

SCHOOL DISTRICT  
OF  
**EDGEWATER PARK  
TOWNSHIP**



Edgewater Park Township Board of Education  
Edgewater Park, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

**Comprehensive Annual  
Financial Report**

**of the**

**Edgewater Park Township  
Board of Education**

**Edgewater Park, New Jersey**

**For the Fiscal Year Ended June 30, 2010**

**Prepared by  
Edgewater Park Township Board of Education  
Finance Department**

# EDGEWATER PARK SCHOOL DISTRICT

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**Introductory Section**

**BOARD OF EDUCATION  
EDGEWATER PARK TOWNSHIP**

October 15, 2010

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

Dear Board Members,

The comprehensive annual financial report of the Edgewater Park Township School District for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 sections include the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular 1-128, "Audits of State and Local Governments", and the State Treasury Circular Letter 98-07 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:** Edgewater Park Township School District is an independent reporting entity within the criteria adopted by the BASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Edgewater Park Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, pre-school, before and after school latchkey services as well as special education for special needs youngsters. The District completed the 2009-2010 fiscal year with an enrollment of 877 students.

The following details the changes in the student enrollment of the District over the last five years.

**Average Daily Enrollment  
(Numbers taken from Fall Reports)**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010	877	5.8%
2009	829	.24%
2008	827	4.5%
2007	865	1%
2006	875	6%
2005	930	7%
2004	907	3%

**2. ECONOMIC CONDITION AND OUTLOOK:** The Edgewater Park Township area remains stable, with relatively little new development. The exceptions are a few single custom-built homes and the expansion of a condominium development for senior citizens. Enrollment will not be affected by these developments. Business growth/loss has remained almost unchanged. The 'Route 130 Corridor' has seen some businesses close however new ones have opened along the highway to replace others. Government officials continue to work on revitalizing Route 130, with the plan to attract new businesses and additional taxables. With conditions status quo, the area should continue to prosper and the tax base will not be negatively affected.

In 2009/2010 the school district again qualified for an Early Childhood Grant. The money was awarded on the basis of our community's poverty level. This additional revenue has allowed us to continue with our full-day kindergarten program and to further develop and maintain our 4-year old pre-kindergarten program.

**3. MAJOR INITIATIVES:** The goal of this district, to remain competitive with comparable communities in educational performance, was accomplished during the 2009-2010 school year.

Professional Development, as mandated by the state department, logs the number of hours each teacher spends during the course of the school year on professional improvement. Professional development activities were aligned with each individual PIP, and the results indicate that the vast majority of teachers far exceeded the suggested 20 hours per year, with all teachers successfully meeting their PIP for 2009/10.

The 2009/2010 staff development program maintained the district's initiatives from the 2006/2007 school year. Staff members received updated in-service training by the School Psychologist on board policy, ***"Prohibiting and Intervening For Harassment, Intimidation and Bullying"***. Administrators will work with employees to identify and discipline students exhibiting objectionable behaviors. The district's curriculum will continue to correlate instruction to the Assessment of Skills & Knowledge (ASK) for grades 3, 4, 5, 6, & 7, the Grade Eight Proficiency Assessment (GEPA) and the NJ CORE Curriculum Standards. Teachers continue fulfilling the requirements established by the No Child Left Behind federal initiative that necessitates all teachers to meet the definition of a "highly qualified teacher".

Staff development helps teachers acquire techniques so they can most effectively work with our highly diversified population, including students with mild disabilities who are in the regular classrooms. Special attention will be given at the middle school level with the at risk students so they can achieve academic & behavioral success. The district's major goal instructionally will be to adapt to how all children learn in a

positive educational environment. Professional development continues to focus on enhanced literacy and mathematics instruction.

Staff members are committed in their efforts to guarantee that our school system is up to date in the ever-changing world of technology and to make sure all students receive the proper tools to achieve. A full-time Computer Systems Senior Technician sets up and services all computers and is available to the staff for trouble-shooting, hardware questions/concerns and supplies. The district also employed an Instructional Technology Facilitator/Coordinator to work directly with the teaching staff and introduce them to enhanced technology, new software, and the techniques necessary to implement them in the classrooms. Internet connectivity is available in all classrooms and labs. The district received a \$240,000 INCLUDE (Implementing New Curricular Learning with Universally Designed Experiences) Grant - Year 3 which targeted special education students in the middle school and integrated technology to improve their math skills.

**4. INTERNAL ACCOUNTING CONTROLS:** The 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.

**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 final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

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

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

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

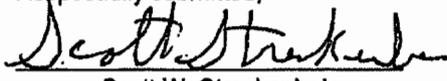
**9. OTHER INFORMATION:**

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, LLC, was selected by the Board Finance Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-128 and State Treasury Circular Letter 98-07 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

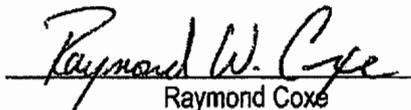
**10) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

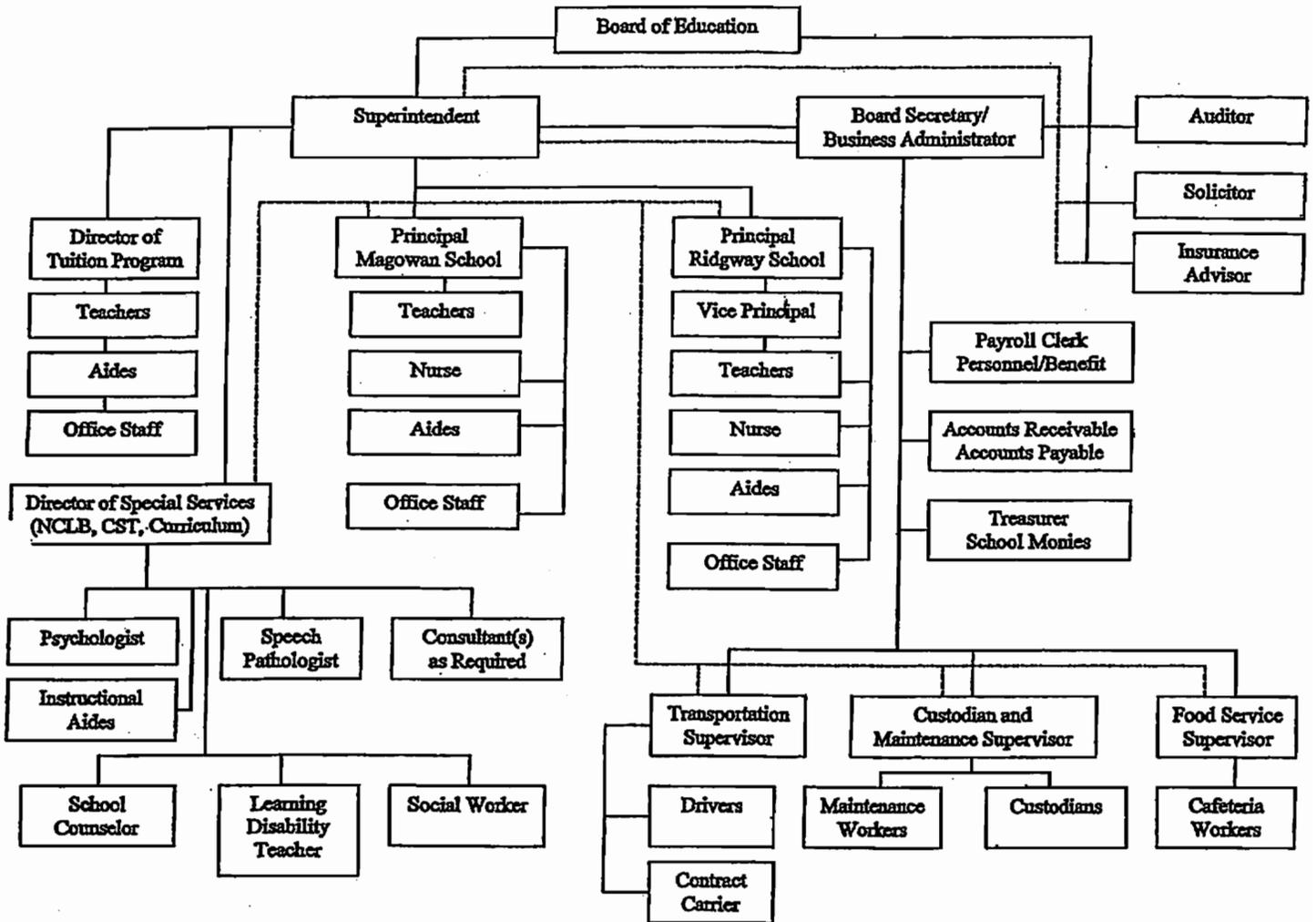


Scott W. Streckenbein  
Superintendent



Raymond Cox  
Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Line of Authority ———

Line of Cooperation - - - - -

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

**ROSTER OF OFFICIALS  
JUNE 30, 2010**

**Members of the Board of Education:**

**Term Expires:**

Lester Holley, President	2011
Karen Daly, Vice-President	2012
Dr. Gerald Gares	2013
John Alexander	2012
Susan Strasser	2011
Robert M. Notigan	2013
Matthew Coyle	2012
Christopher VanBrunt	2011
Jeffrey Jacobs	2013

**Other Officials:**

Scott Streckenbein, Superintendent  
Raymond Coxe, Business Administrator  
Nora Kitz, Treasurer  
Roger Barbour, Esq., Solicitor

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

Inverso & Stewart, LLC  
12000 Lincoln Drive West, Suite 402  
Marlton, NJ 08053

**Attorney**

Roger Barbour, Esquire  
10 N. Chestnut Street  
P.O. Box 345  
Maple Shade, NJ 08052

**Official Depository**

Beneficial Savings Bank  
530 Walnut Street  
Philadelphia, PA 19106

**Financial Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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**-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs**

## **INDEPENDENT AUDITOR'S REPORT**

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2010 on our consideration of the School District'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 an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section 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,

**INVERSO & STEWART, LLC**  
Certified Public Accountants

A handwritten signature in black ink, appearing to read "Robert A. Stewart". The signature is written in a cursive, somewhat stylized font.

Robert A. Stewart  
Public School Accountant

Marlton, New Jersey  
October 1, 2010

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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-Member of-  
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New Jersey Society of CPAs

## **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**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Edgewater Park Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 Edgewater Park Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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 School District'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 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 Edgewater Park Township School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the Edgewater Park Township School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 1, 2010.

This report is intended solely for the information and use of the management and others within the Edgewater Park Township School District, the Division of Finance, Department of Education, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
October 1, 2010

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

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

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

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$5,741,371 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$1,025,217. The accounting treatments in the governmental funds for compensated absences payable and the last 2 state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net assets of the School District increased by \$1,611,985, or a 39.03% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the net increase in capital assets (\$1,221,185) because of the capital projects program and the payment of long-term debt (\$455,348).
- Fund balance of the School District's governmental funds decreased by \$70,012 resulting in an ending fund balance of \$2,450,934. The decrease can be attributed to the costs involved in the capital projects program.
- Business-type activities have unrestricted net assets of \$1,614,560 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Services Program, After School Program and Tuition Program).
- The School District's long-term obligations decreased by \$455,348 which is the net result of current year payments on existing debt obligations.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

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

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

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

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

The School District's three enterprise funds (Food Service Fund, After School Program and Tuition Program) are listed individually and are considered to be a major fund.

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

## Notes to the Basic Financial Statements

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

### Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

### District-wide Financial Analysis

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

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

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

The assets of the primary government activities exceeded liabilities by \$4,106,513 with an unrestricted deficit balance of \$1,025,217. As mentioned earlier, the unrestricted net assets deficit balance is primarily due to the accounting treatment for compensated absences payable, the last 2 state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

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

Net assets of \$2,753,693 have been restricted as follows:

Reserved for future budget appropriation	\$ 571,449
Designated for the 2010/11 budget	958,580
Capital projects	838,630
Reserved for encumbrances	141,374
Reserved for debt service payments	243,660

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

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
<b>Assets:</b>						
Current assets	\$ 2,463,238	\$ 2,583,533	\$ 1,614,560	\$ 1,593,384	\$ 4,077,798	\$ 4,176,917
Capital assets	4,204,909	2,983,724	20,298	20,662	4,225,207	3,004,386
<b>Total assets</b>	<b>6,668,147</b>	<b>5,567,257</b>	<b>1,634,858</b>	<b>1,614,046</b>	<b>8,303,005</b>	<b>7,181,303</b>
<b>Liabilities:</b>						
Current Liabilities	370,868	517,935			370,868	517,935
Noncurrent Liabilities	2,190,766	2,533,982			2,190,766	2,533,982
<b>Total liabilities</b>	<b>2,561,634</b>	<b>3,051,917</b>			<b>2,561,634</b>	<b>3,051,917</b>
<b>Net assets</b>	<b>\$ 4,106,513</b>	<b>\$ 2,515,340</b>	<b>\$ 1,634,858</b>	<b>\$ 1,614,046</b>	<b>\$ 5,741,371</b>	<b>\$ 4,129,386</b>
<b>Net assets consist of:</b>						
Invested in capital assets, net of related debt	\$ 2,378,037	\$ 701,504	\$ 20,298	\$ 20,662	\$ 2,398,335	\$ 722,166
Restricted net assets	2,753,693	2,828,343			2,753,693	2,828,343
Unrestricted net assets (deficit)	(1,025,217)	(1,014,507)	1,614,560	1,593,384	589,343	578,877
<b>Net assets</b>	<b>\$ 4,106,513</b>	<b>\$ 2,515,340</b>	<b>\$ 1,634,858</b>	<b>\$ 1,614,046</b>	<b>\$ 5,741,371</b>	<b>\$ 4,129,386</b>

**Governmental Activities**

Governmental activities increased the net assets of the School District by \$1,591,173 during the current fiscal year. Key elements of the increase in net assets for governmental activities are as follows:

- Actual expenditures of the budget were held to 91.77% of the amount budgeted.

**Business-type Activities**

Business-type activities increased the School District's net assets by \$20,812. Key elements of the increase in net assets for business-type activities are as follows:

- Net loss from the tuition program decreased net assets by \$37,933.
- Net profit from the after school program increased net assets by \$48,256.
- Net profits from the food service program increased net assets by \$10,489.

**Edgewater Park Township School District  
Comparative Schedule of Changes in Net Assets  
As of and for the Fiscal Year Ended June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services			\$ 1,289,845	\$ 1,379,453	\$ 1,289,845	\$ 1,379,453
Operating grants and Contributions	\$ 1,920,292	\$ 1,867,115	211,314	169,145	2,131,606	2,036,260
<b>General Revenues:</b>						
Property Taxes	7,791,170	7,491,510			7,791,170	7,491,510
State Aid	6,152,782	6,300,808			6,152,782	6,300,808
State Aid restricted for Capital Projects	694,298				694,298	
Other Revenues	206,073	400,223	11,082	13,574	217,155	413,797
<b>Total Revenues</b>	<b>16,764,615</b>	<b>16,059,656</b>	<b>1,512,241</b>	<b>1,562,172</b>	<b>18,276,856</b>	<b>17,621,828</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	5,287,109	4,919,433			5,287,109	4,919,433
Tuition	3,230,821	3,293,937			3,230,821	3,293,937
Related Services	1,354,787	1,448,990			1,354,787	1,448,990
Administrative Services	1,023,282	962,193			1,023,282	962,193
Operations and Maintenance	729,597	1,247,774			729,597	1,247,774
Transportation	541,161	580,545			541,161	580,545
Unallocated benefits	3,007,955	2,722,279			3,007,955	2,722,279
Special Schools	12,244	14,738			12,244	14,738
Interest and other charges	88,177	73,635			88,177	73,635
Unallocated Depreciation	77,150	77,900			77,150	77,900
<b>Business-Type Activities:</b>						
Food Service Program			361,489	332,400	361,489	332,400
After School Program			111,190	123,298	111,190	123,298
Tuition Program			839,909	1,012,581	839,909	1,012,581
<b>Total Expenses</b>	<b>15,352,283</b>	<b>15,341,424</b>	<b>1,312,588</b>	<b>1,468,279</b>	<b>16,664,871</b>	<b>16,809,703</b>
<b>Increase (Decrease) in Net Assets Before transfers</b>						
	1,412,333	718,232	199,653	93,893	1,611,985	812,125
<b>Loss on disposal of equipment</b>						
	178,841		(178,841)			
<b>Transfers</b>	<b>178,841</b>		<b>(178,841)</b>			
<b>Changes in net assets</b>	<b>1,591,173</b>	<b>718,232</b>	<b>20,812</b>	<b>93,893</b>	<b>1,611,985</b>	<b>812,125</b>
<b>Net assets, July 1,</b>	<b>2,515,340</b>	<b>1,797,108</b>	<b>1,614,046</b>	<b>1,520,153</b>	<b>4,129,386</b>	<b>3,317,261</b>
<b>Net assets, June 30,</b>	<b>\$ 4,106,513</b>	<b>\$ 2,515,340</b>	<b>\$ 1,634,858</b>	<b>\$ 1,614,046</b>	<b>\$ 5,741,371</b>	<b>\$ 4,129,386</b>

## **Financial Analysis of the Governmental Funds**

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$2,450,934, a decrease of \$70,012 in comparison with the prior year. The decrease is attributable to the capital projects program.

The unreserved fund balance for the School District at the end of the fiscal year reflects a deficit unreserved fund balance in the General Fund in the amount of \$302,759. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) restricted cash reserved for future capital outlay expenditures (\$838,630), 2) appropriated as a revenue source in the subsequent year's budget (\$958,580), 3) reserved for encumbrances (\$141,374), 5) reserved for future debt payments (\$243,660) or 6) reserved for future budget appropriation in accordance with state statute (\$571,449).

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

Revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

### **General Fund Budgetary Highlights**

There was no change between the original budget and the final amended budget during the year, other than line-item transfers, as reflected on Exhibit C-1.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$318,497, while total fund balance (budgetary basis) was \$2,532,400. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$14,725,777. Unreserved fund balance (budgetary basis) represents 2.16% of expenditures while total fund balance (budgetary basis) represents 17.19% of that same amount.

### **Capital Asset and Debt Administration**

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2010, totaled \$4,225,207 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total increase in the District's investment in capital assets for the current fiscal year was \$1,220,822, or a 40.63% increase. This increase is primarily due to the current year depreciation offset by construction costs capitalized during the year.

**Edgewater Park Township School District  
Capital Asset (net of accumulated depreciation)  
June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Land	\$ 7,953	\$ 7,953			\$ 7,953	\$ 7,953
Construction in Progress	913,401				913,401	
Site Improvements	10,624	14,254			10,624	14,254
Buildings and Building Improvements	3,026,952	2,694,192			3,026,952	2,694,192
Equipment	245,979	267,325	\$ 20,298	\$ 20,662	266,277	287,987
Net assets	\$ 4,204,909	\$ 2,983,724	\$ 20,298	\$ 20,662	\$ 4,225,207	\$ 3,004,386

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Long-term debt** – During the fiscal year ended June 30, 2010, the School District had total bonded debt outstanding of \$1,404,000 backed by the full faith and credit of the School District. The School District also has capital lease agreements outstanding in the amount of \$422,872 and compensated absences of \$704,602 as of June 30, 2010.

All reductions in long-term debt were made according to the payment schedules.

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$19,464,055 and the legal debt margin was \$18,060,055.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 8) of this report.

**Economic Factors and Next Year's Budgets and Rates**

The School District, along with many other public school systems in the state, still faces some difficult economic situations in the future since the primary funding source is local property tax revenue. As the 2009-2010 school year ended, the School District's State Aid was reduced by \$571,707. That reduction coupled with the loss of \$761,710 in State Aid for the 2010-2011 fiscal year, required the Board of Education and School Administration to propose a budget which took the local tax levy to its cap. The proposed budget for fiscal year 2010-2011 was defeated by 105 votes. The Board of Education went before the Edgewater Park Township Committee to settle the 2010-2011 tax levy. The settlement resulted in a further budgetary reduction of \$471,928. Overall tax revenue for the 2010-2011 fiscal year increased by 2.17%, but the increased expenditures from the rising cost of energy, health care, mandatory contributions to the retirement system, out of district tuition fees and rising insurance premiums have outpaced the additional revenue.

The School District has recently been advised that it will receive an allocation of \$221,764 under the Federal Education Jobs Act. Though these funds are permitted to be allocated during the 2010-2011 fiscal year, the State Department of Education is encouraging the School District to offset this one-time infusion of funds until the 2011-2012 fiscal year.

The School District's administration continues to closely monitor the cost of operations and, as always, is looking for new funding sources in order to maintain the quality of educational services that the School District is committed to.

#### **Requests for Information**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Edgewater Park Township School District Business Administrator, 25 Washington Avenue, Edgewater Park, New Jersey, 08010, telephone number (609) 877-2122.

## Basic Financial Statements

## District-Wide Financial Statements

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2010**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,070,774	\$ 1,570,513	\$ 2,641,287
Receivables, net	599,468	32,692	632,160
Inventory		11,355	11,355
Restricted assets:			
Cash and cash equivalents	787,573		787,573
Deferred bond issuance costs - net	5,423		5,423
Capital assets - net (Note 5)	<u>4,204,909</u>	<u>20,298</u>	<u>4,225,207</u>
<b>Total Assets</b>	<u><b>6,668,147</b></u>	<u><b>1,634,858</b></u>	<u><b>8,303,005</b></u>
<b>LIABILITIES:</b>			
Accounts payable			
Intergovernmental Payable			
Federal	2,929		2,929
Deferred Revenue	3,952		3,952
Accrued interest payable	23,279		23,279
Noncurrent Liabilities (Note 8):			
Due within one year	340,708		340,708
Due beyond one year	<u>2,190,766</u>		<u>2,190,766</u>
<b>Total Liabilities</b>	<u><b>2,561,634</b></u>		<u><b>2,561,634</b></u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	2,378,037	20,298	2,398,335
Restricted for:			
General Fund	2,213,903		2,213,903
Special Revenue Fund	59,851		59,851
Capital Projects	236,279		236,279
Debt Service	243,660		243,660
Unrestricted (Deficit)	<u>(1,025,217)</u>	<u>1,614,560</u>	<u>589,343</u>
<b>Total Net Assets</b>	<u><b>\$ 4,106,513</b></u>	<u><b>\$ 1,634,858</b></u>	<u><b>\$ 5,741,371</b></u>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 4,362,150		\$ 763,151		\$ (3,598,999)		\$ (3,598,999)
Special Education	629,861				(629,861)		(629,861)
Other instruction	295,098				(295,098)		(295,098)
<b>Support Services:</b>							
Tuition	3,230,821				(3,230,821)		(3,230,821)
Student & instruction related services	1,354,787		228,474		(1,126,313)		(1,126,313)
General administrative services	394,143				(394,143)		(394,143)
School administrative services	377,882				(377,882)		(377,882)
Central services	251,257				(251,257)		(251,257)
Plant operations and maintenance	729,597				(729,597)		(729,597)
Pupil transportation	541,161				(541,161)		(541,161)
Unallocated employee benefits	3,007,955		809,508		(2,198,447)		(2,198,447)
Special schools	12,244				(12,244)		(12,244)
Interest and other charges	88,177		119,159		30,982		30,982
Unallocated depreciation and amortization	77,150				(77,150)		(77,150)
<b>Total Governmental Activities</b>	<b>15,352,283</b>		<b>1,920,292</b>		<b>(13,431,991)</b>		<b>(13,431,991)</b>
<b>Business-Type Activities:</b>							
Food service	361,489	\$ 160,684	211,314			\$ 10,489	10,489
After School Program	111,190	159,446				48,256	48,256
Tuition Program	839,909	969,735				129,826	129,826
<b>Total Business-Type Activities</b>	<b>1,312,588</b>	<b>1,289,845</b>	<b>211,314</b>			<b>188,571</b>	<b>188,571</b>
<b>Total Primary Government</b>	<b>\$ 16,664,871</b>	<b>\$ 1,289,845</b>	<b>\$ 2,131,606</b>	<b>\$ -</b>	<b>(13,431,991)</b>	<b>188,571</b>	<b>(13,243,420)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes, net					7,791,170		7,791,170
Federal and State aid not restricted					6,152,782		6,152,782
State aid restricted for capital projects					694,298		694,298
Investment Earnings					3,915	11,082	14,997
Miscellaneous Income					202,158		202,158
Transfers					178,841	(178,841)	
<b>Total general revenues, special items, extraordinary items and transfers</b>					<b>15,023,164</b>	<b>(167,759)</b>	<b>14,855,405</b>
<b>Change in Net Assets</b>					<b>1,591,173</b>	<b>20,812</b>	<b>1,611,985</b>
<b>Net Assets - July 1, 2009</b>					<b>2,515,340</b>	<b>1,614,046</b>	<b>4,129,386</b>
<b>Net Assets - June 30, 2010</b>					<b>\$ 4,106,513</b>	<b>\$ 1,634,858</b>	<b>\$ 5,741,371</b>

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

## Fund Financial Statements

The Individual Fund statements and schedules present more detailed information for the Individual Fund in a format that segregates information by fund type.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,045,358	\$ (188,703)	\$ (29,541)	\$ 243,660	\$ 1,070,774
Receivables, net	78,213	255,435	265,820		599,468
<b>Restricted assets:</b>					
Cash and cash equivalents	787,573				787,573
<b>Total Assets</b>	<u>\$ 1,911,144</u>	<u>\$ 66,732</u>	<u>\$ 236,279</u>	<u>\$ 243,660</u>	<u>\$ 2,457,815</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
<b>Intergovernmental payable:</b>					
Federal		\$ 2,929			\$ 2,929
Deferred revenues		3,952			3,952
<b>Total Liabilities</b>		<u>6,881</u>			<u>6,881</u>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Encumbrances	81,523	59,851			141,374
Excess surplus	559,449				559,449
Capital reserve	787,573				787,573
Emergency reserve	250,000				250,000
Unreserved - undesignated	(302,759)		\$ 236,279	\$ 156	(66,324)
Unreserved - designated for subsequent year's expenditures	535,358			243,504	778,862
<b>Total Fund Balances</b>	<u>1,911,144</u>	<u>59,851</u>	<u>236,279</u>	<u>243,660</u>	<u>2,450,934</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,911,144</u>	<u>\$ 66,732</u>	<u>\$ 236,279</u>	<u>\$ 243,660</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,958,882 and the accumulated depreciation is \$4,753,973. 4,204,909

Bond issuance costs are amortized over the life of the bonds on the statement of net assets. 5,423

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

General Obligation Bonds	\$ (1,404,000)	
Capital Lease Payable	(422,872)	
Accrued Interest Payable	(23,279)	
Compensated Absences Payable	(704,602)	
		<u>(2,554,753)</u>

Net assets of governmental activities \$ 4,106,513

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2010**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 7,791,170				\$ 7,791,170
Interest earned on capital reserve	3,861		\$ 54		3,915
Transportation fees from other LEA's	20,783				20,783
Miscellaneous	181,375				181,375
<b>Total local sources</b>	<b>7,997,189</b>		<b>54</b>		<b>7,997,243</b>
State sources	5,949,243	\$ 105,074	694,298	\$ 119,159	6,867,774
Federal sources	1,013,047	886,551			1,899,598
<b>Total Revenues</b>	<b>14,959,479</b>	<b>991,625</b>	<b>694,352</b>	<b>119,159</b>	<b>16,764,615</b>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	3,653,001	696,688			4,349,689
Special education instruction	629,861				629,861
Other instruction	295,098				295,098
Support services and undistributed costs:					
Tuition	3,230,821				3,230,821
Student & instruction related services	1,126,313	228,474			1,354,787
General administrative services	379,380				379,380
School administrative services	377,882				377,882
Central services	251,257				251,257
Plant operations and maintenance	949,257				949,257
Pupil transportation	523,849				523,849
Unallocated employee benefits	3,007,955				3,007,955
Capital outlay	288,859	6,612	1,058,019		1,353,490
Special schools	12,244				12,244
Debt service:					
Principal				233,000	233,000
Interest and other charges				64,898	64,898
<b>Total Expenditures</b>	<b>14,725,777</b>	<b>931,774</b>	<b>1,058,019</b>	<b>297,898</b>	<b>17,013,468</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>233,702</b>	<b>59,851</b>	<b>(363,667)</b>	<b>(178,739)</b>	<b>(248,853)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers from tuition program				178,841	178,841
Transfers in				54	54
Transfers out			(54)		(54)
<b>Total Other Financing Sources (Uses)</b>			<b>(54)</b>	<b>178,895</b>	<b>178,841</b>
<b>Net Change in Fund Balances</b>	<b>233,702</b>	<b>59,851</b>	<b>(363,721)</b>	<b>156</b>	<b>(70,012)</b>
Fund Balances - July 1, 2009	1,677,442		600,000	243,504	2,520,946
<b>Fund Balances - June 30, 2010</b>	<b>\$ 1,911,144</b>	<b>\$ 59,851</b>	<b>\$ 236,279</b>	<b>\$ 243,660</b>	<b>\$ 2,450,934</b>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2010**

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ (70,012)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in the governmental funds as expenditures. However, on 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 current fiscal year.</p>		
Depreciation expense	\$ (132,306)	
Fixed assets additions	<u>1,353,491</u>	1,221,185
<p>Bond issuance costs are reported in the governmental fund as expenditures in year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>		
		5,423
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
General Obligation Bonds	233,000	
Capital lease payable	<u>222,348</u>	455,348
<p>Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Compensated absences	2,508	
Accrued interest payable	<u>(23,279)</u>	(20,771)
Change in Net Assets of Governmental Activities		<u>\$ 1,591,173</u>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

	<b>Business-Type Activities Enterprise Funds</b>			
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Tuition Program</b>	<b>Total</b>
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 28,284	\$ 533,965	\$ 1,008,264	\$ 1,570,513
Intergovernmental receivables	12,882		19,810	32,692
Internal balances	3,071	(3,071)		
Inventories	11,355			11,355
<b>Total current assets</b>	<b>55,592</b>	<b>530,894</b>	<b>1,028,074</b>	<b>1,614,560</b>
<b>Noncurrent assets:</b>				
Machinery and equipment (net of accumulated depreciation)	20,298			20,298
<b>Total noncurrent assets</b>	<b>20,298</b>			<b>20,298</b>
<b>Total Assets</b>	<b>75,890</b>	<b>530,894</b>	<b>1,028,074</b>	<b>1,634,858</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable				
<b>Total current liabilities</b>				
<b>NET ASSETS:</b>				
Invested in capital assets	20,298			20,298
Unrestricted	55,592	530,894	1,028,074	1,614,560
<b>Total Net Assets</b>	<b>\$ 75,890</b>	<b>\$ 530,894</b>	<b>\$ 1,028,074</b>	<b>\$ 1,634,858</b>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2010**

	<b>Business-Type Activities</b>			<b>Totals</b>
	<b>Enterprise Funds</b>			
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Tuition Program</b>	
<b>Operating Revenues:</b>				
Charges for Services:				
Daily sales:				
Reimbursable programs	\$ 108,856			\$ 108,856
Non-reimbursable programs	51,808			51,808
Program fees		<u>\$ 159,446</u>	<u>\$ 969,735</u>	<u>1,129,181</u>
Total Operating Revenue	<u>160,664</u>	<u>159,446</u>	<u>969,735</u>	<u>1,289,845</u>
<b>Operating Expenses:</b>				
Salaries and fringe benefits	151,648	101,679	783,710	1,037,037
Supplies and materials	8,428		9,849	18,277
Management fee	14,980		37,423	52,403
Purchased prof. - technical services	2,656			2,656
Travel			2,204	2,204
Share of debt service cost			178,841	178,841
Other costs	12,122	1,275		13,397
Rental costs			3,186	3,186
Utilities			3,537	3,537
Snacks		8,236		8,236
Depreciation	3,463			3,463
Cost of sales	<u>168,192</u>			<u>168,192</u>
Total Operating Expenses	<u>361,489</u>	<u>111,190</u>	<u>1,018,750</u>	<u>1,491,429</u>
Operating Income (Loss)	<u>(200,825)</u>	<u>48,256</u>	<u>(49,015)</u>	<u>(201,584)</u>
<b>Non-Operating Revenues:</b>				
State sources:				
State school lunch program	6,902			6,902
State school breakfast program	1,592			1,592
Federal sources:				
National school lunch program	148,802			148,802
National school breakfast program	24,260			24,260
Special milk program	650			650
Snack program	3,502			3,502
Food distribution program	25,606			25,606
Local sources:				
Interest earned			11,082	11,082
Total Non-Operating Revenues	<u>211,314</u>		<u>11,082</u>	<u>222,396</u>
Income (Loss) before Contributions and Transfers	10,489	48,256	(37,933)	20,812
Operating Transfer in (out)				
Changes in Net Assets	10,489	48,256	(37,933)	20,812
Net Assets - July 1, 2009	<u>65,401</u>	<u>482,638</u>	<u>1,066,007</u>	<u>1,614,046</u>
Net Assets - June 30, 2010	<u>\$ 75,890</u>	<u>\$ 530,894</u>	<u>\$ 1,028,074</u>	<u>\$ 1,634,858</u>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2010**

	<b>Business-Type Activities</b>			
	<b>Enterprise Funds</b>			
	<b>Food Service Fund</b>	<b>After School Program</b>	<b>Tuition Program</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>				
Cash receipts from customers	\$ 160,635	\$ 159,446	\$ 1,026,326	\$ 1,346,407
Cash payments to employees for services	(151,648)	(101,679)	(783,710)	(1,037,037)
Cash payments to suppliers for goods and services	(219,579)	(9,482)	(254,041)	(483,102)
Net Cash Provided by (used for) Operating Activities	<u>(210,592)</u>	<u>48,285</u>	<u>(11,425)</u>	<u>(173,732)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Cash received from state sources	7,907			7,907
Cash received from federal sources	203,406			203,406
Operating transfer in (out)				
Net Cash Provided by (used for) Noncapital Financing Activities	<u>211,313</u>			<u>211,313</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>				
Purchase of equipment	(3,100)			(3,100)
<b>Cash Flow Provided by Investing Activities:</b>				
Interest on cash equivalents			11,082	11,082
Net increase (decrease) in cash and cash equivalents	(2,379)	48,285	(343)	45,563
Cash and cash equivalents - July 1, 2009	30,663	485,680	1,008,607	1,524,950
Cash and cash equivalents - June 30, 2010	<u>\$ 28,284</u>	<u>\$ 533,965</u>	<u>\$ 1,008,264</u>	<u>\$ 1,570,513</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>				
Operating Income (Loss)	\$ (200,825)	\$ 48,256	\$ (49,015)	\$ (201,584)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:				
Depreciation	3,463			3,463
Change in Assets and Liabilities:				
(Increase) decrease in accounts receivable	(12,910)	29	37,590	24,709
(Increase) decrease in inventories	(320)			(320)
Increase (decrease) in accounts payable				
Net Cash Provided by (used for) Operating Activities	<u>\$ (210,592)</u>	<u>\$ 48,285</u>	<u>\$ (11,425)</u>	<u>\$ (173,732)</u>

**Noncash Noncapital Financing Activities:**

During the year the District received \$25,606 of food commodities from the U.S. Department of Agriculture.

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

	<b>Trust Funds Unemployment Compensation Insurance Trust</b>	<b>Agency Funds</b>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 20,287	\$ 98,660
<b>Total Assets</b>	20,287	\$ 98,660
 <b>LIABILITIES:</b>		
Payroll deductions payable		\$ 64,299
Due to student groups		34,361
<b>Total Liabilities</b>		\$ 98,660
 <b>NET ASSETS:</b>		
Held in trust for unemployment claims and other purposes	\$ 20,287	

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Unemployment Compensation Insurance Trust</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS:</b>		
Contributions:		
Employee	\$ 12,915	
Total contributions	<u>12,915</u>	
Investment earnings:		
Interest	195	\$ 3
Net investment earnings	<u>195</u>	<u>3</u>
Total Additions	<u>13,110</u>	<u>3</u>
<b>DEDUCTIONS:</b>		
Unemployment claims	28,006	
Scholarships awarded		60
Total Deductions	<u>28,006</u>	<u>60</u>
Change in Net Assets	(14,896)	(57)
Net assets - July 1, 2009	<u>35,183</u>	<u>57</u>
Net assets - June 30, 2010	<u>\$ 20,287</u>	<u>\$ -</u>

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

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

## **1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

### **Description of Reporting Entity**

The Edgewater Park Township School District (School District) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12 attend the Burlington City High School District on a tuition basis. The Edgewater Park Township School District has an approximate enrollment at June 30, 2010 of 877 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

### **Component Units**

GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Components Units*. There are no organizations that are considered to be component units.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Presentation**

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**District-wide Statements** - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Fund Accounting**

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**General Fund** - The general fund is the general operating fund of the School District 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 non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**Special Revenue Fund** - The special revenue fund is used to account for the proceeds of specific revenues from the state and federal governments, 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. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

**Proprietary Funds** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Enterprise Funds** - The enterprise funds are used to account for operations that are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting (Continued)**

**After School Fund** - This fund accounts for the financial activity related to providing day care services for School District students before and after school and during the summer.

**Tuition Program** - This fund accounts for the financial activity related to the special education program activities of the School District.

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 assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, 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:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**Fiduciary Funds** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a student activity fund, and a payroll fund.

**Measurement Focus**

**District-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting (Continued)**

**Revenues - Exchange and Non-exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. There were no restricted formula aids.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year, if any, is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2.11.

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

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets/Budgetary Control (Continued)**

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

**Encumbrance Accounting**

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

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

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

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

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 Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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.

**Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2010 and 2009 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories**

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

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

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Deferred Expenditures**

Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expenses in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

**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 School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets. .

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business -Type Activities Estimated Lives</u>
School Buildings	50 years	N/A
Building Improvements	50 years	N/A
Site Improvements	20 years	N/A
Machinery and Equipment	5-20 years	12 years

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accrued Salaries and Wages**

Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2010, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Balance Reserves**

The School District reserves portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves are established for encumbrances, legally restricted appropriations, tuition, excess surplus, capital reserve, maintenance reserve and emergency reserves.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Operating and Non-Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service, tuition fees for the latchkey school program and the special education fund. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**3. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41. et seq. which requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of \$4,168,330.70 as of June 30, 2010, \$250,000.00 was insured by the Federal Deposit Insurance Corporation and \$3,918,330.70 was collateralized under the Governmental Unit Deposit Protection Act.

**4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school 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 fiscal year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-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.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**4. CAPITAL RESERVE ACCOUNT (Continued)**

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

Balance – July 1, 2009		\$ 783,712
Increased by:		
Interest earned	\$ 3,861	
Board resolution	<u>                    </u>	
		<u>3,861</u>
		787,573
Decreased by:		
Budget withdrawal	<u>                    </u>	
Balance – June 30, 2010		<u>\$ 787,573</u>

The June 30, 2010 capital reserve balance does not exceed the LRF balance of local support costs of uncompleted projects.

**5. CAPITAL ASSETS**

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

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 7,953			\$ 7,953
Construction in progress	<u>                    </u>	\$ 913,401		<u>913,401</u>
Total capital assets, not being				
Depreciated	<u>7,953</u>	<u>913,401</u>		<u>921,354</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	131,508			131,508
Building and Building Improvements	6,166,570	409,272		6,575,842
Equipment	1,299,360	30,817		1,330,177
Totals at historical cost	<u>7,597,438</u>	<u>440,089</u>		<u>8,037,527</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(117,253)	(3,631)		(120,884)
Building and Building Improvements	(3,472,379)	(76,511)		(3,548,890)
Equipment	(1,032,035)	(52,163)		(1,084,198)
Totals accumulated depreciation	<u>(4,621,667)</u>	<u>(132,305)</u>		<u>(4,753,972)</u>
Total Capital Assets, being				
depreciated, net	<u>2,975,771</u>	<u>307,784</u>		<u>3,283,555</u>
Governmental Activities Capital				
Assets, Net	<u>\$ 2,983,724</u>	<u>\$ 1,221,185</u>	<u>\$ 0</u>	<u>\$ 4,204,909</u>
 <b>Business-Type Activities:</b>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 280,521	\$ 3,100		\$ 283,620
Less accumulated depreciation	<u>(259,859)</u>	<u>(3,463)</u>		<u>(263,322)</u>
Business-Type Activities Capital				
Assets, Net	<u>\$ 20,662</u>	<u>\$ (363)</u>		<u>\$ 20,298</u>

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense in the amount of \$132,305 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 14,969
General Administration	14,763
Plant Operations and Maintenance	2,688
Transportation	17,312
Unallocated	82,573
<b>Total depreciation expense</b>	<b>\$ 132,305</b>

**6. ACCOUNTS RECEIVABLES**

Accounts receivables at June 30, 2010 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
Intergovernmental	\$ 78,213	\$ 255,435	\$ 265,820	\$ 12,882	\$ 612,350
Other				19,810	19,810
<b>Total Accounts Receivable</b>	<b>\$ 78,213</b>	<b>\$ 255,435</b>	<b>\$ 265,820</b>	<b>\$ 32,692</b>	<b>\$ 632,160</b>

**7. INVENTORY**

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

Food	\$ 9,236
Supplies	2,119
	<b>\$ 11,355</b>

**8. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2010, the following changes occurred in long-term obligations:

	Principal Outstanding July 1, 2008	Additions	Reductions	Principal Outstanding June 30, 2010	Amounts Due Within One Year
Compensated Absences	\$ 707,110		\$ 2,508	\$ 704,602	
Capital Leases Payable	645,220		222,348	422,872	\$ 107,708
General Obligation Bonds	1,637,000		233,000	1,404,000	233,000
	<b>\$ 2,646,477</b>	<b>\$ 0</b>	<b>\$ 457,856</b>	<b>\$ 2,531,474</b>	<b>\$ 340,708</b>

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**8. LONG-TERM OBLIGATIONS (Continued)**

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are as follows:

2006 General Obligation Bonds dated August 15, 2006 in the amount of \$1,404,000 due in annual installments through February 1, 2016, bearing interest rate of 3.75 % to 4.00%.

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 233,000	\$ 55,869	\$ 288,869
2012	233,000	46,840	279,840
2013	233,000	37,520	270,520
2014	233,000	28,200	261,200
2015	233,000	18,880	251,880
2016	<u>239,000</u>	<u>9,560</u>	<u>248,560</u>
	<u>\$ 1,404,000</u>	<u>\$ 196,869</u>	<u>\$ 1,600,869</u>

As of June 30, 2010 the School District had no authorizations to issue additional bonded debt.

**Compensated Absences**

Compensated absences will be paid from the fund from which the employees' salaries are paid.

**Capital Leases Payable**

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

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Telephone System	June 2007	2.97%	\$ 75,057
Ground Lease	June 2010	3.70%	600,000

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 107,708	\$ 16,684	\$ 124,392
2012	112,195	12,197	124,392
2013	99,641	7,510	107,151
2014	<u>103,328</u>	<u>3,823</u>	<u>107,151</u>
	<u>\$ 422,872</u>	<u>\$ 40,214</u>	<u>\$ 463,086</u>

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**9. OPERATING LEASES**

At June 30, 2010, the School District had operating lease agreements in effect for copy machines. Rental payments under operating leases for the fiscal year ended June 30, 2010 were \$31,205.

Future minimum rental payments under operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 21,203
2012	11,240
2013	7,565
2014	1,261
Total future minimum lease payments	\$ 41,269

**10. PENSION PLANS**

**Description of Plans** - Substantially all of the School District's employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

***Teachers' Pension and Annuity Fund (TPAF)***

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007 however, in accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

***Public Employees' Retirement System (PERS)***

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2007 however, in accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**10. PENSION PLANS (Continued)**

The School District is billed annually for its normal contribution plus any accrued liability.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability</u>	<u>Funded by Excess Pension Asset Credit</u>	<u>Paid by School District</u>
2010	\$ 55,622	\$ 71,468	\$ 17,624	\$ 144,714		\$ 144,714
2009	51,331	59,370	13,760	124,461		124,461
2008	65,702	50,632		116,334	\$ 23,267	93,067

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each year were as follows:

**11. POST-RETIREMENT BENEFITS**

**Plan Description** – The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription-drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

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

The State's contribution rate is based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

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 Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

**12. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2010, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$18,510 and \$347,646, respectively. In addition, the State of New Jersey reimbursed the School District \$443,352 during the fiscal year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**13. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements.

**14. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

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

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee 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 fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$ 195	\$ 12,915	\$ 28,006	\$ 20,287
2008-2009	382	12,953	19,005	35,183
2007-2008	1,182	12,312	4,859	40,853

**15. COMPENSATED ABSENCES**

The School 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.

School District employees are granted vacation and sick leave in varying amounts in accordance with the School District's personnel policies. Unused sick leave may be accumulated carried forward to the subsequent years. Employees who retire from the School District shall be paid for unused sick leave in accordance with the School District's agreement or personnel policy.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2010, the liability for compensated absences in the governmental fund was \$704,602.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**16. CONTINGENCIES**

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The School District is receiving funding in the form of grants from the New Jersey Schools Development Authority (NJSDA) in connection with its capital projects. The costs associated with the funding received are subject to a final review of eligibility and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the School District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required and the collectability of any related receivable at June 30, 2010 may be impaired. In the opinion of the School District's management, there are no significant contingent liabilities relating to compliance with rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

**17. ECONOMIC DEPENDENCY**

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

**18. DEFICIT FUND BALANCE**

The School District has a deficit fund balance of \$302,759 in the General Fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District can not recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the General Fund fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The deficit in the GAAP fund statements of \$302,759 is equal to or less than the last state aid payment.

**19. DEFICIT UNRESTRICTED NET ASSETS**

As reflected on Exhibit A-1, Statement of Net Assets, a deficit in unrestricted net assets of \$1,025,217 existed as of June 30, 2010 for governmental activities. The primary causes of this deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences, capital leases payable and accrued interest payable. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Assets, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the School District in the formulation of their annual budget (see Note 1), compensated absences, capital leases payable and accrued interest payable that relate to future services, or that are contingent on a specific event outside the control of the School District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net assets for governmental activities does not indicate that the School District is facing financial difficulties.

**Edgewater Park Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**20. FUND BALANCES**

**Reserved**

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of fund balance are summarized below:

**Encumbrances** – The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. At June 30, 2010 \$81,523 has been reserved for this purpose in the General Fund and \$59,851 in the Special Revenue Fund.

**Capital Reserve** – As of June 30, 2010, the balance in the capital reserve account is \$787,573. Of this amount \$185,222 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$602,351 is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

**Emergency Reserve** – As of June 30, 2010, the balance in the emergency reserve is \$250,000. Of this amount \$238,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$12,000 is restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

**Reserved for Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of reserved fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$559,449.

**Unreserved**

**General Fund** – Of the \$853,855 unreserved General Fund, fund balance at June 30, 2010, \$535,358 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$318,497 is undesignated.

**Capital Projects Fund** – All of the \$236,279 unreserved Capital Projects Fund, fund balance at June 30, 2010 is available to be utilized on the projects that were approved by referendum.

**Debt Service Fund** – Of the \$243,660 unreserved Debt Service Fund, fund balance at June 30, 2010, \$243,504 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$156 is undesignated.

**Required Supplementary Information - Part II**

**Budgetary Comparison Schedules**

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local Tax Levy	\$ 7,791,170		\$ 7,791,170	\$ 7,791,170	
Transportation Fees from Other LEA's				20,783	\$ 20,783
Interest earned on capital reserve	842		842	3,861	3,019
Unrestricted misc. revenues	108,000		108,000	181,375	73,375
<b>Total local sources</b>	<b>7,900,012</b>		<b>7,900,012</b>	<b>7,997,189</b>	<b>97,177</b>
State sources:					
Categorical special education aid	512,438		512,438	512,438	
Equalization aid	5,547,551	\$ (1,006,581)	4,540,970	4,190,311	(350,659)
Categorical security aid	171,854		171,854	111,705	(60,149)
Categorical transportation aid	459,711		459,711	298,812	(160,899)
Extraordinary aid				37,635	37,635
Nonpublic transportation aid				2,537	2,537
On-behalf TPAF pension contrib.. (non-budgeted)				366,156	366,156
Reimbursed TPAF social security contribution (non-budgeted)				443,352	443,352
<b>Total state sources</b>	<b>6,691,554</b>	<b>(1,006,581)</b>	<b>5,684,973</b>	<b>5,962,946</b>	<b>277,973</b>
Federal sources:					
ARRA - Educational stabilization fund		969,067	969,067	969,067	
ARRA - Government services fund		37,514	37,514	37,514	
Medicaid reimbursement	13,593		13,593	6,466	(7,127)
<b>Total state sources</b>	<b>13,593</b>	<b>1,006,581</b>	<b>1,020,174</b>	<b>1,013,047</b>	<b>(7,127)</b>
<b>TOTAL REVENUES</b>	<b>14,605,159</b>		<b>14,605,159</b>	<b>14,973,182</b>	<b>368,023</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Grades - Preschool	1,110		1,110		1,110
Grades - Kindergarten	265,515	\$ 61,878	327,393	323,730	3,663
Grades 1-5	1,893,985	(3,021)	1,890,964	1,662,795	228,169
Grades 6-8	1,012,795	242,726	1,255,521	1,252,853	2,668
Regular Programs - Home Instruction:					
Salaries of teachers	5,750		5,750		5,750
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	266,111	4,666	270,777	262,547	8,230
Purchased professional educational services	1,500	(1,500)			
Purchased technical services	12,450	123	12,573	12,573	
Other purchased services	28,500	(5,375)	23,125	22,418	707
General supplies	110,395	(17,196)	93,199	84,388	8,811
Textbooks	35,880	(16,500)	19,380	16,263	3,117
Other objects	14,500	5,800	20,300	15,434	4,866
<b>Total - Regular Programs - Instruction</b>	<b>3,648,491</b>	<b>271,601</b>	<b>3,920,092</b>	<b>3,653,001</b>	<b>267,091</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Special Education Instruction:</b>					
<b>Multiple Disabilities:</b>					
Salaries of teachers	\$ 104,095		\$ 104,095	\$ 102,415	\$ 1,680
Other salaries for instruction	25,146	\$ 7,000	32,146	29,587	2,559
General supplies	1,500	2,500	4,000	3,808	192
Other objects	500		500		500
<b>Total multiple disabilities</b>	<u>131,241</u>	<u>9,500</u>	<u>140,741</u>	<u>135,810</u>	<u>4,931</u>
<b>Resource room/resource center:</b>					
Salaries of teachers	504,647	22,880	527,527	492,937	34,590
Other salaries for instruction	14,262		14,262		14,262
General supplies	9,324	(7,000)	2,324	1,114	1,210
Other objects	500		500		500
<b>Total resource room/resource center</b>	<u>528,733</u>	<u>15,880</u>	<u>544,613</u>	<u>494,051</u>	<u>50,562</u>
<b>Total Special Education - Instruction</b>	<u>659,974</u>	<u>25,380</u>	<u>685,354</u>	<u>629,861</u>	<u>55,493</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	19,780	13,337	33,117	33,117	
Other salaries for instruction	51,374	5,000	56,374	54,778	1,596
General supplies	750		750	363	387
<b>Total basic skills/remedial - instruction</b>	<u>71,904</u>	<u>18,337</u>	<u>90,241</u>	<u>88,258</u>	<u>1,983</u>
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	136,995		136,995	128,098	8,897
Other salaries for instruction	28,360		28,360	25,977	2,383
Purchased professional educational services	3,400	(1,200)	2,200	1,558	642
General supplies	5,200	(3,400)	1,800	1,190	610
Other objects	500		500		500
<b>Total bilingual education - instruction</b>	<u>174,455</u>	<u>(4,600)</u>	<u>169,855</u>	<u>156,823</u>	<u>13,032</u>
<b>School-Sponsored Cocurricular Act - Instruction:</b>					
Salaries	39,482	1,000	40,482	40,406	76
Supplies and materials	2,000	(250)	1,750	1,180	570
<b>Total school-sponsored cocurr. act. - instruct.</b>	<u>41,482</u>	<u>750</u>	<u>42,232</u>	<u>41,586</u>	<u>646</u>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	11,100		11,100	4,817	6,283
Purchased services	5,200	(2,350)	2,850	2,535	315
Supplies and materials	2,600	(1,000)	1,600	1,079	521
<b>Total school-sponsored athletics - instruct.</b>	<u>18,900</u>	<u>(3,350)</u>	<u>15,550</u>	<u>8,431</u>	<u>7,119</u>
<b>Total Instruction</b>	<u>4,615,206</u>	<u>308,118</u>	<u>4,923,324</u>	<u>4,577,960</u>	<u>345,364</u>
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other LEAs within the state - reg.	1,945,657	(68,500)	1,877,157	1,854,321	22,836
Tuition to other LEAs within the state - spec	575,125	(10,000)	565,125	442,301	122,824
Tuition to county vocational school - reg	231,000	(1,530)	229,470	221,050	8,420
Tuition to county vocational school - spec		30,030	30,030	30,030	
Tuition to CSSD & Regional Day Schools	608,014	(59,500)	548,514	481,186	67,328
Tuition to priv. sch. for the disabled in state	475,908	(196,500)	279,408	173,339	106,069
Tuition - state facilities	31,771		31,771	28,594	3,177
<b>Total undistributed expenditures - instruction</b>	<u>3,867,475</u>	<u>(306,000)</u>	<u>3,561,475</u>	<u>3,230,821</u>	<u>330,654</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Health Services:</b>					
Salaries	\$ 103,415		\$ 103,415	\$ 101,833	\$ 1,582
Purchased professional and technical services	6,200		6,200	6,000	200
Other purchased services	1,000		1,000	181	819
Supplies and materials	3,700		3,700	3,464	236
Other objects	500		500	205	295
<b>Total health services</b>	<b>114,815</b>		<b>114,815</b>	<b>111,683</b>	<b>3,132</b>
<b>Speech, OT, PT &amp; Related Services:</b>					
Salaries	97,550	\$ (32,410)	65,140	33,099	32,041
Purchased professional and educational services	90,896	31,910	122,806	122,806	
Supplies and materials	1,500	500	2,000	1,872	128
Other objects	500		500	153	347
<b>Total speech, ot, pt &amp; related services</b>	<b>190,446</b>		<b>190,446</b>	<b>157,930</b>	<b>32,516</b>
<b>Guidance:</b>					
Salaries of other professional staff	125,980		125,980	124,300	1,680
Salaries of secretarial and clerical assistants	35,132		35,132	34,464	668
Purchased prof. and educ. services	1,550		1,550		1,550
Other purchased prof. and tech. services	4,000		4,000		4,000
Other purchased services	2,000		2,000	325	1,675
Supplies and materials	3,120		3,120	519	2,601
Other objects	1,550		1,550		1,550
<b>Total guidance</b>	<b>173,332</b>		<b>173,332</b>	<b>159,608</b>	<b>13,724</b>
<b>Child Study Teams:</b>					
Salaries of other professional staff	284,810		284,810	262,832	21,978
Salaries of secretarial and clerical assistants	35,900		35,900	33,600	2,300
Other purchased prof. and tech. services	10,160	290	10,450	10,450	
Other purchased services	4,900		4,900	2,244	2,656
Supplies and materials	7,280	(1,830)	5,450	4,481	969
Other objects	1,500		1,500		1,500
<b>Total child study teams</b>	<b>344,550</b>	<b>(1,540)</b>	<b>343,010</b>	<b>313,607</b>	<b>29,403</b>
<b>Improvement of Instructional Services:</b>					
Salaries of supervisors of instruction	118,264	12,853	131,117	131,117	
Salaries of other professional staff	4,000		4,000		4,000
Other purchased prof. and tech. services	2,050	(2,050)			
Other purchased services	1,550	(970)	580	480	100
Supplies and materials	2,000	336	2,336	2,336	
Other objects	2,000	(73)	1,927	1,927	
<b>Total improvement of instructional services</b>	<b>129,864</b>	<b>10,086</b>	<b>139,950</b>	<b>135,860</b>	<b>4,100</b>
<b>Educational Media Services/School Library:</b>					
Salaries	34,895	8,177	43,072	42,897	175
Salaries of technology coordinators	124,954	(36,533)	88,421	88,421	
Purchased professional and technical services	39,000	(31,000)	8,000	7,935	65
Other purchased services	1,500		1,500	581	919
Supplies and materials	83,095	(18,500)	64,595	38,678	25,917
Other objects	500		500		500
<b>Total educational media services/school library</b>	<b>283,944</b>	<b>(77,856)</b>	<b>206,088</b>	<b>178,512</b>	<b>27,576</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Instructional Staff Training Services:</b>					
Salaries of supervisors of instruction	\$ 26,382		\$ 26,382	\$ 21,985	\$ 4,397
Salaries of other professional staff		\$ 35,800	35,800	35,800	
Other purchased professional and tech services	3,000	2,000	5,000	3,796	1,204
Other purchased services	11,750	(2,000)	9,750	6,896	2,854
Supplies and materials	1,000		1,000	567	433
Other objects	750		750	69	681
<b>Total instructional staff training services</b>	<b>42,882</b>	<b>35,800</b>	<b>78,682</b>	<b>69,113</b>	<b>9,569</b>
<b>General Administration:</b>					
Salaries	227,193		227,193	199,414	27,779
Legal services	22,000		22,000	15,240	6,760
Audit fees	28,000	18,000	46,000	26,750	19,250
Other purchased professional services	11,500	(2,000)	9,500	9,286	214
Communications / telephone	89,410	2,500	91,910	79,434	12,476
BOE Other purchased services	8,700		8,700	4,394	4,306
Other purchased services	32,415	14,000	46,415	30,378	16,037
General supplies	5,200	(2,500)	2,700	1,109	1,591
BOE In-house training	250		250	79	171
Miscellaneous expenditures	3,100	2,500	5,600	5,524	76
BOE Membership dues and fees	8,700		8,700	7,772	928
<b>Total general administration</b>	<b>436,468</b>	<b>32,500</b>	<b>468,968</b>	<b>379,380</b>	<b>89,588</b>
<b>School Administration:</b>					
Salaries of principals/assist. principals	225,000	1,152	226,152	222,148	4,004
Salaries of secretarial and clerical assistants	114,296	704	115,000	113,204	1,796
Purchased professional and tech services	1,750	27,844	29,594	23,818	5,776
Other purchased services	6,900	4,000	10,900	9,281	1,619
Supplies and materials	5,150	4,500	9,650	8,617	1,033
Other objects	2,600	(1,000)	1,600	814	786
<b>Total school administration</b>	<b>355,696</b>	<b>37,200</b>	<b>392,896</b>	<b>377,882</b>	<b>15,014</b>
<b>Central Services</b>					
Salaries	183,462		183,462	171,751	11,711
Purchased professional services	21,910	2,750	24,660	24,140	520
Purchased technical services	10,000	(700)	9,300	8,565	735
Miscellaneous purchased services	6,620	250	6,870	5,157	1,713
Supplies and materials	3,000	(1,000)	2,000	1,156	844
Interest on lease purchase agreements	3,179	19,000	22,179	21,713	466
Other objects	3,050	(2,000)	1,050	923	127
<b>Total Central services</b>	<b>231,221</b>	<b>18,300</b>	<b>249,521</b>	<b>233,405</b>	<b>16,116</b>
<b>Admin Info. Technology</b>					
Salaries					
Purchased professional services	4,950	17,000	21,950	11,365	10,585
Purchased technical services	45,000	(45,000)			
Other purchased services	1,550		1,550	195	1,355
Supplies and materials	6,000		6,000	5,597	403
Other objects	1,300		1,300	695	605
<b>Total Admin Info Technology</b>	<b>58,800</b>	<b>(28,000)</b>	<b>30,800</b>	<b>17,852</b>	<b>12,948</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Required Maintenance School Facilities:</b>					
Cleaning, repair and maintenance services	\$ 61,000	\$ (12,500)	\$ 48,500	\$ 48,229	\$ 271
<b>Total required maintenance school facilities</b>	<b>61,000</b>	<b>(12,500)</b>	<b>48,500</b>	<b>48,229</b>	<b>271</b>
<b>Custodial Services:</b>					
Salaries	473,170	39,786	512,956	497,308	15,648
Purchased professional and technical services	35,620	(5,900)	29,720	26,978	2,742
Cleaning, repair and maintenance services	70,460	(9,786)	60,674	40,615	20,059
Other purchased property services	27,000	(2,500)	24,500	12,091	12,409
Insurance	55,000	(11,100)	43,900	41,326	2,574
Miscellaneous purchased services	500		500		500
General supplies	97,500	(8,297)	89,203	83,040	6,163
Energy (Electricity)	149,348	(36,903)	112,445	112,445	
Energy (Natural Gas)	141,670	(31,000)	110,670	80,525	30,145
Other objects		1,700	1,700	1,300	400
<b>Total custodial services</b>	<b>1,050,268</b>	<b>(64,000)</b>	<b>986,268</b>	<b>895,628</b>	<b>90,640</b>
<b>Care and Upkeep of Grounds:</b>					
General supplies	7,500		7,500	3,840	3,660
Energy (gasoline)		3,000	3,000	1,560	1,440
<b>Total care &amp; upkeep of grounds</b>	<b>7,500</b>	<b>3,000</b>	<b>10,500</b>	<b>5,400</b>	<b>5,100</b>
<b>Total operation &amp; maint. of plant services</b>	<b>1,118,768</b>	<b>(73,500)</b>	<b>1,045,268</b>	<b>949,257</b>	<b>96,011</b>
<b>Student Transportation Services:</b>					
Salaries for Pupil Trans (between home and school) - regular	37,700		37,700	37,551	149
Salaries for Pupil Trans (between home and school) - special	37,887		37,887	24,719	13,168
Salaries for Pupil Trans (not between home and school)	5,000		5,000	2,245	2,755
Management fee - ESC	4,500	(3,750)	750		750
Other purchased professional and tech services	1,000		1,000		1,000
Cleaning, repair and maintenance services	10,250	2,500	12,750	12,690	60
Contr. serv. (between home & sch) - vendor	381,000	(30,500)	350,500	349,002	1,498
Contr. serv. (not between home & sch) - vendor	20,000	(9,000)	11,000	10,455	545
Contr. serv. (Spl. Ed. students) - joint agree.	16,000	(1,000)	15,000	11,884	3,116
Contr. serv. (Spl. Ed. students) - ESC's	64,000	7,500	71,500	54,460	17,040
Contr. Serv. - Aid In Lieu of Payments - Nonpublic	21,840	(4,000)	17,840	13,702	4,138
Contr. Serv. - Aid In Lieu of Payments - Charter Sch	1,000		1,000		1,000
Misc. purchased services - transportation	6,000		6,000	1,896	4,104
Supplies and materials	9,500	(8,051)	1,449	473	976
Transportation supplies	5,500	5,801	11,301	4,772	6,529
Miscellaneous expenditures	500		500		500
<b>Total student transportation services</b>	<b>621,677</b>	<b>(40,500)</b>	<b>581,177</b>	<b>523,849</b>	<b>57,328</b>
<b>Unallocated Benefits - Employee Benefits:</b>					
Social security contributions	136,994	25,622	162,616	162,616	
Other retirement contributions	140,751	4,217	144,968	144,968	
Workman's Compensation	110,000	(7,000)	103,000	102,282	718
Health benefits	1,665,730	23,500	1,689,230	1,631,558	57,672
Tuition reimbursements	56,000	(4,000)	52,000	49,392	2,608
Other employee benefits	118,600	43,043	161,643	107,631	54,012
<b>Total unallocated benefits - employee benefits</b>	<b>2,228,075</b>	<b>85,382</b>	<b>2,313,457</b>	<b>2,198,447</b>	<b>115,010</b>
On-behalf TPAF pension contr. (non-budgeted)				366,156	(366,156)
Reimbursed TPAF social security contr. (non-budgeted)				443,352	(443,352)
<b>Total Undistributed Expenditures</b>	<b>10,198,013</b>	<b>(308,118)</b>	<b>9,889,895</b>	<b>9,846,714</b>	<b>43,181</b>
<b>Total General Current Expense</b>	<b>14,813,219</b>		<b>14,813,219</b>	<b>14,424,674</b>	<b>388,545</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY:</b>					
Interest on capital reserve	\$ 842		\$ 842		\$ 842
Equipment:					
Grades 1-5					
Grades 6-8					
Undist. expend. - admin info tech	50,000		50,000	\$ 42,588	7,412
Security		\$ 30,000	30,000	28,613	1,387
School buses - regular	90,000	(31,000)	59,000		59,000
Total Equipment	140,000	(1,000)	139,000	71,201	67,799
Facilities Acquisition and Construction Services:					
Architectural/Engineering services	50,000		50,000	8,621	41,379
Other Purchased Prof. & Tech. services		1,000	1,000	750	250
Construction services	230,000	(210,000)	20,000		20,000
Lease Purchase Agreements - Principal		210,000	210,000	208,287	1,713
Total Facilities Acquisition and Constr. Services	280,000	1,000	281,000	217,658	63,342
Total Capital Outlay	420,842		420,842	288,859	131,983
<b>SUMMER SCHOOL:</b>					
Instruction:					
Salaries of teachers	15,765		15,765	10,604	5,161
Other salaries for instruction	895		895	836	59
General supplies	500	500	1,000	804	196
Total instruction	17,160	500	17,660	12,244	5,416
Support services:					
Employee benefits	1,274	(500)	774		774
Total instruction	1,274	(500)	774		774
Total Summer School	18,434		18,434	12,244	6,190
Transfer to Charter School					
<b>TOTAL EXPENDITURES</b>	<b>15,252,495</b>		<b>15,252,495</b>	<b>14,725,777</b>	<b>526,718</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(647,336)		(647,336)	247,405	894,741
Other Financing Sources:					
Operating transfers in					
Operating transfers out					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(647,336)		(647,336)	247,405	894,741
Fund Balance - July 1, 2009	2,284,995		2,284,995	2,284,995	
Fund Balance - June 30, 2010	<u>\$ 1,637,659</u>	<u>\$ -</u>	<u>\$ 1,637,659</u>	<u>\$ 2,532,400</u>	<u>\$ 894,741</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

(Continued from prior page)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Capital Reserve				\$ 602,351	
Capital Reserve - Designated in 2010/11				185,222	
Emergency Reserve				238,000	
Emergency Reserve - Designated in 2010/11				12,000	
Reserve for Encumbrances				81,523	
Excess Surplus				559,449	
Unreserved:					
Designated for Subsequent Year's Expenditures				535,358	
Undesignated Fund Balance				<u>318,497</u>	
				2,532,400	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(621,256)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,911,144</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**American Recovery & Reinvestment Act - Education Stabilization Funds**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal sources					
Education Stabilization Funds		\$ 969,067	\$ 969,067	\$ 969,067	
<b>Total Revenues</b>		<u>969,067</u>	<u>969,067</u>	<u>969,067</u>	
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Grades 1-5		484,534	484,534	484,534	
Grades 6-8		<u>484,533</u>	<u>484,533</u>	<u>484,533</u>	
<b>Total - Regular Programs - Instruction</b>		<u>969,067</u>	<u>969,067</u>	<u>969,067</u>	
<b>Total Expenditures</b>		<u>969,067</u>	<u>969,067</u>	<u>969,067</u>	
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**American Recovery & Reinvestment Act - Government Service Funds**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal sources					
Government Services Funds		\$ 37,514	\$ 37,514	\$ 37,514	
<b>Total Revenues</b>		<u>37,514</u>	<u>37,514</u>	<u>37,514</u>	
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Grades 6-8		37,514	37,514	37,514	
<b>Total - Regular Programs - Instruction</b>		<u>37,514</u>	<u>37,514</u>	<u>37,514</u>	
<b>Total Expenditures</b>		<u>37,514</u>	<u>37,514</u>	<u>37,514</u>	
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State sources	\$ 105,074		\$ 105,074	\$ 105,074	
Federal sources	1,144,571		1,144,571	886,551	\$ (258,020)
<b>Total Revenues</b>	<u>1,249,645</u>		<u>1,249,645</u>	<u>991,625</u>	<u>(258,020)</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	435,134		435,134	396,553	38,581
Other salaries for instruction	95,676		95,676	89,346	6,330
Tuition	204,363		204,363	127,506	76,857
Purchased prof. - technical serv.	48,378		48,378	3,420	44,958
General supplies	113,247		113,247	79,965	33,282
<b>Total Instruction</b>	<u>896,798</u>		<u>896,798</u>	<u>696,790</u>	<u>200,008</u>
<b>Support Services:</b>					
Salaries - principal	20,000		20,000	10,000	10,000
Salaries - program directors	43,970		43,970	43,970	
Salaries of other instructional staff	118,851		118,851	102,233	16,618
Personal services - employee benefits	70,004		70,004	54,231	15,773
Purchased professional - tech. services	86,096		86,096	72,298	13,798
Other purchased services	1,555		1,555	951	604
Travel	4,871		4,871	4,540	331
<b>Total Support Services</b>	<u>345,347</u>		<u>345,347</u>	<u>288,223</u>	<u>57,124</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional equipment	7,500		7,500	6,612	888
<b>Total Facilities Acq. and Const. Services</b>	<u>7,500</u>		<u>7,500</u>	<u>6,612</u>	<u>888</u>
<b>Total Expenditures</b>	<u>1,249,645</u>		<u>1,249,645</u>	<u>991,625</u>	<u>258,020</u>
<b>Total Outflows</b>	<u>1,249,645</u>		<u>1,249,645</u>	<u>991,625</u>	<u>258,020</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)</b>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the Fiscal Year Ended June 30, 2010**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 14,973,182	\$ 991,625
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	607,553	10,507
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(621,256)	(10,507)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 14,959,479	\$ 991,625
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 14,725,777	\$ 991,625
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(59,851)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 14,725,777	\$ 931,774

**Other Supplementary Information**

**Special Revenue Fund  
Detail Statements**

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year ended June 30, 2010**

	Title III Carryover	Title IV	Title IV Carryover	IDEA Basic	IDEA Basic Carryover	IDEA Preschool	IDEA Basic ARRA	Implementing New Curricular Learning Experiences	Implementing New Curricular Learning Experiences Carryover	Carryforward from Exh E-1A	Total
<b>REVENUES:</b>											
State sources										\$ 105,074	\$ 105,074
Federal sources	\$ 1,341	\$ 716	\$ 862	\$ 248,841	\$ 564	\$ 11,019	\$ 156,557	\$ 227,428	\$ 8,673	230,550	886,551
<b>Total Revenues</b>	<b>1,341</b>	<b>716</b>	<b>862</b>	<b>248,841</b>	<b>564</b>	<b>11,019</b>	<b>156,557</b>	<b>227,428</b>	<b>8,673</b>	<b>335,624</b>	<b>991,625</b>
<b>EXPENDITURES:</b>											
<b>Instruction:</b>											
Salaries of teachers	1,132			223,054			29,670	14,509	8,673	119,515	396,553
Other salaries for instruction										89,346	89,346
Other purchased services								3,420			3,420
Tuition						11,019	116,487				127,506
General supplies	209	716	862					39,263		38,915	79,965
<b>Total Instruction</b>	<b>1,341</b>	<b>716</b>	<b>862</b>	<b>223,054</b>		<b>11,019</b>	<b>146,157</b>	<b>57,192</b>	<b>8,673</b>	<b>247,776</b>	<b>696,790</b>
<b>Support Services:</b>											
Salaries - principal										10,000	10,000
Salaries - program director				21,985						21,985	43,970
Salaries - other instruction								102,233			102,233
Personal services-employee benefits				3,802	564		3,788	17,663		28,414	54,231
Purchased prof. tech. services								44,849		27,449	72,298
Other purchased services								951			951
Travel								4,540			4,540
<b>Total support Services</b>				<b>25,787</b>	<b>564</b>		<b>3,788</b>	<b>170,236</b>		<b>87,848</b>	<b>288,223</b>
<b>Facilities Acquisition and Const. Serv.:</b>											
Instructional equipment							6,612				6,612
<b>Total Facilities Acq. and Const. Serv.</b>							<b>6,612</b>				<b>6,612</b>
<b>Total Expenditures</b>	<b>1,341</b>	<b>716</b>	<b>862</b>	<b>248,841</b>	<b>564</b>	<b>11,019</b>	<b>156,557</b>	<b>227,428</b>	<b>8,673</b>	<b>335,624</b>	<b>991,625</b>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)											

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures  
Budgetary Basis  
For the Fiscal Year ended June 30, 2010**

	Preschool Education Aid	Title I	Title I Carryovers	Title I ARRA	Title I SIA Carryover	Title II A	Title II A Carryovers	Title II D	Title II D Carryover	Title III	Total
<b>REVENUES:</b>											
State sources	\$ 105,074										\$ 105,074
Federal sources		\$ 151,170	\$ 13,887	\$ 15,847	\$ 5,862	\$ 31,726	\$ 1,079	\$ 2,105	\$ 23	\$ 8,851	230,550
<b>Total Revenues</b>	<b>105,074</b>	<b>151,170</b>	<b>13,887</b>	<b>15,847</b>	<b>5,862</b>	<b>31,726</b>	<b>1,079</b>	<b>2,105</b>	<b>23</b>	<b>8,851</b>	<b>335,624</b>
<b>EXPENDITURES:</b>											
<b>Instruction:</b>											
Salaries of teachers	92,550					20,140				6,825	119,515
Other salaries for instruction		89,346									89,346
General supplies	1,216	5,892	13,794		5,862	8,827	1,079	2,105	23	117	38,915
<b>Total Instruction</b>	<b>93,766</b>	<b>95,238</b>	<b>13,794</b>		<b>5,862</b>	<b>28,967</b>	<b>1,079</b>	<b>2,105</b>	<b>23</b>	<b>6,942</b>	<b>247,776</b>
<b>Support Services:</b>											
Salaries - principal				10,000							10,000
Salaries - program director		21,985									21,985
Personal services-employee benefits	11,308	11,095		1,532		2,759				1,720	28,414
Purchased prof. tech. services		22,852	93	4,315						189	27,449
<b>Total Support Services</b>	<b>11,308</b>	<b>55,932</b>	<b>93</b>	<b>15,847</b>		<b>2,759</b>				<b>1,909</b>	<b>87,848</b>
<b>Facilities Acquisition and Const. Serv.:</b>											
Instructional equipment											
<b>Total Facilities Acq. and Const. Serv.</b>											
<b>Total Expenditures</b>	<b>105,074</b>	<b>151,170</b>	<b>13,887</b>	<b>15,847</b>	<b>5,862</b>	<b>31,726</b>	<b>1,079</b>	<b>2,105</b>	<b>23</b>	<b>8,851</b>	<b>335,624</b>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)											

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Statement of Preschool Education Aid**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2010**

**DISTRICT WIDE TOTAL**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of teachers	\$ 92,550	\$ 92,550	
General supplies	1,216	1,216	
	<hr/>	<hr/>	<hr/>
Total instruction	<u>93,766</u>	<u>93,766</u>	
<b>Support Services:</b>			
Personal services - Employee benefits	11,308	11,308	
	<hr/>	<hr/>	<hr/>
Total support services	<u>11,308</u>	<u>11,308</u>	
Total Expenditures	<u><u>\$ 105,074</u></u>	<u><u>\$ 105,074</u></u>	<u><u>\$ -</u></u>

**SUMMARY OF LOCATION TOTALS**

Total revised 2009-2010 Preschool Education Aid allocation	\$ 105,074
Add: Actual Preschool Education Aid Carryover (June 30, 2009)	10,844
Add: Budgeted transfer from the General Fund 2009-10	<hr/>
Total Preschool Education Aid Funds available for 2009-2010 budget	115,918
Less: 2009-2010 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>(105,074)</u>
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2010	10,844
Add: June 30, 2010 Unexpended Preschool Education Aid	<hr/>
2009-2010 Actual Carryover - Preschool Education Aid	<u>\$ 10,844</u>
2009-2010 Preschool Education Aid Carryover Budgeted in 2010-2011	<u><u>\$ -</u></u>

**Capital Projects Fund  
Detail Statements**

The Capital Projects Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchases other than those financed by Proprietary Funds.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budgetary Basis**  
**For the Fiscal Year ended June 30, 2010**

**Revenues and Other Financing Sources:**

Interest earned	\$	54
		54
		54

**Expenditures and Other Financing (Uses):**

Purchased professional services		92,671
Construction services		965,348
Transfer to debt service fund		54
		1,058,073

Excess (deficiency) or revenues over (under) expenditures		(1,058,019)
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Fund Balance - July 1, 2009		1,509,401
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Fund Balance - June 30, 2010		\$ 451,382
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**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Statement of Project Revenues, Expenditures, Project Balance,  
and Project Status - Budgetary Basis  
Mildred Magowan School Renovations  
From Inception and for the Fiscal Year ended June 30, 2010**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 516,305		\$ 516,305	\$ 516,305
Local sources - Lease Purchase	300,000		300,000	300,000
 Total revenues	<hr/>	<hr/>	<hr/>	<hr/>
		0	816,305	816,305
 <b>Expenditures and Other Financing Uses:</b>				
Purchased professional services		\$ 48,047	48,047	48,047
Construction services		549,208	549,208	549,208
		<hr/>	<hr/>	<hr/>
		597,255	597,255	597,255
 Excess (deficiency) or revenues over (under) expenditures	 <hr/>	 <hr/>	 <hr/>	 <hr/>
	\$ -	\$ (597,255)	\$ 219,050	\$ 219,050
 <b>Additional project information:</b>				
Project Number	1280-050-09-1001			
Grant Date	02/26/09			
Lease Authorization Date	06/15/09			
Lease Authorized	06/15/09			
Lease Issued	\$	300,000		
Original Authorized Cost	\$	816,305		
Additional Authorized Cost	\$	-		
Revised Authorized Cost	\$	816,305		
 Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	12/31/11			
Revised target completion date	12/31/10			

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Samuel Ridgeway School Renovations**  
**From Inception and for the Fiscal Year ended June 30, 2010**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 393,096		\$ 393,096	\$ 393,096
Local sources - Lease Purchase	300,000		300,000	300,000
 Total revenues	 	 -	 693,096	 693,096
 <b>Expenditures and Other Financing Uses:</b>				
Purchased professional services		\$ 44,624	44,624	44,624
Construction services		416,140	416,140	416,140
	 	 460,764	 460,764	 460,764
 Excess (deficiency) or revenues over (under) expenditures	 \$ -	 \$ (460,764)	 \$ 232,332	 \$ 232,332
 <b>Additional project information:</b>				
Project Number	1280-070-09-1002			
Grant Date	02/26/09			
Lease Authorization Date	06/15/09			
Lease Authorized	06/15/09			
Lease Issued	\$	300,000		
Original Authorized Cost	\$	693,096		
Additional Authorized Cost	\$	-		
Revised Authorized Cost	\$	693,096		
 Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	12/31/11			
Revised target completion date	12/31/10			

## Proprietary Funds Detail Statements

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user fees.

Food Service Fund - This fund provides for the operation of food services in all schools within the school district.

After School Program - This fund provides for the operation of the before and after school services provided by the school district.

Tuition Program Fund - This fund provides for the operation of the special education program provided by the school district.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Assets**  
**June 30, 2010**

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Tuition Program</u>	<u>Total</u>
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 28,284	\$ 533,965	\$ 1,008,264	\$ 1,570,513
<b>Accounts receivable:</b>				
Federal	12,296			12,296
State	586			586
Tuition fees			19,810	19,810
Interfund balances	3,071			3,071
Inventories	<u>11,355</u>			<u>11,355</u>
<b>Total Current Assets</b>	<u>55,592</u>	<u>533,965</u>	<u>1,028,074</u>	<u>1,617,631</u>
<b>Noncurrent Assets:</b>				
Equipment	283,620			283,620
Less - accumulated depreciation	<u>(263,322)</u>			<u>(263,322)</u>
<b>Total Noncurrent Assets</b>	<u>20,298</u>			<u>20,298</u>
<b>Total Assets</b>	<u>75,890</u>	<u>533,965</u>	<u>1,028,074</u>	<u>1,637,929</u>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Interfund payable		3,071		3,071
Accounts payable				
<b>Total Current Liabilities</b>		<u>3,071</u>		<u>3,071</u>
<b>NET ASSETS:</b>				
Invested in capital assets	20,298			20,298
Unrestricted	<u>55,592</u>	<u>530,894</u>	<u>1,028,074</u>	<u>1,614,560</u>
<b>Total Net Assets</b>	<u>\$ 75,890</u>	<u>\$ 530,894</u>	<u>\$ 1,028,074</u>	<u>\$ 1,634,858</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Assets**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Tuition Program</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>				
Charges for Services:				
Daily sales reimbursable programs:				
School lunch	\$ 108,856			\$ 108,856
Daily sales non-reimbursable programs:				
Adult and a la carte sales	50,927			50,927
Program fees		\$ 159,446	\$ 969,735	1,129,181
Miscellaneous	881			881
<b>Total Operating Revenues</b>	<u>160,664</u>	<u>159,446</u>	<u>969,735</u>	<u>1,289,845</u>
<b>OPERATING EXPENSES:</b>				
Salaries and fringe benefits	151,648	101,679	783,710	1,037,037
Supplies and materials	8,428		9,849	18,277
Management fee	14,980		37,423	52,403
Purchased prof. - technical services	2,656			2,656
Travel			2,204	2,204
Share of debt service cost			178,841	178,841
Other costs	12,122	1,275		13,397
Rental costs			3,186	3,186
Utilities			3,537	3,537
Snack		8,236		8,236
Depreciation	3,463			3,463
Cost of sales	168,192			168,192
<b>Total Operating Expenses</b>	<u>361,489</u>	<u>111,190</u>	<u>1,018,750</u>	<u>1,491,429</u>
Operating Income (Loss)	<u>(200,825)</u>	<u>48,256</u>	<u>(49,015)</u>	<u>(201,584)</u>
<b>Non-Operating Revenues:</b>				
State sources:				
State school lunch program	6,902			6,902
State school breakfast program	1,592			1,592
Federal sources:				
National school lunch program	148,802			148,802
National school breakfast program	24,260			24,260
Special milk program	650			650
Snack program	3,502			3,502
Food distribution program	25,606			25,606
Local sources:				
Interest earned			11,082	11,082
<b>Total Non-Operating Revenues</b>	<u>211,314</u>		<u>11,082</u>	<u>222,396</u>
Income (Loss) before Contributions and Transfers	10,489	48,256	(37,933)	20,812
Operating Transfer in (out)				
Changes in Net Assets	10,489	48,256	(37,933)	20,812
Net Assets - July 1, 2009	<u>65,401</u>	<u>482,638</u>	<u>1,066,007</u>	<u>1,614,046</u>
Net Assets - June 30, 2010	<u>\$ 75,890</u>	<u>\$ 530,894</u>	<u>\$ 1,028,074</u>	<u>\$ 1,634,858</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Food Service Fund</u>	<u>After School Program</u>	<u>Tuition Program</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>				
Cash receipts from customers	\$ 160,635	\$ 159,446	\$ 1,026,326	\$ 1,346,407
Cash payments to employees for services	(151,648)	(101,679)	(783,710)	(1,037,037)
Cash payments to suppliers for goods and services	<u>(219,579)</u>	<u>(9,482)</u>	<u>(254,041)</u>	<u>(483,102)</u>
Net cash provided by (used for) operating activities	<u>(210,592)</u>	<u>48,285</u>	<u>(11,425)</u>	<u>(173,732)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Cash received from state sources	7,907			7,907
Cash received from federal sources	203,406			203,406
Operating transfer in (out)				
Net cash provided by noncapital financing activities	<u>211,313</u>			<u>211,313</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>				
Purchase of equipment	<u>(3,100)</u>			<u>(3,100)</u>
<b>Cash Flow Provided by Investing Activities:</b>				
Interest on cash equivalents			11,082	11,082
Net increase (decrease) in cash and cash equivalents	(2,379)	48,285	(343)	45,563
Cash and cash equivalents - July 1, 2009	<u>30,663</u>	<u>485,680</u>	<u>1,008,607</u>	<u>1,524,950</u>
Cash and cash equivalents - June 30, 2010	<u>\$ 28,284</u>	<u>\$ 533,965</u>	<u>\$ 1,008,264</u>	<u>\$ 1,570,513</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:</b>				
Operating income (loss)	\$ (200,825)	\$ 48,256	\$ (49,015)	\$ (201,584)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	3,463			3,463
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(12,910)	29	37,590	24,709
(Increase) decrease in inventories	(320)			(320)
Increase (decrease) in accounts payable				
Net cash provided by (used for) operating activities	<u>\$ (210,592)</u>	<u>\$ 48,285</u>	<u>\$ (11,425)</u>	<u>\$ (173,732)</u>

**Noncash Noncapital Financing Activities:**

During the year the District received \$25,606 of food commodities from the U.S. Department of Agriculture.

## Fiduciary Funds Detail Statements

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

**Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.**

**Scholarship Fund - This fiduciary fund is used to account for the assets held by the district for grants to students.**

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

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

**Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.**

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2010**

	<u>Trust Funds</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Insurance</u>	<u>Student Activity</u>	<u>Payroll</u>	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 20,287	\$ 34,361	\$ 64,299	\$ 118,947
Total Assets	<u>20,287</u>	<u>\$ 34,361</u>	<u>\$ 64,299</u>	<u>118,947</u>
<b>LIABILITIES:</b>				
Liabilities:				
Payroll deductions payable			\$ 64,299	\$ 64,299
Due to student groups		\$ 34,361		34,361
Total Liabilities		<u>\$ 34,361</u>	<u>\$ 64,299</u>	<u>98,660</u>
<b>NET ASSETS:</b>				
Held in trust for unemployment claims	20,287			20,287
Held in trust for scholarships				
Total Net Assets	<u>\$ 20,287</u>			<u>\$ 20,287</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Fiscal Years Ended June 30, 2010**

	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
<b>Additions:</b>			
Interest on investments	\$ 3	\$ 195	\$ 198
Employee withholdings	<u>          </u>	<u>12,915</u>	<u>12,915</u>
<b>Total Additions</b>	<u>3</u>	<u>13,110</u>	<u>13,113</u>
<b>Deductions:</b>			
Unemployment compensation insurance claims	<u>          </u>	<u>28,006</u>	<u>28,006</u>
Scholarships	<u>60</u>	<u>          </u>	<u>60</u>
<b>Total Deductions</b>	<u>60</u>	<u>28,006</u>	<u>28,066</u>
<b>Change in Net Assets</b>	<b>(57)</b>	<b>(14,896)</b>	<b>(14,953)</b>
<b>Net Assets - July 1, 2009</b>	<u>\$ 57</u>	<u>35,183</u>	<u>35,240</u>
<b>Net Assets - June 30, 2010</b>	<u>\$ -</u>	<u>\$ 20,287</u>	<u>\$ 20,287</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Balance June 30, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2010</u>
Ridgeway School	\$ 3,065	\$ 32,821	\$ 30,008		\$ 5,878
Magowan School	14,004	7,191	7,384		13,811
Superintendent Special	5	1,431	602		834
Student Council	182	1,818			2,000
Music	2,846	7,371	9,827		390
Pepsi Sales	551	366	434		483
Fisherman Club	438	3	256		185
PBSIS	1,339	2,387	2,150		1,576
Magowan Donations	3,061	12,865	9,770		6,156
Eighth Grade Graduation	1,651	9,229	7,832		3,048
Sunshine Fund	1,851		1,851		
<b>Total all schools</b>	<u>\$ 28,993</u>	<u>\$ 75,482</u>	<u>\$ 70,114</u>	<u>\$ -</u>	<u>\$ 34,361</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
<b>ASSETS:</b>				
Cash and cash equivalents	<u>\$ 63,724</u>	<u>\$ 10,416,560</u>	<u>\$ 10,415,985</u>	<u>\$ 64,299</u>
Total Assets	<u>\$ 63,724</u>	<u>\$ 10,416,560</u>	<u>\$ 10,415,985</u>	<u>\$ 64,299</u>
 <b>LIABILITIES:</b>				
Net payroll		\$ 5,038,881	\$ 5,038,881	
Payroll deductions and withholdings	<u>\$ 63,724</u>	<u>5,377,679</u>	<u>5,377,104</u>	<u>\$ 64,299</u>
Total Liabilities	<u>\$ 63,724</u>	<u>\$ 10,416,560</u>	<u>\$ 10,415,985</u>	<u>\$ 64,299</u>

## Long-Term Debt Schedules

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
Statement of Serial Bonds  
For the Fiscal Year Ended June 30, 2010**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2010</u>
			<u>Date</u>	<u>Amount</u>					
School Addition	08/15/06	\$ 2,336,000	02/01/11	\$ 233,000	3.875%	\$ 1,637,000		\$ 233,000	\$ 1,404,000
			02/01/12-15	233,000	4.000%				
			02/01/16	239,000	4.000%				
						<u>\$ 1,637,000</u>	<u>\$ -</u>	<u>\$ 233,000</u>	<u>\$ 1,404,000</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Statement of Obligations Under Capital Leases**  
**For the Fiscal Year Ended June 30, 2010**

Series	Date of Lease	Maturity Date	Interest Rate	Amount of Original Issue		Amount Outstanding July 1, 2009	Issued	Retired	Amount Outstanding June 30, 2010
				Principal	Interest				
Telephone System	06/06/07	07/15/11	2.970%	\$ 75,057	\$ 11,146	\$ 45,220		\$ 14,061	\$ 31,159
Ground Lease	06/08/09	06/30/14	3.700%	600,000	58,605	600,000		\$ 208,287	391,713
						<u>\$ 645,220</u>	<u>\$ -</u>	<u>\$ 222,348</u>	<u>\$ 422,872</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State sources:					
Debt Service Aid Type II	\$ 119,159		\$ 119,159	\$ 119,159	
<b>Total Revenues</b>	<u>119,159</u>		<u>119,159</u>	<u>119,159</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	65,000		65,000	64,898	\$ 102
Redemption of principal	<u>233,000</u>		<u>233,000</u>	<u>233,000</u>	
<b>Total regular debt service</b>	<u>298,000</u>		<u>298,000</u>	<u>297,898</u>	<u>102</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(178,841)</u>		<u>(178,841)</u>	<u>(178,739)</u>	<u>102</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	178,841		178,841	178,895	54
<b>Total Other Financing Sources (Uses)</b>	<u>178,841</u>		<u>178,841</u>	<u>178,895</u>	<u>54</u>
<b>Net Change in Fund Balance</b>				156	156
Fund Balance - July 1, 2009	<u>243,504</u>		<u>243,504</u>	<u>243,504</u>	
<b>Fund Balance - June 30, 2010</b>	<u>\$ 243,504</u>	<u>\$ -</u>	<u>\$ 243,504</u>	<u>\$ 243,660</u>	<u>\$ 156</u>
<b>Recapitulation of Excess (Deficiency) or revenues over (under) expenditures</b>					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 156</u>

**Statistical Section**

**Edgewater Park Township School District**  
**Net Assets by Component,**  
**Last Seven Fiscal Years**  
*(accrual basis of accounting)*

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	<b>Fiscal Year Ending June 30,</b>						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental activities:</b>							
Invested in capital assets, net of related debt	\$ 1,032,516	\$ 884,311	\$ (1,356,210)	\$ 822,925	\$ 928,888	\$ 701,504	\$ 2,378,037
Restricted for:							
Special revenue							59,851
Capital projects	29,253	30,854	2,268,491	289,595	277,216	600,000	236,279
Debt service				50,733	50,716	243,504	243,660
Other purposes	1,222,883	1,307,578	898,773	944,403	1,344,435	1,984,839	2,213,903
Unrestricted	(638,030)	(751,003)	(636,652)	(656,045)	(804,147)	(1,014,507)	(1,025,217)
<b>Total governmental activities net assets</b>	<u>\$ 1,646,622</u>	<u>\$ 1,471,740</u>	<u>\$ 1,174,402</u>	<u>\$ 1,451,611</u>	<u>\$ 1,797,108</u>	<u>\$ 2,515,340</u>	<u>\$ 4,106,513</u>
<b>Business-type activities:</b>							
Invested in capital assets, net of related debt	\$ 31,962	\$ 19,639	\$ 18,551	\$ 29,407	\$ 25,034	\$ 20,662	\$ 20,298
Unrestricted	848,432	1,168,707	1,354,594	1,200,072	1,495,119	1,593,384	1,614,560
<b>Total business-type activities net assets</b>	<u>\$ 880,394</u>	<u>\$ 1,188,346</u>	<u>\$ 1,373,145</u>	<u>\$ 1,229,479</u>	<u>\$ 1,520,153</u>	<u>\$ 1,614,046</u>	<u>\$ 1,634,858</u>
<b>District-wide:</b>							
Invested in capital assets, net of related debt	\$ 1,064,478	\$ 903,950	\$ (1,337,659)	\$ 852,332	\$ 953,922	\$ 722,166	\$ 2,398,335
Restricted:							
Special revenue							59,851
Capital projects	29,253	30,854	2,268,491	289,595	277,216	600,000	236,279
Debt service				50,733	50,716	243,504	243,660
Other purposes	1,222,883	1,307,578	898,773	944,403	1,344,435	1,984,839	2,213,903
Unrestricted	210,402	417,704	717,942	544,027	690,972	578,877	589,343
<b>Total district net assets</b>	<u>\$ 2,527,016</u>	<u>\$ 2,660,086</u>	<u>\$ 2,547,547</u>	<u>\$ 2,681,090</u>	<u>\$ 3,317,261</u>	<u>\$ 4,129,386</u>	<u>\$ 5,741,371</u>

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

**Edgewater Park Township School District**  
**Changes in Net Assets, Last Seven Fiscal Years**  
*(accrual basis of accounting)*

		Fiscal Year Ending June 30,						
		2004	2005	2006	2007	2008	2009	2010
<b>Expenses:</b>								
Governmental activities:								
Instruction:								
Regular	\$ 4,674,639	\$ 5,046,386	\$ 3,882,238	\$ 3,954,977	\$ 4,096,225	\$ 4,078,792	\$ 4,362,150	
Special education	922,696	877,909	646,420	667,270	643,885	585,746	629,861	
Other instruction	265,544	306,548	217,672	234,904	208,503	254,895	295,098	
Support Services:								
Tuition	3,348,319	3,138,333	3,464,835	3,231,794	3,418,504	3,293,937	3,230,821	
Student & instruction related services	1,538,996	1,567,882	1,238,446	1,168,325	1,124,607	1,448,990	1,354,787	
School administrative services	360,682	392,233	316,877	363,165	380,253	334,038	377,882	
General and business administrative services	396,632	739,966	676,517	593,335	603,082	628,155	645,400	
Plant operations and maintenance	915,992	960,445	744,313	918,995	968,082	1,247,774	729,597	
Pupil transportation	572,721	543,194	540,434	592,448	573,872	580,545	541,161	
Business and other support services	179,634							
Unallocated employee benefits			2,516,307	3,061,445	3,180,355	2,722,279	3,007,955	
Special schools	3,344	2,650	6,000	12,724	13,405	14,738	12,244	
Interest on long-term debt				45,555	82,391	73,635	88,177	
Unallocated depreciation	39,495	39,495	39,494	53,900	74,852	77,900	77,150	
<b>Total governmental activities expenses</b>	<b>13,218,694</b>	<b>13,615,041</b>	<b>14,289,553</b>	<b>14,898,837</b>	<b>15,368,016</b>	<b>15,341,424</b>	<b>15,352,283</b>	
Business-type activities:								
Food service	218,093	262,150	267,151	284,162	271,939	332,400	361,489	
After school program	50,499	58,868	88,318	80,775	103,738	123,298	111,190	
Tuition program	790,806	722,518	881,619	693,497	696,441	918,299	839,909	
<b>Total business-type activities expense</b>	<b>1,059,398</b>	<b>1,043,536</b>	<b>1,237,088</b>	<b>1,058,434</b>	<b>1,072,118</b>	<b>1,373,997</b>	<b>1,312,588</b>	
<b>Total district expenses</b>	<b>\$ 14,278,092</b>	<b>\$ 14,658,577</b>	<b>\$ 15,526,641</b>	<b>\$ 15,957,271</b>	<b>\$ 16,440,134</b>	<b>\$ 16,715,421</b>	<b>\$ 16,664,871</b>	
<b>Program Revenues:</b>								
Governmental activities:								
Operating grants and contributions	\$ 2,063,883	\$ 2,207,835	2,275,786	2,608,825	2,951,109	1,867,115	1,920,292	
<b>Total governmental activities program revenues</b>	<b>2,063,883</b>	<b>2,207,835</b>	<b>2,275,786</b>	<b>2,608,825</b>	<b>2,951,109</b>	<b>1,867,115</b>	<b>1,920,292</b>	

(Continued)

**Edgewater Park Township School District**  
**Changes in Net Assets, Last Seven Fiscal Years**  
*(accrual basis of accounting)*

**Fiscal Year Ending June 30,**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Business-type activities:</b>							
<b>Charges for services:</b>							
Food service	\$ 77,969	\$ 98,533	\$ 90,316	\$ 114,385	\$ 108,967	\$ 166,223	\$ 160,664
After school program	118,829	130,371	129,146	125,593	170,514	199,996	159,446
Tuition program	981,956	1,025,445	1,178,398	791,163	958,302	1,013,234	969,735
Operating grants and contributions	125,118	135,594	128,993	131,652	152,809	169,145	211,314
Capital grants and contributions							
<b>Total business type activities program revenues</b>	<u>1,303,872</u>	<u>1,389,943</u>	<u>1,526,853</u>	<u>1,162,793</u>	<u>1,390,592</u>	<u>1,548,598</u>	<u>1,501,159</u>
<b>Total district program revenues</b>	<u>\$ 3,367,755</u>	<u>\$ 3,597,778</u>	<u>\$ 3,802,639</u>	<u>\$ 3,771,618</u>	<u>\$ 4,341,701</u>	<u>\$ 3,415,713</u>	<u>\$ 3,421,451</u>
<b>Net (Expense)/Revenue:</b>							
Governmental activities	\$ (11,154,811)	\$ (11,407,206)	\$ (12,013,767)	\$ (12,290,012)	\$ (12,416,907)	\$ (13,474,309)	\$ (13,431,991)
Business-type activities	244,474	346,407	289,765	104,359	318,474	174,601	188,571
<b>Total district-wide net expense</b>	<u>\$ (10,910,337)</u>	<u>\$ (11,060,799)</u>	<u>\$ (11,724,002)</u>	<u>\$ (12,185,653)</u>	<u>\$ (12,098,433)</u>	<u>\$ (13,299,708)</u>	<u>\$ (13,243,420)</u>
<b>General Revenues and Other Changes in Net Assets:</b>							
<b>Governmental activities:</b>							
Property taxes levied for general purposes, net	\$ 5,678,203	\$ 6,016,093	\$ 6,439,639	\$ 7,000,303	\$ 7,317,531	\$ 7,491,510	\$ 7,791,170
Unrestricted grants and contributions	4,859,273	5,044,525	5,059,243	5,043,229	5,305,011	6,300,808	6,152,782
State aid restricted for capital projects	35,112						694,298
Investment earnings		20,283		1,259	982	514	3,915
Miscellaneous income	163,898	111,423	110,815	210,539	184,936	172,163	202,158
Loss on disposal of equipment					(113,972)		
Transfers		40,000	106,732	311,891	67,916	227,546	178,841
<b>Total governmental activities</b>	<u>10,736,486</u>	<u>11,232,324</u>	<u>11,716,429</u>	<u>12,567,221</u>	<u>12,762,404</u>	<u>14,192,541</u>	<u>15,023,164</u>
<b>Business-type activities:</b>							
Investment earnings	283	1,545	1,766	63,866	40,116	13,574	11,082
Transfers		(40,000)	(106,732)	(311,891)	(67,916)	(94,282)	(178,841)
<b>Total business-type activities</b>	<u>283</u>	<u>(38,455)</u>	<u>(104,966)</u>	<u>(248,025)</u>	<u>(27,800)</u>	<u>(80,708)</u>	<u>(167,759)</u>
<b>Total district-wide</b>	<u>\$ 10,736,769</u>	<u>\$ 11,193,869</u>	<u>\$ 11,611,463</u>	<u>\$ 12,319,196</u>	<u>\$ 12,734,604</u>	<u>\$ 14,111,833</u>	<u>\$ 14,855,405</u>
<b>Change in Net Assets:</b>							
Governmental activities	\$ (418,325)	\$ (174,882)	\$ (297,338)	\$ 277,209	\$ 345,497	\$ 718,232	\$ 1,591,173
Business-type activities	244,757	307,952	184,799	(143,666)	290,674	93,893	20,812
<b>Total district-wide</b>	<u>\$ (173,568)</u>	<u>\$ 133,070</u>	<u>\$ (112,539)</u>	<u>\$ 133,543</u>	<u>\$ 636,171</u>	<u>\$ 812,125</u>	<u>\$ 1,611,985</u>

06

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

**Edgewater Park Township School District**  
**Fund Balances, Governmental Funds,**  
**Last Seven Fiscal Years**  
*(modified accrual basis of accounting)*

J-3

		<b>Fiscal Year Ending June 30,</b>						
		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund:</b>								
Reserved for:								
Encumbrances								
Capital reserve		\$ 29,253	\$ 30,854	\$ 31,471	\$ 32,730	\$ 33,712	\$ 783,712	\$ 81,523
Excess surplus		505,842	708,430	190,343	754,060	590,375	303,791	559,449
Emergency reserve								
Emergency reserve								
Unreserved								
Undesignated		106,633	(9,098)	16,719	23,920	16,297	(307,397)	(302,759)
Designated for subsequent year's budget		717,041	599,148	708,430	190,343	754,060	647,336	535,358
<b>Total general fund</b>		<u>\$ 1,358,769</u>	<u>\$ 1,329,334</u>	<u>\$ 946,963</u>	<u>\$ 1,001,053</u>	<u>\$ 1,394,444</u>	<u>\$ 1,677,442</u>	<u>\$ 1,911,144</u>
<b>All Other Governmental Funds</b>								
Unreserved, reported in:								
Special revenue fund								
Capital projects fund								
Debt service fund								
Special revenue fund								
Capital projects fund								
Debt service fund								
Special revenue fund								
Capital projects fund								
Debt service fund								
Special revenue fund								
Capital projects fund								
Debt service fund								
<b>Total all other governmental funds</b>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,237,020</u>	<u>\$ 269,106</u>	<u>\$ 250,253</u>	<u>\$ 843,504</u>	<u>\$ 539,790</u>

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

**Edgewater Park Township School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

J-4

	Fiscal Year Ending June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Tax levy	\$ 5,084,817	\$ 5,029,639	\$ 5,423,042	\$ 5,678,203	\$ 6,016,093	\$ 6,439,639	\$ 7,000,303	\$ 7,317,531	\$ 7,491,510	\$ 7,791,170
Tuition charges					20,283					
Interest earnings							1,259	982	514	3,915
Miscellaneous	383,374	147,261	174,992	163,898	111,423	110,815	210,539	184,936	172,163	202,158
State sources	5,830,718	5,798,831	6,099,620	6,400,833	6,583,881	6,779,893	7,098,564	7,645,926	7,360,155	6,867,774
Federal sources	364,409	465,571	493,465	557,436	668,478	609,069	553,242	610,194	807,768	1,899,598
<b>Total revenue</b>	<b>11,663,318</b>	<b>11,441,302</b>	<b>12,191,119</b>	<b>12,800,370</b>	<b>13,400,158</b>	<b>13,939,416</b>	<b>14,861,907</b>	<b>15,759,569</b>	<b>15,832,110</b>	<b>16,764,615</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	3,104,304	3,258,651	3,274,220	3,534,529	3,773,206	3,831,238	3,958,043	3,944,836	4,133,576	4,349,689
Special education instruction	701,914	685,000	731,219	672,487	642,473	646,420	667,270	643,885	585,746	629,861
Other instruction	152,964	190,018	181,224	198,067	228,957	217,672	234,904	208,503	254,895	295,098
<b>Support Services:</b>										
Tuition	2,447,941	2,705,929	3,091,408	3,348,319	3,138,333	3,464,835	3,231,794	3,418,504	3,293,937	3,230,821
Student & instruction related services	1,014,831	1,030,353	1,177,858	1,193,063	1,221,577	1,238,446	1,168,325	1,124,607	1,448,990	1,354,787
School administrative services	240,661	263,307	224,896	262,321	287,528	316,877	363,165	380,253	334,038	377,882
General and business admin. services	502,161	562,038	507,374	483,726	580,669	642,188	584,586	594,322	613,246	630,637
Plant operations and maintenance	805,285	742,190	748,637	776,327	782,085	857,187	926,728	965,386	1,064,002	949,257
Pupil transportation	429,587	448,102	477,385	530,264	499,455	526,065	576,557	556,528	561,727	523,849
Other support services	1,599,673	1,401,826	1,897,885	2,077,195	2,219,190	2,516,307	3,061,445	3,180,355	2,722,279	3,007,955
Special Schools	2,475	6,000	3,344	1,925	1,925	6,000	12,724	13,405	14,738	12,244
Capital outlay	198,320	109,492	495,585	87,480	94,195	264,299	2,040,923	106,972	449,598	1,353,490
<b>Debt service:</b>										
Principal							233,000	233,000	233,000	233,000
Interest and other charges							45,555	82,391	73,635	64,898
<b>Total expenditures</b>	<b>11,200,116</b>	<b>11,402,906</b>	<b>12,807,691</b>	<b>13,167,122</b>	<b>13,469,593</b>	<b>14,527,534</b>	<b>17,105,019</b>	<b>15,452,947</b>	<b>15,783,407</b>	<b>17,013,468</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>463,202</b>	<b>38,396</b>	<b>(616,572)</b>	<b>(366,752)</b>	<b>(69,435)</b>	<b>(588,118)</b>	<b>(2,243,112)</b>	<b>306,622</b>	<b>48,703</b>	<b>(248,853)</b>
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing						2,336,035	2,248		600,000	
Transfers in	2,135		290,558	29,253	40,000	161,732	327,040	77,804	506,050	178,895
Transfers out	(66,300)		(290,558)	(29,253)		(55,000)		(9,888)	(278,504)	(54)
<b>Total other financing sources (uses)</b>	<b>(64,165)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>2,442,767</b>	<b>329,288</b>	<b>67,916</b>	<b>827,546</b>	<b>178,841</b>
<b>Net change in fund balances</b>	<b>\$ 399,037</b>	<b>\$ 38,396</b>	<b>\$ (616,572)</b>	<b>\$ (366,752)</b>	<b>\$ (29,435)</b>	<b>\$ 1,854,649</b>	<b>\$ (1,913,824)</b>	<b>\$ 374,538</b>	<b>\$ 876,249</b>	<b>\$ (70,012)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1.85%</b>	<b>2.06%</b>	<b>2.04%</b>	<b>1.94%</b>

Source: District records

**Edgewater Park Township School District**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

J-5

<b>Fiscal Year Ending June 30,</b>	<b>Interest on Investments</b>	<b>Tuition/ Transportation</b>	<b>E-Rate</b>	<b>Donations</b>	<b>Prior Year Refunds</b>	<b>Rentals</b>	<b>Miscellaneous</b>	<b>Total</b>
2001	\$ 80,569	\$ 47,432			\$ 246,983	\$ 4,841	\$ 3,549	\$ 383,374
2002	31,756	19,775		\$ 1,280	19,609	69,808	5,033	147,261
2003	33,782	51,670		23,000	13,092	52,735	713	174,992
2004	27,066	27,876		23,000	8,363	61,200	16,393	163,898
2005	51,783	27,628			22,002	8,125	22,168	131,706
2006	74,565					36,250		110,815
2007	139,940					71,247	611	211,798
2008	69,895	6,061			39,180	65,038	5,744	185,918
2009	24,040	47,215			36,456	62,051	2,915	172,677
2010	25,258	20,783	\$ 9,541		51,284	90,861	8,346	206,073
	<u>\$ 558,654</u>	<u>\$ 248,440</u>	<u>\$ 9,541</u>	<u>\$ 47,280</u>	<u>\$ 436,969</u>	<u>\$ 522,156</u>	<u>\$ 65,472</u>	<u>\$ 1,888,512</u>

Source: District records

**Edgewater Park Township School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Reg.</b>	<b>Qfarm</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartment</b>	<b>Total Assessed Value</b>	<b>Public Utilities a</b>	<b>Net Valuation Taxable</b>	<b>Tax-Exempt Property</b>	<b>Total Direct School Tax Rate b</b>	<b>Estimated Actual (County Equalized) Value</b>
2001	\$ 4,758,000	\$ 217,934,900	\$ 679,300	\$ 140,700	\$ 36,100,000	\$ 4,442,100	\$ 25,261,700	\$ 289,316,700	\$ 694,391	\$ 290,011,091	\$ 13,019,100	\$ 1.743	\$ 316,587,257
2002	6,940,200	220,129,400	679,300	140,700	33,812,900	4,442,100	25,271,700	291,416,300	661,955	292,078,255	13,796,500	1.790	334,613,976
2003	5,580,400	226,509,800	679,300	140,700	33,830,700	4,442,100	25,271,700	296,454,700	641,188	297,095,888	14,303,200	1.868	349,502,852
2004	4,516,000	233,937,200	602,200	134,700	33,985,700	4,442,100	32,915,000	310,532,900	582,610	311,115,510	43,585,200	1.880	410,846,223
2005	4,151,800	236,336,300	602,200	134,700	33,648,200	4,442,100	31,181,500	310,496,800	524,611	311,021,411	44,011,900	2.002	462,880,497
2006	3,314,800	236,006,300	602,000	134,700	34,221,600	4,442,100	30,931,500	309,653,000	456,061	310,109,061	44,380,100	2.167	497,610,337
2007	3,086,800	237,589,700	602,200	134,700	33,838,100	4,442,100	30,490,400	310,184,000	404,619	310,588,619	44,326,500	2.305	578,151,424
2008	3,678,100	237,762,400	602,200	134,700	34,417,300	4,442,100	29,717,400	310,754,200	379,967	311,134,167	43,593,100	2.380	642,390,317
2009	3,518,100	238,411,200	602,200	134,700	34,055,300	4,442,100	28,767,400	309,931,000	394,085	310,325,085	43,593,100	2.462	675,262,675
2010	3,420,800	238,723,600	602,200	134,700	33,643,600	4,442,100	26,297,800	307,264,800	412,610	307,677,410	43,563,000	2.560	Not available

**Source:**

Municipal Tax Assessor

**Note:**

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100 of assessed valuation.

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

J-7

Fiscal Year Ended June 30,	Edgewater Park School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Edgewater Park	Fire District	Burlington County	
2001	\$ 1.790		\$ 1.790	\$ 0.645	\$ 0.089	\$ 0.609	\$ 3.133
2002	1.790		1.790	0.639	0.089	0.616	3.134
2003	1.868		1.868	0.619	0.088	0.600	3.175
2004	1.880		1.880	0.660	0.095	0.618	3.253
2005	2.002		2.002	0.788	0.097	0.680	3.567
2006	2.167		2.167	0.818	0.099	0.710	3.794
2007	2.305		2.305	0.941	0.100	0.784	4.130
2008	2.380		2.380	0.990	0.100	0.803	4.273
2009	2.462		2.462	1.064	0.100	0.828	4.454
2010	2.560		2.560	1.193	0.101	0.788	4.642

Source: Municipal Tax Collector

**Edgewater Park Township School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

J-8

88

Taxpayer	2009-2010		Taxpayer	2000-2001	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Edgewater Park Real Estate	\$ 9,000,000	2.93%	Edgewater Manor Apartments	\$ 9,232,200	3.18%
Edgewater Manor Apartments	7,800,000	2.54%	Federal National	6,800,000	2.34%
Edgewater Beach Apartments	5,250,000	1.71%	Bridge Stuart, Inc.	5,262,100	1.81%
Pathmark	4,700,000	1.53%	Edgewater Beach Apartments	5,250,000	1.81%
Rosemar Properties	2,400,000	0.78%	Rosemar Properties	3,485,000	1.20%
Edgewater Partnership	2,236,900	0.73%	Edgewater Partnership	2,459,500	0.85%
Public Storage Management	1,808,300	0.59%	Rosemar Properties	2,190,000	0.76%
D.S.I. Realty	1,561,600	0.51%	Emigrant Savings - Parkridge Holders	2,125,000	0.73%
L&M Distribution Center	1,545,600	0.50%	D.S.I. Realty	2,000,300	0.69%
Ariel Realty	1,450,000	0.47%	Public Storage	1,808,300	0.62%
<b>Total</b>	<b>\$ 37,752,400</b>	<b>12.27%</b>		<b>\$ 40,612,400</b>	<b>14.00%</b>

Source: Municipal Tax Assessor

**Edgewater Park Township School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2001	\$ 5,084,817	\$ 5,084,817	100.00%	-
2002	5,029,639	5,029,639	100.00%	-
2003	5,423,042	5,423,042	100.00%	-
2004	5,678,203	5,678,203	100.00%	-
2005	6,016,093	6,016,093	100.00%	-
2006	6,439,639	6,439,639	100.00%	-
2007	7,000,303	7,000,303	100.00%	-
2008	7,317,531	7,317,531	100.00%	-
2009	7,491,510	7,491,510	100.00%	-
2010	7,791,170	7,791,170	100.00%	-

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

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

**Edgewater Park Township School District**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds <sup>a</sup>	Capital Leases	Capital Leases	Total District		
2001		\$ 304,610	\$ -	\$ 304,610	0.11%	\$ 39
2002		217,551	-	217,551	0.08%	28
2003		147,647	-	147,647	0.05%	19
2004		144,116	-	144,116	0.05%	18
2005		82,461	-	82,461	0.03%	10
2006	\$ 2,336,035	20,614	-	2,356,649	0.73%	297
2007	2,103,000	10,452	-	2,113,452	0.61%	267
2008	1,870,000	58,359	-	1,928,359	0.55%	249
2009	1,637,000	645,220	-	2,282,220	0.64%	296
2010	1,404,000	422,872	-	1,826,872	Unavailable	237

**Sources:**

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.

**Edgewater Park Township School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding <sup>a</sup>	Percentage of Net Assessed Valuation Taxable <sup>b</sup>	Per Capita <sup>c</sup>
	Serial Bonds	Bond Anticipation Notes	Deductions			
2001	-	-	-	-	0.00%	-
2002	-	-	-	-	0.00%	-
2003	-	-	-	-	0.00%	-
2004	-	-	-	-	0.00%	-
2005	-	-	-	-	0.00%	-
2006	\$ 2,336,035	-	-	\$ 2,336,035	0.75%	294
2007	2,103,000	-	-	2,103,000	0.68%	\$ 266
2008	1,870,000	-	-	1,870,000	0.60%	241
2009	1,637,000	-	-	1,637,000	0.53%	213
2010	1,404,000	-	-	1,404,000	0.46%	182

**Sources:**

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.

**Edgewater Park Township School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of December 31, 2009**

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Edgewater Park	\$ 5,977,674 (1)	100.000%	\$ 5,977,674
Burlington County General Obligation Debt	385,986,680 (1)	0.798% (2)	3,080,174
			9,057,848
Subtotal, overlapping debt			9,057,848
Edgewater Park Township School District Direct Debt			1,404,000
<b>Total direct and overlapping debt</b>			<b>\$ 10,461,848</b>

**Sources:**

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Township's share of the 2009 Equalized Valuation. The source for this computation was the 2009 County Abstract of Ratables, provided by the County Board of Taxation.

Edgewater Park Township School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis (1)

2009	\$ 638,374,871
2008	671,755,728
2007	636,274,872
	<u>\$ 1,946,405,471</u>

Average equalized valuation of taxable property \$ 648,801,824

Debt limit (3% of average equalized valuation) (2) 19,464,055

Net bonded school debt (3) 1,404,000

Legal debt margin \$ 18,060,055

Fiscal Year

101

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 9,333,745	\$ 9,472,835	\$ 9,814,589	\$ 10,553,569	\$ 11,856,541	\$ 13,406,283	\$ 15,250,255	\$ 17,030,168	\$ 18,805,083	\$ 19,464,055
Total net debt applicable to limit (3)						2,336,035	2,103,000	1,870,000	1,637,000	1,404,000
Legal debt margin	<u>\$ 9,333,745</u>	<u>\$ 9,472,835</u>	<u>\$ 9,814,589</u>	<u>\$ 10,553,569</u>	<u>\$ 11,856,541</u>	<u>\$ 11,070,248</u>	<u>\$ 13,147,255</u>	<u>\$ 15,160,168</u>	<u>\$ 17,168,083</u>	<u>\$ 18,060,055</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	17.42%	13.79%	10.98%	8.71%	7.21%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Edgewater Park Township School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

J-14

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2000	7,857	\$ 277,187,103	\$ 35,279	2.4%
2001	7,841	289,426,992	36,912	2.3%
2002	7,880	293,916,120	37,299	3.4%
2003	7,999	303,818,018	37,982	3.4%
2004	8,005	317,046,030	39,606	3.1%
2005	7,942	323,993,890	40,795	4.8%
2006	7,904	344,227,104	43,551	5.3%
2007	7,756	352,611,028	45,463	4.8%
2008	7,699	358,496,236	46,564	6.5%
2009	7,721	e	e	11.1%

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income has been established based upon the municipal population and per capita personal income presented.
- <sup>c</sup> Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development
- <sup>e</sup> Information not available

**Edgewater Park Township School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

J-16

<b>Function/Program</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Instruction</b>										
Regular	58	62	60	61	61	61	63	63	69	69
Special education	13	13	13	13	13	13	14	14	12	12
Other special education	10	9	9	9	9	9	7	7	6	6
<b>Support Services:</b>										
Student & instruction related services	21	22	22	22	25	25	16	16	15	15
School administrative services	10	10	10	10	10	10	10	10	9	9
General and business administrative services	4	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	9	9	9	9	9	9	12	12	12	12
Pupil transportation	6	6	4	4	4	4	4	4	3	3
Food Service	4	4	4	4	4	4	4	4	2	2
<b>Total</b>	<b>135</b>	<b>139</b>	<b>135</b>	<b>136</b>	<b>139</b>	<b>139</b>	<b>134</b>	<b>134</b>	<b>132</b>	<b>132</b>

**Source:**

District Personnel Records

Edgewater Park Township School District  
 Operating Statistics,  
 Last Ten Fiscal Years

J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2001	931	\$ 11,001,796	\$ 11,817.18	4.39%	86	1:12	1:12	942.9	885.9	1.96%	93.95%
2002	970	11,293,414	11,642.69	-1.48%	88	1:12	1:12	976.0	918.2	-0.04%	94.08%
2003	921	12,312,106	13,368.19	14.82%	91	1:11	1:11	940.9	885.8	-3.59%	94.14%
2004	907	13,079,642	14,420.77	7.87%	93	1:11	1:11	920.0	868.7	-2.25%	94.42%
2005	930	13,375,398	14,382.15	-0.27%	93	1:11	1:11	926.5	876.7	0.70%	94.62%
2006	875	14,263,235	16,300.84	13.34%	80	1:13	1:10	870.0	823.0	-6.10%	94.60%
2007	865	14,785,541	17,093.11	4.86%	80	1:13	1:10	850.8	807.3	-2.21%	94.89%
2008	832	15,030,584	18,065.61	5.69%	81	1:10	1:10	826.0	785.0	-2.91%	95.04%
2009	829	15,027,174	18,126.87	0.34%	81	1:10	1:10	836.2	791.7	1.23%	94.68%
2010	877	15,362,080	17,516.62	-3.37%	81	1:10	1:10	867.1	815.8	3.70%	94.08%

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Sources: District records

Note: Enrollment based on annual October district count.

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

**Edgewater Park Township School District  
School Building Information  
Last Ten Fiscal Years**

J-18

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b>Magowan School (1955)</b>										
Square Feet	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410
Capacity (students)	736	736	736	736	736	736	736	736	736	736
Enrollment	568	540	538	570	519	540	537	510	507	520
<b>Ridgway School (1969)</b>										
Square Feet	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment	402	381	369	360	346	335	328	322	322	357

**Number of Schools at June 30, 2010**

- Elementary = 1
- Middle School = 1
- Senior High School = 0
- Other = 0

**Source:** District Facilities Office

Edgewater Park Township School District  
 Schedule of Required Maintenance  
 Last Nine Fiscal Years

J-19

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
<b>* School Facilities</b>										
Magowan School	\$ 159,005	\$ 153,552	\$ 22,705	\$ 26,103	\$ 21,946	\$ 33,963	\$ 27,319	\$ 33,669	\$ 29,454	\$ 507,716
Jacques School	127,204	122,841								250,045
Ridgway School	243,808	235,446	15,778	18,140	15,250	10,662	18,985	44,945	23,255	626,269
<b>Total School Facilities</b>	<u>\$ 530,017</u>	<u>\$ 511,839</u>	<u>\$ 38,483</u>	<u>\$ 44,243</u>	<u>\$ 37,196</u>	<u>\$ 44,625</u>	<u>\$ 46,304</u>	<u>\$ 78,614</u>	<u>\$ 52,709</u>	<u>\$ 1,384,030</u>

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

Source: District records

**Edgewater Park Township School District  
Insurance Schedule  
June 30, 2010**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 26,357,184		\$ 1,000
General Liability	3,000,000		1,000
Automobile Liability	1,000,000		250
Inland Marine	500,000		100
Crime Coverage	100,000		
Commercial Umbrella	10,000,000	\$ 10,000	
Workers' Compensation (2)	Statutory		
Student Accident (3)	1,000,000		
Surety Bonds (4)			
Treasurer	225,000		
Board Secretary	100,000		

- (1) Utica National Insurance
- (2) New Jersey School Boards Association Insurance Group
- (3) AIG Insurance Co.
- (4) RLI Insurance Company

**Source: District records**

**Single Audit Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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New Jersey Society of CPAs

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

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

### **Compliance**

We have audited the compliance of the Board of Education of the Edgewater Park Township School District (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 State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the 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 State, 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 and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 School District's compliance with those requirements.

In our opinion, the Board of Education of the Edgewater Park 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 federal and state programs for the fiscal year ended June 30, 2010.

## Internal Control Over Compliance

Management of the Edgewater Park Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

This report is intended solely for the information and use of management, the Board of Education of the Edgewater Park Township School District, the New Jersey State Department of Education, and other federal and state 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,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert A. Stewart  
Public School Accountant

Marlton, New Jersey  
October 1, 2010

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2009			Carryover (Waikover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education:</b>														
<b>General Fund:</b>														
ARRA - SFSF - ESF (Educ. State Grants)	84.394	N/A	\$ 969,067	7/1/09-6/30/10				\$ 969,067	\$ (969,067)					
ARRA - SFSF - GSF (Government services)	84.397	N/A	37,514	7/1/09-6/30/10				37,514	(37,514)					
<b>Special Revenue Fund:</b>														
<b>Title I:</b>														
Fiscal Year 2009	84.010A	NCLB128009	204,039	9/1/08 - 8/31/10	\$ (67,119)	\$ 5,960		67,119	(5,960)					
Fiscal Year 2007 - Carryover	84.010	NCLB128007	222,358	9/1/06 - 8/31/10			\$ 1,179		(1,179)					
Fiscal Year 2008	84.010	NCLB128008	174,609	9/1/07 - 8/31/10		6,748			(6,748)					
Fiscal Year 2010	84.010A	NCLB128010	211,280	9/1/09 - 8/31/10				135,812	(151,170)		\$ (75,468)	\$ 60,110		
ARRA - Fiscal Year 2010	84.389	N/A	81,587	9/1/09 - 8/31/10				10,315	(15,847)		(71,272)	65,740		
<b>Title I - SIA:</b>														
Fiscal Year 2010	84.010A	NCLB128010	5,473	9/1/09 - 8/31/10							(5,473)	5,473		
Fiscal Year 2009	84.010A	NCLB128009	5,862	9/1/08 - 8/31/10				5,862	(5,862)					
<b>Title II A:</b>														
Fiscal Year 2009	84.367A	NCLB128009	31,129	9/1/08 - 8/31/10	(5,959)	439		5,959	(439)					
Fiscal Year 2010	84.367A	NCLB128010	32,865	9/1/09 - 8/31/10				27,960	(31,726)		(4,905)	1,139		
Fiscal Year 2008	84.367	NCLB128008	33,923	9/1/07 - 8/31/10		640			(640)					
<b>Title II D:</b>														
Fiscal Year 2009	84.318X	NCLB128009	1,694	9/1/08 - 8/31/10	(1,694)	1,694					(1,694)	1,694		
Fiscal Year 2010	84.318X	NCLB128010	2,105	9/1/09 - 8/31/10				2,105	(2,105)					
Fiscal Year 2008	84.318	NCLB128008	1,219	9/1/07 - 8/31/10					(23)					
<b>Title III:</b>														
Fiscal Year 2009	84.365A	NCLB128009	21,836	9/1/08 - 8/31/10	(3,917)	3,004		2,254	(1,341)					
Fiscal Year 2010	84.365A	NCLB128010	21,197	9/1/09 - 8/31/10				12,803	(8,851)		(8,394)	12,346		
<b>Title IV:</b>														
Fiscal Year 2009	84.186A	NCLB128009	3,634	9/1/08 - 8/31/10	(3,634)	3,634		862	(862)		(2,772)	2,772		
Fiscal Year 2010	84.186A	NCLB128010	3,532	9/1/09 - 8/31/10				638	(716)		(2,894)	2,816		
<b>I.D.E.A. Part B - Basic:</b>														
Fiscal Year 2009	84.027	FT128009	257,290	9/1/08 - 8/31/10	(4,961)			4,961						
Fiscal Year 2010	84.027	FT128010	254,712	9/1/09 - 8/31/10				243,700	(248,841)		(11,012)	5,871		
Fiscal Year 2008	84.027	FT128008	250,317	9/1/07 - 8/31/10		564			(564)					
ARRA - Fiscal Year 2010	84.391	N/A	235,552	9/1/09 - 8/31/10					(156,557)		(235,552)	78,995		
<b>I.D.E.A. Part B - Preschool:</b>														
Fiscal Year 2009	84.173	PS128009	11,048	9/1/08 - 8/31/10	(11,048)			11,048						
Fiscal Year 2010	84.173	PS128010	11,019	9/1/09 - 8/31/10				11,019	(11,019)					
ARRA - Fiscal Year 2010	84.392	N/A	8,492	9/1/09 - 8/31/10							(8,492)	8,492		
<b>I.N.C.L.U.D.E. Grant</b>														
Fiscal Year 2010	84.318X	10000134	240,000	9/1/09 - 8/31/10				158,425	(227,428)		(81,575)	12,572		
Fiscal Year 2009	84.318X	8000215	226,000	9/1/08 - 8/31/10	(59,410)	42,932		49,076	(8,673)		(23,927)			
Fiscal Year 2008	84.318X	8000215	161,538	9/1/07 - 8/31/10	(3,340)	6,269							\$ 2,929	
<b>Total U.S. Department of Education</b>					<b>(161,082)</b>	<b>71,907</b>	<b>1,179</b>		<b>1,756,501</b>	<b>(1,893,132)</b>	<b>(23,927)</b>	<b>(509,503)</b>	<b>258,020</b>	<b>2,929</b>

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(Continued)

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2009			Carryover (Waikover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>U.S. Department of Agriculture</b>														
<b>Passed-through State Department of Education:</b>														
<b>Food Distribution Program:</b>														
Fiscal Year 2010	10.550	N/A	\$ 25,606	7/1/09 - 6/30/10				\$ 25,606	\$ (25,606)					
Snack program														
Fiscal Year 2010	10.554	N/A	3,502	7/1/09 - 6/30/10				3,282	(3,502)		\$ (240)			
National School Lunch Program														
Fiscal Year 2010	10.555	N/A	148,802	7/1/09 - 6/30/10				138,764	(148,802)		(10,038)			
National School Breakfast Program														
Fiscal Year 2010	10.553	N/A	24,259	7/1/09 - 6/30/10				22,295	(24,259)		(1,964)			
Special Milk Program:														
Fiscal Year 2010	10.556	N/A	650	7/1/09 - 6/30/10				596	(650)		(54)			
<b>Total U.S. Department of Agriculture</b>								<b>190,523</b>	<b>(202,819)</b>		<b>(12,296)</b>			
<b>U.S. Department of Health and Human Services</b>														
<b>Passed-through State Department of Human Services:</b>														
<b>General Fund:</b>														
Medicaid Assistance Program	93.778	N/A	6,467	7/1/09 - 6/30/10				6,467	(6,467)					
<b>Total Federal Awards</b>					<b>\$ (161,082)</b>	<b>\$ 71,907</b>	<b>\$ 1,179</b>	<b>\$ -</b>	<b>\$ 1,953,481</b>	<b>\$(2,102,418)</b>	<b>\$ (23,927)</b>	<b>\$ (521,799)</b>	<b>\$258,020</b>	<b>\$ 2,929</b>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Awards  
For the Fiscal Year ended June 30, 2010

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2009			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>State Department of Education</b>													
General Fund:													
Equalization Aid	10-495-034-5120-078	\$ 5,547,551	7/1/09- 6/30/10	\$ (607,553)				\$ 4,176,608	\$ (4,190,311)		\$ (621,256)		
Special Education Categorical Aid	10-495-034-5120-089	512,438	7/1/09- 6/30/10					512,438	(512,438)				
Security Aid	10-495-034-5120-084	171,854	7/1/09- 6/30/10					111,705	(111,705)				
Transportation Aid	10-495-034-5120-014	459,711	7/1/09- 6/30/10					298,812	(298,812)				
Extraordinary Special Education Cost Aid	10-495-034-5120-044	37,635	7/1/09- 6/30/10						(37,635)		(37,635)		
Extraordinary Aid	09-495-034-5120-044	21,146	7/1/08- 6/30/09	(21,146)			21,146						
Nonpublic Transportation Aid	09-495-034-5120-014	2,784	7/1/08- 6/30/09	(2,784)			2,784						
Nonpublic Transportation Aid	10-495-034-5120-044	2,537	7/1/09- 6/30/10						(2,537)		(2,537)		
On-behalf TPAF Pension Contribution	10-495-034-5095-001	366,156	7/1/09- 6/30/10				366,156	(366,156)					
Reimbursed TPAF Social Security Contr.	10-495-034-5095-002	443,352	7/1/09- 6/30/10	(21,002)			442,656	(443,352)			(21,698)		
<b>Total General Fund</b>				<b>(652,485)</b>				<b>5,932,305</b>	<b>(5,962,946)</b>		<b>(683,126)</b>		
Special Revenue Fund:													
Preschool Education Ad	10-495-034-5120-086	105,074	7/1/09- 6/30/10	(10,507)	\$ 10,844			105,074	(105,074)		(10,507)	\$ 10,844	
<b>Total Special Revenue Fund</b>				<b>(10,507)</b>	<b>10,844</b>			<b>105,074</b>	<b>(105,074)</b>		<b>(10,507)</b>	<b>10,844</b>	
Debt Service Fund:													
Debt Service Type II Aid	10-495-034-5120-017	119,159	7/1/09- 6/30/10					119,159	(119,159)				
<b>Total Department of Education</b>				<b>(662,992)</b>	<b>10,844</b>			<b>6,155,538</b>	<b>(6,187,179)</b>		<b>(693,633)</b>	<b>10,844</b>	
<b>NJ Economic Development Authority:</b>													
Capital Projects Fund:													
EDA Educational Facilities Construction and Financing Act - Section 15: 2008 Allotment:													
Magowan School Renovations	1280-050-09-1001	516,305	7/1/09- 6/30/10					196,011	(516,305)		(320,294)		
Ridgeway School Renovations	1280-070-09-1002	393,096	7/1/09- 6/30/10					232,467	(177,993)		(160,629)	215,103	
<b>Total Economic Development Authority</b>								<b>428,478</b>	<b>(694,298)</b>		<b>(480,923)</b>	<b>215,103</b>	
<b>State Department of Agriculture</b>													
Enterprise Fund:													
National School Lunch Program (State Share) Fiscal Year 2010	10-100-010-3350-023	6,902	7/1/09- 6/30/10					6,444	(6,902)		(458)		
National School Breakfast Program (State Share) Fiscal Year 2010	10-100-010-3350-021	1,591	7/1/09- 6/30/10					1,463	(1,591)		(128)		
<b>Total Enterprise Fund</b>								<b>7,907</b>	<b>(8,493)</b>		<b>(586)</b>		
<b>Total State Awards</b>				<b>\$ (662,992)</b>	<b>\$ 10,844</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,592,923</b>	<b>\$ (6,889,970)</b>	<b>\$ -</b>	<b>\$ (1,175,142)</b>	<b>\$ 225,947</b>	<b>\$ -</b>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Edgewater Park Township School District  
Notes to Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2010**

**I. GENERAL**

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

**2. BASIS OF ACCOUNTING**

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

**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 the 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 (\$13,703) for the general fund and \$0 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 1,013,047	\$ 5,949,243	\$ 6,962,290
Special Revenue Fund	886,551	105,074	991,625
Capital Projects Fund		694,298	694,298
Debt Service Fund		119,159	119,159
Food Service Fund	<u>202,820</u>	<u>8,494</u>	<u>211,314</u>
<b>Total Awards &amp; Financial Assistance</b>	<u>\$ 2,102,418</u>	<u>\$ 6,876,268</u>	<u>\$ 8,978,686</u>

**Edgewater Park Township School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2010  
(Continued)**

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

**6. MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Section 1 -- Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no

2) Significant deficiencies identified that are not considered to be a material weakness? \_\_\_\_\_ yes  X  none reported

Noncompliance material to general purpose financial statements noted? \_\_\_\_\_ yes  X  no

**Federal Awards**

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no

2) Significant deficiencies identified that are not considered to be a material weakness? \_\_\_\_\_ yes  X  none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.394</u>	<u>ARRA - Education Stabilization Funds</u>
<u>84.397</u>	<u>ARRA - Government Services Funds</u>
<u>84.389</u>	<u>ARRA - Title I</u>
<u>84.391</u>	<u>ARRA - IDEA - Basic</u>
<u>84.027</u>	<u>I.D.E.A. - Basic</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>84.010A</u>	<u>N.C.L.B. - Title I</u>
_____	_____

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Section 1 -- Summary of Auditor's Results (Continued)**

**State Awards**

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

Auditee qualified as low-risk auditee?       X       yes                    no

Internal Control over major programs:

1) Material weakness(es) identified?                    yes       X       no

2) Significant deficiencies identified that are not considered to be a material weakness?                    yes       X       none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04?                    yes       X       no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>          10-495-034-5120-078          </u>	<u>Equalization Aid</u>
<u>          10-495-034-5120-089          </u>	<u>Special Education Categorical Aid</u>
<u>          10-495-034-5120-002          </u>	<u>TPAF Rimbursed Social Security</u>
<u>          #1280-050-09-1001          </u>	<u>Educational Facilities Construction</u>
<u>          10-100-010-3350-023          </u>	<u>National School Lunch Program (State Share)</u>
<u>  </u>	<u>  </u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

***Section 2 -- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraph 5.18 through 5.20 of *Government Auditing Standards* and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

No findings identified.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

***Section 3 -- Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs***

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

**FEDERAL AWARDS**

No findings and/or questioned costs identified.

**STATE AWARDS**

No findings and/or questioned costs identified.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENED JUNE 30, 2010**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

**FINANCIAL STATEMENT FINDINGS**

There were no prior year audit findings.

**FEDERAL AWARDS**

There were no prior year audit findings.

**STATE AWARDS**

There were no prior year audit findings.