

**EDUCATIONAL INFORMATION
AND RESOURCE CENTER**

Mullica Hill, New Jersey
County of Gloucester

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



ANNUAL FINANCIAL REPORT

OF THE

EDUCATIONAL INFORMATION AND RESOURCE CENTER

SEWELL, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by

**Educational Information and Resource Center
Finance Department**



OUTLINE OF CAFR – GASB 34

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor’s Report	8

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management’s Discussion and Analysis	10
--------------------------------------	----

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Assets	17
A-2 Statement of Activities	18
B. Fund Financial Statements:	
B-1 Balance Sheet	19
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	20
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Funds:	
B-4 Statement of Net Assets	22
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Assets	23
B-6 Statement of Cash Flows	24
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	25
B-8 Statement of Changes in Fiduciary Net Assets	N/A
Notes to Financial Statements	26

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	46
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	48

(continued)

OUTLINE OF CAFR – GASB 34 (continued):

	PAGE
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	49
D. School Based Budget Schedules –	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund – Budgetary Basis	50
E-2 Demonstrably Effective program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Assets	53
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Assets	54
G-3 Combining Schedule of Cash Flows	55
Internal Service Fund –	
G-4 Combining Schedule of Net Assets	56
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Assets	57
G-6 Combining Schedule of Cash Flows	58
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	59
H-2 Combining Statement of Changes in Fiduciary Net Assets	N/A
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	60

(continued)

OUTLINE OF CAFR – GASB 34 (continued):

	PAGE
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Statement	N/A

STATISTICAL SECTION (unaudited)

Financial Trends:

J-1 Net Assets by Component	61
J-2 Changes in Net Assets	62
J-3 Fund Balances – Governmental Funds	65
J-4 Changes in Fund Balances – Governmental Funds	66
J-5 General Fund Other Local Revenue by Source	N/A

Revenue Capacity:

J-6 Assessed Value & Estimated Actual Value of Taxable Property	N/A
J-7 Direct & Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies & Collections	N/A

Debt Capacity:

J-10 Ratios of Outstanding Debt by Type	N/A
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct & Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A

Demographic & Economic Information:

J-14 Demographic & Economic Statistics	N/A
J-15 Principal Employers	N/A

Operating Information:

J-16 Full-Time Equivalent District Employees by Function/Program	N/A
J-17 Operating Statistics	N/A
J-18 School Building Information	N/A
J-19 Schedule of Required Maintenance	N/A
J-20 Insurance Schedule	67

K SINGLE AUDIT SECTION

K-1 Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	68
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	70
K-3 Schedule of Expenditures of Federal Awards, Schedule A	73
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	74
K-5 Notes to Schedules of Awards and Financial Assistance	75
K-6 Schedule of Findings and Questioned Costs	77
K-7 Summary Schedule of Prior Audit Findings	83

(concluded)



INTRODUCTORY SECTION





606 Delsea Drive
Sewell, New Jersey 08080-9199

Educational Information &
Resource Center

856-582-7000 FAX 856-582-4206
e-mail: info@eirc.org <http://www.eirc.org>

December 12, 2010

Honorable Chair and
Members of the Board of Directors
Educational Information and Resource Center
County of Gloucester, New Jersey

Dear Board Members and Constituents:

The comprehensive annual financial report of the Educational Information and Resource Center (Center) 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 Directors (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 Center. All disclosures necessary to enable the reader to gain an understanding of the Center'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 Center's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Center practices an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Educational Information and Resource Center is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the Center are included in this report. The Educational Information and Resource Center Board of Directors and all its programs constitute the Center's reporting entity.

The Center provides a wide range of educational and governmental services to interested persons and organizations throughout the state. These include: educational staff development and leadership training for administrators, teachers, school districts, parents, and community members; curricular consulting services; administrative services to school districts; parent workshops and programs; research through ITS (Information Technology Services); copy and print services. Services provided by grants and contracts include: Global Connections; Child Assault Prevention (State, National and International); the Learning Resource Center and Pre-school Technical Assistance Grant- for the Southern Region and comprehensive child care services through the NJDHS funded Southern Regional Child Care Resource Center for Gloucester and Cape May Counties and NJA3. Services and programs for students include: Starlab; ROGATE; Marsville; Symposium for the Arts and Model Congress. EIRC is continuing to work on bringing a Challenger Learning Center to Southern New Jersey. The projected opening is the 2012-13 school year.

2) ECONOMIC CONDITION AND OUTLOOK: The Educational Information and Resource Center continues to focus on developing fund balance to ensure financial stabilization for a healthy future. The increasing state requirements for local educational districts will provide EIRC with opportunities for greater collaboration with the NJ Department of Education and individual boards of education. Yearly funding from the State of New Jersey ended with the close of FY '10. Strategic plan development and contingency financial planning has strengthened the viability of EIRC in moving into the future with no State funding.

3) MAJOR INITIATIVES: EIRC remains in the forefront of professional development capacity in New Jersey. The limited capacity of the Department of Education to provide development opportunity calls for greater efforts to partner in order to support New Jersey education mandates. EIRC remains a leader in educational technology. Renewal of the distance-learning laboratory program is providing clients and staff with training and access to development opportunities. Additionally, the NJ Department of Education has designated EIRC as an Educational Technical Training Center (ETTC). This places EIRC within the network of Department technology development. Developing partnerships with the University of Pennsylvania, Seton Hall University, McREL, NJASA, Newark Museum, Liberty Science Center, Stevens Institute and NASA are setting the stage for a new era of EIRC growth and expansion. The New Jersey Network to Close the Achievement Gaps was launched and continues to expand into the central and north regions of New Jersey. Relocation of EIRC offices to the South Jersey Technology Park at Rowan University has created new business opportunities, including a contract to manage Rowan University non-credit field work.

4) INTERNAL ACCOUNTING CONTROLS: Management of the Center is responsible for establishing and maintaining internal control designed to ensure that the assets of the Center 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). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the Center 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 Board of Directors. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

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

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

<u>Revenue</u>	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Percent of Total</u>	<u>Increase/Decrease From 2009</u>	<u>Increase/ (Decrease)</u>
Local Sources	\$263,452.93	\$73,082.23	2%	\$190,370.70	260%
State Sources	2,350,027.55	2,407,101.07	20%	(57,073.52)	(2)%
Federal Sources	9,227,570.37	8,836,605.58	78%	390,964.79	4%
Total	\$11,841,050.85	\$11,316,788.88	100%	\$524,261.97	5%

The increase in Local sources is attributed to an increase in the participation of the student achievement program . The decrease in State sources is attributed to the cut in funding we received for the grants we operate. The increase in Federal sources is due to increased funding from the division of Family Development, Department of Youth and Family Services.

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

<u>Expenditures</u>	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2009</u>	<u>Percent of Increase/ (Decrease)</u>
Undistributed	432,338.12	440,439.30	4%	(8,101.18)	(2)%
Community Benefit Programs	11,197,345.01	10,770,642.86	94%	426,702.15	4%
Building Usage	17,022.00	17,022.00	0%	0	0%
Total Expenditures	11,646,705.13	11,228,104.16	98%	418,600.97	4%
Other Uses:					
Transfers Out	207,141.95	156,224.80	2%	50,917.15	32%
Total	11,853,847.08	11,384,328.96	100%	469,518.12	4%

The decrease in undistributed expense is attributed to a decrease in expenses for new equipment when compared to the prior year.

The increase in Community Benefit Programs is attributed primarily to the increase in flow-through funds from the division of Family Development, Department of Youth and Family Services and discussed under revenues.

Capital Outlay remained the same as no additional equipment/capital expenditures were purchased this year.

The increase in transfers out is attributed to appropriating more to the Enterprise Fund accounts to off-set new project initiatives. Our goal continues to have all these funds self-sufficient in 2010 with little or no money from the general fund (state aid) applied to these programs.

8) DEBT ADMINISTRATION: At June 30, 2010, the Center's outstanding long-term debt was \$519,726. The main EIRC building was sold to the Washington Township Library in February of 2010 which significantly reduced the outstanding long-term debt.

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

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

11) OTHER INFORMATION:

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

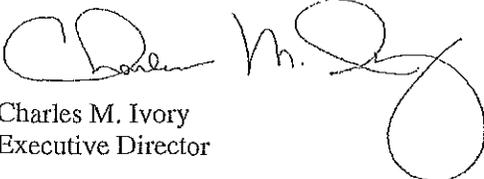
12) ACKNOWLEDGMENTS:

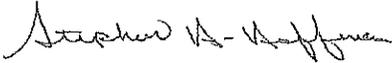
We would like to express our appreciation to the members of the Educational Information and Resource Center Board of Directors for their concern in providing fiscal accountability to the clients of EIRC and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

13) SERVICE EFFORTS AND ACCOMPLISHMENTS:

The Center anticipates greater collaboration with the State Department of Education in the upcoming year and expanded service programs in partnership with Microsoft, Inc. and Rowan University. With the new partnerships that have been formed and the higher level of focus being put on grant funding applications we are continuing a strong turn around in our financial position.

Respectfully submitted,


Charles M. Ivory
Executive Director

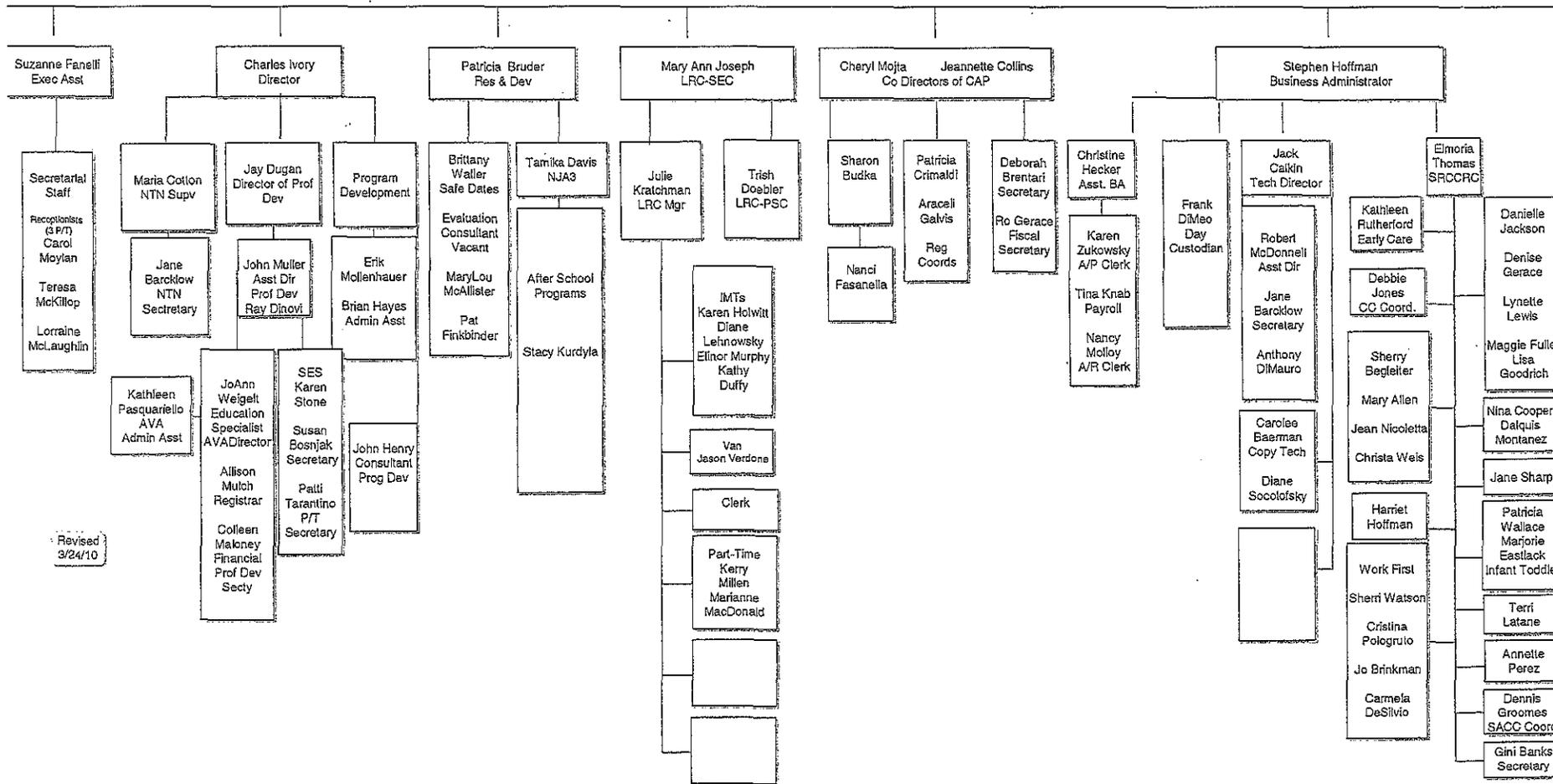

Stephen H. Hoffman
Business Administrator

Educational Information & Resource Center FY 10 Organizational Structure

Approved: 6/9/09

EIRC
Board of Directors

Charles Ivory
Executive Director



Revised 9/24/10

BOARD OF DIRECTORS

JUNE 30, 2010

MEMBERS OF THE BOARD	TERM EXPIRES
Bernard A. Becker, Board Chairman	2010
Frank J. Orlando, Board Vice Chairman	2011
Charles Allbee	2010
Rena Alpert	2012
Daniel Bevilacqua	2011
Frank Borelli	2012
Holly R. Bush	2010
Diane Cummins	2010
John J. Deserable	2011
Geraldyn O. Foster	2010
Jack Hill	2012
David J. Piccirillo	2012
John C. Quinn	2010
Drew Smith	2011
Lynda Anderson-Towns	2010
Judy M. Varallo	2011
JoAnn C. Walsh	2011
Helene Welde	2012
Karen Wolf	2011
Robert P. Wooton	2012

OTHER OFFICIALS

Charles M. Ivory, Ed.D., Executive Director/Board Secretary

Sandra S. Loewe, Assistant Director

Stephen H. Hoffman, Business Administrator

CONSULTANTS AND ADVISORS

ATTORNEY

WADE, LONG, WOOD KENNEDY, LLC
1250 Chews Landing Road
Laurel Springs, New Jersey 08021

AUDITOR

HOLMAN & FRENIA, P. C.
618 Stokes Road
Medford, New Jersey 08055

FINANCIAL SECTION



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Directors
Educational Information and Resource Center
County of Gloucester
Mullica Hill, New Jersey 08062

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 Educational Information and Resource Center, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the Center's financial statements as listed in the table of contents. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

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

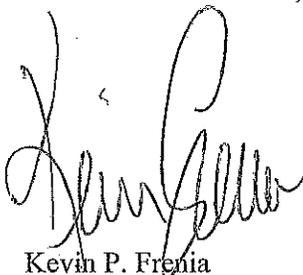
regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read 'Kevin P. Frenia', is written over a faint, illegible stamp or watermark.

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

Medford, New Jersey
December 12, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

EDUCATIONAL INFORMATION AND RESOURCE CENTER

Management's Discussion and Analysis Fiscal Year Ended June 30, 2010

UNAUDITED

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

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - Managements Discussion and Analysis for State and Local Governments* issued in June 1999 that is now being required by the New Jersey State Department of Education. Comparative information between the current fiscal year (2010 -2009) and the prior fiscal year (2009-2008) is required and is presented in the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

The Center maintains ten proprietary fund types, or enterprise funds. The enterprise 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 Center is that the costs of providing goods or services be financed through user charges. The enterprise funds provide for services conducted within the Center. The proprietary fund has been included within the business-type activities in the district-wide financial statements.

The enterprise fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary funds

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

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

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2009-10 fiscal year include the following:

- The undesignated General Fund balance decreased \$12,796 from the prior fiscal year. At the conclusion of the fiscal year, the Center's undesignated General Fund balance was \$295,289.70.
- Long Term Debt Reduction – (Building Sold)
- Enterprise & Internal Fund Transfers
- Lease of New Building

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Center's financial position. The following table provides a summary of net assets.

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	2010	2009
Cash & Cash Equivalents	\$1,341,043.28		\$1,341,043.28	\$1,413,392.20
Receivables, Net	890,195.88	1,830,032.57	2,720,228.45	547,566.55
Capital Assets, Net (Note 4)	4,564.85	540,577.10	545,141.95	1,818,897.23
Total Assets	<u>2,235,804.01</u>	<u>2,370,609.67</u>	<u>4,606,413.68</u>	<u>3,779,855.98</u>
LIABILITIES				
Cash Deficit		831,182.08	831,182.08	606,713.91
Accounts Payable	307,266.85	148,612.41	455,879.26	208,263.08
Deferred Revenue	1,563,646.57		1,563,646.57	1,086,320.66
Noncurrent Liabilities (Note 5):				
Due Within One Year		20,772.15	20,772.15	60,001.63
Due Beyond One Year		760,927.93	760,927.93	1,612,653.41
Total Liabilities	<u>1,870,913.42</u>	<u>1,761,494.57</u>	<u>3,632,407.99</u>	<u>3,573,952.69</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	4,564.85	20,851.31	25,416.16	491,644.38
Unrestricted	360,325.73	588,263.79	948,589.52	(285,741.09)
Total Net Assets	<u>\$364,890.58</u>	<u>609,115.10</u>	<u>974,005.68</u>	<u>205,903.29</u>

The Center's largest component of the Center's capital assets is the \$535,625 which represents building and improvements along with the land owned. The unrestricted net assets may be used to meet the Center's ongoing obligations to employees and creditors. The unrestricted net assets include the amount of long-term obligations that are not invested in capital assets, such as compensated absences or sick pay to be returned at retirement.

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

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

FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	2010	2009
Net (Expense)/Revenue				
Governmental Activities:				
Support Services & Undistributed Costs:				
Other Administrative Services	(\$449,360.12)		(\$449,360.12)	(\$457,461.30)
Operating Transfers to Other Funds	(207,141.95)		(207,141.95)	(156,224.80)
Unallocated Depreciation	(1,797.62)		(1,797.62)	(3,492.16)
Total Governmental Activities	(658,299.69)		(658,299.69)	(617,178.26)
Business-Type Activities:				
Enterprise		378,422.16	378,422.16	80,283.83
Internal Service		(419,981.13)	(419,981.13)	20,661.79
Total Business-Type Activities		(41,558.97)	(41,558.97)	100,945.62
Total Primary Government	(658,299.69)	(41,558.97)	(699,858.66)	(516,232.64)
General Revenues:				
Federal & State Aid Not Restricted	448,196.32		448,196.32	489,200.44
Investment Earnings	1,820.00		1,820.00	8,365.46
Student Achievement	143,188.69		143,188.69	45,000.00
Gain on Adjustments		824,255.21	824,255.21	
Miscellaneous Income	50,500.83		50,500.83	3,609.68
Total General Revenues, Special Items, Extraordinary Items & Transfers	643,705.84	824,255.21	1,467,961.05	546,175.58
Change In Net Assets	(14,593.85)	782,696.24	768,102.39	29,942.94
Net Assets - Beginning	379,484.43	(173,581.14)	205,903.29	175,960.35
Net Assets - Ending	\$364,890.58	609,115.10	974,005.68	205,903.29

Financial Analysis of the Center's Funds

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

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

Financial Information at Fiscal Year-End

As demonstrated by the various statements and schedules included in the financial section of this report, the Center continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2010 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Percent of Total</u>	<u>Increase/Decrease From 2009</u>	<u>Increase/ (Decrease)</u>
Local Sources	\$263,452.93	\$73,082.23	2%	\$190,370.70	260%
State Sources	2,350,027.55	2,407,101.07	20%	(57,073.52)	(2%)
Federal Sources	9,227,570.37	8,836,605.58	78%	390,964.79	4%
Total	\$11,841,050.85	\$11,316,788.88	100%	\$524,261.97	5%

The increase in Local sources is attributed to a increase in private grants we are now receiving. The decrease in State sources is attributed to the reduction in the state entitlement and other grant funding we received for the grants we operate. The increase in Federal sources is due to increased funding from the division of Family Development, Department of Youth and Family Services.

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

<u>Expenditures</u>	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2009</u>	<u>Percent of Increase/ (Decrease)</u>
Undistributed	432,338.12	440,439.30	2%	(8,101.18)	(2%)
Community Benefit Programs	11,197,345.01	10,770,642.86	94%	426,702.15	4%
Building Usage	17,022.00	17,022.00	0%	0	0%
Total Expenditures	11,646,705.13	11,228,104.16	99%	418,600.97	4%
Other Uses:					
Transfers Out	207,141.95	156,224.80	2%	50,917.15	33%
Total	11,853,847.08	11,384,328.96	100%	469,518.12	4%

The decrease in undistributed expense is attributed to a decrease in expenses for new equipment purchased this year.

The increase in Community Benefit Programs is attributed primarily to the increase in flow-through funds from the division of Family Development, Department of Youth and Family Services and discussed under revenues.

Capital Outlay remained the same as no additional equipment/capital expenditures were purchased this year.

The increase in transfers out is attributed to appropriating more to the Enterprise Fund accounts to off-set new project initiatives. Our goal continues to have all these funds self-sufficient in 2010 with little or no money from the general fund (state aid) applied to these programs.

General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget other than transfers within the original budget.

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2009-10 budget. Due to lower than anticipated transfers for internally run programs the Center was able to maintain a fiscally sound general fund unrestricted fund balance of \$360,325.74.

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

Our goal is to consistently run the Propriety Funds as self-sustaining and we have been able to reduce the amounts of transfers to these funds consistently over the last two years

Capital Assets: At June 30, 2010 the Center has capital assets of about \$545,141.95, net of depreciation, which includes land, building improvements, machinery and equipment, vehicles, and construction in progress.

The following provides a summary of the capital assets held by the Center:

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	GOVERNMENTAL- TYPE ACTIVITIES INTERNAL SERVICE FUNDS	2010	2009
Noncurrent Assets				
Sites		85,000.00	85,000.00	285,900.00
Building & Building Improvements		515,000.00	515,000.00	2,032,327.44
Machinery & Equipment	9,592.00	309,503.73	319,095.73	173,259.51
Accumulated Depreciation	(9,496.08)	(364,457.70)	(373,953.78)	(678,952.18)
Total Noncurrent Assets	95.92	545,046.03	545,141.95	1,812,534.77

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

Debt Administration and Other Obligations: At June 30, 2010, the Center's outstanding debt issues included \$519,725.79 of mortgage payable.

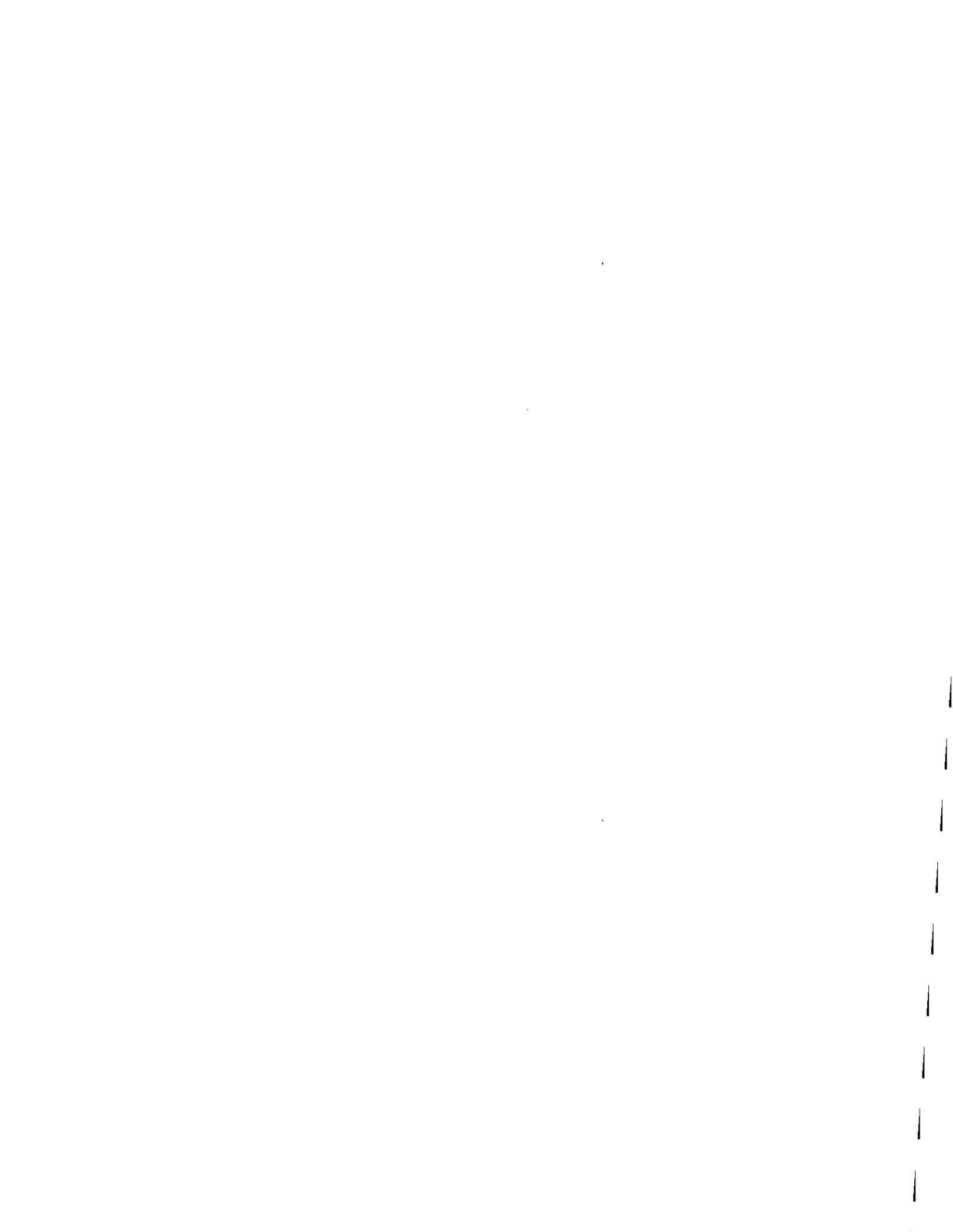
Additional information on the Center's debt administration and other obligations can be found in Note 5 to the basic financial statements.

Economic Factors and Next Year's Budget

- The Center anticipates that the approved 2010-11 budget will be adequate to satisfy all 2010-11 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Educational Information & Resource Center's finances for all those with an interest in the finances of the Center. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, Educational Information & Resource Center, 107 Gilbreth Parkway, Suite 200, Mullica Hill, NJ 08062



BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

EDUCATIONAL INFORMATION & RESOURCE CENTER

STATEMENT OF NET ASSETS

JUNE 30, 2010

(With Comparative Totals for June 30, 2009)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$1,341,043.28		1,341,043.28	1,413,392.20
Receivables, Net	890,195.88	1,830,032.57	2,720,228.45	547,566.55
Capital Assets, Net (Note 4)	4,564.85	540,577.10	545,141.95	1,818,897.23
Total Assets	2,235,804.01	2,370,609.67	4,606,413.68	3,779,855.98
LIABILITIES				
Cash Deficit		831,182.08	831,182.08	606,713.91
Accounts Payable	307,266.85	148,612.41	455,879.26	208,263.08
Deferred Revenue	1,563,646.57		1,563,646.57	1,086,320.66
Noncurrent Liabilities (Note 5):				
Due Within One Year		20,772.15	20,772.15	60,001.63
Due Beyond One Year		760,927.93	760,927.93	1,612,653.41
Total Liabilities	1,870,913.42	1,761,494.57	3,632,407.99	3,573,952.69
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	4,564.85	20,851.31	25,416.16	491,644.38
Unrestricted	360,325.73	588,263.79	948,589.52	(285,741.09)
Total Net Assets	\$364,890.58	609,115.10	974,005.68	205,903.29

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

EDUCATIONAL INFORMATION & RESOURCE CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						(MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Governmental Activities:							
Support Services & Undistributed Costs:							
Other Administrative Services	\$11,646,705.13		11,197,345.01	(449,360.12)		(449,360.12)	(457,461.30)
Operating Transfers to Other Funds	207,141.95			(207,141.95)		(207,141.95)	(156,224.80)
Unallocated Depreciation	1,797.62			(1,797.62)		(1,797.62)	(3,492.16)
Total Governmental Activities	11,855,644.70		11,197,345.01	(658,299.69)		(658,299.69)	(617,178.26)
Business-Type Activities:							
Enterprise	1,927,339.89	2,263,213.25	42,548.80		378,422.16	378,422.16	80,283.83
Internal Service	4,144,030.49	3,766,598.16	(42,548.80)		(419,981.13)	(419,981.13)	20,661.79
Total Business-Type Activities	6,071,370.38	6,029,811.41			(41,558.97)	(41,558.97)	100,945.62
Total Primary Government	\$17,927,015.08	6,029,811.41	11,197,345.01	(658,299.69)	(41,558.97)	(699,858.66)	(516,232.64)
General Revenues:							
Federal & State Aid Not Restricted				448,196.32		448,196.32	489,200.44
Investment Earnings				1,820.00		1,820.00	8,365.46
Student Achievement				143,188.69		143,188.69	45,000.00
Gain on Adjustments					824,255.21	824,255.21	
Miscellaneous Income				50,500.83		50,500.83	3,609.68
Total General Revenues, Special Items, Extraordinary Items & Transfers				643,705.84	824,255.21	1,467,961.05	546,175.58
Change In Net Assets				(14,593.85)	782,696.24	768,102.39	29,942.94
Net Assets - Beginning				379,484.43	(173,581.14)	205,903.29	175,960.35
Net Assets - Ending				\$364,890.58	609,115.10	974,005.68	205,903.29

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

B. Fund Financial Statements



Governmental Funds



EDUCATIONAL INFORMATION & RESOURCE CENTER
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	GENERAL	SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$283,122.10	1,057,921.18	1,341,043.28	1,413,392.20
Intergovernmental Accounts Receivable:				
State	1,764.16	351,339.88	353,104.04	51,800.43
Other	279,987.73	11,258.53	291,246.26	9,650.00
Interfund Loans Receivable		245,845.58	245,845.58	144,753.09
Total Assets	\$564,873.99	1,666,365.17	2,231,239.16	1,619,595.72
LIABILITIES, EQUITY & OTHER CREDITS				
Liabilities:				
Accounts Payable	\$2,217.73	102,718.60	104,936.33	41,366.60
Interfund Payables	202,330.52		202,330.52	118,786.49
Deferred Revenue		1,563,646.57	1,563,646.57	1,086,320.66
Total Liabilities	204,548.25	1,666,365.17	1,870,913.42	1,246,473.75
Equity & Other Credits:				
Fund Balances:				
Reserve for Student Achievement	65,036.04		65,036.04	65,036.04
Unreserved:				
Undesignated	295,289.70		295,289.70	308,085.93
Total Fund Balances	360,325.74		360,325.74	373,121.97
Total Liabilities, Equity & Other Credit Balances	\$564,873.99	1,666,365.17		
Amounts reported for <i>governmental activities</i> 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 \$149,422.32 and the accumulated depreciation is \$144,857.47.				
			4,564.85	6,362.46
Net assets of Governmental Activities			\$364,890.59	379,484.43

See accompanying notes to the financial statements.

**EDUCATIONAL INFORMATION & RESOURCE CENTER
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Revenues:				
Local Sources:				
Interest Earnings	\$1,820.00		1,820.00	8,365.46
Student Achievement	143,188.69		143,188.69	45,000.00
Miscellaneous	50,500.83	67,943.41	118,444.24	19,716.77
Total Revenues - Local Sources	195,509.52	67,943.41	263,452.93	73,082.23
State Sources	448,196.32	1,901,831.23	2,350,027.55	2,407,101.07
Federal Sources		9,227,570.37	9,227,570.37	8,836,605.58
Total Revenues	643,705.84	11,197,345.01	11,841,050.85	11,316,788.88
Expenditures:				
Current:				
Undistributed Expenditures	432,338.12	11,197,345.01	11,629,683.13	11,211,082.16
Building Use Charge	17,022.00		17,022.00	17,022.00
Total Expenditures	449,360.12	11,197,345.01	11,646,705.13	11,228,104.16
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	194,345.72		194,345.72	88,684.72
Other Financing Sources/(Uses):				
Operating Transfers In/(Out)	(207,141.95)		(207,141.95)	(156,224.80)
Total Other Financing Sources/(Uses)	(207,141.95)		(207,141.95)	(156,224.80)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)	(12,796.23)		(12,796.23)	(67,540.08)
Fund Balance - July 1	373,121.97		373,121.97	440,662.05
Fund Balance - June 30	\$360,325.74	-	360,325.74	373,121.97

See accompanying notes to the financial statements.

**EDUCATIONAL INFORMATION & RESOURCE CENTER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	(\$12,796.23)
---	---------------

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

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

Depreciation expense	<u>(1,797.62)</u>
Change in Net Assets of Governmental Activities	<u><u>(\$14,593.85)</u></u>

See accompanying notes to the financial statements.

Proprietary Funds



EDUCATIONAL INFORMATION & RESOURCE CENTER
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS	GOVERNMENTAL TYPE ACTIVITIES INTERNAL SERVICE FUNDS	TOTALS (MEMORANDUM ONLY) JUNE 30, 2010	JUNE 30, 2009
Current Assets:				
Cash				19,961.50
Intergovernmental Accounts Receivable:				
Other	\$637,623.85	57,511.97	695,135.82	443,144.11
Other Accounts Receivable		1,134,896.75	1,134,896.75	
Total Current Assets	637,623.85	1,192,408.72	1,830,032.57	463,105.61
Noncurrent Assets:				
Sites		85,000.00	85,000.00	285,900.00
Buildings & Building Improvements		515,000.00	515,000.00	2,032,327.44
Machinery & Equipment	9,592.00	158,581.10	168,173.10	172,657.28
Accumulated Depreciation	(9,496.08)	(218,099.92)	(227,596.00)	(678,349.95)
Total Noncurrent Assets	95.92	540,481.18	540,577.10	1,812,534.77
Total Assets	637,719.77	1,732,889.90	2,370,609.67	2,275,640.38
LIABILITIES				
Current Liabilities:				
Cash Deficit	526,245.33	304,936.75	831,182.08	626,675.41
Accounts Payable	111,378.52	37,233.89	148,612.41	48,109.99
Intergovernmental Payable				101,781.08
Loans Payable - Current Portion		20,772.15	20,772.15	60,001.63
Total Current Liabilities	637,623.85	362,942.79	1,000,566.64	836,568.11
Long-Term Liabilities:				
Loans Payable		498,953.64	498,953.64	1,267,251.22
Compensated Absences Payable		261,974.29	261,974.29	345,402.19
Total Long-Term Liabilities		760,927.93	760,927.93	1,612,653.41
Total Liabilities	637,623.85	1,123,870.72	1,761,494.57	2,449,221.52
NET ASSETS				
Reserved Retained Earnings	95.92	20,755.39	20,851.31	485,281.92
Unreserved Retained Earnings	0.00	588,263.79	588,263.79	(658,863.06)
Total Net Assets	\$95.92	609,019.18	609,115.10	(173,581.14)

See accompanying notes to the financial statements.

EDUCATIONAL INFORMATION & RESOURCE CENTER
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

	GOVERNMENTAL		TOTALS	
	BUSINESS	TYPE ACTIVITIES	(MEMORANDUM ONLY)	
	TYPE ACTIVITIES	INTERNAL	JUNE 30,	JUNE 30,
	ENTERPRISE	SERVICE	JUNE 30,	JUNE 30,
	FUNDS	FUNDS	2010	2009
Operating Revenues:				
Local Sources:				
Contributions				30,680.00
Services Provided Other LEA's	\$1,729,826.63	167,003.41	1,896,830.04	1,744,604.42
Services Provided Other Funds		2,070,806.92	2,070,806.92	2,183,610.26
Other Local Sources	533,386.62	1,528,787.83	2,062,174.45	1,757,896.94
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,263,213.25	3,766,598.16	6,029,811.41	5,716,791.62
	<hr/>	<hr/>	<hr/>	<hr/>
Operating Expenses:				
Salaries	593,537.79	529,375.71	1,122,913.50	1,083,016.52
Benefits	86,548.88	1,247,931.23	1,334,480.11	1,279,954.73
Purchased Professional & Technical Services	855,048.14	84,845.17	939,893.31	1,048,391.44
Purchase Property Services		197,941.30	197,941.30	100,366.25
Other Purchased Services	32,308.47	233,025.16	265,333.63	259,123.15
Supplies and Materials	144,581.50	126,896.72	271,478.22	224,208.80
Building Use Charges	86,398.00	62,661.00	149,059.00	300,824.04
Depreciation		113,399.68	113,399.68	58,554.38
Miscellaneous	128,917.11	1,547,954.52	1,676,871.63	1,387,612.65
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expenses	1,927,339.89	4,144,030.49	6,071,370.38	5,742,051.96
	<hr/>	<hr/>	<hr/>	<hr/>
Operating Income/(Loss)	335,873.36	(377,432.33)	(41,558.97)	(25,260.34)
Nonoperating Revenues:				
Gain on Adjustment to Fixed Assets		84,970.44	84,970.44	29.56
Gain on Sale of Building		655,856.87	655,856.87	
Gain on Revaluation of Compensated Absences		83,427.90	83,427.90	
Operating Transfers	42,548.80	(42,548.80)		126,205.96
	<hr/>	<hr/>	<hr/>	<hr/>
Net Income/(Loss)	378,422.16	404,274.08	782,696.24	100,975.18
Total Net Assets - Beginning	(378,326.24)	204,745.10	(173,581.14)	(274,556.32)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets - Ending	\$95.92	609,019.18	609,115.10	(173,581.14)

See accompanying notes to the financial statements.

EDUCATIONAL INFORMATION & RESOURCE CENTER
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS	GOVERNMENTAL TYPE ACTIVITIES INTERNAL SERVICE FUNDS	TOTALS (MEMORANDUM ONLY) JUNE 30, 2010		JUNE 30, 2009
Cash Flows From Operating Activities:					
Cash Received From Customers	\$1,925,239.21	646,876.82	2,572,116.03	3,567,733.24	
Cash Received From Other Funds		2,070,806.92	2,070,806.92	2,183,610.26	
Cash Paid to Employees	(593,537.79)	(529,375.71)	(1,122,913.50)	(1,083,016.52)	
Cash Paid For Goods & Services	(1,273,820.14)	(3,562,515.72)	(4,836,335.86)	(4,629,759.02)	
Net Cash Provided/(Used) by Operating Activities	<u>57,881.28</u>	<u>(1,374,207.69)</u>	<u>(1,316,326.41)</u>	<u>38,567.96</u>	
Cash Flows From Noncapital Financing Activities:					
Cash Received from Other Funds for Accrued Compensated Absences				67,341.07	
Operating Transfers In (Out)	42,548.80	(42,548.80)		126,205.96	
Net Cash Provided by Noncapital Financing Activities	<u>42,548.80</u>	<u>(42,548.80)</u>		<u>193,547.03</u>	
Cash Flows From Capital & Related Financing Activities:					
Payment of Loans		1,091,858.24	1,091,858.24		
Payment of Loans				(65,883.68)	
Net Cash Used From Noncapital Financing Activities		<u>1,091,858.24</u>	<u>1,091,858.24</u>	<u>(65,883.68)</u>	
Net Increase in Cash & Cash Equivalents	100,430.08	(324,898.25)	(224,468.17)	166,231.31	
Cash & Cash Equivalents, July 1	(626,675.41)	19,961.50	(606,713.91)	(772,945.22)	
Cash & Cash Equivalents, June 30	<u>(\$526,245.33)</u>	<u>(304,936.75)</u>	<u>(831,182.08)</u>	<u>(606,713.91)</u>	

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

Net Income/(Loss)	\$335,873.36	(377,432.33)	(41,558.97)	(25,260.34)	
Adjustments Not Affecting Cash:					
Depreciation		113,399.68	113,399.68	58,554.38	
Changes in Assets & Liabilities:					
(Increase)/Decrease in Intergovernmental Accounts Receivable		85,982.33	85,982.33	(19,980.26)	
Increase/(Decrease) in Deferred Revenue				(102,963.55)	
(Increase)/Decrease in Accounts Receivable	(337,974.04)	(1,134,896.75)	(1,472,870.79)	157,495.69	
Increase/(Decrease) in Accounts Payable	59,981.96	(61,260.62)	(1,278.66)	(29,277.96)	
Total Adjustments	<u>(277,992.08)</u>	<u>(996,775.36)</u>	<u>(1,274,767.44)</u>	<u>63,828.30</u>	
Net Cash Provided/(Used) by Operating Activities	<u>\$57,881.28</u>	<u>(1,374,207.69)</u>	<u>(1,316,326.41)</u>	<u>38,567.96</u>	

See accompanying notes to the financial statements.

Fiduciary Fund

**EDUCATIONAL INFORMATION & RESOURCE CENTER
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	AGENCY		TOTALS	
	PAYROLL DEDUCTIONS PAYABLE	MEDICAL SPENDING ACCOUNT	(MEMORANDUM ONLY) JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$101,097.22	5,312.16	106,409.38	39,440.31
Total Assets	101,097.22	5,312.16	106,409.38	39,440.31
LIABILITIES				
Interfund Loans Payable	43,515.06		43,515.06	25,966.60
Payroll Taxes Payable	57,582.16		57,582.16	7,162.00
Deposits Payable		5,312.16	5,312.16	6,311.71
Total Liabilities	101,097.22	5,312.16	106,409.38	39,440.31
Total Net Assets	-	-	-	-

See accompanying notes to the financial statements.

**EDUCATIONAL INFORMATION AND
RESOURCE CENTER**

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies

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

The Center has implemented these standards for the fiscal year-ending June 30, 2004 with the implementation of GASB Statement 34, the Center has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

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

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

A. Reporting Entity:

The Educational Information and Resource Center is a local education agency enacted by the Senate and General Assembly of the State of New Jersey. The EIRC is established to provide, on request, support and assistance to teachers, administrators, parent and community groups, schools and colleges, the Department of Education and other public agencies, through the delivery of materials, techniques and expertise to improve school and community programs and services.

The government, control, conduct, management and administration of the EIRC shall be vested in the board of directors. The Board of Directors shall consist of 21 members selected through procedures established by the Board. Members are appointed to a three term and the appointments are staggered, seven positions per year. No member shall serve more than two years successive terms. The primary criterion for including activities within the Center's reporting entity, as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2010

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

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

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

B. Center-Wide and Fund Financial Statements

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

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

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

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

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

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

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

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

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

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

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

D. Fund Accounting:

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

Governmental Funds

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010

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

D. Fund Accounting (continued):

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

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

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

Proprietary Fund

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

Enterprise - The Enterprise Fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges.

Internal Service Fund - The Internal Service Funds are used to serve organizational units within the EIRC.

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

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

D. Fund Accounting (continued):

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:

Proprietary Fund:	
Equipment	15 Years
Light Trucks & Vehicle	8 Years
Heavy Trucks & Vehicle	8 Years

Fiduciary Fund

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

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

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

E. Basis of Accounting:

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

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

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2010

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

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

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

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

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. 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.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010**

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

F. Budgets/Budgetary Control (continued):

the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$643,705.84	\$11,227,678.04
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized	_____	<u>(30,333.03)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$643,705.84</u>	<u>\$11,197,345.01</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$449,360.12	\$11,227,678.04
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	_____	116,802.01 <u>(147,135.04)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$449,360.12</u>	<u>\$11,197,345.91</u>

G. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

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

G. Encumbrances (continued):

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 Educational Information and Resource Center has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

H. Cash, Cash Equivalents and Investments:

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

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

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

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

I. 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 Educational Information and Resource Center and that are due within one year.

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010

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

J. Fixed Assets:

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

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

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

K. 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 Center 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 Center and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

L. Deferred Revenue

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

M. Long-Term Obligations

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010

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

N. Fund Equity

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

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

Note 2. Cash and Cash Equivalents and Investments

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

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$616,270.58</u>
Total Deposits	<u>\$616,270.58</u>
The District's Cash & Cash Equivalents are Reported as Follows:	
Governmental Activities	\$1,341,043.28
Business-Type Activities	(831,182.08)
Fiduciary Fund	<u>106,409.38</u>
Total Cash and Cash Equivalents	<u>\$ 616,270.58</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$970,065.69 at June 30, 2010. Of the bank balance \$306,187.66 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$663,878.03 was secured by a collateral pool held by the bank, but not in the Center's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2010

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

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

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

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

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

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

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

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

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

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

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

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

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010**

Note 4. Fixed Assets

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

	Balance June 30, 2010
Governmental Funds	\$149,422.32
Less: Accumulated Depreciation	<u>(144,857.47)</u>
Total	<u>\$ 4,564.85</u>

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

	June 30, 2009	Additions	Deletions	Adjustments/ Transfers	June 30, 2010
Sites	\$ 285,900.00		\$ (200,900.00)		\$ 85,000.00
Buildings & Improvements	2,032,327.44		(1,517,327.44)		515,000.00
Machinery & Equipment	<u>173,259.51</u>			<u>\$(3,586.10)</u>	<u>169,673.41</u>
Subtotal	2,491,486.95		(1,718,227.44)	(3,586.10)	769,673.41
Accumulated Depreciation	<u>(678,952.18)</u>	<u>\$(113,399.70)</u>	<u>564,153.63</u>	<u>(898.06)</u>	<u>(229,096.31)</u>
Total	<u>\$1,812,534.77</u>	<u>\$(113,399.70)</u>	<u>\$(1,154,073.81)</u>	<u>\$(4,484.16)</u>	<u>\$ 540,577.10</u>

Note 5. Long-Term Debt

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

	Balance 6/30/09	Issued	Retired	Balance 6/30/10	Due Within One Year
Internal Service Fund:					
Mortgage Payable	\$1,327,252.85	\$ -	\$807,527.06	\$519,725.79	\$20,772.15
Compensated Absences Payable	<u>345,402.19</u>		<u>83,427.90</u>	<u>261,974.29</u>	
Total	<u>\$1,672,655.04</u>	<u>\$ -</u>	<u>\$890,954.96</u>	<u>\$781,700.08</u>	<u>\$20,772.15</u>

EDUCATIONAL INFORMATION AND RESOURCE CENTER

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010**

Note 5. Long-Term Debt (continued):

A. Mortgage Payable:

The EIRC signed a mortgage and security agreement with TD Bank, NA, on June 24, 2003. The EIRC borrowed a principal sum of \$990,000, with a fixed interest rate of 4.5% per annum. Payments began on August 1, 2003 and were due in monthly installments with the final payment July 1, 2023. The EIRC paid off this mortgage on February 2, 2010 with proceeds from the sale of their building which was located at 606 Delsea Drive, Sewell, NJ.

B. Mortgage Payable:

The EIRC signed a mortgage and security agreement with TD Bank N.A. on December 20, 2005. the total principal sum of \$600,000, with a fixed interest rate of 5.95% per annum. Payments began on January 1, 2008, payments are due in monthly installments with a final payment December 1, 2025 as follows:

Year-ending June 30,	Principal	Interest	Total
2011	\$ 20,772.15	\$ 30,957.69	\$ 51,729.84
2012	22,067.75	29,662.09	51,729.84
2013	23,444.16	28,285.68	51,729.84
2014	24,906.42	26,823.42	51,729.84
2015	26,459.88	25,269.96	51,729.84
2016-2020	160,353.95	98,295.25	258,649.20
2021-2025	216,539.77	42,109.43	258,649.20
2026	<u>25,181.71</u>	<u>435.76</u>	<u>25,617.47</u>
Total	<u>\$519,725.79</u>	<u>\$281,839.30</u>	<u>\$801,565.07</u>

Note 6. Pension Plans

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2010

Note 6. Pension Plans (continued):

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

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

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:66* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Center's normal contributions to the Fund may be

EDUCATIONAL INFORMATION AND RESOURCE CENTER

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010**

Note 6. Pension Plans (continued):

reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

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

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the Center is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Phase In Credit	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$228,455.00	\$ - 0 -	100%	\$228,455.00
6/30/09	191,896.00	- 0 -	100%	191,896.00
6/30/08	172,978.00	34,595.60	100%	138,382.40

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	None	100%	-0-
6/30/09	None	100%	-0-
6/30/08	None	100%	-0-

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

Note 6. Pension Plans (continued):

During the year ended June 30, 2010 in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the Center \$43,196.32 for the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 7. Post-Retirement Benefits

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

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

Note 8. Risk Management

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

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2010

Note 6. Pension Plans (continued):

During the year ended June 30, 2010 in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the Center \$43,196.32 for the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 7. Post-Retirement Benefits

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

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

Note 8. Risk Management

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

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

Note 9. Compensated Absences

The Center 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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010

Note 9. Compensated Absences (continued):

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.

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

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

Note 10. Economic Dependency

The programs currently offered by the Educational Information and Resource Center are funded predominantly by grant funding through state and federal agencies.

Note 11. Building Lease Revenue Receivable

In January of 2010, the Educational Information Resource Center sold their building located at 606 Delsea Drive, to the Washington Township Library. The final contract price was \$2,100,000 in which the Center received a \$10,000 deposit when the agreement was met and \$840,000 at settlement of the contract. The remaining \$1,250,000 is to be received in monthly lease installments of \$23,020.65 beginning February 1, 2010 with the final payment due on January 1, 2015. The following details all future payments due to the Educational Information Resource Center:

2011 -	\$ 276,247.80
2012 -	276,247.80
2013 -	276,247.80
2014 -	276,247.80
2015 -	<u>29,905.55</u>
Total Lease Receivable -	<u>\$1,134,896.75</u>

EDUCATIONAL INFORMATION AND RESOURCE CENTER

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2010

Note 12. Interfund Receivables and 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 Educational Information Resource Center and that are due within one year. The following interfund balances remained on the balance sheet at June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General Fund		\$202,330.52
Special Revenue	\$245,845.58	
Trust & Agency Fund		<u>43,515.06</u>
Total	<u>\$245,845.58</u>	<u>\$245,845.58</u>

Note 13. Reduced Funding

As of July 1st, 2010, the state eliminated \$405,000 from the Center's budget. In addition to this cut, the largest grant, the Southern Regional Child Care Resource Center (SRCCRC), which has been administered for the last 24 years, was awarded to a new agency thus reducing the Center's budget in half as the amounts for both the Gloucester and Cape May projects amounted to over \$7 million dollars. These unanticipated cuts have forced the EIRC to take new measures to balance the budget including layoffs, required furlough days and a larger contribution from employees to their fringe benefit package. New Professional Services programs have been rolled out in the 2010-2011 year to offset the revenue lost.

REQUIRED SUPPLEMENTARY INFORMATION – PART II



C. Budgetary Comparison Schedules

**EDUCATIONAL INFORMATION & RESOURCE CENTER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Revenues:										
Local Sources:										
Interest Earnings	\$1,820.00		1,820.00	1,820.00		8,365.46		8,365.46	8,365.46	
Student Achievement Program	143,100.00		143,100.00	143,188.69	88.69	135,000.00		135,000.00	45,000.00	(90,000.00)
Miscellaneous	1,523.05		1,523.05	50,500.83	48,977.78	21,059.52		21,059.52	3,580.12	(17,479.40)
Total Local Sources	146,443.05		146,443.05	195,509.52	49,066.47	164,424.98		164,424.98	56,945.58	(107,479.40)
State Sources:										
Other Unrestricted Entitlements	405,000.00		405,000.00	405,000.00		450,000.00		450,000.00	450,000.00	
Nonbudgeted - Reimbursed TPAF Social Security Contributions				43,196.32	43,196.32				39,200.44	39,200.44
Total State Sources	405,000.00		405,000.00	448,196.32	43,196.32	450,000.00		450,000.00	489,200.44	39,200.44
Total Revenues	551,443.05		551,443.05	643,705.84	92,262.79	614,424.98		614,424.98	546,146.02	(68,278.96)
Expenditures:										
Current Expense:										
Support Services General Administration:										
Salaries	111,287.00	4,563.14	115,850.14	115,850.14		118,637.00		118,637.00	118,570.70	66.30
Benefits	24,073.00		24,073.00	23,188.02	884.98	23,391.00		23,391.00	23,391.00	
Legal Services	10,000.00	(6,811.95)	3,188.05	3,188.05		10,000.00	2,121.75	12,121.75	12,121.75	
Other Purchased Professional Services	160,000.00	1,321.54	161,321.54	159,175.08	2,146.46	150,000.00	(2,500.00)	147,500.00	147,162.89	337.11
Communications	2,000.00	744.77	2,744.77	2,744.77		3,000.00	(1,143.25)	1,856.75	1,636.74	220.01
Other Purchased Services	40,100.00	(387.15)	39,712.85	23,571.59	16,141.26	33,500.00	6,816.19	40,316.19	38,630.90	1,685.29
Supplies and Materials	13,500.00	8,198.50	21,698.50	19,037.97	2,660.53	20,000.00	(1,647.40)	18,352.60	12,825.12	5,527.48
Miscellaneous Expenditures	87,628.00	(8,016.00)	79,612.00	42,386.18	37,225.82	76,262.00	4,352.71	80,614.71	46,899.76	33,714.95
Total Support Services General Administration	448,588.00	(387.15)	448,200.85	389,141.80	59,059.05	434,790.00	8,000.00	442,790.00	401,238.86	41,551.14

46

**EDUCATIONAL INFORMATION & RESOURCE CENTER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Expenditures (continued):										
Nonbudgeted - Reimbursed TPAF Social Security Contributions				43,196.32	(43,196.32)				39,200.44	(39,200.44)
Total Nonbudgeted				43,196.32	(43,196.32)				39,200.44	(39,200.44)
4 Total Expenditures - Current Expense	448,588.00	(387.15)	448,200.85	432,338.12	15,862.73	434,790.00	8,000.00	442,790.00	440,439.30	2,350.70
Capital Outlay:										
Building Use Charge	17,022.00		17,022.00	17,022.00		17,022.00		17,022.00	17,022.00	
Total Capital Outlay	17,022.00		17,022.00	17,022.00		17,022.00		17,022.00	17,022.00	
Total Expenditures	465,610.00	(387.15)	465,222.85	449,360.12	15,862.73	451,812.00	8,000.00	459,812.00	457,461.30	2,350.70
Other Financing Uses/(Sources):										
Other Operating Transfers Out (In)	104,695.10		104,695.10	207,141.95	(102,446.85)	189,753.00		189,753.00	156,224.80	33,528.20
Total Expenditures & Other Financing Uses	570,305.10	(387.15)	569,917.95	656,502.07	(86,584.12)	641,565.00	8,000.00	649,565.00	613,686.10	35,878.90
Excess/(Deficiency) of Revenues & Other Financing Sources/(Uses) Over/(Under) Expenditures & Other Expenditures & Other Financing Sources/(Uses)	(18,862.05)	387.15	(18,474.90)	(12,796.23)	5,678.67	(27,140.02)	(8,000.00)	(35,140.02)	(67,540.08)	(32,400.06)
Fund Balances, July 1, 2009	373,121.97		373,121.97	373,121.97		440,662.05		440,662.05	440,662.05	
Fund Balances, June 30, 2010	\$354,259.92	387.15	354,647.07	360,325.74	5,678.67	413,522.03	(8,000.00)	405,522.03	373,121.97	(32,400.06)

**EDUCATIONAL INFORMATION & RESOURCE CENTER
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010					VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources		104,640.06	104,640.06	67,943.41	(36,696.65)		51,934.88	16,136.65	(35,798.23)	
State Sources	\$1,884,978.00	125,001.76	2,009,979.76	1,901,831.23	(108,148.53)	\$2,049,289.29	2,135,202.83	1,917,900.63	(217,302.20)	
Federal Sources	5,723,781.52	5,900,190.40	11,623,971.92	9,257,903.40	(2,366,068.52)	9,843,393.91	9,847,476.28	8,895,445.73	(952,030.55)	
Total Revenues	7,608,759.52	6,129,832.22	13,738,591.74	11,227,678.04	(2,510,913.70)	11,892,683.20	12,034,613.99	10,829,483.01	(1,205,130.98)	
EXPENDITURES										
Support Services:										
Salaries	660,022.85	1,660,728.67	2,320,751.52	1,925,389.89	395,361.63	1,135,015.61	1,875,189.63	1,852,459.18	22,730.45	
Benefits	204,442.56	505,784.56	710,227.12	572,798.08	137,429.04	366,269.73	556,620.40	540,202.90	16,417.50	
Purchased Professional - Educational Services	34,855.41	291,654.28	326,509.69	114,213.11	212,296.58	47,210.41	134,815.62	72,919.09	61,896.53	
Other Purchase Professional Services		526,603.00	526,603.00	524,524.78	2,078.22	489,060.00	519,265.00	502,567.00	16,698.00	
Purchased Property Services	7,000.00	50,890.29	57,890.29	30,527.40	27,362.89	13,773.23	13,773.23	6,338.53	7,434.70	
Other Purchased Services	151,225.68	556,100.01	707,325.69	423,857.89	283,467.80	257,453.50	538,805.13	538,638.68	166.45	
General Supplies	85,138.48	457,592.47	542,730.95	426,309.44	116,421.51	145,226.98	279,393.29	243,666.98	35,726.31	
Indirect Costs	163,626.00	329,928.78	493,554.78	380,935.35	112,619.43	471,573.00	646,756.69	574,572.95	72,183.74	
Other Objects	6,302,448.54	1,750,550.16	8,052,998.70	6,829,122.10	1,223,876.60	8,967,100.74	7,469,995.00	6,498,117.70	971,877.30	
Total Expenditures	7,608,759.52	6,129,832.22	13,738,591.74	11,227,678.04	2,510,913.70	11,892,683.20	12,034,613.99	10,829,483.01	1,205,130.98	
Total Outflows	7,608,759.52	6,129,832.22	13,738,591.74	11,227,678.04	2,510,913.70	11,892,683.20	12,034,613.99	10,829,483.01	1,205,130.98	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**EDUCATIONAL INFORMATION & RESOURCE CENTER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$643,705.84	11,227,678.04
Difference - Budget to GAAP:		
State aid revenue adjustment due to last state aid payment not being recognized in accordance with GASB No. 33		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(30,333.03)
		<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$643,705.84	11,197,345.01
		<hr/> <hr/>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$449,360.12	11,227,678.04
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
		116,802.01
Prior Year		(147,135.04)
Current Year		<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$449,360.12	11,197,345.01
		<hr/> <hr/>

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**EDUCATIONAL INFORMATION & RESOURCE CENTER
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	NATIONAL CAP	CHILDREN TRUST FUND	CHILD ABUSE PREVENTION GRANT
Revenues:			
Miscellaneous	\$10,183.07		
State Sources		149,558.55	1,752,272.68
Federal Sources			
Total Revenues	\$10,183.07	149,558.55	1,752,272.68
Expenditures:			
Support Services:			
Salaries		100,840.77	296,991.00
Benefits		34,646.35	92,909.00
Purchased Professional-Educational Services			950.00
Other Purchase Professional Services			489,060.00
Purchased Property Services			1,800.00
Other Purchased Services	\$9,965.59	2,998.30	68,805.88
General Supplies	217.48		16,539.80
Indirect Costs		11,073.13	126,499.00
Other Objects			658,718.00
Total Support Services	10,183.07	149,558.55	1,752,272.68
Total Expenditures	\$10,183.07	149,558.55	1,752,272.68

**EDUCATIONAL INFORMATION & RESOURCE CENTER
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	LEARNING RESOURCE CENTER	DIVISION OF FAMILY DEVELOPMENT		CHILDCARE FOOD PROGRAM
		GLOUCESTER	CAPE MAY	
Revenues:				
Miscellaneous	\$36,297.02		21,463.32	
State Sources				
Federal Sources	1,179,374.22	5,623,903.25	2,088,060.55	366,565.38
Total Revenues	\$1,215,671.24	5,623,903.25	2,109,523.87	366,565.38
Expenditures:				
Support Services:				
Salaries	\$541,180.04	627,857.51	307,486.65	51,033.92
Benefits	185,703.66	166,335.78	76,782.44	16,420.85
Purchased Professional-Educational Services	11,427.44	84,348.40	17,487.27	
Other Purchase Professional Services		21,332.28	14,132.50	
Purchased Property Services	9,573.40	1,500.00	17,654.00	
Other Purchased Services	130,564.57	154,911.87	56,361.86	249.82
General Supplies	102,275.46	256,614.35	50,568.84	93.51
Indirect Costs	80,603.26	114,694.48	42,886.51	5,178.97
Other Objects	154,343.41	4,196,308.58	1,526,163.80	293,588.31
Total Support Services	1,215,671.24	5,623,903.25	2,109,523.87	366,565.38
Total Expenditures	\$1,215,671.24	5,623,903.25	2,109,523.87	366,565.38

**EDUCATIONAL INFORMATION & RESOURCE CENTER
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (With Comparative Totals for June 30, 2009)**

	2010	2009
Revenues:		
Miscellaneous	\$67,943.41	16,136.65
State Sources	1,901,831.23	1,917,900.63
Federal Sources	9,257,903.40	8,895,445.73
	<hr/>	<hr/>
Total Revenues	\$11,227,678.04	10,829,483.01
	<hr/> <hr/>	<hr/> <hr/>
Expenditures:		
Support Services:		
Salaries	\$1,925,389.89	1,852,459.18
Benefits	572,798.08	540,202.90
Purchased Professional - Educational Services	114,213.11	72,919.09
Other Purchase Professional Services	524,524.78	502,567.00
Purchased Property Services	30,527.40	6,338.53
Other Purchased Services	423,857.89	538,638.68
General Supplies	426,309.44	243,666.98
Indirect Costs	380,935.35	574,572.95
Other Objects	6,829,122.10	6,498,117.70
	<hr/>	<hr/>
Total Support Services	11,227,678.04	10,829,483.01
	<hr/> <hr/>	<hr/> <hr/>
Total Expenditures	\$11,227,678.04	10,829,483.01



F. Capital Projects Fund

Not Applicable



G. Proprietary Funds

Enterprise Funds

**EDUCATIONAL INFORMATION & RESOURCE CENTER
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	RESEARCH AND GRANTS	PROFESSIONAL DEVELOPMENT	NATIONAL TALENT NETWORK	PROGRAM DEVELOPMENT	2010	2009
Current Assets:						
Receivable:						
Other	\$28,116.50	606,777.85	1,629.50	1,100.00	637,623.85	299,649.81
Total Current Assets	<u>28,116.50</u>	<u>606,777.85</u>	<u>1,629.50</u>	<u>1,100.00</u>	<u>637,623.85</u>	<u>299,649.81</u>
Noncurrent Assets:						
Equipment	1,500.00	5,658.00	2,434.00		9,592.00	9,592.00
Accumulated Depreciation	(1,485.00)	(5,601.42)	(2,409.66)		(9,496.08)	(9,496.08)
Total Noncurrent Assets	<u>15.00</u>	<u>56.58</u>	<u>24.34</u>		<u>95.92</u>	<u>95.92</u>
Total Assets	<u>28,131.50</u>	<u>606,834.43</u>	<u>1,653.84</u>	<u>1,100.00</u>	<u>637,719.77</u>	<u>299,745.73</u>
 LIABILITIES						
Current Liabilities:						
Cash Deficit	22,479.17	501,910.45	976.39	879.32	526,245.33	626,675.41
Accounts Payable	5,637.33	104,867.40	653.11	220.68	111,378.52	38,919.56
Intergovernmental Payable						12,477.00
Total Current Liabilities	<u>28,116.50</u>	<u>606,777.85</u>	<u>1,629.50</u>	<u>1,100.00</u>	<u>637,623.85</u>	<u>678,071.97</u>
 NET ASSETS						
Reserved Retained Earnings	15.00	56.58	24.34		95.92	95.92
Unreserved Retained Earnings	(0.00)	0.00	0.00		0.00	(378,422.16)
Total Net Assets	<u>\$15.00</u>	<u>56.58</u>	<u>24.34</u>		<u>95.92</u>	<u>(378,326.24)</u>

**EDUCATIONAL INFORMATION & RESOURCE CENTER
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	RESEARCH AND GRANTS	PROFESSIONAL DEVELOPMENT	NATIONAL TALENT NETWORK	PROGRAM DEVELOPMENT	P20 PROGRAM	2010	2009
Operating Revenues:							
Local Sources:							
Contributions							30,680.00
Services Provided Other LEA's	38,216.50	1,423,735.83	120,405.75	147,468.55		1,729,826.63	1,673,685.13
Other Local Sources	44,962.28	488,424.34				533,386.62	173,755.95
Total Revenues	83,178.78	1,912,160.17	120,405.75	147,468.55		2,263,213.25	1,878,121.08
Operating Expenses:							
Salaries	37,843.16	412,533.33	61,030.81	82,130.49		593,537.79	526,074.95
Benefits	8,516.00	44,454.92	9,911.96	23,666.00		86,548.88	92,046.79
Purchased Professional & Technical Services	24,416.78	793,777.76	9,164.85	27,688.75		855,048.14	898,484.03
Other Purchased Services	1,773.79	14,674.73	12,920.22	2,939.73		32,308.47	37,233.31
Supplies and Materials	3,103.38	125,792.36	12,920.65	2,765.11		144,581.50	113,642.41
Building Use Charges	17,286.00	56,110.00	7,674.00	5,328.00		86,398.00	210,382.04
Miscellaneous	5,294.00	104,831.53	9,013.61	9,777.97		128,917.11	46,179.68
Total Operating Expenses	98,233.11	1,552,174.63	122,636.10	154,296.05		1,927,339.89	1,924,043.21
Operating Income/(Loss)	(15,054.33)	359,985.54	(2,230.35)	(6,827.50)		335,873.36	(45,922.13)
Nonoperating Revenues:							
Operating Transfers	36,592.85	(194,460.02)	51,062.01	129,632.51	19,721.45	42,548.80	126,205.96
Net Income/(Loss)	21,538.52	165,525.52	48,831.66	122,805.01	19,721.45	378,422.16	80,283.83
Total Net Assets - Beginning	(21,523.52)	(165,468.94)	(48,807.32)	(122,805.01)	(19,721.45)	(378,326.24)	(458,610.07)
Total Net Assets - Ending	\$15.00	56.58	24.34	-	-	95.92	(378,326.24)

**EDUCATIONAL INFORMATION & RESOURCE CENTER
ENTERPRISE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	RESEARCH AND GRANTS	PROFESSIONAL DEVELOPMENT	NATIONAL TALENT NETWORK	PROGRAM DEVELOPMENT	P20 PROGRAM	2010	2009
Cash Flows From Operating Activities:							
Cash Received From Customers	\$59,228.94	1,599,605.47	120,036.25	146,368.55		1,925,239.21	2,035,616.77
Cash Paid to Employees	(37,843.16)	(412,533.33)	(61,030.81)	(82,130.49)		(593,537.79)	(526,074.95)
Cash Paid For Goods & Services	(67,229.62)	(1,069,138.92)	(65,442.86)	(72,008.74)		(1,273,820.14)	(1,430,188.47)
Net Cash Provided/(Used) by Operating Activities	(45,843.84)	117,933.22	(6,437.42)	(7,770.68)		57,881.28	79,353.35
Cash Flows From Noncapital Financing Activities:							
Operating Transfers In	36,592.85	(194,460.02)	51,062.01	129,632.51	19,721.45	42,548.80	126,205.96
Net Cash Provided by Noncapital Financing Activities	36,592.85	(194,460.02)	51,062.01	129,632.51	19,721.45	42,548.80	126,205.96
Net Increase in Cash & Cash Equivalents	(9,250.99)	(76,526.80)	44,624.59	121,861.83	19,721.45	100,430.08	205,559.31
Cash & Cash Equivalents, July 1	(13,228.18)	(425,383.65)	(45,600.98)	(122,741.15)	(19,721.45)	(626,675.41)	(832,234.72)
Cash & Cash Equivalents, June 30	(\$22,479.17)	(501,910.45)	(976.39)	(879.32)		(526,245.33)	(626,675.41)
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities							
Net Income/(Loss)	(\$15,054.33)	359,985.54	(2,230.35)	(6,827.50)		335,873.36	(45,922.13)
Changes in Assets & Liabilities:							
(Increase)/Decrease in Accounts Receivable	(23,949.84)	(312,554.70)	(369.50)	(1,100.00)		(337,974.04)	157,495.69
Increase/(Decrease) in Accounts Payable	(6,839.67)	70,502.38	(3,837.57)	156.82		59,981.96	(32,220.21)
Total Adjustments	(30,789.51)	(242,052.32)	(4,207.07)	(943.18)		(277,992.08)	125,275.48
Net Cash Provided/(Used) by Operating Activities	(\$45,843.84)	117,933.22	(6,437.42)	(7,770.68)		57,881.28	79,353.35

Internal Service Fund

EDUCATIONAL INFORMATION & RESOURCE CENTER
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2010
(With Comparative Totals for June 30, 2009)

ASSETS	BUSINESS & SUPPORT SERVICES	BUILDING SERVICES	DOCUMENTS MANAGEMENT	TECHNOLOGY	TELEPHONE	FRINGE BENEFITS	ACCRUED SICK TIME	2010	2009
Current Assets:									
Cash	\$17,485.38				2,410.47		261,974.29	281,870.14	369,868.37
Intergovernmental Accounts Receivable:									
Other	43.37		23,697.34	28,606.78		5,164.48		57,511.97	143,494.30
Other Accounts Receivable		1,134,896.75						1,134,896.75	
Total Current Assets	17,528.75	1,134,896.75	23,697.34	28,606.78	2,410.47	5,164.48	261,974.29	1,474,278.86	513,362.67
Fixed Assets:									
Sites		85,000.00						85,000.00	285,900.00
Buildings & Building Improvements		515,000.00						515,000.00	2,032,327.44
Machinery & Equipment	5,119.16	66,361.00	10,900.00	29,006.58	47,194.36			158,581.10	163,065.28
Total Fixed Assets	5,119.16	666,361.00	10,900.00	29,006.58	47,194.36			758,581.10	2,481,292.72
Less: Accumulated Depreciation	(5,067.97)	(126,787.46)	(10,791.00)	(28,731.07)	(46,722.42)			(218,099.92)	(668,853.87)
Net Fixed Assets	51.19	539,573.54	109.00	275.51	471.94			540,481.18	1,812,438.85
Total Assets	17,579.94	1,674,470.29	23,806.34	28,882.29	2,882.41	5,164.48	261,974.29	2,014,760.04	2,325,801.52
LIABILITIES									
Current Liabilities:									
Cash Deficit		539,140.49	20,875.46	21,626.46		5,164.48		586,806.89	349,906.87
Deferred Revenue									89,304.08
Intergovernmental Payable									9,190.43
Accounts Payable	17,528.75	7,492.47	2,821.88	6,980.32	2,410.47			37,233.89	
Total Current Liabilities	17,528.75	546,632.96	23,697.34	28,606.78	2,410.47	5,164.48		624,040.78	448,401.38
Long-Term Liabilities:									
Mortgages Payable		519,725.79						519,725.79	1,327,252.85
Compensated Absences Payable							261,974.29	261,974.29	345,402.19
Total Long-Term Liabilities		519,725.79					261,974.29	781,700.08	1,672,655.04
Total Liabilities	17,528.75	1,066,358.75	23,697.34	28,606.78	2,410.47	5,164.48	261,974.29	1,405,740.86	2,121,056.42
NET ASSETS									
Reserved Retained Earnings	51.19	19,847.75	109.00	275.51	471.94			20,755.39	485,186.00
Unreserved Retained Earnings	0.00	588,263.79		0.00		0.00		588,263.79	(280,440.90)
Total Net Assets	\$51.19	608,111.54	109.00	275.51	471.94	0.00		609,019.18	204,745.10

**EDUCATIONAL INFORMATION & RESOURCE CENTER
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	BUSINESS & SUPPORT SERVICES	BUILDING SERVICES	DOCUMENTS MANAGEMENT	TECHNOLOGY	TELEPHONE	FRINGE BENEFITS	ACCRUED SICK TIME	2010	2009
Operating Revenues:									
Local Sources:									
Services Provided to Other Leas			14,625.44	152,377.97				167,003.41	70,919.29
Services Provided to Other									
Funds	\$542,943.31	359,238.64	136,194.25	93,236.73	106,471.51	807,337.77	25,384.71	2,070,806.92	2,183,610.26
Other Local Sources		254,452.54	59,155.63	1,122,975.10	3,007.83	89,196.73		1,528,787.83	1,584,140.99
Total Revenues	542,943.31	613,691.18	209,975.32	1,368,589.80	109,479.34	896,534.50	25,384.71	3,766,598.16	3,838,670.54
Operating Expenses:									
Salaries	273,653.80	16,890.92	32,210.11	168,626.61	37,994.27			529,375.71	556,941.57
Benefits	85,520.43	1,684.03	10,487.11	48,552.00	3,251.00	1,086,436.66	12,000.00	1,247,931.23	1,187,907.94
Purchased Professional & Technical Services	58,490.76			26,354.41				84,845.17	149,907.41
Purchase Property Services	3,581.00	135,643.92	56,664.80	1,556.58	495.00			197,941.30	100,366.25
Other Purchased Services	58,675.82	64,592.50	62,430.02	17,427.79	29,899.03			233,025.16	221,889.84
Supplies and Materials	12,687.94	70,497.04	22,100.51	21,611.23				126,896.72	110,566.39
Building Use Charges	31,172.00		14,922.00	13,375.00	3,192.00			62,661.00	90,442.00
Depreciation		113,399.68						113,399.68	58,554.38
Other Objects		261,763.63	10,039.99	1,276,150.90				1,547,954.52	1,341,432.97
Total Operating Expenses	523,781.75	664,471.72	208,854.54	1,573,654.52	74,831.30	1,086,436.66	12,000.00	4,144,030.49	3,818,008.75
Operating Income/(Loss)	19,161.56	(50,780.54)	1,120.78	(205,064.72)	34,648.04	(189,902.16)	13,384.71	(377,432.33)	20,661.79
Nonoperating Revenues/(Expenses):									
Gain on Adjustment to Fixed Assets		84,970.44						84,970.44	29.56
Gain on Sale of Building		655,856.87						655,856.87	29.56
Gain on Revaluation of Compensated Absences							83,427.90	83,427.90	
Operating Transfers	(107,974.44)	(564,130.01)	102,455.75	311,373.76	(106,437.06)	156,897.63	165,265.57	(42,548.80)	
Net Income/(Loss)	(88,812.88)	125,916.76	103,576.53	106,309.04	(71,789.02)	(33,004.53)	262,078.18	404,274.08	20,720.91
Total Net Assets - Beginning	88,864.07	482,194.78	(103,467.53)	(106,033.53)	72,260.96	33,004.53	(262,078.18)	204,745.10	184,053.75
Total Net Assets - Ending	\$51.19	608,111.54	109.00	275.51	471.94	0.00		609,019.18	204,774.66

**EDUCATIONAL INFORMATION & RESOURCE CENTER
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

	BUSINESS & SUPPORT SERVICES	BUILDING SERVICES	DOCUMENTS MANAGEMENT	TECHNOLOGY	TELEPHONE	FRINGE BENEFITS	ACCRUED SICK TIME	2010	2009
Cash Flows From Operating Activities:									
Cash Received From Customers	(\$43.37)	(880,444.21)	78,957.25	1,361,259.72	3,007.83	84,139.60		646,876.82	1,532,116.47
Cash Received From Other Funds	542,943.31	359,238.64	136,194.25	93,236.73	106,471.51	807,337.77	25,384.71	2,070,806.92	2,183,610.26
Cash Paid to Employees	(273,653.80)	(16,890.92)	(32,210.11)	(168,626.61)	(37,994.27)			(529,375.71)	(556,941.57)
Cash Paid For Goods & Services	(236,340.40)	(527,064.05)	(174,421.35)	(1,402,522.62)	(34,426.56)	(1,175,740.74)	(12,000.00)	(3,562,515.72)	(3,199,570.55)
Net Cash Used by Operating Activities	32,905.74	(1,065,160.54)	8,520.04	(116,652.78)	37,058.51	(284,263.37)	13,384.71	(1,374,207.69)	(40,785.39)
Cash Flows From Noncapital Financing Activities:									
Cash Paid from Other Funds for Accrued Compensated Absences									67,341.07
Cash Paid (To) From Other Funds	(107,974.44)	(564,130.01)	102,455.75	311,373.76	(106,437.06)	156,897.63	165,265.57	(42,548.80)	
Net Cash Used From Noncapital Financing Activities	(107,974.44)	(564,130.01)	102,455.75	311,373.76	(106,437.06)	156,897.63	165,265.57	(42,548.80)	67,341.07
Cash Flows From Capital & Related Financing Activities:									
Sale of Building		1,091,858.24						1,091,858.24	
Payment of Loans									(65,883.68)
Net Cash Used From Noncapital Financing Activities		1,091,858.24						1,091,858.24	(65,883.68)
Cash & Cash Equivalents, July 1	92,554.08	(1,708.18)	(131,851.25)	(216,347.44)	71,789.02	122,201.26	83,324.01	19,961.50	59,289.50
Cash & Cash Equivalents, June 30	\$17,485.38	(539,140.49)	(20,875.46)	(21,626.46)	2,410.47	(5,164.48)	261,974.29	(304,936.75)	19,961.50
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities									
Operating Income/(Loss)	\$19,161.56	(50,780.54)	1,120.78	(205,064.72)	34,648.04	(189,902.16)	13,384.71	(377,432.33)	20,661.79
Adjustments Not Affecting Cash:									
Depreciation		113,399.68						113,399.68	58,554.38
Changes in Assets & Liabilities:									
Increase/(Decrease) in Deferred Revenue									(102,963.55)
(Increase)/Decrease in Intergovernmental Accounts Receivable	(43.37)		5,176.18	85,906.65		(5,057.13)		85,982.33	(19,980.26)
(Increase)/Decrease in Accounts Receivable		(1,134,896.75)						(1,134,896.75)	
Increase/(Decrease) in Accounts Payable	13,787.55	7,117.07	2,223.08	2,505.29	2,410.47	(89,304.08)		(61,260.62)	2,942.25
Net Cash Provided by/(Used) Operation Activities	\$32,905.74	(1,065,160.54)	8,520.04	(116,652.78)	37,058.51	(284,263.37)	13,384.71	(1,374,207.69)	(40,785.39)

H. Fiduciary Fund

**EDUCATIONAL INFORMATION & RESOURCE CENTER
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(With Comparative Totals for June 30, 2009)**

ASSETS	AGENCY		2010	2009
	PAYROLL DEDUCTIONS PAYABLE	MEDICAL SPENDING ACCOUNT		
Cash & Cash Equivalents	\$101,097.22	5,312.16	106,409.38	39,440.31
Total Assets	101,097.22	5,312.16	106,409.38	39,440.31
LIABILITIES				
Interfund Accounts Payable	43,515.06		43,515.06	25,966.60
Payroll Taxes Payable	57,582.16		57,582.16	7,162.00
Deposits Payable		5,312.16	5,312.16	6,311.71
Total Liabilities	101,097.22	5,312.16	106,409.38	39,440.31
Total Net Assets	-	-	-	-

**EDUCATIONAL INFORMATION & RESOURCE CENTER
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

ASSETS	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
Cash & Cash Equivalents	\$33,128.60	4,238,330.33	4,170,361.71	101,097.22
Total Assets.	<u>\$33,128.60</u>	<u>4,238,330.33</u>	<u>4,170,361.71</u>	<u>101,097.22</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$7,162.00	4,220,781.87	4,170,361.71	57,582.16
Due to General Fund	25,966.60	17,548.46		43,515.06
Total Liabilities	<u>\$33,128.60</u>	<u>4,238,330.33</u>	<u>4,170,361.71</u>	<u>101,097.22</u>

**MEDICAL SPENDING ACCOUNT
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

ASSETS	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
Cash & Cash Equivalents	\$6,311.71	10,758.86	11,758.41	5,312.16
Total Assets.	<u>\$6,311.71</u>	<u>10,758.86</u>	<u>11,758.41</u>	<u>5,312.16</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$6,311.71	10,758.86	11,758.41	5,312.16
Total Liabilities	<u>\$6,311.71</u>	<u>10,758.86</u>	<u>11,758.41</u>	<u>5,312.16</u>

I. Long-Term Debt

Not Applicable

STATISTICAL SECTION (Unaudited)

EDUCATIONAL INFORMATION & RESOURCE CENTER
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$4,564.85	6,362.46	9,854.62	13,316.00	16,280.02	23,860.97	33,537.11
Unrestricted	360,325.73	373,121.97	440,662.05	208,867.06	140,758.92	335,132.87	273,876.30
Total Governmental Activities							
Net Assets	<u>\$364,890.58</u>	<u>379,484.43</u>	<u>450,516.67</u>	<u>222,183.06</u>	<u>157,038.94</u>	<u>358,993.84</u>	<u>307,413.41</u>
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	\$20,851.31	485,281.92	490,186.60	478,633.74	437,522.33	534,095.81	105,485.72
Unrestricted	588,263.79	(658,863.06)	(764,742.92)	(574,452.08)	(288,588.66)	(7,786.08)	(55.04)
Total Business-Type Activities							
Net Assets	<u>\$609,115.10</u>	<u>(173,581.14)</u>	<u>(274,556.32)</u>	<u>(95,818.34)</u>	<u>148,933.67</u>	<u>526,309.73</u>	<u>105,430.68</u>
District-Wide:							
Invested in Capital Assets, Net of Related Debt	\$25,416.16	491,644.38	500,041.22	491,949.74	453,802.35	557,956.78	139,022.83
Unrestricted	948,589.52	(285,741.09)	(324,080.87)	(365,585.02)	(147,829.74)	327,346.79	273,821.26
Total District Net Assets	<u>\$974,005.68</u>	<u>205,903.29</u>	<u>175,960.35</u>	<u>126,364.72</u>	<u>305,972.61</u>	<u>885,303.57</u>	<u>412,844.09</u>

**EDUCATIONAL INFORMATION & RESOURCE CENTER
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST SEVEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
Expenses:							
Governmental Activities							
Support Services:							
Other Administrative Services	\$11,646,705.13	11,228,104.16	11,117,182.72	10,013,566.07	10,189,611.03	9,024,888.57	9,000,739.23
Operating Transfers to Other Funds	207,141.95	156,224.80	119,158.06	162,899.26	485,947.47	209,460.00	189,127.76
Unallocated Depreciation	1,797.62	3,492.16	3,461.38	2,964.02	7,580.95	9,676.14	14,169.40
Total Governmental Activities Expenses	<u>11,855,644.70</u>	<u>11,387,821.12</u>	<u>11,239,802.16</u>	<u>10,179,429.35</u>	<u>10,683,139.45</u>	<u>9,244,024.71</u>	<u>9,204,036.39</u>
Business-Type Activities:							
Enterprise	1,927,339.89	1,924,043.21	2,370,106.53	2,013,336.29	1,690,813.84	1,122,557.16	1,022,132.62
Internal Service	4,144,030.49	3,818,008.75	3,329,463.61	3,197,143.65	2,499,021.40	1,655,504.53	1,657,836.06
Total Business-Type Activities Expense	<u>6,071,370.38</u>	<u>5,742,051.96</u>	<u>5,699,570.14</u>	<u>5,210,479.94</u>	<u>4,189,835.24</u>	<u>2,778,061.69</u>	<u>2,679,968.68</u>
Total District Expenses	<u>\$17,927,015.08</u>	<u>17,129,873.08</u>	<u>16,939,372.30</u>	<u>15,389,909.29</u>	<u>14,872,974.69</u>	<u>12,022,086.40</u>	<u>11,884,005.07</u>
Program Revenues:							
Governmental Activities:							
Operating Grants & Contributions	\$11,197,345.01	10,770,642.86	10,816,847.86	9,714,053.60	9,915,230.51	8,727,386.34	8,764,486.71
Total Governmental Activities Program Revenues	<u>11,197,345.01</u>	<u>10,770,642.86</u>	<u>10,816,847.86</u>	<u>9,714,053.60</u>	<u>9,915,230.51</u>	<u>8,727,386.34</u>	<u>8,764,486.71</u>

EDUCATIONAL INFORMATION & RESOURCE CENTER
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST SEVEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
Business-Type Activities:							
Charges for Services:							
Enterprise	2,263,213.25	1,878,121.08	2,097,844.49	1,634,038.69	1,309,873.71	918,358.45	939,198.90
Internal Service	3,766,598.16	3,838,670.54	3,303,837.19	3,166,092.69	2,269,207.76	1,677,717.05	1,590,217.20
Operating Grants & Contributions:							
Enterprise	42,548.80	126,205.96	193,312.87	162,899.26	233,377.71		
Internal Service	(42,548.80)		(74,154.81)			209,460.00	189,127.76
Capital Grants & Contributions:							
Enterprise						370,200.00	
Total Business Type Activities							
Program Revenues	6,029,811.41	5,842,997.58	5,520,839.74	4,963,030.64	3,812,459.18	3,175,735.50	2,718,543.86
Total District Program Revenues	\$17,227,156.42	16,613,640.44	16,337,687.60	14,677,084.24	13,727,689.69	11,903,121.84	11,483,030.57
Net (Expense)/Revenue:							
Governmental Activities	(\$658,299.69)	(617,178.26)	(422,954.30)	(465,375.75)	(767,908.94)	(516,638.37)	(439,549.68)
Business-Type Activities	(41,558.97)	100,945.62	(178,730.40)	(247,449.30)	(377,376.06)	397,673.81	38,575.18
Total District-Wide Net Expense	(\$699,858.66)	(516,232.64)	(601,684.70)	(712,825.05)	(1,145,285.00)	(118,964.56)	(400,974.50)

**EDUCATIONAL INFORMATION & RESOURCE CENTER
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST SEVEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Assets:							
Governmental Activities:							
Unrestricted Grants & Contributions	\$448,196.32	489,200.44	450,000.00	485,660.35	477,903.37	481,841.02	496,484.06
Investment Earnings	1,820.00	8,365.46	29,500.62	36,166.20	58,719.32	29,324.04	10,637.86
Student Achievement	143,188.69	45,000.00	136,425.00				
Miscellaneous Income	50,500.83	3,580.12	35,362.29	8,693.32	29,331.35	57,053.74	44,493.05
Total Governmental Activities	643,705.84	546,146.02	651,287.91	530,519.87	565,954.04	568,218.80	551,614.97
Business-Type Activities:							
Miscellaneous Income		29.56	(7.58)	2,697.29		23,205.24	
Gain on Adjustments	824,255.21						
Total Business-Type Activities	824,255.21	29.56	(7.58)	2,697.29		23,205.24	
Total District-Wide	\$1,467,961.05	546,175.58	651,280.33	533,217.16	565,954.04	591,424.04	551,614.97
Change in Net Assets:							
Governmental Activities	(\$14,593.85)	(71,032.24)	228,333.61	65,144.12	(201,954.90)	51,580.43	112,065.29
Business-Type Activities	782,696.24	100,975.18	(178,737.98)	(244,752.01)	(377,376.06)	420,879.05	38,575.18
Total District	\$768,102.39	29,942.94	49,595.63	(179,607.89)	(579,330.96)	472,459.48	150,640.47

EDUCATIONAL INFORMATION & RESOURCE CENTER
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,						
	2009	2009	2008	2007	2006	2005	2004
General Fund:							
Unreserved	\$295,289.70	308,085.93	326,441.87	208,867.06	140,758.92	335,132.87	273,876.30
Reserved	65,036.04	65,036.04	114,220.18				
Total General Fund	<u>\$360,325.74</u>	<u>373,121.97</u>	<u>440,662.05</u>	<u>208,867.06</u>	<u>140,758.92</u>	<u>335,132.87</u>	<u>273,876.30</u>

EDUCATIONAL INFORMATION & RESOURCE CENTER
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues									
Donations from Private Sources								24,028.11	154,089.38
Interest Earnings	\$1,820.00	8,365.46	29,500.62	36,166.20	58,719.32	29,324.04	10,637.86	14,454.90	29,109.80
Student Achievement	143,188.69	45,000.00	136,425.00						
Miscellaneous	118,444.24	19,716.77	327,032.96	287,559.80	155,848.18	166,397.89	407,408.94	303,935.16	181,632.59
State Sources	2,350,027.55	2,407,101.07	2,304,494.09	2,295,544.19	2,964,663.82	2,482,741.81	2,151,300.44	2,093,309.19	2,143,842.85
Federal Sources	9,227,570.37	8,836,605.58	8,670,683.10	7,625,303.28	7,301,953.23	6,617,141.40	6,746,754.44	7,017,042.53	6,304,137.26
Total Revenue	11,841,050.85	11,316,788.88	11,468,135.77	10,244,573.47	10,481,184.55	9,295,605.14	9,316,101.68	9,452,769.89	8,812,811.88
Expenditures:									
Undistributed:									
Administration	389,141.80	401,238.86	283,312.86	246,830.12	232,185.15	252,120.21	222,845.46	174,646.72	173,290.35
Reimbursed TPAF Social Security									
Contributions	43,196.32	39,200.44		35,660.35	27,903.37	31,841.02	46,484.06	52,134.94	58,426.86
Community Service Programs	11,197,345.01	10,770,642.86	10,816,847.86	9,714,053.60	9,915,230.51	8,753,678.17	8,681,238.64	8,688,872.17	8,052,674.64
Capital Outlay	17,022.00	17,022.00	17,022.00	17,022.00	14,292.00	13,541.00	44,381.99	253,530.95	273,125.06
Total Expenditures	11,646,705.13	11,228,104.16	11,117,182.72	10,013,566.07	10,189,611.03	9,051,180.40	8,994,950.15	9,169,184.78	8,557,516.91
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	194,345.72	88,684.72	350,953.05	231,007.40	291,573.52	244,424.74	321,151.53	283,585.11	255,294.97
Other Financing Sources/(Uses):									
Transfers Out	(207,141.95)	(156,224.80)	(119,158.06)	(162,899.26)	(485,947.47)	(209,460.00)	(189,127.76)	(177,673.35)	(341,203.90)
Total Other Financing Sources/(Uses)	(207,141.95)	(156,224.80)	(119,158.06)	(162,899.26)	(485,947.47)	(209,460.00)	(189,127.76)	(177,673.35)	(341,203.90)
Net Change in Fund Balances	(\$12,796.23)	(67,540.08)	231,794.99	68,108.14	(194,373.95)	34,964.74	132,023.77	105,911.76	(85,908.93)

Source: Center records

EXHIBITS J-5 THROUGH J-19

NOT APPLICABLE

EXHIBIT J-20

EDUCATIONAL INFORMATION & RESOURCE CENTER
INSURANCE SCHEDULE
JUNE 30, 2009

PACKAGE POLICY:

Property:

Buildings	\$1,476,000.00
Contents	328,200.00

COMMERCIAL GENERAL LIABILITY:

Per Occurrence	1,000,000.00
General Aggregate	3,000,000.00

CRIME:

Employee Dishonesty	250,000.00
---------------------	------------

EQUIPMENT FLOATER

Scheduled Equipment	57,950.00
---------------------	-----------

EDUCATORS LEGAL LIABILITY:

Limit of Liability	1,000,000.00
Aggregate	1,000,000.00

COMMERCIAL AUTOMOBILE:

Liability	1,000,000.00
-----------	--------------

UMBRELLA:

Limit of Liability	1,000,000.00
Aggregate	1,000,000.00

SINGLE AUDIT SECTION



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

Honorable President and Members
of the Board of Directors
Educational Information and Resource Center
County of Gloucester
Mullica Hill, New Jersey 08062

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Educational Information and Resource Center'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 Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings & Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No's: 2010-04 and 2010-05 to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No's: 2010-02 and 2010-06 to be significant deficiencies.

Compliance and Other Matters

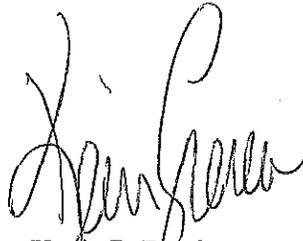
As part of obtaining reasonable assurance about whether the Educational Information and Resource Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which 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 four 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 as Finding No's: 2010-01, 2010-02, 2010-03, 2010-04, 2010-05 and 2010-06 in the accompanying *Schedule of Findings & Questioned Costs*.

We noticed certain matters that we have reported to the Educational Information and Resource Center in a separate *Independent Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* dated December 12, 2010.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
December 12, 2010



Certified Public Accountants & Consultants

EXHIBIT K-2

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

Honorable President and Members
of the Board of Directors
Educational Information and Resource Center
County of Gloucester
Mullica Hill, New Jersey 08062

Compliance

We have audited the compliance of the Educational Information and Resource Center, in the County of Gloucester, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. The Educational Information and Resource Center'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 Educational Information and Resource Center's management. Our responsibility is to express an opinion on the Educational Information and Resource Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Educational Information and Resource Center'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 of the Center's compliance with those requirements.

In our opinion, the Educational Information and Resource Center, County of Gloucester, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal or state programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Educational Information and Resource Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to major federal and state programs. In planning and performing our audit, we considered Educational Information and Resource Center's internal control over compliance with 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, 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 Educational Information and Resource Center's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as Finding No's: 2010-04 and 2010-05 to be material weaknesses.

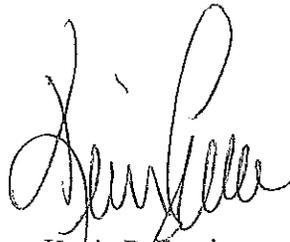
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as Finding No's: 2010-02 and 2010-06 to be significant deficiencies.

The Educational Information and Resource Center's responses to the findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. We did not audit the Educational Information Resource Center's responses and, accordingly, we express no opinion to the responses.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

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

Medford, New Jersey
December 12, 2010

EDUCATIONAL INFORMATION & RESOURCE CENTER
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM/TO	BALANCE JUNE 30, 2009	RECEIPTS	BUDGETARY EXPENDITURES	ADJUSTMENT	(ACCOUNTS RECEIVABLE JUNE 30, 2010	DEFERRED REVENUE JUNE 30, 2010	DUE TO GRANTOR JUNE 30, 2010
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
I.D.E.A.	84-027	09000305	\$977,478.52	10/1/08-9/30/09	\$22,051.34		22,051.34				
I.D.E.A.	84-027	10000305	1,321,075.91	10/1/09-9/30/10		863,791.04	889,823.92		(26,032.88)		
I.D.E.A. - Preschool	84-173	09000306	302,019.50	10/1/08-9/30/09	128,896.43		128,896.43				
I.D.E.A. - Preschool	84-173	10000306	410,394.55	10/1/09-9/30/10		241,101.00	138,602.53			102,498.47	
Total Department of Education					150,947.77	1,104,892.04	1,179,374.22		(26,032.88)	102,498.47	
U.S. DEPARTMENT OF AGRICULTURE THROUGH STATE DEPARTMENT DEPARTMENT OF AGRICULTURE:											
Child Care Food Program	10.558	09-15-598	377,568.00	10/1/08-9/30/09	(48,103.82)	48,103.82					
Child Care Food Program	10.558	10-15-598	552,792.76	10/1/09-9/30/10		192,506.91	366,565.38		(174,058.47)		
Total Department of Agriculture					(48,103.82)	240,610.73	366,565.38		(174,058.47)		
NEW JERSEY DEPARTMENT OF HUMAN SERVICES:											
UCCA Contract	93.000	A1HV0S		10/1/08-9/30/09	568,694.91		568,694.91				
UCCA Contract	93.000	A1HV0S		10/1/09-9/30/10		8,224,265.46	7,143,268.89	5,383.60		1,086,380.17	
Children's Justice Act	93.643	09BTHS		10/1/08-9/30/09	9,745.68					9,745.68	
Total Department of Human Services					578,440.59	8,224,265.46	7,711,963.80	5,383.60		1,096,125.85	
Total Federal Financial Assistance					\$681,284.54	9,569,768.23	9,257,903.40	5,383.60	(200,091.35)	1,198,624.32	

EDUCATIONAL INFORMATION & RESOURCE CENTER
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

74

STATE GRANTOR/ PROGRAM TITLE	GRANT OR PROJECT STATE NUMBER	AWARD AMOUNT	GRANT PERIOD FROM/TO	BALANCE AT JUNE 30, 2009	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT/ REPAYMENT (ACCOUNTS OF RECEIVABLE, PRIOR YEARS' BALANCES	DEFERRED REVENUE JUNE 30, 2010	DUE TO GRANTOR JUNE 30, 2010
State Department of Treasury:									
General Fund:									
Educational Information & Resource Center - Budget Appropriation									
	N/A	\$405,000.00	7/1/09-6/30/10		405,000.00	405,000.00			
State Department of Education:									
General Fund:									
Reimbursed TPAF Social Security Contributions (Nonbudgeted)									
	495-034-5095-002	43,196.32	7/1/09-6/30/10	(\$3,696.61)	43,264.07	43,196.32	1,864.70	(1,764.16)	
Department of Youth & Family Services:									
Special Revenue Fund:									
Child Abuse Prevention	09BTHS	1,379,631.00	7/1/08-6/30/09	116,870.68		116,870.68			
Child Abuse Prevention	10BTHS	1,832,736.76	7/1/09-6/30/10		1,750,327.40	1,635,402.00		114,925.40	
Children's Trust Fund		177,243.00	7/1/04-6/30/10	23,643.23	149,558.55	149,558.55		23,643.23	
Total State Financial Assistance				\$136,817.30	2,348,150.02	2,350,027.55	1,864.70	(1,764.16)	138,568.63

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2010**

Note 1. General

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

Note 2. Basis of Accounting

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

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$ -0- for the general fund and \$(30,333.03) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2010**

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

	Federal	State	Total
General Fund		\$ 448,196.32	\$ 448,196.32
Special Revenue Fund	<u>\$9,227,570.37</u>	<u>1,901,831.23</u>	<u>11,129,401.60</u>
Total Financial Assistance	<u>\$9,227,570.37</u>	<u>\$2,350,027.55</u>	<u>\$11,577,597.92</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

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

Note 6. Federal and State Loans Outstanding

The Educational Information and Resource Center had no loan balances outstanding at June 30, 2010.

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	Yes
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	Yes
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.000	UCCA Contract

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

EDUCATIONAL INFORMATION AND RESOURCE CENTER
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

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

State Awards

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

Identification of major programs:

GMIS Number(s)	Name of State Program
10BTHS	Child Abuse Prevention

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

Finding 2010-02:

Criteria or Specific Requirement:

In order for the Center to ensure that that the payroll agency disbursements are being paid timely in the proper amounts and to the proper agencies, the balance in the agency account must be reconciled and analyzed monthly.

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section II – Financial Statement Findings

Finding 2010-02 (continued):

Condition:

No attempt was made to analyze the payroll agency account.

Context:

The analysis of payroll taxes is performed in order to ensure that agency payments are made timely and accurately.

Effect:

The Center risks making late or incorrect payments if the analysis is not performed timely.

Cause:

Lack of understanding by Center employees as to the importance of this analysis.

Recommendation:

That an analysis of the payroll agency account be immediately be brought up to date and maintained on a monthly basis.

Views of Responsible Officials and Planned Corrective Actions:

The Center agrees with this finding and will take the appropriate steps to correct this internal control deficiency.

Finding 2010-04:

Criteria or Specific Requirement:

In order for the Center to insure it is properly reporting its cash position, there should be a timely reconciliation between the Treasurer's bank reconciliation and the Business Administrator's records.

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section II – Financial Statement Findings

Finding 2010-04 (continued):

Condition:

An inadequate attempt was made to reconcile the Treasurer's bank reconciliation with the Business Administrator's records.

Context:

Monthly bank reconciliations are performed in order to ensure the proper posting of cash transactions that occur throughout the fiscal year and that cash is properly reported in the financial statements of the Center

Effect:

The Center risks not posting all cash transactions and properly reporting its cash position at the end of the fiscal year.

Cause:

The internal control structure of the Center does not make the reconciliation between the Treasurer's bank reconciliation and the Business Administrator's records a priority.

Recommendation:

That the Business Administrator's and Treasurer's records be reconciled monthly to insure proper posting of transactions.

Views of Responsible Officials and Planned Corrective Action:

The Center agrees with this recommendation and will proceed accordingly.

Finding 2010-05:

Criteria or Specific Requirement:

In order for the Center to insure it is properly reporting its cash position, there should be timely bank reconciliations performed each month by the Center's Treasurer.

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section II – Financial Statement Findings

Finding 2010-05 (continued):

Condition:

An inadequate attempt was made to perform accurate and timely bank reconciliations for all funds of the Center.

Context:

Monthly bank reconciliation are performed in order to ensure the proper posting of cash transactions that occur throughout the fiscal year and that cash is properly reported in the financial statements of the Center.

Effect:

The Center risks not posting all cash transactions and properly reporting its cash position at the end of the fiscal year.

Cause:

The internal control structure of the Center does not set criteria on when reconciliation should be completed.

Recommendation:

That the Treasurer completes the bank reconciliations in a timely and accurate manner.

Views of Responsible Officials and Planned Corrective Action:

The Center agrees with this recommendation and will proceed accordingly.

Finding 2010-06:

Criteria or Specific Requirement:

The financial activity of each grant received by the Center must be tracked individually for cash receipts and disbursements.

Condition:

An analysis of the grant activity, including an analysis of cash balances reconciled to the cash balance of the special revenue fund, was not available for audit review.

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section II – Financial Statement Findings

Finding 2010-06 (continued):

Context:

Grant activity should be reconciled monthly to the cash balances of the fund to insure that deferred revenues and accounts receivable are properly recorded.

Effect:

The financial statements of the center could be misstated.

Cause:

The internal control structure of the Center does not set criteria that this analysis be reconciled to cash balances on a regular basis.

Recommendation:

That an analysis of grant activity be maintained and reconciled to cash balances on a regular basis.

Views of Responsible Officials and Planned Corrective Action:

The Center will institute proper reconciliation procedures.

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

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

No Current Year Findings

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2010**

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

Finding 2008-05:

Condition:

An inadequate attempt was made to perform monthly bank reconciliations for all funds of the Center.

Current Status:

This condition has not been corrected by the Center.

Finding 2009-04:

Condition:

An inadequate attempt was made to reconcile the Treasurer's bank reconciliation with the Business Administrator's records.

Current Status:

This condition has not been corrected by the Center.

Finding 2009-05:

Condition:

An inadequate attempt was made to perform timely bank reconciliation for all funds of the Center.

Current Status:

This condition has not been corrected by the Center.

**EDUCATIONAL INFORMATION AND RESOURCE CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended June 30, 2010**

Finding 2009-06:

Condition:

An analysis of the grant activity, including an analysis of cash balances reconciled to the cash balance of the special revenue fund, was not available for audit review.

Current Status:

This condition has not been corrected by the client.

**EDUCATIONAL INFORMATION
AND RESOURCE CENTER**

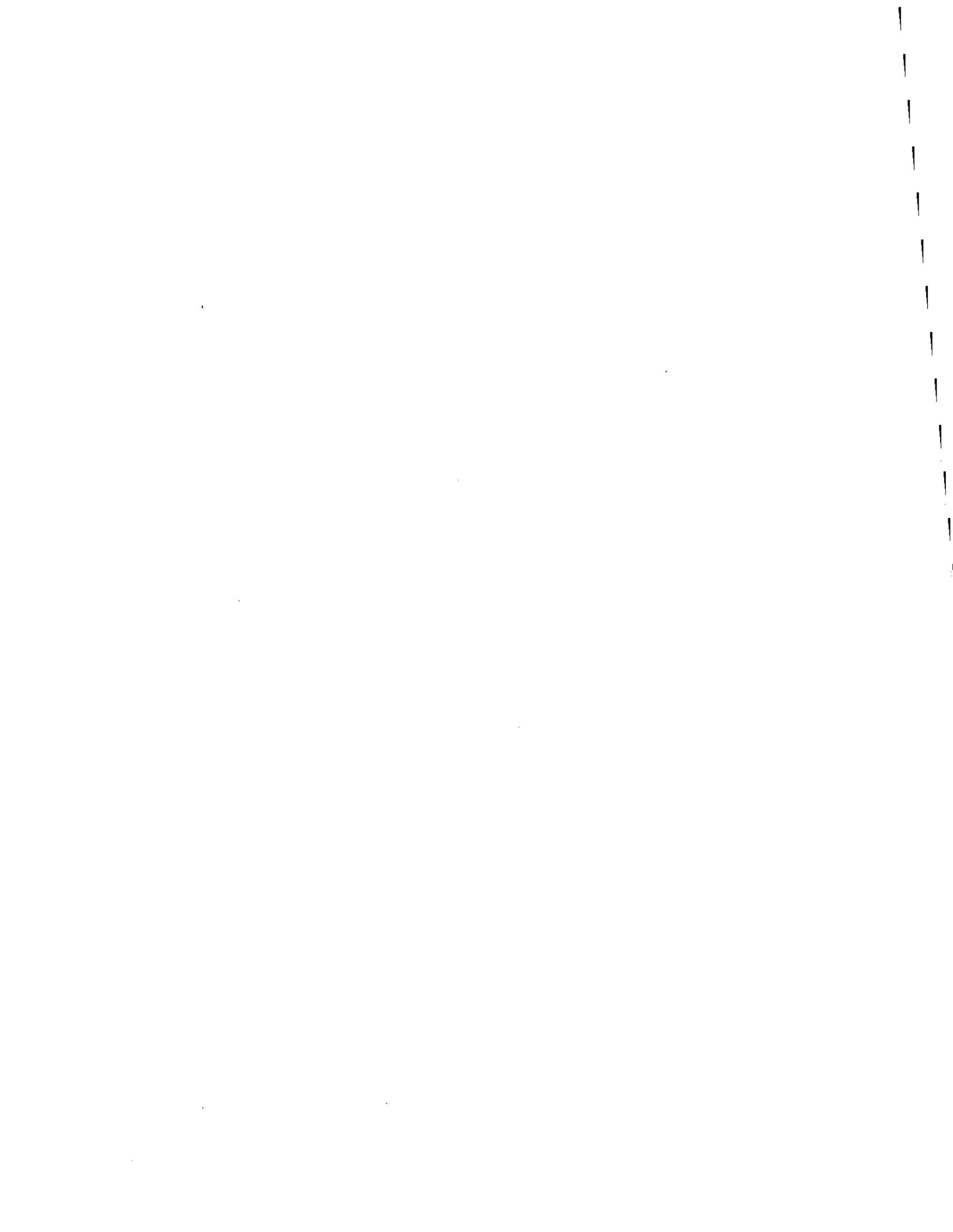
Mullica Hill, New Jersey
County of Gloucester

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
for the Year Ended June 30, 2010**

**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

TABLE OF CONTENTS

	PAGE
Report of Independent Auditors - Auditor's Management Report on Administrative Findings, Financial Compliance and Performance	1
Scope of Audit	2
Administrative Practices and Procedures:	
Insurance	N/A
Official Bonds	2
Tuition Charges	N/A
Financial Planning, Accounting and Reporting:	
Examination of Claims	2
Payroll Account	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Board Secretary's Records	3
Treasurer's Records	N/A
Elementary & Secondary School Education Act (E.S.E.A.), as amended by the Improving America's Schools Act of 1994 (I.A.S.A.)	N/A
Other Special Federal and/or State Project	N/A
T.P.A.F. Reimbursement	4
Demonstrably Effective Program Accounting	N/A
School Purchasing Programs:	
Contracts & Agreements Requiring Advertisement for Bids	4
School Food Service	N/A
Student Body Activities	N/A
Application for State School Aid	N/A
Pupil Transportation	N/A
Facilities and Capital Assets	N/A
Miscellaneous	N/A
Follow-up on Prior Year Findings	6
Acknowledgment	6





Certified Public Accountants & Consultants

**REPORT OF INDEPENDENT AUDITORS
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

Honorable Chairperson and Members
of the Board of Directors
Educational Information and Resource Center
County of Gloucester
Mullica Hill, New Jersey 08062

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the general purpose financial statements of the Board of Education of the Educational Information and Resource Center in the County of Gloucester for the year ended June 30, 2010, and have issued our report thereon dated December 12, 2010.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Educational Information and Resource Center's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

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

Medford, New Jersey
December 12, 2010

MEDFORD OFFICE
618 Stokes Road • Medford, NJ 08055
Tel: 609.953.0612 • Fax: 609.953.8443
holmanfrenia.com

TOMS RIVER OFFICE
10 Allen St., Suite 2B • Toms River, NJ 08753
Tel: 732.797.1333 • Fax: 732.797.1022
holmanfrenia.com





Certified Public Accountants & Consultants

Honorable Director and Members
of the Educational Information
and Resource Center
County of Gloucester
08062, New Jersey 08062

**ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Scope of Audit

The audit covered the financial transactions of the Business Administrator and Treasurer, the activities of the Educational Information and Resource Center, the records of the various funds under the auspices of the Educational Information and Resource Center.

Administrative Practices and Procedures

Official Bonds

There is a Public Employees' Faithful Performance Blanket Position Bond covering all employees with multiple coverage of \$100,000 per occurrence.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated the following discrepancies with respect to signatures, certification or supporting documentation.

Finding 2010-01:

It was noted that grant funds were used to pay for an employee's cell phone bill which included purchased games and ring tones. Additionally, through further investigation, it was noted that the bill is not reviewed by any EIRC employee other than the employee who the phone belongs to.

Recommendation:

That only grant program related items be purchased with grant funds and that employer paid cell phone bills be properly reviewed before payment.

Payroll Account

The net salaries of all employees of the EIRC were deposited in the Payroll Account. Employee's payroll deductions and employer's share of fringe benefits were deposited in the Payroll agency account.

The following was noted.

Finding 2010-02:

No attempt was made to analyze the payroll agency account.

Recommendation:

That an analysis of the payroll agency account be immediately brought up to date and maintained on a monthly basis.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.6:20-2(M)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Business Administrator/Treasurer's Records

***Finding 2010-04:**

The Business Administrator's records are not being adjusted to the Treasurer's reconciliations on a monthly basis.

Recommendation:

That the Business Administrator's and Treasurer's records be reconciled monthly to insure proper posting of transactions.

***Finding 2010-05:**

The Treasurer's bank reconciliations are not being completed timely or accurately.

Business Administrator/Treasurer's Records (continued):

Recommendation:

That the Treasurer completes the bank reconciliations in a timely and accurate manner.

***Finding 2010-06:**

An analysis of the cash activity by grant, including year end balances reconciled to special revenue cash balances, is not maintained.

Recommendation:

That an analysis of grant activity be maintained and reconciled to cash balances on a regular basis.

Other Special Federal and/or State Projects

The EIRC's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for EIRC employees who are members of the Teachers Pension and Annuity Fund.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A.18A:18A-3 states:

- a) "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$21,000, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1071, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to \$29,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

School Purchasing Programs (continued):

- b) Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in *N.J.S.18A:18A-2* (pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.18A:18A-4 states, "Every contract for the performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to *N.J.S.A.18A:18A-3* except by contract or agreement."

Effective July 1, 2005 and thereafter the bid thresholds in accordance with *N.J.S.A.18A:18A-2* (as amended) and 18A:39-3 are \$21,000.00 and \$15,000.00 respectively.

The Educational Information and Resource Center has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.18A:18A-4*.

The following was noted:

Finding 2010-03:

It was noted that payments to a certain vendor for equipment and materials related to the renovation of EIRC offices, which was in excess of the bid threshold, was not properly advertised in accordance with provision *N.J.S.A.18A:18A-4*.

Recommendation:

That payments, contracts, or agreements for the performance of any work or the furnishing or hiring of any materials or supplies in excess of statutory thresholds be properly advertised in accordance with provision *N.J.S.A.18A:18A-4*.

School Purchasing Programs (continued):

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

The system of records did not provide for an accumulation of purchases for which the school EIRC used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year findings. The previous years audit findings were corrected with the exception of the ones marked with an asterisk (*).

Acknowledgment

We received the complete cooperation of all the officials of the school EIRC and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions concerning our comments or should you desire any assistance, please call me.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford Office
December 12, 2010

