733,326	15,565,647	11,119,514	10,218,882

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,238,891)	35,587	(336,498)	(603,697)	191,048	(129,398)	(3,834,007)	(4,084,172)	2,376,224	(31,458)
Other Financing Sources/(Uses):										
Food Services:										
Transfer to Cover Deficit	(3,000)	(5,000)	(5,000)	(8,000)	(26,813)	(16,604)	(39,172)	(33,275)	(44,990)	(33,845)
Transfers in	41,513	40,528	76,129		5,496	11,588	93,896	47,076	30,175	
Transfers Out	(41,513)	(40,528)	(76,129)		(5,496)	(11,588)	(93,896)	(47,076)	(30,175)	
Capital Reserve Transfer to Capital Projects									192,000	
Capital Leases (Nonbudgeted)						150,914	214,133		(192,000)	
Bond Proceeds	1,999,000		124,500		757,346				5,498,000	
Proceeds of Refunding Debt								3,058,855		
Payment of Refunded Debt to Escrow Agent								(3,058,855)		
Cancel Prior Year Accounts Payables				6,701	4,071	18,401		11,770		5,655
Total Other Financing Sources/(Uses)	1,996,000	(5,000)	119,500	(1,299)	734,604	152,711	174,961	(21,505)	5,453,010	(28,190)
Net Change in Fund Balances	\$757,109	30,587	(216,998)	(604,996)	925,652	23,313	(3,659,046)	(4,105,677)	7,829,234	(59,648)
Debt Service as a Percentage of Noncapital Expenditures	6.5%	6.2%	6.8%	5.7%	6.2%	6.7%	6.8%	7.8%	6.2%	6.5%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	SALE OF EQUIPMENT	DONATIONS	SPORTS/ CLUB FEES	PRIOR YEAR REFUNDS	MISCELLANEOUS	TOTAL
2011	\$27,970	-	-	16,500	5,648	105,326	155,444
2010	23,572	-	-	16,765	15,597	27,187	83,121
2009	18,176	-	-	18,635	20,559	15,926	73,296
2008	64,314	-	-	19,280	9,265	24,602	117,461
2007	79,077	-	-	18,160	3,717	33,725	134,679
2006	58,955	-	-	9,690	12,051	5,688	86,384
2005	32,219	516	659	9,083	9,202	20,146	71,825
2004	19,230	-	-	8,870	18,502	24,153	70,755
2003	18,093	220	-	11,126	6,161	4,828	40,428
2002	31,575	22	44,583	10,229	3,539	32,202	122,150
Total	\$373,181	758	45,242	138,338	104,241	293,783	955,543

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	TOTAL ASSESSED VALUE	MEMO:	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED
								TAX EXEMPT PROPERTY				ACTUAL (COUNTY EQUALIZED) VALUE
2011	\$4,482,050	380,022,100	14,527,300	2,406,450	7,928,500	1,370,200	410,736,600	38,655,600	995,145	411,731,745	3.204	797,386,289
2010	4,870,250	377,772,700	13,530,900	2,427,450	7,994,900	1,370,200	407,966,400	38,180,500	1,083,133	409,049,533	3.057	795,598,407
2009	5,112,250	374,996,100	14,519,700	1,531,950	7,994,900	1,370,200	405,525,100	38,169,500	1,040,621	406,565,721	2.997	802,798,336
2008	4,870,250	377,772,700	13,530,900	2,427,450	7,994,900	1,370,200	407,966,400	38,180,500	1,083,133	409,049,533	2.926	817,755,798
2007	5,262,250	372,814,200	14,759,200	1,532,950	7,994,900	1,370,200	403,733,700	38,069,500	1,085,678	404,819,378	2.819	749,753,178
2006	5,202,250	370,185,700	14,855,800	1,648,450	7,794,900	1,370,200	401,057,300	38,344,500	1,182,448	363,895,248	2.695	663,126,408
2005	5,163,850	367,840,900	14,631,400	1,533,750	8,007,700	1,654,000	398,831,600	28,633,000	1,403,061	371,601,661	2.603	601,410,251
2004	5,245,450	360,313,800	14,816,400	1,519,850	8,007,700	1,654,000	391,557,200	37,433,200	1,681,524	355,805,524	2.534	521,690,927
2003	5,961,950	352,845,600	14,818,900	1,519,850	8,283,800	1,654,000	385,084,100	36,957,100	1,943,785	350,070,785	2.310	468,922,210
2002	6,815,550	340,871,100	15,646,000	1,478,150	8,396,000	1,637,200	374,844,000	35,881,100	2,050,096	341,012,996		418,182,996

Source: Abstract of Ratables Burlington County, Burlington County Abstract of Ratables

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

N/A - Not Available

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP	BURLINGTON	COUNTY	COUNTY	
				OF SHAMONG	COUNTY	LIBRARY	OPEN SPACE	
2011	2.169	1.035	3.204	0.059	0.571	0.055	0.074	3.963
2010	2.134	1.024	3.158	0.047	0.602	0.058	0.078	3.943
2009	2.068	0.989	3.057	0.047	0.625	0.060	0.081	3.870
2008	2.007	0.990	2.997	0.078	0.630	0.059	0.079	3.843
2007	1.945	0.981	2.926	0.020	0.646	0.061	0.076	3.729
2006	1.888	0.931	2.819	0.020	0.606	0.055	0.066	3.566
2005	1.746	0.949	2.695	0.020	0.578	0.051	0.061	3.405
2004	1.683	0.920	2.603	NONE	0.524	0.045	0.054	3.226
2003	1.638	0.896	2.534	NONE	0.528	0.041	0.049	3.152
2002	1.548	0.762	2.310	NONE	0.514	0.038	0.044	2.906

Source: Burlington County Board of Taxation

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

Taxpayer	2011		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1	\$1,061,300	1	0.258%
Verizon-New Jersey	995,145	2	0.242%
Taxpayer #3	906,800	3	0.220%
Third Garden Park LTD	873,300	4	0.212%
Taxpayer #5	842,000	5	0.205%
Wharton Acres LLC	700,000	6	0.170%
Taxpayer #7	670,100	7	0.163%
Taxpayer #8	669,600	8	0.163%
Fawn Lake LLC	641,100	9	0.156%
Taxpayer #10	617,200	10	0.150%
Total	<u>\$7,976,545</u>		<u>1.937%</u>

Taxpayer	2002		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Verizon-New Jersey	\$2,050,096	1	0.544%
Aristone	1,193,200	2	0.317%
Taxpayer #10	931,800	3	0.247%
Third Garden Park LTD	873,800	4	0.232%
Karma Thegsum Choling, Inc.	642,800	5	0.171%
Fawn Lake, LLC	637,500	6	0.169%
Taxpayer #2	617,200	7	0.164%
Taxpayer #3	607,900	8	0.161%
Taxpayer #4	587,200	9	0.156%
Taxpayer #5	576,400	10	0.153%
Total	<u>\$8,717,896</u>		<u>2.314%</u>

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2010	\$16,281,962	16,038,535	98.50%	100%
2009	15,895,261	15,729,950	98.96%	100%
2008	15,698,799	15,450,230	98.42%	100%
2007	15,166,841	14,959,246	98.63%	100%
2006	14,440,190	14,249,803	98.68%	100%
2005	13,627,995	13,264,641	97.33%	100%
2004	12,915,534	12,657,087	98.00%	100%
2003	12,403,172	12,119,328	97.71%	100%
2002	11,199,261	10,960,472	97.87%	100%
2001	10,148,848	9,871,160	97.26%	100%

Source: Municipal Financial Statements

**SHAMONG TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)**

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT		
2011	\$6,849,346	31,328	6,880,674	N/A	N/A
2010	7,474,986	61,538	7,536,524	N/A	N/A
2009	6,075,346	116,033	6,191,379	1.98%	921
2008	6,680,346	49,663	6,730,009	2.27%	1,003
2007	7,210,346	121,728	7,332,074	2.58%	1,090
2006	6,978,000	203,606	7,181,606	2.58%	1,054
2005	7,508,000	137,485	7,645,485	2.88%	1,124
2004	8,008,000	-	8,008,000	3.05%	1,183
2003	8,383,000	-	8,383,000	3.37%	1,251
2002	3,330,000	-	3,330,000	1.38%	504

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

a. See Exhibit J-14 for personal income and population data.

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2011	\$6,849,346	6,849,346	1.66%	
2010	7,474,986	7,474,986	1.83%	814
2009	6,075,346	6,075,346	1.49%	904
2008	6,680,346	6,680,346	1.63%	995
2007	7,210,346	7,210,346	1.78%	1,072
2006	6,978,000	6,978,000	1.92%	1,024
2005	7,508,000	7,508,000	2.02%	1,104
2004	8,008,000	8,008,000	2.25%	1,183
2003	8,383,000	8,383,000	2.39%	1,251
2002	3,330,000	3,330,000	0.98%	504

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

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Shamong Township	\$355,078	100.000%	\$355,078
Burlington County General Obligation Debt	395,252,496	1.603%	6,335,898
Lenape Regional High School	98,764,000	4.315%	4,261,667
Subtotal, Overlapping Debt			10,952,642
Shamong Township District Direct Debt			6,849,346
Total Direct & Overlapping Debt			<u>\$17,801,988</u>

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

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

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt Limit	\$23,774,756	24,181,316	23,584,448	21,983,928	19,905,401	17,571,710	15,535,120	13,749,152	12,485,364	11,638,196
Total Net Debt Applicable to Limit	6,849,346	7,474,986	6,075,346	6,680,346	7,210,346	6,978,000	7,508,000	8,008,000	8,383,000	3,330,000
Legal Debt Margin	\$16,925,410	16,706,330	17,509,102	15,303,582	12,695,055	10,593,710	8,027,120	5,741,152	4,102,364	8,308,196
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.81%	30.91%	25.76%	30.39%	36.22%	39.71%	48.33%	58.24%	67.14%	28.61%

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized Valuation Basis	
	2010	\$756,921,442
	2009	802,798,336
	2008	817,755,798
		<u>\$2,377,475,576</u>
Average Equalized Valuation of Taxable Property		<u>\$792,491,859</u>
Debt Limit (3 % of Average Equalization Value)		\$23,774,756
Net Bonded School Debt		<u>6,849,346</u>
Legal Debt Margin		<u>\$16,925,410</u>

Source:
Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A.18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

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

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2010	* 6,490	N/A	N/A	9.1%
2009	6,723	N/A	N/A	9.1%
2008	6,713	312,584,132	46,564	3.8%
2007	6,727	296,505,979	44,077	2.7%
2006	6,815	288,751,550	42,370	3.0%
2005	6,801	272,652,090	40,090	2.8%
2004	6,772	263,363,080	38,890	3.1%
2003	6,700	248,764,300	37,129	3.4%
2002	6,601	240,441,425	36,425	3.4%
2001	6,483	233,835,327	36,069	2.3%

Source:

*2010 Census

(a) Population information provided by US Bureau of the Census; Population Division, 7/1/08

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Information not available.

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

	2011		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Shamong Township School District	123	1	N/A
Total	123		N/A
	2002		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Shamong Township School District	117	1	N/A
Total	117		N/A

**SHAMONG TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Teachers - General Fund	71.0	70.0	71.0	68.0	70.5	71.5	73.0	74.0	71.0	71.0
Teachers - Special Revenue					0.5	0.5				
Classroom Aides	11.5	10.0	10.0	12.0	10.0	10.5	11.0	13.0	10.0	9.0
Health Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Related Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Extraordinary Services	2.0	3.0	2.0	2.0	2.0	2.0				
Guidance - Professional	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Child Study Team	3.8	3.8	3.8	3.8	3.8	3.8	4.0	4.0	3.0	3.0
Child Study Team Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Supervisors & Other Professionals	0.2	0.2	0.2	0.2	0.2	0.2			1.0	1.0
Media Services/Technology	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General District Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administration Professional							1.0			
General Administration Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principals/Assistant Principals	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Support	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Central Services - Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central Services - Support	2.2	1.0	1.0	1.0	2.0	2.7	3.0	3.0	4.0	4.0
Operations & Maintenance	13.5	14.0	14.0	14.0	14.0	14.2	14.0	13.0	13.0	13.0
Total	123.2	121.0	120.0	119.0	121.0	123.4	124.0	125.0	121.0	120.0

Source: District Annual Budget Statement Supporting Documentation

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	TEACHER/PUPIL RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2011	919	\$12,425,325	13,520	-0.61%	83	1:11	914.5	872.7	-1.10%	95.43%
2010	936	12,949,940	13,835	0.51%	83	1:11	935.7	896.9	1.29%	95.85%
2009	943	12,827,609	13,603	4.78%	82	1:11	924.7	886.6	-2.67%	95.88%
2008	941	12,952,715	13,765	15.48%	82	1:11	923.8	894.0	-5.34%	96.77%
2007	941	12,216,473	12,982	10.62%	84	1:11	950.1	913.1	1.03%	96.11%
2006	968	11,538,585	11,920	1.56%	86	1:11	975.9	935.4	3.77%	95.80%
2005	949	11,137,977	11,737	6.11%	89	1:11	940.4	898.4	2.71%	95.53%
2004	935	10,341,783	11,061	3.88%	90	1:9	915.6	876.6	-0.27%	95.74%
2003	914	9,731,576	10,647	3.51%	84	1:11	918.1	875.2	1.44%	95.33%
2002	915	9,411,866	10,286	4.45%	84	1:12.4	905.1	864.7	-0.11%	95.54%

Sources: District records

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Elementary Schools:										
Indian Mills School (1920):										
Square Feet	71,029	71,029	71,029	71,029	71,029	71,029	71,029	64,494	64,494	64,494
Capacity (Students)	507	507	507	507	507	507	507	410	410	410
Enrollment (a)	492	515	526	510	502	539	428	396	398	400
Indian Mills Memorial (1991):										
Square Feet	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543
Capacity (Students)	471	471	471	471	471	471	471	404	404	404
Enrollment (a)	427	421	417	424	441	436	521	513	499	515
Other Buildings:										
Sewer Plant (1991):										
Square Feet	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189
Garage at IMS (1953):										
Square Feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Garage at IMMS (1993):										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Number of Schools at June 30, 2011:										
Elementary = 2										
Middle School = 0										
Senior High School = 0										
Other = 3										

Source: District Long Range Facility Plan

(a) Source - NJ Dept of Education annual Application for State School Aid Report

N/A - Not Available

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	IMS	IMMS	OTHER FACILITIES	TOTAL
2011	\$99,168	91,909	23,317	214,394
2010	93,575	86,870	21,743	202,188
2009	149,338	93,477	22,369	265,184
2008	141,418	85,709	22,103	249,230
2007	92,802	74,259	25,603	192,664
2006	80,443	63,384	19,470	163,297
2005	81,679	86,333	19,374	187,386
2004	95,669	86,190	22,639	204,498
2003	71,333	66,097	19,912	157,342
2002	55,731	56,959	21,546	134,236
Total School Facilities	<u>\$961,156</u>	<u>791,187</u>	<u>218,076</u>	<u>1,970,419</u>

Source: District records

**INSURANCE SCHEDULE
JUNE 30, 2011**

	COVERAGE	RETENTION	DEDUCTIBLE
School Package Policy (1):			
Building & Contents (All Locations)	\$150,000,000	200,000	500
Limits of Liability per Occurrence			
Boiler & Machinery	125,000,000	None	1,000
Crime	500,000	200,000	500
General Automobile Liability	10,000,000	150,000	None
School Board Legal Liability	10,000,000	100,000	None
Workers' Compensation	Statutory	250,000	None
Pollution Legal Liability	3,000,000	None	25,000
Student Accident Insurance (2)	1,000,000	None	None
Surety Bonds (3)			
Treasurer	200,000		None
Board Secretary	10,000		None
Employee Theft	10,000		500

(1) Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF)

(2) The Maskin Group

(3) HRH of Southern New Jersey

Source: District records

SINGLE AUDIT SECTION



Certified Public Accountants & Consultants

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Shamong Township School District
County of Burlington
Shamong, New Jersey 08088

We have audited the financial statements of the Board of Education of the Shamong Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated August 31, 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

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

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

Our consideration of 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 the 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

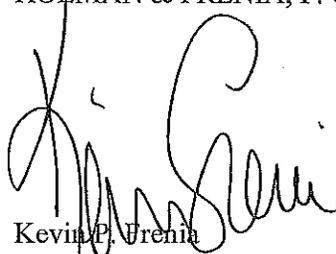
As part of obtaining reasonable assurance about whether the Shamong Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

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

Medford, New Jersey
August 31, 2011



Certified Public Accountants & Consultants

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Shamong Township
County of Burlington
Shamong, New Jersey 08088

Compliance

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

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

In our opinion, the Board of Education of the Shamong Township School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2011.

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Internal Control Over Compliance

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

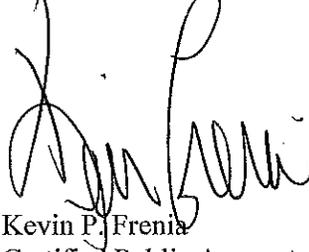
A deficiency in a District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance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

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

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

Medford, New Jersey
August 31, 2011

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE			(ACCOUNTS RECEIVABLE) JUNE 30, 2011	MEMO		
				AT JUNE 30, 2010	CASH RECEIVED	BUDGETARY EXPENDITURES		BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:										
General Fund:										
Equalization Aid	11-495-034-5120-078	\$3,243,138	7/1/10-6/30/11		3,243,138	(3,243,138)		321,160	3,243,138	
Categorical Security Aid	11-495-034-5120-084	12,956	7/1/10-6/30/11		12,956	(12,956)		1,283	12,956	
Categorical Special Education Aid	11-495-034-5120-089	469,134	7/1/10-6/30/11		469,134	(469,134)		46,457	469,134	
Extraordinary Aid	10-495-034-5120-044	25,749	7/1/09-6/30/10	(\$25,749)	25,749					
Extraordinary Aid	11-495-034-5120-044	40,676	7/1/10-6/30/11			(40,676)	(40,676)		40,676	
Excess Non-Public Transportation Costs	09-495-034-5120-014	4,313	7/1/08-6/30/09	(4,313)	4,313					
Excess Non-Public Transportation Costs	10-495-034-5120-014	2,026	7/1/09-6/30/10	(2,026)	2,026					
Excess Non-Public Transportation Costs	11-495-034-5120-014	2,088	7/1/10-6/30/11			(2,088)	(2,088)		2,088	
Reimbursed TPAF Social Security	10-495-034-5095-002	431,030	7/1/09-6/30/10	(23,565)	23,565					
Reimbursed TPAF Social Security	11-495-034-5095-002	430,857	7/1/10-6/30/11		409,635	(430,857)	(21,222)		430,857	
TPAF Wage Freeze Grant	11-495-034-5095-002	8,547	7/1/10-6/30/11		4,273	(8,547)	(4,274)		8,547	
Teacher's Pension and Annuity Fund	11-100-034-5095-050	415,794	7/1/10-6/30/11		415,794	(415,794)			415,794	
Total General Fund Assistance					(55,653)	4,610,583	(4,623,190)	(68,260)	368,900	4,623,190
Capital Projects Fund:										
SCC ROD Grant	4740-050-09		7/1/09-6/30/10	(57,614)	93,763	(417,820)	(381,671)		417,820	
Total Debt Service Fund Assistance					(57,614)	93,763	(417,820)	(381,671)		417,820
Debt Service Fund:										
Debt Service Type II	11-495-034-5120-125	40,140	7/1/10-6/30/11		40,140	(40,140)			40,140	
Total Debt Service Fund Assistance					40,140	(40,140)				40,140
Enterprise Fund:										
National School Lunch Program (State Share)	11-100-010-3360-067	3,156	7/1/10-6/30/11		2,786	(3,156)	(370)		3,156	
National School Lunch Program (State Share)	10-100-010-3360-067	3,249	7/1/09-6/30/10	(348)	348					
Total Enterprise Fund Assistance					(348)	3,134	(3,156)	(370)		3,156
Total State Financial Assistance					(\$113,615)	4,747,620	(5,084,306)	(450,301)	368,900	5,084,306

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2011**

Note 1. General

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

Note 2. Basis of Accounting

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

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$65,857 for the general fund and \$0 for the Special Revenue Fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2011

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

	State
General Fund	\$4,689,047
Debt Service Fund	40,140
Food Service Fund	<u>3,156</u>
Total Financial Assistance	<u>\$4,732,343</u>

Note 4. Relationship to State Financial Reports

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

Note 5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 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.

Note 6. State Loans Outstanding

The Shamong Township Board of Education had no loan balances outstanding at June 30, 2011.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011
Section I – Summary of Auditor’s Results**

Financial Statements

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

Identification of major programs:

GMIS Number(s)	Name of State Program
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Categorical Special Education Aid
11-495-034-5095-002	Reimbursed TPAF Social Security

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – State Financial Assistance Finding & Questioned Costs

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

No Current Year Findings

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET
For the Fiscal Year Ended June 30, 2011**

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

No Prior Year Findings

