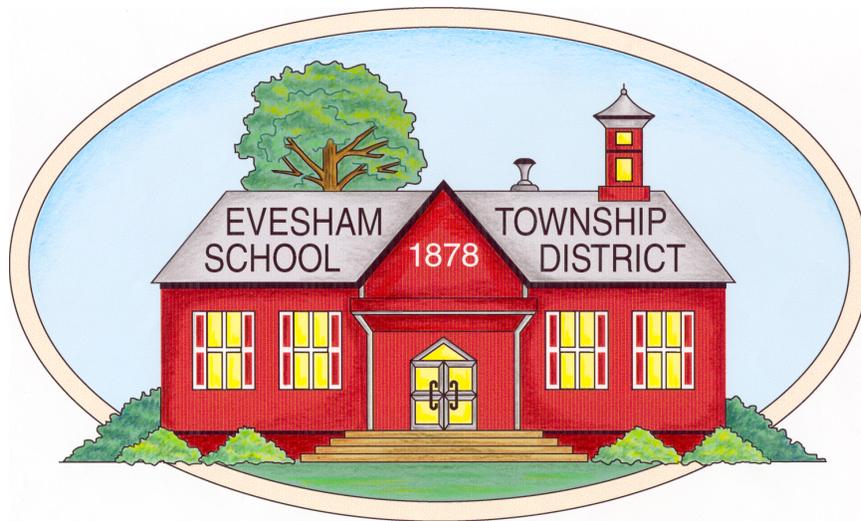


# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2010**

**EVESHAM TOWNSHIP SCHOOL DISTRICT**  
**Table of Contents**

---

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	10
<b>Required Supplementary Information – Part I Management’s Discussion and Analysis</b>	15
<b>Basic Financial Statements</b>	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets	29
A-2 Statement of Activities	30
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	32
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	33
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Proprietary Funds:	
B-4 Statement of Net Assets	35
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	36
B-6 Statement of Cash Flows	37
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	38
B-8 Statement of Changes in Fiduciary Net Assets	39
<b>Notes to the Financial Statements</b>	40
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	62
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Budgetary Comparison Schedule – General Fund -- ARRA ESF Fund 16	73
C-1c Budgetary Comparison Schedule – General Fund -- ARRA GSF Fund 17	74
C-2 Special Revenue Fund	75
C-3 Budget-to GAAP Reconciliation	76

**EVESHAM TOWNSHIP SCHOOL DISTRICT**  
**Table of Contents (Cont'd)**

	<u>Page</u>
<b>Required Supplementary Information – Part III</b>	
RSI-1 Required Supplementary Information	78
<b>Notes to the Required Supplementary Information</b>	79
<b>Other Supplementary Information</b>	
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 and Expenditures – Budgetary Basis	82
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	87
F-2 Summary Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis	88
F-2a Statement (s) of Project Revenues, Expenditures, Project Balance and -2c Project Status - Budgetary Basis	89
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Assets	93
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	94
G-3 Combining Statement of Cash Flows	95
Internal Service Fund:	
G-4 Combining Schedule of Net Assets	N/A
G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	97
H-2 Combining Statement of Changes in Fiduciary Net Assets	98
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	99
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	100

**EVESHAM TOWNSHIP SCHOOL DISTRICT  
Table of Contents (Cont'd)**

	<b>Page</b>
<b>Other Supplementary Information (Cont'd)</b>	
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	102
I-2 Schedule of Obligations under Capital Leases	103
I-3 Debt Service Fund Budgetary Comparison Schedule	104

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

J-1 Net Assets by Component	107
J-2 Changes in Net Assets	108
J-3 Fund Balances—Governmental Funds	111
J-4 Changes in Fund Balances—Governmental Funds	112
J-5 General Fund Other Local Revenue by Source	113

**Revenue Capacity**

J-6 Assessed Value and Estimated Actual Value of Taxable Property	115
J-7 Direct and Overlapping Property Tax Rates	116
J-8 Principal Property Taxpayers	117
J-9 Property Tax Levies and Collections	118

**Debt Capacity**

J-10 Ratios of Outstanding Debt by Type	120
J-11 Ratios of General Bonded Debt Outstanding	121
J-12 Direct and Overlapping Governmental Activities Debt	122
J-13 Legal Debt Margin Information	123

**Demographic and Economic Information**

J-14 Demographic and Economic Statistics	125
J-15 Principal Employers	126

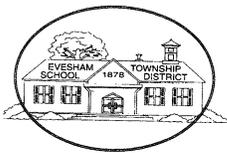
**Operating Information**

J-16 Full-time Equivalent District Employees by Function/Program	128
J-17 Operating Statistics	129
J-18 School Building Information	130
J-19 Schedule of Required Maintenance Expenditures by School Facility	131
J-20 Insurance Schedule	132

**SINGLE AUDIT SECTION**

K-1 Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	12
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	134
K-3 Schedule of Expenditures of Federal Awards, Schedule A	136
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	138
K-5 Notes to the Schedules of Awards and Financial Assistance	140
K-6 Schedule of Findings and Questioned Costs	142
K-7 Summary Schedule of Prior Audit Findings	147

# INTRODUCTORY SECTION



# Evesham Township School District

Meland Administration Building, 25 South Maple Avenue, Marlton, NJ 08053  
www.evesham.k12.nj.us • (856) 983-1800 • Fax # (856) 983-2939

John Scavelli, Jr., Superintendent  
Dennis J. Nettleton, CPA, School Business Administrator/Board Secretary

Danielle T. Magulick, Director of Curriculum & Instruction  
Tina L. Briscione, Personnel Administrator

October 27, 2010

Honorable President and Members of the  
Board of Education and Citizens of Evesham Township  
25 South Maple Avenue  
Marlton, New Jersey 08053-2096

Dear Board Members:

The comprehensive annual financial report of the Evesham Township School District for the fiscal year ending 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 Evesham Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects 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 Evesham Township School District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and 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 Evesham Township School District is required to undergo an annual single audit in conformity with the provisions of the OMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and the state Treasury Circular Letter 98-07 OMB, "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 Evesham Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the district are included in this report. The Evesham Township Board of Education and all its schools constitute the district's reporting entity. The Evesham Township School District provides a full range of educational services appropriate to Grade Levels Pre-K through 8. These include general as well as special education for handicapped students. The Evesham Township School District completed the 2009-2010 fiscal year with an average daily enrollment of 4,824 students, which is 45 students below the previous year's enrollment. The following details the changes in the student enrollment of the district over the last ten years.

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2000-2001	5,289	3.36%
2001-2002	5,396	2.02%
2002-2003	5,448	.96%
2003-2004	5,352	-1.76%
2004-2005	5,300	-.97%
2005-2006	5,171	-2.49%
2006-2007	5,058	-2.18%
2007-2008	4,940	-2.33%
2008-2009	4,924	-.32%
2009-2010	4,879	-.91%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Evesham Township School District reflects the overall demographic in the community. The current economic condition has been difficult for many local businesses and families within the community. The school district is very sensitive to increasing taxes and the impact it has on the local residents. Fortunately, the federal government has released stimulus money which should slightly help the current economic condition.

**3) MAJOR INITIATIVES:** The Evesham Township School District is committed to ongoing professional development of staff. A staff development calendar of workshops and seminars provides in-district opportunities on Saturdays and after school in a variety of areas including technology, language arts literacy, math, science, learning disabilities, character education, bullying prevention strategies, differentiating instruction and process approaches to instruction in all major content areas of the New Jersey core curriculum content standards. The Evesham Township School District also participated in Reading Recovery, an early intervention program for at-risk first grade students. This year we continued to revise curricula in the following areas: physical education, applied design and technology and family consumer science.

The Evesham Township School District continues to maintain and upgrade all facilities. Some of the projects completed are as follows:

1. Bus Garage – continued with gas contamination clean up
2. Helen L. Beeler School – replaced concrete sidewalk/asphalt lot
3. Frances S. DeMasi School – installed new stage lighting
4. Frances S. DeMasi School – asphalt repaving, phase I and II
5. Florence V. Evans School – asbestos tile removal and carpet replacement
6. Marlton Middle School – paving modifications and new basketball court
7. Marlton Middle School – replaced bleachers units
8. Marlton Middle School – installed CCTV systems
9. District – lighting retrofit for increased energy efficiencies
10. District – planted grass seed; turf grass feeding and control

The Evesham Township School District is in compliance with all State and Federal mandated programs.

The Evesham Township School District recognizes the need for community involvement and has individual school level planning committees and provides for a wide variety of community activities. The district also offers various parent informational workshops, focus groups and seminars. Parent members also serve on curriculum committees and school level planning teams. There is a very active PTA/PTO in each school. A;; presidents meet monthly with the Superintendent to share ideas. Our middle schools have initiated an electronic communication tool for parents to view attendance and grades of their children. This was extended to elementary school students in grades 3-5. Our schools have continued their participation in an

intergenerational buddy program with senior citizens. We have also continued our annual district-wide art show with participation by community members. The Evesham Township School District is committed to keeping pace with technological advances. State-of-the-art computer labs are utilized in every school. At least three multimedia computers have been placed in every classroom. All classrooms have Internet access and email. The district has continued the implementation of a student data base software program to enhance communication and evaluation of student information and progress. Report cards, attendance and registration data from the software program are utilized in all schools. Multi-media software is incorporated into the instructional program beginning in the elementary grades. Additional active board technology has been installed in each of the schools to increase student opportunities for participation and integration throughout the day. Along with laptops and other peripherals, Schoolwires, a new web-based technology has been incorporated this year to increase parent and community communication on our district and school websites.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2009.

**6) ACCOUNTING SYSTEM AND REPORTS:** The Evesham Township School District's accounting records reflect generally accepted accounting principles in the United States of America, as promulgated by the Government Accounting Standards Board (GASB).

The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

**7) FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the basic financial statements, the Evesham Township School District continues to meet its responsibility for sound financial management.

8) **CASH MANAGEMENT:** The investment policy of the Evesham Township School District is guided in large part by state statute as detailed in "Notes to the statements", Note 2. The district requires all deposits of public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

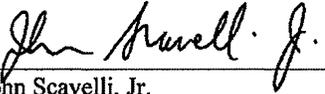
9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, workers compensation, professional liability, hazard and theft insurance on property and contents, and fidelity bonds.

10) **OTHER INFORMATION:** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, CPAs, was approved by the Board to complete this audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**11) ACKNOWLEDGMENTS:**

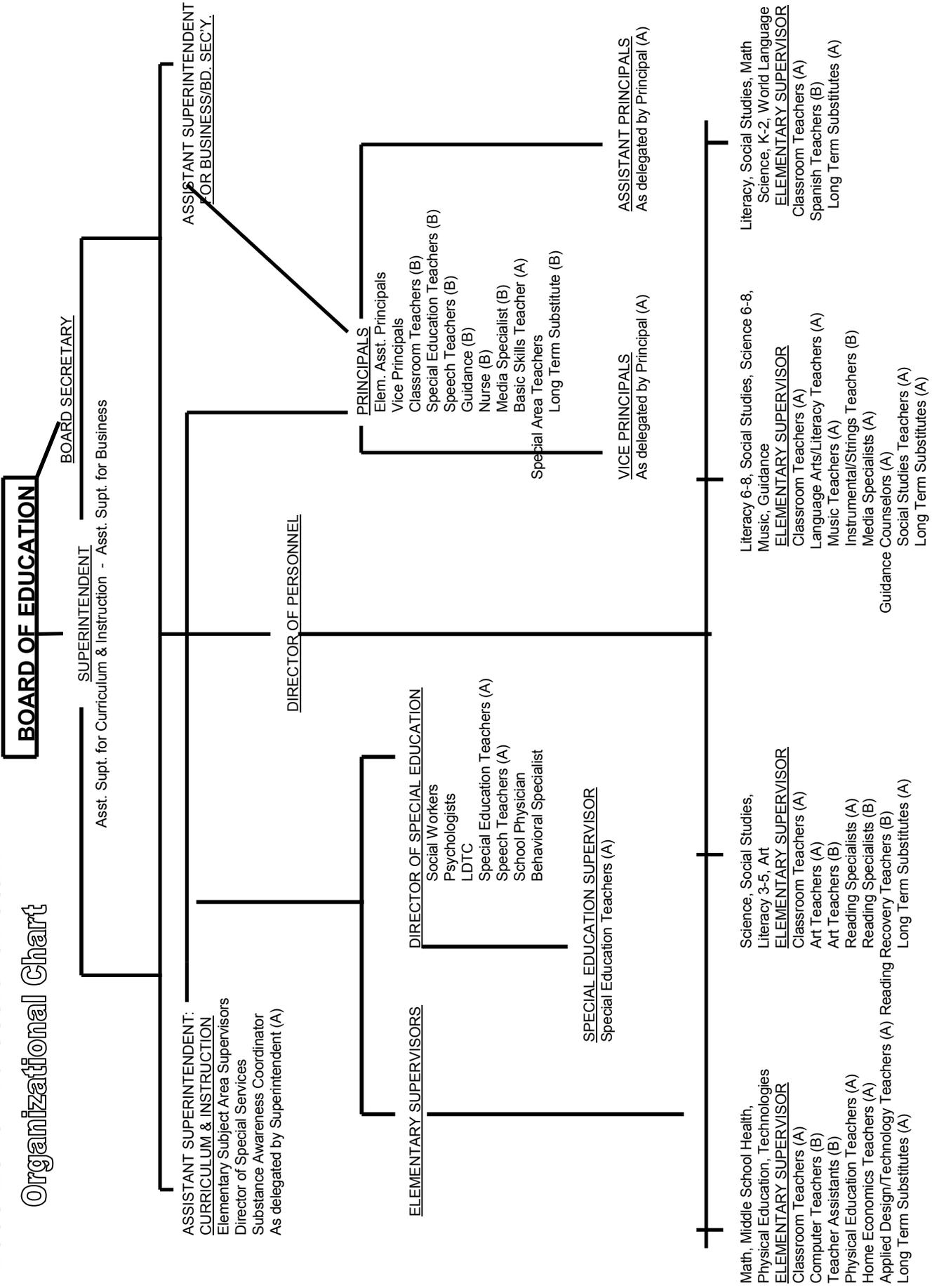
We would like to express our appreciation to the members of the Evesham Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

  
\_\_\_\_\_  
John Scavelli, Jr.  
Superintendent of Schools

  
\_\_\_\_\_  
Dennis J. Nettleton, CPA, RSBA  
Business Administrator/Board Secretary

# 2009-2010 Professional Staff Organizational Chart



(A) Assists with required formal performance appraisal and provides input into annual performance report and PIP.  
 (B) Both direct responsibility for and assists (A) with evaluation.

**EVESHAM TOWNSHIP BOARD OF EDUCATION  
MARLTON, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2010**

Members of the Board of Education

Lisa Mansfield, President	2013
Joseph M. DeJulius, Vice President	2013
Rosemary Bernardi	2011
Jay Levenson	2013
Trish Everhart	2012
Eileen Lenihan	2012
Bonnie Olt	2011
Louise Sprouse	2012
Sandy Student	2011

Other Officials

John Scavelli, Jr., Superintendent  
Danielle Magulick, Director of Curriculum & Instruction  
Dennis J. Nettleton, CPA, RSBA, School Business Administrator/Bd Sec'y  
Tina Briscione, Personnel Administrator

**EVESHAM TOWNSHIP BOARD OF EDUCATION**  
**MARLTON, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

Wayne A. Neville, AIA  
430 Commerce Lane - Suite C  
West Berlin, New Jersey 08091

**AUDIT FIRM**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, New Jersey 08043-2493

**ATTORNEY**

Cooper Levinson April Niedman & Wagenheim, P.A.  
1125 Atlantic Avenue  
Atlantic City, NJ 08401

**TREASURER**

Mary Bakey  
332 Roberts Drive  
Somerdale, NJ 08083

**OFFICIAL DEPOSITORIES**

TD Bank, NA  
1701 Route 70 East  
Cherry Hill, New Jersey 08034-5400

Susquehanna-Patriot Bank, NA  
8000 Sagemore Drive  
Marlton, New Jersey 08053

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Evesham School District  
Marlton, New Jersey 08053

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

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

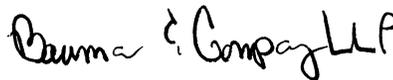
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Township of Evesham School District in the County of Burlington, State of New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

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2010 on our consideration of the Township of Evesham School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Evesham School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Joseph J. Hoffmann  
Certified Public Accountant  
Public School Accountant No. CS 00759

Voorhees, New Jersey  
October 26, 2010

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

The Honorable President and  
Members of the Board of Education  
Township of Evesham School District  
Marlton, New Jersey 08053

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Evesham School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

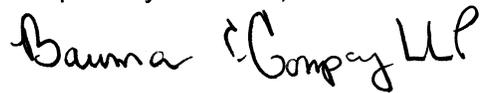
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Evesham School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Joseph J. Hoffman  
Certified Public Accountant  
Public School Accountant No. CS 00759

Voorhees, New Jersey  
October 26, 2010

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

The discussion and analysis of The Township of Evesham School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2008-09) and the prior year (2009-10) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

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

- Net Assets were \$38,381,959 for Governmental Activities and \$562,544 for Business-Type Activities.
- Net Assets decreased by \$2,293,200 from July 1, 2009 to June 30, 2010 for Governmental Activities and decreased by \$22,310 for Business-Type Activities.
- The General Fund balance at June 30, 2010 was \$5,773,666, which includes \$1,321,662 in the Capital Reserve Account.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information, which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Evesham Township School District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Evesham Township School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Evesham Township School district, reporting the Evesham Township School District's operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the Evesham Township School District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the Evesham Township School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1 Major Features of the District-Wide and Fund Financial Statements			
	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that is not proprietary or fiduciary, such as special education, building maintenance, and food service.	Activities the district operates similar to private businesses: Internal service fund
Required financial statements	Statements of net assets	Balance sheet	Statement of net assets
	Statement of activities	Statement of revenue expenditures and changes in fund balances	Statement of revenue, expenses, and changes in fund net assets
			Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter: no capital assets or long- term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid.

**District-wide Statements**

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

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

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental and business – type activities.

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, administration, support services and operation and maintenance of the district. Aid from the State of New Jersey and from the Federal government along with local property taxes finances the majority of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund and Childcare are included here.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund and the Debt Service Fund.

**Governmental Funds**

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

**The School District as a Whole**

The Statement of Net Assets provides the perspective of the School District as a whole.

Table A-2 provides a summary of the School District's net assets for fiscal year end 2010 versus 2009.

**Table A-2  
Township of Evesham School District  
Net Asstes**

	2008-2009		2009-2010		Increase/(Decrease)	
	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities
<b><u>Assets:</u></b>						
Current and Other Assets	\$10,857,779	\$504,012	\$7,165,703	\$658,232	(\$3,692,076)	\$154,220
Capital Assets	75,628,991	166,220	75,034,044	176,642	(594,947)	10,422
<b>Total Assets</b>	<b>\$86,486,770</b>	<b>\$670,232</b>	<b>\$82,199,747</b>	<b>\$834,874</b>	<b>(\$4,287,023)</b>	<b>\$164,642</b>
<b><u>Liabilities:</u></b>						
Long-Term Liabilities	\$40,543,249	\$25,508	\$37,736,360	\$246,166	(\$2,806,889)	\$220,658
Other Liabilities	5,268,362	59,871	6,081,428	26,164	813,066	(33,707)
<b>Total Liabilities</b>	<b>\$45,811,611</b>	<b>\$85,379</b>	<b>\$43,817,788</b>	<b>\$272,330</b>	<b>(\$1,993,823)</b>	<b>\$186,951</b>
<b><u>Net Assets:</u></b>						
Invested in Cap. Assets, Net of Debt	\$32,883,670	\$166,220	\$35,700,903	\$176,642	\$2,817,233	\$10,422
Restricted	7,819,412		5,055,452		(2,763,960)	-
Unrestricted	(27,923)	418,633	(2,374,396)	385,902	(2,346,473)	(32,731)
<b>Total Net Assets</b>	<b>\$40,675,159</b>	<b>\$584,853</b>	<b>\$38,381,959</b>	<b>\$562,544</b>	<b>(\$2,293,200)</b>	<b>(\$22,309)</b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

Table A-3 shows a summary of changes in net assets from fiscal year 2010 to fiscal year 2009.

**Net Cost of Governmental Activities**

	<u>2009-2010</u>	<u>2008-2009</u>	<u>Increase/ (Decrease)</u>
<b><u>Revenues</u></b>			
General Revenue:			
Property Taxes	\$55,085,508	\$53,753,207	\$1,332,301
Federal and State Aid	20,941,818	21,850,519	(908,701)
Miscellaneous Income	373,214	340,695	32,519
Donation of cap. assets & operating transfers net	28,536	167,994	(139,458)
<i>Total Revenues</i>	<u>\$76,429,076</u>	<u>\$76,112,415</u>	<u>\$316,661</u>
<b><u>Program Expenses</u></b>			
Governmental Activities:			
Instruction	\$33,034,806	\$32,761,983	\$ 272,823
Support Services:			
Tuition	1,414,733	1,951,366	(536,633)
Student & Instruction Related Services	6,380,694	5,435,493	945,201
Administrative Services	4,939,316	4,839,229	100,087
Plant Operations & Maintenance	6,929,874	7,156,761	(226,887)
Pupil Transportation	4,167,854	3,790,924	376,930
Unallocated Benefits	17,941,422	16,951,140	990,282
Interest on Long-Term Debt	1,619,913	1,768,090	(148,177)
Unallocated depreciation	2,293,664	1,887,835	405,829
Subtotal Expenses, Governmental Activities	<u>\$78,722,276</u>	<u>\$76,542,821</u>	<u>\$2,179,455</u>
Business-Type Activities Net Expenses:			
Food Service	(\$43,154)	(\$27,595)	\$15,559
Childcare Program	20,844	(40,839)	(\$61,683)
Subtotal Net (Income) Expenses, Business-Type Activities	<u>(\$22,310)</u>	<u>(\$68,434)</u>	<u>(\$46,124)</u>
<i>Total Expenses</i>	<u>(\$78,744,586)</u>	<u>(\$76,611,255)</u>	<u>\$2,133,331</u>
<b>Increase (Decrease) in Net Assets</b>	<b><u>(\$2,315,510)</u></b>	<b><u>(\$498,840)</u></b>	<b><u>(\$1,816,670)</u></b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

**Changes in net assets.** Total revenues for the district were \$76,429,076. Property taxes for general purposes and debt service are 72.1% of the district's revenues with the State of New Jersey and Federal Sources providing \$20,886,466 in aid. The dependence upon local property taxes is apparent and is the primary support for the Township of Evesham School District. Growth of district ratables help to offset tax increases.

The District's expenses are predominantly related to instruction and support services. Instruction together with tuition totaled \$34,449,538 (43.7%) of total expenditures. Student support services, exclusive of administration, totaled \$6,380,694 (8.1%) of total expenditures.

**Table A-4  
Township of Evesham School District  
Net Cost of Governmental Activities**

<u>Governmental Activities</u>	<u>Source</u>	<u>09-'10 Net Cost</u>	<u>08-'09 Net Cost</u>	<u>Increase/ (Decrease)</u>
Instruction:				
Regular	A-2	\$19,791,140	\$19,926,773	(\$135,633)
Special	A-2	8,038,385	9,644,038	(1,605,653)
Other Instruction	A-2	3,496,759	1,956,461	1,540,298
Support Services:				
Tuition	A-2	1,414,733	1,951,366	(536,633)
Student & Instruction Related Services	A-2	5,752,347	4,841,888	910,459
School Administrative Services	A-2	2,361,111	2,233,493	127,618
General and Business Admin. Services	A-2	2,578,205	2,605,737	(27,532)
Plant Operations & Maintenance	A-2	6,929,874	7,156,761	(226,887)
Pupil Transportation	A-2	4,158,943	3,783,169	375,774
Unallocated Benefits	A-2	13,502,306	12,666,724	835,582
Reimbursed TPAF & Social Security	A-2			-
Interest on long-term debt	A-2	1,143,800	1,249,920	(106,120)
Unallocated depreciation	A-2	2,293,664	1,887,834	405,830
<b>Total Governmental Activities</b>		<b>\$71,461,267</b>	<b>\$69,904,164</b>	<b>\$1,557,103</b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Health and Attendance services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

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

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Business/debt and other support services include activities for support not classified elsewhere, including support services for business activities and support services for central activities, the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health benefits and other employee benefits.

**The School District's Funds**

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$76,394,722, expenditures of \$81,281,342.

**General Fund Budgeting Highlights**

The School District's budget is prepared in accordance with New Jersey law. The most significant budgeted fund is the General Fund.

The General Fund includes the primary operations of the district in providing educational services to students from Pre-Kindergarten through Grade 8 including pupil transportation and capital outlay projects.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
Township of Evesham School District  
Summary of General Fund Revenues**

<u>Revenues</u>	<u>2009-10</u>	<u>2008-09</u>	<u>Increase/ (Decrease)</u>
Local Sources:			
Local Tax Levy	\$51,045,922	\$50,309,043	\$736,879
Interest	168,917	126,578	42,339
Tuition	6,532	40,894	(34,362)
Rentals	47,949	73,284	(25,335)
Miscellaneous	143,998	99,939	44,059
<i>Sub-total Local Sources</i>	<u>\$51,413,318</u>	<u>\$50,649,738</u>	<u>\$763,580</u>
Government Sources:			
State Sources	\$14,744,949	\$18,508,245	(3,763,296)
Federal Sources	1,819,207	-	(1,819,207)
<i>Sub-total Government Sources</i>	<u>\$16,564,156</u>	<u>\$18,508,245</u>	<u>(\$5,582,503)</u>
<b>Total Revenues</b>	<u><b>\$67,977,474</b></u>	<u><b>\$69,157,983</b></u>	<u><b>(\$4,818,923)</b></u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

The following schedule presents a summary of General Fund expenditures.

**Table A-6  
Township of Evesham School District  
Summary of General Fund Expenditures**

	<u>2009-10</u>	<u>2008-09</u>	<u>Increase/ (Decrease)</u>
Instruction:			
Regular Instruction	\$19,833,993	\$19,847,852	(\$13,859)
Special Education Instruction	7,962,998	9,606,513	(1,643,515)
Other Instruction	3,496,759	1,956,461	1,540,298
Support Services & Undistributed Costs:			
Tuition	1,414,733	1,951,366	(536,633)
Student & Instruction Related Services	5,748,643	4,838,183	910,460
School Administrative Services	2,361,112	2,233,493	127,619
General and Business Admin. Services	2,465,317	2,535,710	(70,393)
Plant Operations & Maintenance	6,146,948	6,419,456	(272,508)
Pupil Transportation	3,825,022	3,609,398	215,624
Unallocated Benefits	12,770,564	11,959,958	810,606
Reimbursed TPAF & Social Security	4,411,518	4,230,428	181,090
Capital Outlay	2,203,558	1,546,938	656,620
<b>Total Expenditures</b>	<u><b>\$72,641,165</b></u>	<u><b>\$70,735,756</b></u>	<u><b>\$1,905,409</b></u>

Total General Fund expenditures increased \$1,905,409 or 2.7% from the previous year. Special Education Instruction costs decreased \$1,643,515 or 17.10% while unallocated benefits (State of NJ mandatory PERS pension contribution, social security contributions, health benefits and tuition reimbursements) increased by \$810,606 or 6.78%.

**UNRESERVED FUND BALANCE**

Current New Jersey State Statute allows school districts to maintain an unreserved fund balance equal to 2% of the overall budget appropriations. Any amounts that exceed this threshold are allocated as a funding source in the subsequent fiscal year.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

**Capital Assets**

At the end of the fiscal year 2010, the School District had \$75,034,044 invested in land, buildings, furniture and equipment, net of depreciation for governmental activities.

Table A-7 shows a summary of the fiscal year 2010 balances as compared to fiscal year 2009.

**Table A-7  
Township of Evesham School District  
Capital Assets (Net of Depreciation)**

	<u>2009-2010</u>	<u>2008-2009</u>	<u>Increase/ (Decrease)</u>
Land	\$9,902,366	\$9,825,290	\$ (77,076)
Land Improvements	910,714	706,378	204,336
Construction in Progress			0
Buildings and Improvements	61,167,519	63,231,930	(2,064,411)
Furniture and Equipment	3,053,445	1,865,393	1,188,052
<b>Totals</b>	<u><b>\$75,034,044</b></u>	<u><b>\$75,628,991</b></u>	<u><b>(\$749,099)</b></u>

The capitalization threshold for classification of fixed assets is \$2,000. Any equipment with a unit value under \$2,000 is classified as a supply item.

**Food Service Fund**

This fund accounts for the financial transactions related to the food service operations of the School District. The Food Service Fund had Net Assets of \$489,979 on June 30, 2010. This is a decrease of \$45,076 from the previous year.

**Childcare Program**

The Childcare Program had net assets on June 30, 2010 of \$72,564. This reflects an increase of \$22,766 from the previous year primarily as a result of an increase in participation in the program. This fund accounts for the financial activity relating to before and after school day care services for the pupils of the Evesham Township School District.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

**DEBT SERVICE FUND**

The current year obligations for payment of debt service principal and interest amounted to \$5,478,109. Funding was provided by the local tax levy in the amount of \$4,039,586 and \$1,438,523 was received as aid from the state with the remainder from budgeted fund balance.

**Construction Planning**

The district will soon continue with certain roof replacements and sheet metal work. In July 2010, roof replacement will occur at the Florence V. Evans, Robert B. Jaggard and Richard L. Rice Schools. Other future projects include an HVAC controls upgrade at Marlton Middle School. Grants have been secured from the NJ School Development Authority, which will cover approximately 40% of the costs.

**Long-term Obligations**

The district also had a \$762,819 liability for compensated absences. This liability represents the district's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

The district was also required to report obligations for "Other Post Employment Benefits" in accordance with GASB Statement 45. For the fiscal year ended June 30, 2010 the present value of these benefits to be paid over the next thirty years is \$1,438,508.

Table A-8 shows the district's long-term obligations.

**Table A-8  
Township of Evesham School District  
Long-Term Obligations**

<u>Governmental Activity</u>	<u>Balance at June 30, 2010</u>	<u>Balance at June 30, 2009</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
General Obligation Bonds Payable	\$38,465,000	\$42,130,000	(\$3,665,000)	-10.00%
Other Post Employment Benefits	1,438,508	706,766	731,742	51.00%
Capital Leases	431,765	29,534	402,231	93.00%
Compensated Absences	762,819	650,745	112,074	15.00%
<b>Totals</b>	<b><u>\$41,098,092</u></b>	<b><u>\$43,517,045</u></b>	<b><u>(\$2,418,953)</u></b>	<b><u>-6.00%</u></b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
MARLTON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)**

**Current Financial Issues and Concerns**

The School District has a long record of financial stability. Recently the district has experienced several years of defeated budget municipal tax levy reductions, as well as dramatic decreases to State Aid. It will be difficult for the district to maintain the same level of excellent educational programs that it currently enjoys. In addition, the district has seen an almost 13% reduction in its enrollments since 2003. The next few budget cycles will likely be very difficult, when considering the newly imposed 2% cap on tax levy growth. Special education costs have also continued to experience significant increases.

The School District is committed to providing the best education to every student in Evesham Township. We are also committed to providing excellent facilities and equipment. We believe that we have outstanding teaching staff and support personnel. Finally, we are committed to financial excellence and stability.

**Contacting the School District's Financial Management**

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to demonstrate the district's accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Dennis Nettleton, *CPA, RSBA*, Secretary to the Board of Education and School Business Administrator at:

Evesham Township School District  
25 South Maple Avenue  
Marlton, New Jersey 08053  
(856) 983-1800

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Statement of Net Assets  
June 30, 2010

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 4,138,034.78	\$ 573,775.27	\$ 4,711,810.05
Cash Held by Fiscal Agent	372,053.00		372,053.00
Receivables, net	1,859,960.75	34,682.01	1,894,642.76
Deferred Charge:			
Debt Issuance Costs (Net of Amortization)	415,768.46		415,768.46
Restricted Cash and Cash Equivalents	223,111.25		223,111.25
Inventory	156,774.64	49,773.85	206,548.49
Capital Assets, net (Note 6)	<u>75,034,044.36</u>	<u>176,642.38</u>	<u>75,210,686.74</u>
<b>Total Assets</b>	<u>82,199,747.24</u>	<u>834,873.51</u>	<u>83,034,620.75</u>
<b>LIABILITIES:</b>			
Accounts Payable	1,300,372.27		1,300,372.27
Payable to Other Governments	11,795.30	184,792.05	196,587.35
Accrued Interest	482,117.99		482,117.99
Deferred Revenue	73,265.85	59,220.54	132,486.39
Noncurrent Liabilities (Note 7):			
Due within One Year	4,213,876.62	2,153.00	4,216,029.62
Due beyond One Year	<u>37,736,360.27</u>	<u>26,164.33</u>	<u>37,762,524.60</u>
<b>Total Liabilities</b>	<u>43,817,788.30</u>	<u>272,329.92</u>	<u>44,090,118.22</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	35,700,902.98	176,642.38	35,877,545.36
Restricted for:			
Debt Service	(477,522.77)		(477,522.77)
Capital Projects	425,435.00		425,435.00
Other Purposes	5,107,539.53		5,107,539.53
Unrestricted (Deficit)	<u>(2,374,395.80)</u>	<u>385,901.21</u>	<u>(1,988,494.59)</u>
<b>Total Net Assets</b>	<u>\$ 38,381,958.94</u>	<u>\$ 562,543.59</u>	<u>\$ 38,944,502.53</u>

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

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

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 19,797,669.48	\$ 6,532.00			\$ (19,791,137.48)		\$ (19,791,137.48)
Special Education	9,740,376.69		\$ 1,701,991.56		(8,038,385.13)		(8,038,385.13)
Other Special Instruction	2,077,025.91				(2,077,025.91)		(2,077,025.91)
Other Instruction	1,419,733.05				(1,419,733.05)		(1,419,733.05)
Support Services:							
Student and Instruction Related Services	7,795,426.72		628,346.31		(7,167,080.41)		(7,167,080.41)
School Administrative Services	2,361,111.37				(2,361,111.37)		(2,361,111.37)
General and Business Administrative Services	2,578,205.04				(2,578,205.04)		(2,578,205.04)
Plant Operations and Maintenance	6,929,873.92				(6,929,873.92)		(6,929,873.92)
Pupil Transportation	4,167,853.91		8,910.46		(4,158,943.45)		(4,158,943.45)
Allocated and Unallocated Benefits	13,529,904.24		27,598.00		(13,502,306.24)		(13,502,306.24)
Reimbursed TPAF and Social Security	4,411,517.63		4,411,517.63				
Interest on Long-Term Debt	1,619,913.34		476,112.98		(1,143,800.36)		(1,143,800.36)
Unallocated Depreciation	2,293,664.22				(2,293,664.22)		(2,293,664.22)
<b>Total Governmental Activities</b>	<b>78,722,275.52</b>	<b>6,532.00</b>	<b>7,254,476.94</b>	<b>-</b>	<b>(71,461,266.58)</b>	<b>-</b>	<b>(71,461,266.58)</b>
<b>Business-Type Activities:</b>							
Food Service	1,495,559.09	1,176,209.80				\$ (50,235.20)	(50,235.20)
Childcare Program	801,515.01	822,358.74				20,843.73	20,843.73
<b>Total Business-Type Activities</b>	<b>2,297,074.10</b>	<b>1,998,568.54</b>	<b>269,114.09</b>	<b>-</b>	<b>-</b>	<b>(29,391.47)</b>	<b>(29,391.47)</b>
<b>Total Primary Government</b>	<b>\$ 81,019,349.62</b>	<b>\$ 2,005,100.54</b>	<b>\$ 7,523,591.03</b>	<b>-</b>	<b>(71,461,266.58)</b>	<b>(29,391.47)</b>	<b>(71,490,658.05)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, net					51,045,922.00		51,045,922.00
Taxes Levied for Debt Service					4,039,586.00		4,039,586.00
Federal and State Aid Not Restricted					12,152,638.00		12,152,638.00
Federal and State Aid Restricted					1,534,702.80		1,534,702.80
Miscellaneous Income					360,863.92	7,081.59	367,945.51
Donated Assets					5,817.76		5,817.76
Operating Transfers In / Out					28,536.39		28,536.39
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>69,168,066.87</b>	<b>7,081.59</b>	<b>69,175,148.46</b>
<b>Change in Net Assets</b>					<b>(2,293,199.71)</b>	<b>(22,309.88)</b>	<b>(2,315,509.59)</b>
<b>Net Assets -- July 1</b>					<b>40,675,158.65</b>	<b>584,853.47</b>	<b>41,260,012.12</b>
<b>Net Assets -- June 30</b>					<b>\$ 38,381,958.94</b>	<b>\$ 562,543.59</b>	<b>\$ 38,944,502.53</b>

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

FUND FINANCIAL STATEMENTS

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2010

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 4,138,034.78		\$ 223,111.00	\$ 0.25	\$ 4,361,146.03
Cash Held by Fiscal Agent	372,053.00				372,053.00
Receivables, net:					
Interfund Receivable:					
Enterprise Fund	184,792.05				184,792.05
Special Revenue Fund	518,829.46				518,829.46
Receivables from Other Governments:					
Federal		\$ 548,036.51			548,036.51
State of NJ -- NonPublic		1,273.00			1,273.00
State of NJ -- Extraordinary Aid	175,534.00				175,534.00
State of NJ -- FICA	197,047.45				197,047.45
State of NJ -- Transportation Aid	28,628.00				28,628.00
State of NJ -- SDA Grants			202,324.00		202,324.00
Other Receivables	1,972.50	1,523.78			3,496.28
Inventory of Supplies	156,774.64				156,774.64
<b>Total Assets</b>	<b>\$ 5,773,665.88</b>	<b>\$ 550,833.29</b>	<b>\$ 425,435.00</b>	<b>\$ 0.25</b>	<b>\$ 6,749,934.42</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 764,044.64	\$ 5,906.68			\$ 769,951.32
Interfund Payable:					
General Fund		518,829.46			518,829.46
Fiduciary Fund	11,591.49				11,591.49
Payable to State Government		10,996.07			10,996.07
Payable to Federal Government		799.23			799.23
Deferred Revenue	58,964.00	14,301.85			73,265.85
<b>Total Liabilities</b>	<b>834,600.13</b>	<b>550,833.29</b>	<b>-</b>	<b>-</b>	<b>1,385,433.42</b>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	188,759.24				188,759.24
Inventory of Supplies	156,774.64				156,774.64
Emergency Reserve	400,000.00				400,000.00
Maintenance Reserve	130,000.00				130,000.00
Capital Reserve	528,960.75				528,960.75
Capital Reserve -- Designated for Subsequent Year's Expenditures	792,701.00				792,701.00
Legally Restricted Capital Outlay	11,574.71				11,574.71
Excess Surplus -- Designated for Subsequent Year's Expenditures	2,898,769.19				2,898,769.19
Unreserved -- Undesignated	(168,473.78)			\$ 0.25	(168,473.53)
Unreserved -- Designated for Subsequent Year's Expenditures			\$ 425,435.00		425,435.00
<b>Total Fund Balances</b>	<b>4,939,065.75</b>	<b>-</b>	<b>425,435.00</b>	<b>0.25</b>	<b>5,364,501.00</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,773,665.88</b>	<b>\$ 550,833.29</b>	<b>\$ 425,435.00</b>	<b>\$ 0.25</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$112,197,337.92 and the accumulated depreciation is \$37,163,293.56.	75,034,044.36
Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.	(40,511,728.51)
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	415,768.46
Accrual of unfunded post employment benefits	(1,438,508.38)
Interest on long term debt is accrued on the Statement of Net Assets regardless when due.	(482,117.99)
<b>Net assets of governmental activities</b>	<b>\$ 38,381,958.94</b>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 51,045,922.00			\$ 4,039,586.00	\$ 55,085,508.00
Other Local Revenue	367,395.92	\$ 55,351.38			422,747.30
State Sources	14,744,948.63	210,559.21	\$ 518,609.78	1,438,523.00	16,912,640.62
Federal Sources	1,819,207.00	2,154,618.74			3,973,825.74
<b>Total Revenues</b>	<b>67,977,473.55</b>	<b>2,420,529.33</b>	<b>518,609.78</b>	<b>5,478,109.00</b>	<b>76,394,721.66</b>
<b>EXPENDITURES:</b>					
Regular Instruction	19,833,993.37				19,833,993.37
Special Education Instruction	7,962,997.91	1,701,991.56			9,664,989.47
Other Special Instruction	2,077,025.91				2,077,025.91
Other Instruction	1,419,733.05				1,419,733.05
Support Services and Undistributed Costs:					
Student and Instruction Related Services	7,163,375.55	628,346.31			7,791,721.86
School Administrative Services	2,361,111.37				2,361,111.37
Other Administrative Services	2,465,317.07				2,465,317.07
Plant Operations and Maintenance	6,146,948.26				6,146,948.26
Pupil Transportation	3,825,022.23	8,910.46			3,833,932.69
Allocated and Unallocated Benefits	12,770,564.01	27,598.00			12,798,162.01
Reimbursed TPAF Pension and Social Security	4,411,517.63				4,411,517.63
Debt Service:					
Principal				3,665,000.00	3,665,000.00
Interest				1,813,108.78	1,813,108.78
Capital Outlay	2,203,558.15	53,683.00	741,540.07		2,998,781.22
<b>Total Expenditures</b>	<b>72,641,164.51</b>	<b>2,420,529.33</b>	<b>741,540.07</b>	<b>5,478,108.78</b>	<b>81,281,342.69</b>
Excess (Deficiency) of Revenues over Expenditures	(4,663,690.96)	-	(222,930.29)	0.22	(4,886,621.03)
<b>OTHER FINANCING SOURCES (USES):</b>					
Cancellation of Tuition Receivable	(282.00)				(282.00)
Transfers To and From Capital Reserve	(80,000.00)		80,000.00		
Transfers To and From Capital Outlay	(568,365.29)		568,365.29		
Assets Acquired Under Capital Lease	547,683.46				547,683.46
Change in Year-end Inventory	28,818.39				28,818.39
<b>Total Other Financing Sources and Uses</b>	<b>(72,145.44)</b>	<b>-</b>	<b>648,365.29</b>	<b>-</b>	<b>576,219.85</b>
<b>Net Change in Fund Balances</b>	<b>(4,735,836.40)</b>		<b>425,435.00</b>	<b>0.22</b>	<b>(4,310,401.18)</b>
Fund Balance -- July 1	9,674,902.15	-		0.03	9,674,902.18
Fund Balance -- June 30	\$ 4,939,065.75	-	\$ 425,435.00	\$ 0.25	\$ 5,364,501.00

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

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

Total Net Change in Fund Balances - Governmental Funds	\$ (4,310,401.18)
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	\$ (3,599,545.53)
Acquisition of Capital Leases	(547,683.46)
Donated Assets	5,817.76
Capital Outlays	<u>2,998,781.22</u>
	(1,142,630.01)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	3,665,000.00
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	
Amortization of Debt Issuance Costs	(49,386.80)
Amortization of Loss on Refunding Bonds	20,358.27
Amortization of Bond Sale Premiums	178,439.33
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	145,452.25
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)	43,784.64
In the statement of activities, post employment benefits other than pension are accrued regardless of when due. This accrued liability is not recorded In the governmental funds. The increase in accrued liability is an reduction in the reconciliation. (-)	(731,742.23)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	<u>(112,073.98)</u>
Change in Net Assets of Governmental Activities	<u>\$ (2,293,199.71)</u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 368,937.55	\$ 204,837.72	\$ 573,775.27
Accounts Receivable:			
State	1,049.40		1,049.40
Federal	13,060.76		13,060.76
Other	4,501.59	16,070.26	20,571.85
Inventories	49,773.85		49,773.85
<b>Total Current Assets</b>	<u>437,323.15</u>	<u>220,907.98</u>	<u>658,231.13</u>
<b>Noncurrent Assets:</b>			
Restricted Cash and Cash Equivalents			
Furniture, Machinery and Equipment	950,258.03		950,258.03
Less Accumulated Depreciation	(773,615.65)		(773,615.65)
<b>Total Noncurrent Assets</b>	<u>176,642.38</u>	<u>-</u>	<u>176,642.38</u>
<b>Total Assets</b>	<u>613,965.53</u>	<u>220,907.98</u>	<u>834,873.51</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Interfund Accounts Payable:			
Due General Fund	65,032.42	119,759.63	184,792.05
Compensated Absences Payable	2,153.00		2,153.00
Deferred Revenue	30,636.55	28,583.99	59,220.54
<b>Total Current Liabilities</b>	<u>97,821.97</u>	<u>148,343.62</u>	<u>246,165.59</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	26,164.33	-	26,164.33
<b>Total Liabilities</b>	<u>123,986.30</u>	<u>148,343.62</u>	<u>272,329.92</u>
<b>NET ASSETS:</b>			
Unrestricted	<u>\$ 489,979.23</u>	<u>\$ 72,564.36</u>	<u>\$ 562,543.59</u>

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

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

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 483,034.58		\$ 483,034.58
Daily Sales - Non-Reimbursable Programs	665,460.07		665,460.07
Child Care Fees -- Regular Program		\$ 770,330.74	770,330.74
Child Care Fees -- Summer Program		52,028.00	52,028.00
Special Functions	27,715.15		27,715.15
	<u>1,176,209.80</u>	<u>822,358.74</u>	<u>1,998,568.54</u>
<b>Total Operating Revenues</b>	<b>1,176,209.80</b>	<b>822,358.74</b>	<b>1,998,568.54</b>
<b>OPERATING EXPENSES:</b>			
Salaries	472,391.28	555,484.34	1,027,875.62
Employee Benefits	161,834.02	124,219.20	286,053.22
General Supplies	46,073.78	67,611.47	113,685.25
Depreciation	31,620.74		31,620.74
Repairs and Maintenance	2,752.11		2,752.11
Administration Fee	27,500.00		27,500.00
Utilities		46,200.00	46,200.00
Purchased Professional Services	38,242.82	8,000.00	46,242.82
Cost of Sales	700,679.45		700,679.45
Miscellaneous	14,464.89		14,464.89
	<u>1,495,559.09</u>	<u>801,515.01</u>	<u>2,297,074.10</u>
<b>Total Operating Expenses</b>	<b>1,495,559.09</b>	<b>801,515.01</b>	<b>2,297,074.10</b>
<b>Operating Income / (Loss)</b>	<b>(319,349.29)</b>	<b>20,843.73</b>	<b>(298,505.56)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	13,889.34		13,889.34
Federal Sources:			
National School Lunch Program	171,234.03		171,234.03
Food Distribution Program	83,990.72		83,990.72
Interest Revenue	5,159.24	1,922.35	7,081.59
	<u>274,273.33</u>	<u>1,922.35</u>	<u>276,195.68</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b>274,273.33</b>	<b>1,922.35</b>	<b>276,195.68</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>(45,075.96)</b>	<b>22,766.08</b>	<b>(22,309.88)</b>
Capital Contributions	-	-	-
<b>Change in Net Assets</b>	<b>(45,075.96)</b>	<b>22,766.08</b>	<b>(22,309.88)</b>
<b>Net Assets -- July 1</b>	<b>535,055.19</b>	<b>49,798.28</b>	<b>584,853.47</b>
<b>Net Assets -- June 30</b>	<b>\$ 489,979.23</b>	<b>\$ 72,564.36</b>	<b>\$ 562,543.59</b>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 1,177,903.53	\$ 820,877.66	\$ 1,998,781.19
Payments to Employees	(469,581.62)	(555,484.34)	(1,025,065.96)
Payments for Employee Benefits	(161,834.02)	(124,219.20)	(286,053.22)
Payments for Supplies and Services	(835,915.77)	(121,811.47)	(957,727.24)
Net Cash Provided by (used for) Operating Activities	<u>(289,427.88)</u>	<u>19,362.65</u>	<u>(270,065.23)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	13,622.56		13,622.56
Federal Sources	251,033.04		251,033.04
Operating Subsidies and Transfers to Other Funds	61,738.19	176,700.79	238,438.98
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>326,393.79</u>	<u>176,700.79</u>	<u>503,094.58</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets	(42,042.83)	-	(42,042.83)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	5,159.24	1,922.35	7,081.59
Net Increase (Decrease) in Cash and Cash Equivalents	82.32	197,985.79	198,068.11
Cash and Cash Equivalents -- July 1	368,855.23	6,851.93	375,707.16
Cash and Equivalents -- June 30	<u>\$ 368,937.55</u>	<u>\$ 204,837.72</u>	<u>\$ 573,775.27</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	\$ (319,349.29)	\$ 20,843.73	\$ (298,505.56)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	31,620.74		31,620.74
(Increase) Decrease in Accounts Receivable	4,065.37	(7,793.27)	(3,727.90)
(Increase) Decrease in Inventories	(4,906.39)		(4,906.39)
Increase (Decrease) in Accounts Payable	(1,296.33)		(1,296.33)
Increase (Decrease) in Deferred Revenue	(2,371.64)	6,312.19	3,940.55
Increase (Decrease) in Accrued Salaries Benefits	2,809.66		2,809.66
Total Adjustments	<u>29,921.41</u>	<u>(1,481.08)</u>	<u>28,440.33</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (289,427.88)</u>	<u>\$ 19,362.65</u>	<u>\$ (270,065.23)</u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2010

	Trust Fund	Agency Funds		
	Unemployment Compensation Trust	Student Activity	Payroll	Total
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 675,238.16	\$ 96,592.06	\$ 440,001.69	\$ 1,211,831.91
Accounts Receivable:				
Interfund Accounts Receivable:				
Due Agency Fund -- General			11,591.49	11,591.49
Due Trust Fund -- Payroll	96,780.46			96,780.46
Total Investments	96,780.46	-	11,591.49	108,371.95
 Total Assets	 772,018.62	 \$ 96,592.06	 \$ 451,593.18	 1,320,203.86
<b>LIABILITIES:</b>				
Accounts Payable	22,962.31	\$ 20,081.11		43,043.42
Interfund Accounts Payable:				
Due Unemployment Fund			\$ 96,780.46	96,780.46
Payable to Student Groups		76,510.95		76,510.95
Payroll Deductions and Withholdings			354,812.72	354,812.72
 Total Liabilities	 22,962.31	 \$ 96,592.06	 \$ 451,593.18	 571,147.55
 <b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims and Other Purposes	\$ 749,056.31			\$ 749,056.31

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

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

---

	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions and Donations from	
Payroll Deductions Withheld	\$ 80,482.94
Investment Earnings:	
Interest	<u>7,676.39</u>
Total Additions	<u>88,159.33</u>
DEDUCTIONS:	
Unemployment Claims	<u>106,630.77</u>
Change in Net Assets	(18,471.44)
Net Assets -- July 1	<u>767,527.75</u>
Net Assets -- June 30	<u><u>\$ 749,056.31</u></u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

---

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Reporting Entity** - The Township of Evesham School District (hereafter referred to as the "School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-8 at its 9 schools. The School District has an approximate enrollment at June 30, 2010 of 4,879.

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

**Component Units** - GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The following organization is considered to be a component unit; however, the School District has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Evesham Education Foundation  
25 South Maple Avenue  
Marlton, New Jersey 08053

Requests for financial information should be addressed to the organization listed above.

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Presentation (Cont'd)**

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

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

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

**General Fund** - The general fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities 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, district taxes, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Governmental Funds (Cont'd)**

**General Fund (Cont'd)** - In addition to the capital outlay sub-fund, the School District is accountable for two additional sub-funds resulting from federal legislation signed into law on February 17, 2009. This federal law requires the tracking and separate reporting of American Recovery and Reinvestment Act (ARRA) funds. ARRA State Fiscal Stabilization Funds were provided to districts to be used for general fund expenses. The New Jersey State Department of Education requires that the ARRA - Education Stabilization Fund (ESF) is to be recorded as a separate and ARRA - Government Services Fund (GSF) as a separate sub-fund.

**Special Revenue Fund** - The special revenue fund is used to account for the proceeds of specific revenues from the federal and state government, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

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

**Enterprise Funds** - The enterprise funds are used to account for operations:

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

The School District's enterprise funds are:

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

**Child Care Fund** - This fund accounts for the financial activity related to providing day care service for School District students before school and after school.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

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

**Measurement Focus**

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

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

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

**Basis of Accounting**

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Accounting (Cont'd)**

**Revenues -- Exchange and Non-Exchange Transactions (Cont'd)** - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

**Budgets / Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3 includes all amendments to the adopted budget, if any.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

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

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

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Inventories (Cont'd)** - Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

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

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

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

**Short-Term Interfund Receivables / Payables** - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable.

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

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

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

<b><u>Description</u></b>	<b><u>Governmental Activities Estimated Lives</u></b>	<b><u>Business-Type Activities Estimated Lives</u></b>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	12 Years
Vehicles	5-10 Years	4-6 Years

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

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

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

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

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

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

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

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition for the child care program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of \$8,534,076.66 as of June 30, 2010, \$475,699.74 was uninsured and uncollateralized.

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$1.00 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)**

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

Beginning Balance July 1, 2009		\$ 792,701.76
Increased by:		
Interest Earnings	\$ 8,959.99	
Deposits:		
Transferred by Board Resolution in June	<u>600,000.00</u>	
		<u>608,959.99</u>
		1,401,661.75
Decreased by:		
Withdrawals:		
Budgeted Transfer to Fund Capital Projects		<u>80,000.00</u>
Ending Balance June 30, 2010		<u>\$ 1,321,661.75</u>

The June 30, 2010 LRF balance of local support costs of uncompleted projects is \$6,634,801.49. The withdrawals from the capital reserve were for use in a DOE approved facilities projects, consistent with the School District's LRF.

**Note 4: ACCOUNTS RECEIVABLE**

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 401,209.45	\$ 549,309.51	\$ 202,324.00	\$ 14,110.16	\$ 1,166,953.12
Other	<u>1,972.50</u>	<u>1,523.78</u>		<u>20,571.85</u>	<u>24,068.13</u>
Total	<u>\$ 403,181.95</u>	<u>\$ 550,833.29</u>	<u>\$ 202,324.00</u>	<u>\$ 34,682.01</u>	<u>\$ 1,191,021.25</u>

**Note 5: INVENTORY**

Inventory in the general fund at June 30, 2010 consisted of the following:

Supplies	<u>\$ 156,774.64</u>
----------	----------------------

Inventory in the food service fund at June 30, 2010 consisted of the following:

Food	\$ 41,758.77
Supplies	<u>8,015.08</u>
	<u>\$ 49,773.85</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Balance June 30, 2010</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 9,825,290.00		\$ 77,076.04	\$ 9,902,366.04
Construction in Progress				
Total Capital Assets not being Depreciated	<u>9,825,290.00</u>	<u>-</u>	<u>77,076.04</u>	<u>9,902,366.04</u>
Capital Assets, being Depreciated:				
Land Improvements	1,780,544.81	\$ 25,144.20	274,069.87	2,079,758.88
Building and Improvements	88,391,305.81	1,224,584.41	(454,094.34)	89,161,795.88
Equipment	9,324,551.32	1,754,870.37	(26,004.57)	11,053,417.12
Total Capital Assets, being Depreciated	<u>99,496,401.94</u>	<u>3,004,598.98</u>	<u>(206,029.04)</u>	<u>102,294,971.88</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,074,166.62)	(94,877.44)		(1,169,044.06)
Building and Improvements	(25,159,376.38)	(2,834,900.73)		(27,994,277.11)
Equipment	(7,459,158.03)	(669,767.36)	128,953.00	(7,999,972.39)
Total Accumulated Depreciation	<u>(33,692,701.03)</u>	<u>(3,599,545.53)*</u>	<u>128,953.00</u>	<u>(37,163,293.56)</u>
Total Capital Assets, being Depreciated, Net	<u>65,803,700.91</u>	<u>(594,946.55)</u>	<u>(77,076.04)</u>	<u>65,131,678.32</u>
Governmental Activities Capital Assets, Net	<u>\$ 75,628,990.91</u>	<u>\$ (594,946.55)</u>	<u>-</u>	<u>\$ 75,034,044.36</u>
<b>Business-Type Activities:</b>				
Total Capital Assets, being Depreciated:				
Equipment	\$ 908,215.20	\$ 42,042.83		\$ 950,258.03
Less Accumulated Depreciation	(741,994.91)	(31,620.74)		(773,615.65)
Total Business-Type Activities Capital Assets, Net	<u>\$ 166,220.29</u>	<u>\$ 10,422.09</u>	<u>-</u>	<u>\$ 176,642.38</u>

\* Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 34,139.80
Special Education Instruction	38,301.80
Student and Instruction Related Services	3,704.86
General and Business Administrative Services	112,887.97
Transportation	333,921.22
Plant Operations and Maintenance	782,925.66
Unallocated	<u>2,293,664.22</u>
Total Depreciation Expense	<u>\$ 3,599,545.53</u>

**Note 7: LONG-TERM OBLIGATIONS**

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

	<u>Principal Outstanding July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2010</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 42,130,000.00		\$ (3,665,000.00)	\$ 38,465,000.00	\$ 3,720,000.00
Unamortized Amounts:					
Premium on Bonds	1,684,595.17		(178,439.33)	1,506,155.84	178,439.33
Loss on Refunding	(633,652.59)		(20,358.27)	(654,010.86)	20,358.27
Obligations under Capital Lease	29,533.65	\$ 547,683.46	(145,452.25)	431,764.86	164,171.37
Other Post Employment Benefits	706,766.15	731,742.23		1,438,508.38	46,851.84
Compensated Absences	650,744.69	227,850.22	(115,776.24)	762,818.67	84,055.81
	<u>\$ 44,567,987.07</u>	<u>\$ 1,507,275.91</u>	<u>\$ (4,125,026.09)</u>	<u>\$ 41,950,236.89</u>	<u>\$ 4,213,876.62</u>
<b>Business-Type Activities:</b>					
Compensated Absences	<u>\$ 25,507.67</u>	<u>\$ 4,722.60</u>	<u>\$ (1,912.94)</u>	<u>\$ 28,317.33</u>	<u>\$ 2,153.00</u>

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

In 2006, the School District issued general obligation bonds at varying interest rates ranging from 3.85% to 4.125% for various construction and renovation projects. In 2005 and 2006, the School District issued general obligation refunding bonds at varying interest rates ranging from 4.00% to 5.00% to refund a portion of the 1996 and 1999 Bonds. The final maturity of these bonds is December 1, 2020, March 1, 2019 and September 1, 2011, respectively. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,720,000.00	\$ 1,665,183.76	\$ 5,385,183.76
2012	4,025,000.00	1,515,296.26	5,540,296.26
2013	3,075,000.00	1,364,121.26	4,439,121.26
2014	3,675,000.00	1,215,346.26	4,890,346.26
2015	3,770,000.00	1,057,996.26	4,827,996.26
2016-2020	18,195,000.00	2,567,450.06	20,762,450.06
2021	2,005,000.00	56,040.63	2,061,040.63
	<u>\$ 38,465,000.00</u>	<u>\$ 9,441,434.49</u>	<u>\$ 47,906,434.49</u>

**Bonds Authorized But Not Issued** - As of June 30, 2010, the School District had no authorizations to issue additional bonded debt.

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

**Note 7: LONG-TERM OBLIGATIONS (CONT'D)**

**Capital Leases Payable** - The School District is leasing a dual radio, copiers and buses totaling \$590,207.01 under capital leases. All capital leases are for terms of three to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2010.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 164,171.37	\$ 18,984.58	\$ 183,155.95
2012	164,673.56	11,292.50	175,966.06
2013	70,346.44	3,872.75	74,219.19
2014	32,573.49	602.51	33,176.00
	<u>\$ 431,764.86</u>	<u>\$ 34,752.34</u>	<u>\$ 466,517.20</u>

**Note 8: OPERATING LEASES**

At June 30, 2010, the School District had operating lease agreements in effect for copy machines and a postage meter. The future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2011	\$ 202,812.00
2012	153,048.00
2013	5,650.00
	<u>\$ 361,510.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2010 were \$202,812.00.

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

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

**Note 9: PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)** - The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

**Public Employees Retirement System**

<b><u>Fiscal Year</u></b>	<b><u>Normal Contribution</u></b>	<b><u>Accrued Liability</u></b>	<b><u>Total Liability</u></b>	<b><u>Funded by Excess Pension Asset Credit</u></b>	<b><u>Paid by School District</u></b>
2010	\$ 468,262.00	\$ 456,892.00	\$ 925,154.00		\$ 925,154.00
2009	421,054.00	384,049.00	805,103.00		805,103.00
2008	391,250.00	301,513.00	692,763.00	\$ 138,552.60	554,210.40

**Note 10: POST-RETIREMENT BENEFITS**

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

The State 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 retire 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 11: OTHER POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION)****Agent Single-Employer Defined Benefit Plan**

For the fiscal year ended June 30, 2009, the School District implemented Statement No. 45 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

**Plan Description** - The School District provides certain dental and prescription insurance benefits for certain retired employees, where such benefits are established and amended by the School District's Board of Education. The plan is administered by the School District and premium payments are made directly by the School District to the insurance carriers.

**Funding Policy** - Employees become eligible for retirement benefits based on hire date and years of service. Contribution requirements of plan members and the School District are established and may be amended by the School District's Board of Education.

**Retirees** - The School District presently funds its current retiree post employment benefit costs on a "pay-as-you-go" basis and, as shown above, receives annual contributions from retirees to offset a portion of this annual cost. The School District's contributions to the plan for the fiscal years ended June 30, 2010, 2009 and 2008 were \$63,638.82, \$33,729.96 and \$33,055.36 respectively.

**Future Retirees** - Under GASB Statement 45, the School District is now required to expense the *annual required contribution of the employer (ARC)*, an estimated amount determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$795,381.05 at an unfunded discount rate of 3%. As shown above, the School District has funded the cost of existing retirees in the amount of \$63,638.82 and in fiscal year 2010, the School District has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability. The School District plans to continue to fund the outstanding liability on a pay-as-you-go-basis.

**Note 11: OTHER POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION) (CONT'D)**

**Annual OPEB Cost** - For fiscal year 2010, the School District's annual OPEB cost (expense) of \$761,651.09 for the plan was equal to the ARC. The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Pay as You Go Cost (Existing Retirees)</u>	<u>Net OPEB Obligation</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
2010	\$ 1,502,147.20	\$ 63,638.82	\$ 1,438,508.38	4%

**Funded Status and Funding Progress** - As of June 30, 2010, the School District's Plan was 0% funded. The actuarial present value of the accrued liability for benefits was \$1,438,508.38. The present value of the plan assets was \$0.00, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,438,508.38. (For additional information, please refer to the "Required Supplementary Information, Part III, Schedule of Funding Progress for Health Benefits Plan" shown at the end of the "Required Supplementary Information, Part II section.") The valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the required supplementary information, part II section presents the current year information only. In future years, multiyear trend information that will shows whether the present value of the plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions** - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The estimates and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The actuarial assumptions included the following: a discount rate of 3% on future benefit costs; a medical cost trend rate of 6% per year, a zero turnover rate and an assumption that none of the future retirees will have dependent coverage.

**Note 12: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2010, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$102,923.00 and \$1,933,043.00, respectively.

**Note 13: RISK MANAGEMENT**

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

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

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	-	\$ 80,482.94	\$ 106,630.77	\$ 749,056.31
2009	-	72,821.21	32,735.09	767,527.75
2008	-	68,724.36	16,697.45	720,122.54

**Self-Insurance Plan** - The School District has adopted a plan of self-insurance for prescription benefits. At June 30, 2010, there is no reserve balance. The district funds the plan on a pay-as-you-go basis.

**Joint Insurance Pool** - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund.

The Fund provides the School District with the following coverage:

- Property, Inland Marine and Automobile Physical Damage
- Boiler and Machinery
- Crime
- General and Automobile Liability
- Workers' Compensation
- Educator's Legal Liability
- Pollution Legal Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for the year ended June 30, 2010, which can be obtained from the following address:

Burlington County Insurance Pool Joint Insurance Fund  
P.O. Box 449  
Marlton, New Jersey 08053

**Note 14: DEFERRED COMPENSATION**

The School District offers its employees a choice of 4 deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning  
AXA Equitable  
ING Life Insurance and Annuity  
Variable Annuity Life Insurance

**Note 15: COMPENSATED ABSENCES**

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2010, the liability for compensated absences in the governmental activities and proprietary fund types was \$762,818.67 and \$28,317.33, respectively.

**Note 16: INTERFUND BALANCES AND TRANSFERS**

The following interfund balances were recorded on the various balance sheets as June 30, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 703,621.51	\$ 11,591.49
Special Revenue		518,829.46
Proprietary		184,792.05
Fiduciary	108,371.95	96,780.46
	<u>\$ 811,993.46</u>	<u>\$ 811,993.46</u>

**Note 17: DEFICIT UNRESTRICTED NET ASSETS**

The governmental funds had a deficit in unrestricted net assets of \$2,374,395.80 as of June 30, 2010. This deficit is mostly attributable to the allocation of compensated absences balances payable and other post employment benefits payable to unrestricted net assets.

**Note 18: DEFICIT FUND BALANCES**

The School District has a deficit unreserved fund balance of \$168,473.78 in the general fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$168,473.78 is less than the June state aid payments.

**Note 19: FUND BALANCES****RESERVED**

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

**For Encumbrances** - The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. As of June 30, 2010, \$188,759.24 has been reserved for this purpose.

**For Legally Restricted Appropriations** - In accordance with N.J.A.C. 6A:23A-8.5(j), the School District adopted a resolution to legally restrict fund balance in the amount of \$11,574.71, which represents unspent capital project funds transferred to the general fund. These funds were originally transferred from capital outlay and therefore are restricted for future capital outlay expenditures.

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of reserved fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010, on a GAAP and Budgetary basis, is \$2,898,769.19. All of this excess fund balance generated during 2008-2009 has been restricted and designated for utilization in the 2010-2011 Budget.

**For Capital Reserve Account** - As of June 30, 2010, the balance in the capital reserve account is \$1,321,661.75 of which \$792,701.00 has been appropriated and included as revenue for the fiscal year ending June 30, 2011. The remaining funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Note 19: FUND BALANCES (CONT'D)****RESERVED (CONT'D)**

**For Maintenance Reserve Account** - As of June 30, 2010, the balance in the maintenance reserve account is \$130,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**For Emergency Reserve** - As of June 30, 2010, the balance in the emergency reserve is \$400,000.00. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

**UNRESERVED**

**General Fund** - Of the \$1,307,045.22 budgetary unreserved general fund fund balance at June 30, 2010, \$127,956.81 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$1,179,088.41 is undesignated.

**Capital Projects Fund** - The capital projects fund fund balance at June 30, 2010 of \$425,435.00 is designated for subsequent year's expenditures.

**Debt Service Fund** - The debt service fund fund balance at June 30, 2010 of \$.25 is unreserved and undesignated.

**Note 20: LITIGATION**

The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 51,045,922.00	\$	\$ 51,045,922.00	\$ 51,045,922.00	
Interest Earned on Capital Reserve Funds	1,300.00		1,300.00	8,959.99	\$ 7,659.99
Unrestricted Miscellaneous Revenues	125,000.00		125,000.00	351,903.93	226,903.93
Tuition				6,532.00	6,532.00
<b>Total - Local Sources</b>	<b>51,172,222.00</b>	<b>-</b>	<b>51,172,222.00</b>	<b>51,413,317.92</b>	<b>241,095.92</b>
State Sources:					
Equalization Aid	10,026,156.00	\$ (1,819,207.00)	8,206,949.00	6,040,204.00	(2,166,745.00)
Transportation Aid	1,700,605.00		1,700,605.00	1,105,393.00	595,212.00
Special Education Aid	2,471,973.00		2,471,973.00	2,471,973.00	
Security Aid	337,088.00		337,088.00	219,107.00	117,981.00
Adjustment Aid	562,878.00		562,878.00	365,871.00	(197,007.00)
Extraordinary Aid	85,000.00		85,000.00	175,534.00	90,534.00
Excess Non-Public Transportation Aid				28,628.00	28,628.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,375,551.63	2,375,551.63
On-behalf TPAF Medical Contributions (non-budgeted)				1,933,043.00	1,933,043.00
On-behalf TPAF Pension Contributions (non-budgeted)				102,923.00	102,923.00
<b>Total - State Sources</b>	<b>15,183,700.00</b>	<b>(1,819,207.00)</b>	<b>13,364,493.00</b>	<b>14,818,227.63</b>	<b>2,880,120.63</b>
Federal Sources:					
Equalization Aid - ARRA ESF		1,751,407.00	1,751,407.00	1,751,407.00	
Equalization Aid - ARRA GSF		67,800.00	67,800.00	67,800.00	
<b>Total - State Sources</b>	<b>-</b>	<b>1,819,207.00</b>	<b>1,819,207.00</b>	<b>1,819,207.00</b>	<b>-</b>
<b>Total Revenues</b>	<b>66,355,922.00</b>	<b>-</b>	<b>66,355,922.00</b>	<b>68,050,752.55</b>	<b>3,121,216.55</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
<b>Regular Programs - Instruction:</b>					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 717,692.00		\$ 717,692.00	\$ 665,678.60	\$ 52,013.40
Grades 1 - 5	10,783,717.00		10,783,717.00	10,417,791.69	365,925.31
Grades 6 - 8	7,717,282.00	(47,550.00)	7,669,732.00	7,400,054.27	269,677.73
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000.00	(735.00)	9,265.00	7,533.80	1,731.20
Purchased Professional/Educational Services	6,720.00	(3,560.00)	3,160.00	3,156.66	3.34
Regular Programs - Undistributed Instruction:					
Other Purchased Services	23,155.00	(2,080.00)	21,075.00	18,840.00	2,235.00
General Supplies	325,918.00	305.00	326,223.00	307,870.44	18,352.56
Textbooks	883,380.00	3,976.00	887,356.00	717,625.72	169,730.28
Other Objects	309,583.00	2,100.00	311,683.00	263,322.94	48,360.06
Total Regular Programs	43,605.00		43,605.00	32,119.25	11,485.75
<b>Total Regular Programs</b>	<b>20,821,052.00</b>	<b>(47,544.00)</b>	<b>20,773,508.00</b>	<b>19,833,993.37</b>	<b>939,514.63</b>
<b>Special Education:</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	565,391.00		565,391.00	560,653.23	4,737.77
Other Salaries for Instruction	178,203.00	22,900.00	201,103.00	197,930.00	3,173.00
General Supplies	8,725.00		8,725.00	6,381.41	2,343.59
Textbooks	1,775.00		1,775.00	1,408.61	366.39
Other Objects					
<b>Total - Learning and/or Language Disabilities</b>	<b>754,094.00</b>	<b>22,900.00</b>	<b>776,994.00</b>	<b>766,373.25</b>	<b>10,620.75</b>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	264,583.00	(13,591.00)	250,992.00	216,789.98	34,202.02
Other Salaries for Instruction	154,876.00		154,876.00	135,194.31	19,681.69
General Supplies	6,181.00	(200.00)	5,981.00	2,589.77	3,391.23
Textbooks	1,875.00		1,875.00	678.95	1,196.05
<b>Total - Behavioral Disabilities</b>	<b>427,515.00</b>	<b>(13,791.00)</b>	<b>413,724.00</b>	<b>355,253.01</b>	<b>58,470.99</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Special Education(Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 636,392.00	\$ 7,000.00	\$ 643,392.00	\$ 612,486.34	\$ 30,905.66
Other Salaries for Instruction	604,667.00	(29,900.00)	574,767.00	511,102.41	63,664.59
General Supplies	11,806.00		11,806.00	9,019.64	2,786.36
Textbooks	2,500.00		2,500.00	1,004.50	1,495.50
Other Objects					
<b>Total - Multiple Disabilities</b>	<b>1,255,365.00</b>	<b>(22,900.00)</b>	<b>1,232,465.00</b>	<b>1,133,612.89</b>	<b>98,852.11</b>
Resource Room/Center					
Salaries of Teachers	4,368,123.00	(9,055.77)	4,359,067.23	4,221,809.16	137,258.07
Other Salaries for Instruction	591,601.00	25,055.77	616,656.77	610,613.31	6,043.46
General Supplies	8,684.00		8,684.00	6,699.27	1,984.73
Textbooks	3,000.00		3,000.00	1,262.41	1,737.59
<b>Total - Resource Room/Center</b>	<b>4,971,408.00</b>	<b>16,000.00</b>	<b>4,987,408.00</b>	<b>4,840,384.15</b>	<b>147,023.85</b>
Autism					
Salaries of Teachers	244,238.00		244,238.00	221,351.68	22,886.32
Other Salaries for Instruction	183,350.00	(16,000.00)	167,350.00	163,816.31	3,533.69
General Supplies	9,893.00		9,893.00	2,254.83	7,638.17
Textbooks	375.00		375.00	180.61	194.39
<b>Total - Autism</b>	<b>437,856.00</b>	<b>(16,000.00)</b>	<b>421,856.00</b>	<b>387,603.43</b>	<b>34,252.57</b>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	254,131.00		254,131.00	219,779.93	34,351.07
Other Salaries for Instruction	281,330.00		281,330.00	251,468.16	29,861.84
General Supplies	14,748.00		14,748.00	8,523.09	6,224.91
<b>Total - Preschool Disabilities - Part-Time</b>	<b>550,209.00</b>		<b>550,209.00</b>	<b>479,771.18</b>	<b>70,437.82</b>
<b>Total - Special Education</b>	<b>8,396,447.00</b>	<b>(13,791.00)</b>	<b>8,382,656.00</b>	<b>7,962,997.91</b>	<b>419,658.09</b>
Basic Skills/Remedial:					
Salaries of Teachers	1,138,086.00	(7,666.10)	1,130,419.90	1,058,990.65	71,429.25
Other Salaries for Instruction	471,252.00		471,252.00	428,979.13	42,272.87
General Supplies	9,900.00		9,900.00	8,222.62	1,677.38
<b>Total - Basic Skills/Remedial</b>	<b>1,619,238.00</b>	<b>(7,666.10)</b>	<b>1,611,571.90</b>	<b>1,496,192.40</b>	<b>115,379.50</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Bilingual Education:					
Salaries of Teachers	\$ 164,010.00	\$ 7,666.10	\$ 171,676.10	\$ 171,276.10	\$ 400.00
General Supplies	3,000.00		3,000.00	2,967.74	32.26
<b>Total - Bilingual Education</b>	<b>167,010.00</b>	<b>7,666.10</b>	<b>174,676.10</b>	<b>174,243.84</b>	<b>432.26</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	398,336.00		398,336.00	368,132.23	30,203.77
Supplies and Materials	18,590.00	6,062.00	24,652.00	15,961.42	8,690.58
Other Objects	48,900.00	(5,950.00)	42,950.00	22,496.02	20,453.98
<b>Total - School Sponsored Cocurricular Activities - Instruction</b>	<b>495,826.00</b>	<b>112.00</b>	<b>495,938.00</b>	<b>406,589.67</b>	<b>89,348.33</b>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within State-Regular	25,000.00	2,906.00	27,906.00	27,738.22	167.78
Tuition to Other LEAs within State-Special		31,775.00	31,775.00	23,251.50	8,523.50
Tuition to CSSD & Reg. Day Schools	318,000.00	56,714.00	374,714.00	303,641.78	71,072.22
Tuition to Private School for the Disabled within State	1,735,345.00	(563,845.00)	1,171,500.00	953,436.61	218,063.39
Tuition - Other	158,474.00	(42,180.00)	116,294.00	106,665.00	9,629.00
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,236,819.00</b>	<b>(514,630.00)</b>	<b>1,722,189.00</b>	<b>1,414,733.11</b>	<b>307,455.89</b>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	5,345.00		5,345.00	4,999.94	345.06
Other purchases Services	93.00		93.00		93.00
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>5,438.00</b>	<b>-</b>	<b>5,438.00</b>	<b>4,999.94</b>	<b>438.06</b>
<b>Total - Instruction</b>	<b>33,711,830.00</b>	<b>(575,853.00)</b>	<b>33,135,977.00</b>	<b>31,293,750.24</b>	<b>1,842,226.76</b>
Undistributed Expenditures:					
Health Services:					
Salaries	547,385.00	12,849.00	560,234.00	560,164.11	69.89
Purchased Professional and Technical Services	10,200.00		10,200.00	9,999.96	200.04
Other Purchased Services	450.00		450.00	450.00	
Supplies and Materials	19,535.00	(1,413.00)	18,122.00	12,128.02	5,993.98
Other Objects	1,005.00		1,005.00	884.58	120.42
<b>Total Health Services</b>	<b>578,575.00</b>	<b>11,436.00</b>	<b>590,011.00</b>	<b>583,626.67</b>	<b>6,384.33</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Other Support Services-Students-Related Services:					
Salaries	\$ 1,115,372.00	\$ (73,774.00)	\$ 1,041,598.00	\$ 1,034,916.51	\$ 6,681.49
Purchased Professional - Educational Services	899,990.00	200,383.00	1,100,373.00	1,096,889.03	3,483.97
Supplies and Materials	25,000.00		25,000.00	14,994.79	10,005.21
Other Objects	8,000.00		8,000.00	2,812.78	5,187.22
<b>Total - Other Support Services-Students-Related Services</b>	<b>2,048,362.00</b>	<b>126,609.00</b>	<b>2,174,971.00</b>	<b>2,149,613.11</b>	<b>25,357.89</b>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	971,952.00	(51,536.00)	920,416.00	916,163.30	4,252.70
Other Purchased Prof. and Tech. Services	11,000.00	1,600.00	12,600.00	8,896.65	3,703.35
Other Purchased Services	1,231.00		1,231.00	100.00	1,131.00
Supplies and Materials	5,800.00	25.00	5,825.00	4,305.66	1,519.34
Other Objects					
<b>Total Other Support Services - Students - Regular</b>	<b>989,983.00</b>	<b>(49,911.00)</b>	<b>940,072.00</b>	<b>929,465.61</b>	<b>10,606.39</b>
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	1,063,939.00	65,000.00	1,128,939.00	1,103,680.36	25,258.64
Salaries of Secretarial and Clerical Assistants	133,976.00		133,976.00	131,949.95	2,026.05
Other Purchased Professional and Technical Services	103,850.00	(55,951.00)	47,899.00	47,370.98	528.02
Miscellaneous Purchased Services	15,896.00		15,896.00	15,044.06	851.94
Supplies and Materials	35,592.00		35,592.00	26,742.30	8,849.70
<b>Total Other Support Services - Students - Regular</b>	<b>1,353,253.00</b>	<b>9,049.00</b>	<b>1,362,302.00</b>	<b>1,324,787.65</b>	<b>37,514.35</b>
Improvement of Instruction Services/Other Support Services - Instructional Staff:					
Salaries of Supervisor of Instruction	497,496.00		497,496.00	479,483.76	18,012.24
Salaries of Other Professional Staff	206,764.00		206,764.00	206,764.00	
Other Salaries	9,360.00		9,360.00	9,360.00	
Other Purchased Services	66,275.00	(450.00)	65,825.00	35,152.77	30,672.23
Supplies and Materials	47,444.00		47,444.00	34,135.60	13,308.40
Other Objects	9,776.00		9,776.00	9,165.61	610.39
<b>Total Improvement of Instruction Services/Other Support Services - Instructional Staff</b>	<b>837,115.00</b>	<b>(450.00)</b>	<b>836,665.00</b>	<b>774,061.74</b>	<b>62,603.26</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Educational Media Services/School Library:					
Salaries	\$ 788,808.00	\$ 1,282.50	\$ 790,090.50	\$ 790,089.04	\$ 1.46
Purchased Professional and Technical Services	31,110.00	(325.00)	30,785.00	30,781.80	3.20
Other Purchased Services	205,470.00	(27,180.00)	178,290.00	173,050.14	5,239.86
Supplies and Materials	227,734.00	23,852.50	251,586.50	232,970.17	18,616.33
Total Educational Media Services/School Library	1,253,122.00	(2,370.00)	1,250,752.00	1,226,891.15	23,860.85
Instructional Staff Training Services:					
Salaries of Other Professional Staff	154,700.00		154,700.00	101,294.63	53,405.37
Other Salaries	37,128.00		37,128.00	35,624.56	1,503.44
Purchased Professional- Educational Services	32,000.00	(12,489.00)	19,511.00	17,877.87	1,633.13
Other Purchased Professional and Technical Services	4,800.00	(400.00)	4,400.00	3,195.00	1,205.00
Other Purchased Services	18,100.00		18,100.00	12,343.01	5,756.99
Supplies and Materials	8,068.00	1,800.00	9,868.00	4,594.55	5,273.45
Total Instructional Staff Training Services	254,796.00	(11,089.00)	243,707.00	174,929.62	68,777.38
Support Services General Administration:					
Salaries	579,364.00	31,100.00	610,464.00	606,987.23	3,476.77
Legal Services	160,000.00	(31,000.00)	129,000.00	106,741.15	22,258.85
Audit Fees	72,000.00	1,500.00	73,500.00	73,500.00	
Architectural/Engineering Services	125,000.00	5,875.00	130,875.00	49,841.25	81,033.75
Other Purchased Professional Services	13,300.00	90,515.48	103,815.48	85,647.57	18,167.91
Purchased Technical Services	11,206.00	(1,750.00)	9,456.00	6,156.00	3,300.00
Communications/Telephone/Postage	140,430.00		140,430.00	119,642.63	20,787.37
BOE Other Purchased Services	8,810.00		8,810.00	2,730.28	6,079.72
Other Purchased Services	245,154.00		245,154.00	199,352.66	45,801.34
General Supplies	18,694.00		18,694.00	11,799.13	6,894.87
BOE In-house Training/Meeting Supplies	2,200.00		2,200.00	964.51	1,235.49
Judgements Against the School District	20,000.00	9,470.78	29,470.78		29,470.78
Board Secretary Expenses					
Miscellaneous Expenditures	6,550.00		6,550.00	3,690.00	2,860.00
BOE Membership Dues and Fees	29,041.00		29,041.00	28,116.00	925.00
Total Support Services General Administration	1,431,749.00	105,711.26	1,537,460.26	1,295,168.41	242,291.85

(Continued)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 1,471,075.00	\$ 18,324.22	\$ 1,489,399.22	\$ 1,489,399.22	\$ 0.02
Salaries of Other Professional Staff	123,415.00		123,415.00	123,414.98	1,179.02
Salaries of Secretarial and Clerical Assistants	688,627.00	4,410.00	703,037.00	701,857.98	2,370.00
Purchased Professional and Technical Services	4,000.00	(1,405.00)	2,595.00	225.00	23,582.62
Other Purchased Services	38,670.00	(1,000.00)	37,670.00	14,087.38	6,482.56
Supplies and Materials	24,029.00	82.00	24,111.00	17,628.44	3,413.63
Other Objects	17,850.00	62.00	17,912.00	14,498.37	37,027.85
Total Support Services School Administration	2,377,666.00	20,473.22	2,398,139.22	2,361,111.37	
Central Services					
Salaries	752,075.00		752,075.00	714,870.05	37,204.95
Purchased Professional Services	15,525.00		15,525.00	12,193.00	3,332.00
Purchased Technical Services	100,915.00	(19,728.00)	81,187.00	58,664.62	22,522.38
Miscellaneous Purchased Services	40,170.00		40,170.00	20,666.74	19,503.26
Supplies and Materials	27,560.00		27,560.00	23,190.02	4,369.98
Miscellaneous Expenditures	5,014.00		5,014.00	3,613.24	1,400.76
Total Central Services	941,259.00	(19,728.00)	921,531.00	833,197.67	88,333.33
Administration of Information Technology					
Salaries	351,806.00	-	351,806.00	331,720.36	20,085.64
Other Purchased Services	8,116.00		8,116.00	5,230.63	2,885.37
Total Administration of Information Technology	359,922.00		359,922.00	336,950.99	22,971.01
Required Maintenance for School Facilities:					
Salaries	538,619.00		538,619.00	531,504.33	7,114.67
Cleaning, Repair & Maintenance Services	287,250.00	(1,168.00)	286,082.00	135,961.01	150,120.99
General Supplies	237,300.00	6,672.09	243,972.09	149,898.47	94,073.62
Total - Required Maintenance for School Facilities	1,063,169.00	5,504.09	1,068,673.09	817,363.81	251,309.28

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Other Operation and Maintenance of Plant Services:					
Salaries	\$ 2,250,152.00		\$ 2,250,152.00	\$ 2,159,413.99	\$ 90,738.01
Purchased Professional and Technical Services	13,450.00	(7,500.00)	5,950.00	5,438.40	511.60
Cleaning, Repair & Maintenance Services	106,154.00		106,154.00	70,739.02	35,414.98
Other Purchased Property Services	114,200.00		114,200.00	84,873.05	29,326.95
Insurance	197,575.00		197,575.00	195,043.93	2,531.07
Miscellaneous Purchased Services	20,600.00		20,600.00	5,018.10	15,581.90
General Supplies	328,555.00		328,555.00	301,241.90	27,313.10
Energy (Electricity)	1,700,000.00		1,700,000.00	1,474,377.24	225,622.76
Other Objects	11,440.00		11,440.00	7,477.31	3,962.69
Salaries of Non-Instructional Aides	451,077.00		451,077.00	406,775.04	44,301.96
Energy (Natural Gas)	368,150.00		368,150.00	270,888.67	97,261.33
<b>Total - Other Operation and Maintenance of Plant Services</b>	<b>5,561,353.00</b>	<b>(7,500.00)</b>	<b>5,553,853.00</b>	<b>4,981,286.65</b>	<b>572,566.35</b>
<b>Care and Upkeep of Grounds</b>					
Salaries	275,288.00		275,288.00	254,137.31	21,150.69
Cleaning, Repair & Maintenance Services	46,000.00	1,168.00	47,168.00	39,699.95	7,468.05
General Supplies	80,675.00		80,675.00	54,460.54	26,214.46
<b>Total - Care and Upkeep of Grounds</b>	<b>401,963.00</b>	<b>1,168.00</b>	<b>403,131.00</b>	<b>348,297.80</b>	<b>54,833.20</b>
<b>Total - Operation and Maintenance of Plant Services</b>	<b>7,026,485.00</b>	<b>(627.91)</b>	<b>7,025,657.09</b>	<b>6,146,948.26</b>	<b>878,708.83</b>
<b>Student Transportation Services:</b>					
Salaries of Non-Instructional Aides	134,153.00		134,153.00	115,467.16	18,685.84
Salaries for Pupil Transportation (Between Home & School) - Regular	1,138,115.00	(18,898.36)	1,119,216.64	1,057,755.72	61,460.92
Salaries for Pupil Transportation (Between Home & School) - Special	344,736.00	17,264.94	362,000.94	358,188.66	3,812.28
Salaries for Pupil Transportation (Other than Between Home & School)	105,000.00	554.21	105,554.21	104,064.88	1,489.33
Salaries for Pupil Transportation (Between Home & School) - Non Public	12,534.00	1,079.21	13,613.21	13,613.19	0.02
Management Fee - ESC & CTSA Transportation Program	38,359.00	(3,295.00)	35,064.00	34,802.19	261.81
Other Purchased Professional and Technical Services	1,500.00		1,500.00	875.90	624.10
Cleaning, Repair, and Maintenance Services	40,470.00	10,295.00	50,765.00	44,493.23	6,271.77
Contracted Services (Between Home & School) - Vendors	916,431.00		916,431.00	915,526.20	904.80
Contracted Services (Special Education Students) - Joint Agreements	68,123.00		68,123.00	38,001.28	30,121.72
Contracted Services (Regular Students) - ESC's and CTSA's	14,960.00	12,162.19	27,122.19	27,122.19	
Contracted Services (Special Education Students) - ESC's and CTSA's	632,002.00	(11,000.00)	621,002.00	543,009.39	77,992.61
Contracted Services - Aid in Lieu Payments - Non Public School	116,688.00	7,592.58	124,280.58	124,280.58	
Miscellaneous Purchased Services - Transportation	157,349.00	190.00	157,539.00	157,054.89	484.11
General Supplies	6,598.00	(190.00)	6,408.00	5,245.80	1,162.20
Transportation Supplies	406,420.00	(15,869.77)	390,550.23	281,707.77	108,842.46
Other Objects	3,700.00	115.00	3,815.00	3,813.20	1.80
<b>Total Student Transportation Services</b>	<b>4,137,138.00</b>	<b>0.00</b>	<b>4,137,138.00</b>	<b>3,825,022.23</b>	<b>312,115.77</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Group Insurance	\$ 60,000.00	\$	\$ 60,000.00	\$ 59,230.27	\$ 769.73
Social Security Contributions	928,200.00		928,200.00	900,454.59	27,745.41
Other Retirement Contributions - Regular	951,645.00	(26,000.00)	925,645.00	925,154.00	491.00
Workmen's Compensation	426,842.00	(18,000.00)	408,842.00	392,575.57	16,266.43
Health Benefits	10,137,426.00		10,137,426.00	9,962,852.64	174,573.36
Tuition Reimbursement	75,000.00	(42,680.52)	32,319.48	31,805.50	513.98
Other Employee Benefits	423,727.00	86,680.52	510,407.52	498,491.44	11,916.08
Total Unallocated Benefits - Employee Benefits	13,002,840.00	0.00	13,002,840.00	12,770,564.01	232,275.99
Reimbursed TPAF Social Security Contributions				2,375,551.63	(2,375,551.63)
On-behalf TPAF Medical Contributions				1,933,043.00	(1,933,043.00)
On-behalf TPAF Pension Contributions				102,923.00	(102,923.00)
Total TPAF Contributions	-	-	-	4,411,517.63	(4,411,517.63)
Total Undistributed Expenses	36,592,265.00	188,902.57	36,781,167.57	39,143,856.12	(2,362,688.55)
Total Expenditures - Current Expense	70,304,095.00	(386,950.43)	69,917,144.57	70,437,606.36	(520,461.79)
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	1,300.00	-	1,300.00	-	1,300.00
Special Education - Equipment:					
Multiple Disabilities	2,500.00		2,500.00		2,500.00
Autism	2,500.00	3,710.00	6,210.00	742.00	5,468.00
Undistributed Expenditures:					
Instruction	161,100.00	4,369.00	165,469.00	164,847.85	621.15
Support Services - Related Services	2,500.00	(2,500.00)	631.00		631.00
Support Services - Students - Special	2,500.00	(1,869.00)	631.00		631.00
Operation and Maintenance of Plant Service	24,000.00	6,719.60	30,719.60	6,719.60	3,280.00
Required Maintenance for School Facilities	94,900.00		94,900.00	20,720.00	3,280.00
Custodial Services	6,000.00		6,000.00	82,661.70	12,238.30
Care and Upkeep of Grounds	6,000.00		6,000.00	2,895.00	3,105.00
School Buses - Regular		878,750.00	878,750.00	869,100.00	9,650.00
Total - Equipment	296,000.00	889,179.60	1,185,179.60	1,147,686.15	37,493.45

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>CAPITAL OUTLAY (CONTD):</b>					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 336,200.00	\$ 192,235.03	\$ 528,435.03	\$ 467,807.34	\$ 60,627.69
Supplies and Materials	134,750.00	(119,513.00)	15,237.00	15,237.00	
Land and Improvements	80,500.00	(23,706.00)	56,794.00	25,144.20	31,649.80
Capital Outlay - Transfer to Capital Projects	579,940.00	(579,940.00)			
Capital Reserve - Transfer to Capital Projects	80,000.00	(80,000.00)			
<b>Total - Facilities Acquisition and Construction Services</b>	<b>1,211,390.00</b>	<b>(610,923.97)</b>	<b>600,466.03</b>	<b>508,188.54</b>	<b>92,277.49</b>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
School Administration -- Equipment				180,398.46	(180,398.46)
Student Transportation -- School Buses Regular				367,285.00	(367,285.00)
<b>Total Assets Acquired Under Capital Leases (Non-Budgeted):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>547,683.46</b>	<b>(547,683.46)</b>
<b>Total Capital Outlay</b>	<b>1,508,690.00</b>	<b>278,255.63</b>	<b>1,786,945.63</b>	<b>2,203,558.15</b>	<b>(416,612.52)</b>
<b>Total Expenditures</b>	<b>71,812,785.00</b>	<b>(108,694.80)</b>	<b>71,704,090.20</b>	<b>72,641,164.51</b>	<b>(937,074.31)</b>
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,456,863.00)	108,694.80	(5,348,168.20)	(4,590,411.96)	(757,756.24)
Other Financing Sources (Uses):					
Capital Outlay - Transfer to Capital Projects			(579,940.00)	(579,940.00)	(1,159,880.00)
Capital Reserve - Transfer to Capital Projects			(80,000.00)	(80,000.00)	(160,000.00)
Assets Acquired Under Capital Leases				547,683.46	547,683.46
Cancellation of Tuition Receivable				(282.00)	(282.00)
Transfer from Capital Projects -- Capital Outlay				11,574.71	11,574.71
Change in Year-end Inventory				28,818.39	28,818.39
<b>Total - Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(659,940.00)</b>	<b>(72,145.44)</b>	<b>(732,085.44)</b>

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (5,456,863.00)	\$ (551,245.20)	\$ (6,008,108.20)	\$ (4,662,557.40)	\$ 1,345,550.80
Fund Balances, July 1	11,077,142.15	-	11,077,142.15	11,077,142.15	-
Fund Balances, June 30	\$ 5,620,279.15	\$ (551,245.20)	\$ 5,069,033.95	\$ 6,414,584.75	\$ 1,345,550.80
<b>Recapitulation:</b>					
Reserve for Encumbrances				\$ 188,759.24	
Reserve for Supplies Inventory				156,774.64	
Excess Surplus -- Designated for Subsequent Year's Expenditures				2,898,769.19	
Legally Restricted Capital Outlay				11,574.71	
Emergency Reserve				400,000.00	
Maintenance Reserve				130,000.00	
Capital Reserve				528,960.75	
Capital Reserve -- Designated for Subsequent Year's Expenditures				792,701.00	
Unreserved -- Designated for Subsequent Year's Expenditures				127,956.81	
Unreserved -- Undesignated Fund Balance				1,179,088.41	
				6,414,584.75	
Reconciliation to Governmental Funds Statements (GAAP):				(1,475,519.00)	
Last State Aid Payment Not Recognized on GAAP Basis					
Fund Balance per Governmental Funds (GAAP)				\$ 4,939,065.75	

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule -- ARRA ESF  
 General Fund  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Federal Sources:					
Equalization Aid -- ARRA ESF	-	\$ 1,751,407.00	\$ 1,751,407.00	\$ 1,751,407.00	-
<b>EXPENDITURES:</b>					
Health Services:					
Salaries		500,000.00	500,000.00	500,000.00	
Other Support Services-Students-Related Services:					
Salaries		451,407.00	451,407.00	451,407.00	
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff		800,000.00	800,000.00	800,000.00	
Total Expenditures	-	1,751,407.00	1,751,407.00	1,751,407.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	-	-	-	-	-

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule -- ARRA GSF  
 General Fund  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Federal Sources:					
Equalization Aid -- ARRA GSF	-	\$ 67,800.00	\$ 67,800.00	\$ 67,800.00	-
<b>EXPENDITURES:</b>					
Other Support Services - Students - Regular:					
Salaries of Teachers:					
Salaries of Other Professional Staff		67,800.00	67,800.00	67,800.00	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Fund Balances, July 1					
Fund Balances, June 30					

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	\$ 279,094.00	\$ 52,535.46	\$ 52,535.46	\$ 50,244.62	\$ (2,290.84)
State Sources:					
Nonpublic Aid	\$ -	(57,286.00)	221,808.00	210,811.63	(10,996.37)
Federal Sources:					
Title I	171,240.00	(34,710.38)	136,529.62	135,779.62	(750.00)
Title II Part A	62,766.31	51,190.69	113,957.00	91,675.98	(22,281.02)
Title II Part D	1,184.27	379.73	1,564.00	1,543.90	(20.10)
Title III	9,474.16	7,377.35	16,851.51	16,810.00	(41.51)
Title IV	4,737.08	4,671.92	9,409.00	2,827.13	(6,581.87)
Ulysses S. Grant		7,990.33	7,990.33	7,990.33	
I.D.E.I.A., Part B Basic	1,015,661.00	97,873.45	1,113,534.45	1,110,434.91	(3,099.54)
I.D.E.I.A., Part B Basic - ARRA		1,128,658.00	1,128,658.00	697,239.42	(431,418.58)
I.D.E.I.A., Part B, Preschool	40,265.18	32,354.21	72,619.39	72,619.39	
I.D.E.I.A., Part B, Preschool - ARRA		40,825.00	40,825.00	28,308.75	(12,516.25)
Total - Federal Sources	1,305,328.00	1,336,610.30	2,641,938.30	2,165,229.43	(476,708.87)
Total Revenues	\$ 1,584,422.00	\$ 1,331,859.76	\$ 2,916,281.76	\$ 2,426,285.68	\$ (489,996.08)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 192,308.90	\$ 249,874.72	\$ 442,183.62	\$ 221,997.03	\$ 220,186.59
Other Salaries for Instruction		1,710.72	1,710.72	1,710.72	
General Supplies	3,979.93	88,535.64	92,515.57	52,986.02	39,529.55
Textbooks	39,123.00	(4,595.91)	34,527.09	32,640.52	1,886.57
Tuition	832,907.42	571,740.42	1,404,647.84	1,395,501.04	9,146.80
Total Instruction	1,068,319.25	907,265.59	1,975,584.84	1,704,835.33	270,749.51
Support Services:					
Salaries of Other Professional Staff	3,624.93	3,575.07	7,200.00	1,912.68	5,287.32
Personal Services - Employee Benefits	32,178.28	26,861.72	59,040.00	27,598.00	31,442.00
Purchased Professional - Technical Services	421,389.47	266,835.99	688,225.46	593,146.77	95,078.69
Other Purchased Services	7,346.76	653.24	8,000.00	5,081.92	2,918.08
Contracted Services - Transportation Other than Between Home and School		8,910.46	8,910.46	8,910.46	
Supplies and Materials	51,171.52	(20,665.52)	30,506.00	30,415.52	90.48
Other Objects	391.79	310.21	702.00	702.00	
Total Support Services	516,102.75	286,481.17	802,583.92	667,767.35	134,816.57
Facilities Acquisition and Construction Services:					
Instructional Equipment		100,000.00	100,000.00	53,683.00	46,317.00
Non-Instructional Equipment		38,113.00	38,113.00	38,113.00	
Total Facilities Acquisition and Construction Services	-	138,113.00	138,113.00	53,683.00	84,430.00
Total Expenditures	\$ 1,584,422.00	\$ 1,331,859.76	\$ 2,916,281.76	\$ 2,426,285.68	\$ 489,996.08

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 68,050,752.55	\$ 2,426,285.68
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(5,756.35)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2009.	1,402,240.00	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2010.	<u>(1,475,519.00)</u>	<u>-</u>
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u><u>\$ 67,977,473.55</u></u>	<u><u>\$ 2,420,529.33</u></u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 72,641,164.51	\$ 2,426,285.68
<b>Differences - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>(5,756.35)</u>
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)</b>	<u><u>\$ 72,641,164.51</u></u>	<u><u>\$ 2,420,529.33</u></u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Funding Progress for Health Benefits Plan  
 For the Fiscal Year Ended June 30, 2010

---

Actuarial Valuation Date <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>[(b-a)/c]</u>
06/30/10	-	\$ 1,438,508.38	\$ 1,438,508.38	-	N/A	N/A
06/30/09	-	706,766.15	706,766.15	-	N/A	N/A

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2010

---

**Other Postemployment Benefits**

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation Date	June 30, 2010
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	None
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	3.0%
Rate of Salary Increases	N/A
Rate of Medical and Prescription Inflation	6.0%

For determining the annual required contribution (ARC), the rate of employer contributions to the Plan is composed of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL), multiplied by the sum of 1 plus the discount rate, or 1.03. The normal cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The actuarial accrued liability (AAL) is that portion of the present value of projected benefits that will not be paid by future employer normal costs. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial liability (UAL).

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

N.C.L.B.

	Total	Title I	Title II A	Title II D	Title III	Title IV	Ulysses S. Grant	Total Brought Forward
<b>REVENUES:</b>								
Federal Sources	\$ 2,165,229.43	\$ 135,779.62	\$ 91,675.98	\$ 1,543.90	\$ 16,810.00	\$ 2,827.13	\$ 7,990.33	\$ 1,908,602.47
State Sources	210,811.63							210,811.63
Local Sources	50,244.62							50,244.62
<b>Total Revenues</b>	<b>\$ 2,426,285.68</b>	<b>\$ 135,779.62</b>	<b>\$ 91,675.98</b>	<b>\$ 1,543.90</b>	<b>\$ 16,810.00</b>	<b>\$ 2,827.13</b>	<b>\$ 7,990.33</b>	<b>\$ 2,169,658.72</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	\$ 221,997.03	\$ 108,407.62	\$ 71,628.00	\$ 1,335.00	\$ 9,508.00		\$ 7,990.33	\$ 23,128.08
Other Salaries for Instruction	1,710.72							1,710.72
Purchased Professional - Technical Services	-							-
Other Purchased Services	-							-
General Supplies	52,986.02			112.90	6,095.91	\$ 768.45		46,008.76
Textbooks	32,640.52				479.09			32,161.43
Tuition	1,395,501.04							1,395,501.04
Other Objects	-							-
<b>Total Instruction</b>	<b>1,704,835.33</b>	<b>108,407.62</b>	<b>71,628.00</b>	<b>1,447.90</b>	<b>16,083.00</b>	<b>768.45</b>	<b>7,990.33</b>	<b>1,498,510.03</b>
<b>Support Services:</b>								
Salaries of Other Professional Staff	1,912.68					1,912.68		-
Personal Services - Employee Benefits	27,598.00	21,372.00	4,451.00	96.00	727.00	146.00		806.00
Purchased Professional - Technical Services	593,146.77	6,000.00	5,300.00					581,846.77
Other Purchased Services	5,081.92							5,081.92
Salaries for Transportation Other Than Between Home and School	8,910.46							8,910.46
Other Objects	702.00		702.00					-
Supplies and Materials	30,415.52		9,594.98					20,820.54
<b>Total Support Services</b>	<b>667,767.35</b>	<b>27,372.00</b>	<b>20,047.98</b>	<b>96.00</b>	<b>727.00</b>	<b>2,058.68</b>	<b>-</b>	<b>617,465.69</b>
<b>Facilities Acquisition and Construction Services:</b>								
Instructional Equipment	53,683.00							53,683.00
<b>Total Expenditures</b>	<b>\$ 2,426,285.68</b>	<b>\$ 135,779.62</b>	<b>\$ 91,675.98</b>	<b>\$ 1,543.90</b>	<b>\$ 16,810.00</b>	<b>\$ 2,827.13</b>	<b>\$ 7,990.33</b>	<b>\$ 2,169,658.72</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	Total Carried Forward	I.D.E.I.A. Part B			Nonpublic Textbook Aid, Ch. 194, L. 1979	Nonpublic Nursing Aid	Total Brought Forward
		Basic	Basic ARRA	Preschool			
<b>REVENUES:</b>							
Federal Sources	\$ 1,908,602.47	\$ 1,110,434.91	\$ 697,239.42	\$ 72,619.39	\$ 28,308.75	\$ 40,376.00	\$ 138,274.20
State Sources	210,811.63						50,244.62
Local Sources	50,244.62						
<b>Total Revenues</b>	<b>\$ 2,169,658.72</b>	<b>\$ 1,110,434.91</b>	<b>\$ 697,239.42</b>	<b>\$ 72,619.39</b>	<b>\$ 28,308.75</b>	<b>\$ 40,376.00</b>	<b>\$ 188,518.82</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	\$ 23,128.08		\$ 10,537.58				\$ 12,590.50
Other Salaries for Instruction	1,710.72						1,710.72
Purchased Professional - Technical Services	-						-
Other Purchased Services	46,008.76		38,257.53		\$ 6,183.75		1,567.48
General Supplies	32,161.43						-
Textbooks	1,395,501.04	\$ 707,528.45	500,000.00	\$ 50,971.39			137,001.20
Tuition	-						-
Other Objects	-						-
<b>Total Instruction</b>	<b>1,498,510.03</b>	<b>707,528.45</b>	<b>548,795.11</b>	<b>50,971.39</b>	<b>6,183.75</b>	<b>-</b>	<b>152,869.90</b>
<b>Support Services:</b>							
Salaries of Other Professional Staff	-						-
Personal Services - Employee Benefits	806.00		806.00				-
Purchased Professional - Technical Services	581,846.77	377,133.00	93,955.31	21,519.00	22,125.00	\$ 40,376.00	26,738.46
Other Purchased Services	5,081.92	5,081.92					-
Salaries for Transportation Other Than Between Home and School	8,910.46						8,910.46
Other Objects	-						-
Supplies and Materials	20,820.54	20,691.54		129.00			-
<b>Total Support Services</b>	<b>617,465.69</b>	<b>402,906.46</b>	<b>94,761.31</b>	<b>21,648.00</b>	<b>22,125.00</b>	<b>40,376.00</b>	<b>35,648.92</b>
<b>Facilities Acquisition and Construction Services:</b>							
Instructional Equipment	53,683.00	-	53,683.00	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,169,658.72</b>	<b>\$ 1,110,434.91</b>	<b>\$ 697,239.42</b>	<b>\$ 72,619.39</b>	<b>\$ 28,308.75</b>	<b>\$ 40,376.00</b>	<b>\$ 188,518.82</b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	N.J. Nonpublic Auxiliary Services Ch. 192				N.J. Nonpublic Handicapped Services Ch. 193			Total Brought Forward
	Total Carried Forward	Nonpublic Home Instruction	Compensatory Education	English as a Second Language	Supplemental Instruction	Examination and Classification	Corrective Speech	
<b>REVENUES:</b>								
Federal Sources	\$ 138,274.20	\$ 1,273.00	\$ 53,737.60	\$ 978.70	\$ 17,998.64	\$ 32,722.42	\$ 31,563.84	\$ 50,244.62
State Sources	50,244.62							
Local Sources								
<b>Total Revenues</b>	<b>\$ 188,518.82</b>	<b>\$ 1,273.00</b>	<b>\$ 53,737.60</b>	<b>\$ 978.70</b>	<b>\$ 17,998.64</b>	<b>\$ 32,722.42</b>	<b>\$ 31,563.84</b>	<b>\$ 50,244.62</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	\$ 12,590.50	\$ 1,273.00						\$ 11,317.50
Other Salaries for Instruction	1,710.72							1,710.72
Purchased Professional - Technical Services	-							-
Other Purchased Services	-							-
General Supplies	1,567.48							1,567.48
Textbooks	-							-
Tuition	137,001.20		\$ 53,737.60	\$ 978.70	\$ 17,998.64	\$ 32,722.42	\$ 31,563.84	-
Other Objects	-							-
<b>Total Instruction</b>	<b>152,869.90</b>	<b>1,273.00</b>	<b>53,737.60</b>	<b>978.70</b>	<b>17,998.64</b>	<b>32,722.42</b>	<b>31,563.84</b>	<b>14,595.70</b>
Support Services:								
Salaries of Other Professional Staff	-							-
Personal Services - Employee Benefits	-							-
Purchased Professional - Technical Services	26,738.46							26,738.46
Other Purchased Services	-							-
Salaries for Transportation Other Than Between Home and School	8,910.46							8,910.46
Other Objects	-							-
Supplies and Materials	-							-
<b>Total Support Services</b>	<b>35,648.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,648.92</b>
Facilities Acquisition and Construction Services:								
Instructional Equipment	-							-
<b>Total Expenditures</b>	<b>\$ 188,518.82</b>	<b>\$ 1,273.00</b>	<b>\$ 53,737.60</b>	<b>\$ 978.70</b>	<b>\$ 17,998.64</b>	<b>\$ 32,722.42</b>	<b>\$ 31,563.84</b>	<b>\$ 50,244.62</b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	Total Carried Forward	High Point Q4C	Alice Paul Grant	Genesis Program	Coldwater Creek	Coordinate Arts Program for Primary Students
<b>REVENUES:</b>						
Federal Sources	\$ 50,244.62	\$ 973.60	\$ 1,125.00	\$ 26,738.46	\$ 511.73	\$ 20,895.83
State Sources						
Local Sources	\$ 50,244.62	\$ 973.60	\$ 1,125.00	\$ 26,738.46	\$ 511.73	\$ 20,895.83
<b>Total Revenues</b>	<b>\$ 50,244.62</b>	<b>\$ 973.60</b>	<b>\$ 1,125.00</b>	<b>\$ 26,738.46</b>	<b>\$ 511.73</b>	<b>\$ 20,895.83</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	\$ 11,317.50		\$ 1,125.00			\$ 10,192.50
Other Salaries for Instruction	1,710.72					1,710.72
Purchased Professional - Technical Services	-					
Other Purchased Services	-					
General Supplies	1,567.48	\$ 973.60			\$ 511.73	82.15
Textbooks	-					
Tuition	-					
Other Objects	-					
<b>Total Instruction</b>	<b>14,595.70</b>	<b>973.60</b>	<b>1,125.00</b>	<b>-</b>	<b>511.73</b>	<b>11,985.37</b>
Support Services:						
Salaries of Other Professional Staff	-					
Personal Services - Employee Benefits	-					
Purchased Professional - Technical Services	26,738.46			\$ 26,738.46		
Other Purchased Services	-					
Salaries for Transportation Other Than Between Home and School	8,910.46					8,910.46
Other Objects	-					
Supplies and Materials	-					
<b>Total Support Services</b>	<b>35,648.92</b>	<b>-</b>	<b>-</b>	<b>26,738.46</b>	<b>-</b>	<b>8,910.46</b>
Facilities Acquisition and Construction Services:						
Instructional Equipment	-					
<b>Total Expenditures</b>	<b>\$ 50,244.62</b>	<b>\$ 973.60</b>	<b>\$ 1,125.00</b>	<b>\$ 26,738.46</b>	<b>\$ 511.73</b>	<b>\$ 20,895.83</b>

CAPITAL PROJECTS FUND

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Statement of Project Expenditures  
 For the Fiscal Year Ended June 30, 2010

Project Title / Issue	Original Date	Appropriations	Expenditures to Date		Cancellations	Unexpended Balance June 30, 2010
			Prior Years	Current Year		
HVAC Improvements to the Marilton Middle School	7/1/2009	\$ 425,435.00				\$ 425,435.00
Roof Replacement to Beeler Elementary School	7/1/2009	462,963.20		\$ 373,628.58	\$ 89,334.62	-
Roof Replacement to Van Zant Elementary School	7/1/2009	458,418.20		367,911.49	90,506.71	-
<b>Total</b>		<b>\$ 1,346,816.40</b>	<b>-</b>	<b>\$ 741,540.07</b>	<b>\$ 179,841.33</b>	<b>\$ 425,435.00</b>

## TOWNSHIP OF EVESHAM SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Summary Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

**Revenues and Other Financing Sources**

State Sources--SCC Grant	\$ 518,609.78
Bond Proceeds and Transfers	
Miscellaneous Revenue -- Interest	
Transfer form Capital Reserve	80,000.00
Transfer form Capital Outlay	<u>568,365.29</u>
Total Revenues	<u>1,166,975.07</u>

**Expenditures and Other Financing Uses**

Legal Services	
Other Purchased Professional and Technical Services	
Construction Services	<u>\$ 741,540.07</u>
Total Expenditures	741,540.07
Other Financing Uses - Transfer to General Fund	<u>-</u>
Total Expenditures and Other Financing Uses	<u>741,540.07</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	425,435.00
Fund Balance -- July 1	<u>-</u>
Fund Balance -- June 30	<u><u>\$ 425,435.00</u></u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
HVAC Improvements to the Marlton Middle School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--EDA Grant		\$ 202,324.00	\$ 202,324.00	\$ 202,324.00
Bond Proceeds and Transfers				
Transfer from Capital Reserve		80,000.00	80,000.00	80,000.00
Transfer from Capital Outlay		143,111.00	143,111.00	143,111.00
Total Revenues	-	425,435.00	425,435.00	425,435.00
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services				
Construction Services				425,435.00
Transfer to General Fund -- Capital Reserve				
Transfer to General Fund -- Capital Outlay				
Total Expenditures	-	-	-	425,435.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 425,435.00	\$ 425,435.00	-
<b>Additional Project Information:</b>				
Project Number	1420-060-09-1004			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 425,435.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 425,435.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	0%			
Original Target Completion Date	8/31/2011			
Revised Target Completion Date	8/31/2011			

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
 Roof Replacement to Beeler Elementary School  
 From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--EDA Grant		\$ 159,688.07	\$ 159,688.07	\$ 159,688.07
Bond Proceeds and Transfers				
Transfer from Capital Reserve				
Transfer from Capital Outlay		213,940.51	213,940.51	213,940.51
<b>Total Revenues</b>	<b>-</b>	<b>373,628.58</b>	<b>373,628.58</b>	<b>373,628.58</b>
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services				
Construction Services		373,628.58	373,628.58	373,628.58
Transfer to General Fund -- Capital Reserve				
Transfer to General Fund -- Capital Outlay				
<b>Total Expenditures</b>	<b>-</b>	<b>373,628.58</b>	<b>373,628.58</b>	<b>373,628.58</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Additional Project Information:**

Project Number	1420-055-09-1001
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 462,963.20
Additional Authorized Cost	(89,334.62)
Revised Authorized Cost	\$ 373,628.58
Percentage Increase over Original Authorized Cost	-19%
Percentage Completion	100%
Original Target Completion Date	8/31/2009
Revised Target Completion Date	8/31/2009

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
 Roof Replacement to Van Zant Elementary School  
 From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--EDA Grant		\$ 156,597.71	\$ 156,597.71	\$ 156,597.71
Bond Proceeds and Transfers				
Transfer from Capital Reserve				
Transfer from Capital Outlay		211,313.78	211,313.78	211,313.78
		<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues	<u>-</u>	<u>367,911.49</u>	<u>367,911.49</u>	<u>367,911.49</u>
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services				
Construction Services		367,911.49	367,911.49	367,911.49
Transfer to General Fund -- Capital Reserve				
Transfer to General Fund -- Capital Outlay				
		<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenditures	<u>-</u>	<u>367,911.49</u>	<u>367,911.49</u>	<u>367,911.49</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	1420-057-09-1002			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 458,418.20			
Additional Authorized Cost	(90,506.71)			
Revised Authorized Cost	\$ 367,911.49			
Percentage Increase over Original Authorized Cost	-20%			
Percentage Completion	100%			
Original Target Completion Date	8/31/2009			
Revised Target Completion Date	8/31/2009			

PROPRIETARY FUNDS

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Enterprise Fund  
 Combining Statement of Net Assets  
 June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 368,937.55	\$ 204,837.72	\$ 573,775.27
Accounts Receivable:			
State	1,049.40		1,049.40
Federal	13,060.76		13,060.76
Other	4,501.59	16,070.26	20,571.85
Inventories	49,773.85		49,773.85
<b>Total Current Assets</b>	<u>437,323.15</u>	<u>220,907.98</u>	<u>658,231.13</u>
<b>Noncurrent Assets:</b>			
Restricted Cash and Cash Equivalents			
Furniture, Machinery and Equipment	950,258.03		950,258.03
Less Accumulated Depreciation	(773,615.65)		(773,615.65)
<b>Total Noncurrent Assets</b>	<u>176,642.38</u>	<u>-</u>	<u>176,642.38</u>
<b>Total Assets</b>	<u>613,965.53</u>	<u>220,907.98</u>	<u>834,873.51</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Interfund Accounts Payable:			
Due General Fund	65,032.42	119,759.63	184,792.05
Compensated Absences Payable	2,153.00		2,153.00
Deferred Revenue	30,636.55	28,583.99	59,220.54
<b>Total Current Liabilities</b>	<u>97,821.97</u>	<u>148,343.62</u>	<u>246,165.59</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	26,164.33	-	26,164.33
<b>Total Liabilities</b>	<u>123,986.30</u>	<u>148,343.62</u>	<u>272,329.92</u>
<b>NET ASSETS:</b>			
Unrestricted	<u>\$ 489,979.23</u>	<u>\$ 72,564.36</u>	<u>\$ 562,543.59</u>

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

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 483,034.58		\$ 483,034.58
Daily Sales - Non-Reimbursable Programs	665,460.07		665,460.07
Child Care Fees -- Regular Program		\$ 770,330.74	770,330.74
Child Care Fees -- Summer Program		52,028.00	52,028.00
Special Functions	27,715.15		27,715.15
	<u>1,176,209.80</u>	<u>822,358.74</u>	<u>1,998,568.54</u>
Total Operating Revenues	<u>1,176,209.80</u>	<u>822,358.74</u>	<u>1,998,568.54</u>
<b>OPERATING EXPENSES:</b>			
Salaries	472,391.28	555,484.34	1,027,875.62
Employee Benefits	161,834.02	124,219.20	286,053.22
General Supplies	46,073.78	67,611.47	113,685.25
Depreciation	31,620.74		31,620.74
Repairs and Maintenance	2,752.11		2,752.11
Administration Fee	27,500.00		27,500.00
Utilities		46,200.00	46,200.00
Purchased Professional Services	38,242.82	8,000.00	46,242.82
Cost of Sales	700,679.45		700,679.45
Miscellaneous	14,464.89		14,464.89
	<u>1,495,559.09</u>	<u>801,515.01</u>	<u>2,297,074.10</u>
Total Operating Expenses	<u>1,495,559.09</u>	<u>801,515.01</u>	<u>2,297,074.10</u>
Operating Income / (Loss)	<u>(319,349.29)</u>	<u>20,843.73</u>	<u>(298,505.56)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	13,889.34		13,889.34
Federal Sources:			
National School Lunch Program	171,234.03		171,234.03
Food Distribution Program	83,990.72		83,990.72
Interest Revenue	5,159.24	1,922.35	7,081.59
	<u>274,273.33</u>	<u>1,922.35</u>	<u>276,195.68</u>
Total Nonoperating Revenues (Expenses)	<u>274,273.33</u>	<u>1,922.35</u>	<u>276,195.68</u>
Income (Loss) before Contributions and Transfers	(45,075.96)	22,766.08	(22,309.88)
Capital Contributions	-	-	-
Change in Net Assets	(45,075.96)	22,766.08	(22,309.88)
Net Assets -- July 1	535,055.19	49,798.28	584,853.47
Net Assets -- June 30	<u>\$ 489,979.23</u>	<u>\$ 72,564.36</u>	<u>\$ 562,543.59</u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 1,177,903.53	\$ 820,877.66	\$ 1,998,781.19
Payments to Employees	(469,581.62)	(555,484.34)	(1,025,065.96)
Payments for Employee Benefits	(161,834.02)	(124,219.20)	(286,053.22)
Payments for Supplies and Services	(835,915.77)	(121,811.47)	(957,727.24)
Net Cash Provided by (used for) Operating Activities	<u>(289,427.88)</u>	<u>19,362.65</u>	<u>(270,065.23)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	13,622.56		13,622.56
Federal Sources	251,033.04		251,033.04
Operating Subsidies and Transfers to Other Funds	61,738.19	176,700.79	238,438.98
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>326,393.79</u>	<u>176,700.79</u>	<u>503,094.58</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets	(42,042.83)	-	(42,042.83)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	5,159.24	1,922.35	7,081.59
Net Increase (Decrease) in Cash and Cash Equivalents	82.32	197,985.79	198,068.11
Cash and Cash Equivalents -- July 1	368,855.23	6,851.93	375,707.16
Cash and Equivalents -- June 30	<u>\$ 368,937.55</u>	<u>\$ 204,837.72</u>	<u>\$ 573,775.27</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	\$ (319,349.29)	\$ 20,843.73	\$ (298,505.56)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	31,620.74		31,620.74
(Increase) Decrease in Accounts Receivable	4,065.37	(7,793.27)	(3,727.90)
(Increase) Decrease in Inventories	(4,906.39)		(4,906.39)
Increase (Decrease) in Accounts Payable	(1,296.33)		(1,296.33)
Increase (Decrease) in Deferred Revenue	(2,371.64)	6,312.19	3,940.55
Increase (Decrease) in Accrued Salaries Benefits	2,809.66		2,809.66
Total Adjustments	<u>29,921.41</u>	<u>(1,481.08)</u>	<u>28,440.33</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (289,427.88)</u>	<u>\$ 19,362.65</u>	<u>\$ (270,065.23)</u>

## FIDUCIARY FUNDS

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2010

	Trust Fund	Agency Funds		
	Unemployment Compensation Trust	Student Activity	Payroll	Total
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 675,238.16	\$ 96,592.06	\$ 440,001.69	\$ 1,211,831.91
Accounts Receivable:				
Interfund Accounts Receivable:				
Due Agency Fund -- General			11,591.49	11,591.49
Due Trust Fund -- Payroll	96,780.46			96,780.46
Total Investments	96,780.46	-	11,591.49	108,371.95
 Total Assets	 772,018.62	 \$ 96,592.06	 \$ 451,593.18	 1,320,203.86
<b>LIABILITIES:</b>				
Accounts Payable	22,962.31	\$ 20,081.11		43,043.42
Interfund Accounts Payable:				
Due Unemployment Fund			\$ 96,780.46	96,780.46
Payable to Student Groups		76,510.95		76,510.95
Payroll Deductions and Withholdings			354,812.72	354,812.72
 Total Liabilities	 22,962.31	 \$ 96,592.06	 \$ 451,593.18	 571,147.55
 <b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims and Other Purposes	\$ 749,056.31			\$ 749,056.31

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

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions and Donations from Payroll Deductions Withheld	\$ 80,482.94
Investment Earnings: Interest	<u>7,676.39</u>
Total Additions	<u>88,159.33</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	<u>106,630.77</u>
Change in Net Assets	(18,471.44)
Net Assets -- July 1	<u>767,527.75</u>
Net Assets -- June 30	<u><u>\$ 749,056.31</u></u>

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

	Balance <u>June 30, 2009</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2010</u>
<b>ELEMENTARY SCHOOLS:</b>				
Beeler	\$ 880.43	\$ 3,252.10	\$ 2,417.02	\$ 1,715.51
DeMasi	725.70	2,041.24	1,762.72	1,004.22
Evans	4,324.64	2,484.66	3,326.02	3,483.28
Jaggard	3,723.48	2,088.99	2,765.72	3,046.75
Rice	5,251.32	4,774.94	3,580.66	6,445.60
Van Zant	8,416.86	2,445.94	8,600.02	2,262.78
Marlton	1,317.23	4,830.78	5,949.38	198.63
	<u>24,639.66</u>	<u>21,918.65</u>	<u>28,401.54</u>	<u>18,156.77</u>
Total Elementary Schools				
<b>MIDDLE SCHOOLS:</b>				
Marlton	47,285.39	74,498.03	77,894.82	43,888.60
DeMasi	24,414.91	47,746.86	37,615.08	34,546.69
	<u>71,700.30</u>	<u>122,244.89</u>	<u>115,509.90</u>	<u>78,435.29</u>
Total Middle Schools				
Total All Schools	<u>\$ 96,339.96</u>	<u>\$ 144,163.54</u>	<u>\$ 143,911.44</u>	<u>\$ 96,592.06</u>

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

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 129,892.34	\$ 48,882,822.17	\$ 48,572,712.82	\$ 440,001.69
Due from Genral Fund	<u>10,241.16</u>	<u>9,501.32</u>	<u>8,150.99</u>	<u>11,591.49</u>
Total Assets	<u><u>\$ 140,133.50</u></u>	<u><u>\$ 48,892,323.49</u></u>	<u><u>\$ 48,580,863.81</u></u>	<u><u>\$ 451,593.18</u></u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 112,028.41	\$ 20,928,165.81	\$ 20,685,381.50	\$ 354,812.72
Net Payroll		27,883,674.74	27,883,674.74	
Interfund Accounts Payable:				
Due Unemployment Trust	<u>28,105.09</u>	<u>80,482.94</u>	<u>11,807.57</u>	<u>96,780.46</u>
Total Liabilities	<u><u>\$ 140,133.50</u></u>	<u><u>\$ 48,892,323.49</u></u>	<u><u>\$ 48,580,863.81</u></u>	<u><u>\$ 451,593.18</u></u>

LONG-TERM DEBT

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance June 30, 2009	Issued	Retired	Balance June 30, 2010							
School District Refunding Bonds--Series 2005	6-27-05	\$ 22,485,000.00	3-1-2011	\$ 1,915,000.00	4.000%	\$ 22,225,000.00			\$ 20,295,000.00							
			3-1-2012	2,000,000.00	4.500%											
			3-1-2013	2,090,000.00	5.000%											
			3-1-2014	2,195,000.00	4.500%											
			3-1-2015	2,290,000.00	5.000%											
			3-1-2016/17	2,395,000.00	5.000%											
			3-1-2018	2,500,000.00	5.000%											
			3-1-2019	2,515,000.00	5.000%											
			School District Bonds--Series 2006A	1-5-06	9,419,000.00					12-1-2010	50,000.00	3.850%	9,319,000.00		50,000.00	9,269,000.00
12-1-2011	500,000.00	3.850%														
12-1-2012	600,000.00	3.850%														
12-1-2013/15	900,000.00	3.850%														
12-1-2016/17	1,000,000.00	3.850%														
12-1-2018	1,100,000.00	3.850%														
12-1-2019	1,100,000.00	3.875%														
12-1-2020	1,219,000.00	3.875%														
School District Bonds--Series 2006B	9-6-06	6,066,000.00				9-1-2010	30,000.00	4.000%	6,006,000.00		30,000.00	5,976,000.00				
			9-1-2011	325,000.00	4.000%											
			9-1-2012	385,000.00	4.000%											
			9-1-2013/15	580,000.00	4.125%											
			9-1-2016/17	645,000.00	4.125%											
			9-1-2018/19	710,000.00	4.125%											
			9-1-2020	786,000.00	4.125%											
			School District Refunding Bonds--Series 2006	11/1/06	6,905,000.00	9-1-2010	1,725,000.00	4.000%					4,580,000.00		1,655,000.00	2,925,000.00
						9-1-2011	1,200,000.00	4.500%								
						\$ 42,130,000.00		\$ 3,665,000.00	\$ 38,465,000.00							

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2010

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue Principal</u>	<u>Interest</u>	<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2009(a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2010(a)</u>
Acquisition of a Savin Copier	02/04/07	60 Month	\$ 17,533.30	\$ 3,468.81	8.10%	\$ 10,971.44	\$	3,213.56	\$ 7,757.88
Acquisition of Dual Radio	09/01/08	36 Month	24,990.25	2,772.95	6.90%	18,562.21		8,221.03	10,341.18
Acquisition of Eight Digital Copiers	03/01/10	48 Month	180,398.46	18,657.54	4.91%		\$ 180,398.46	13,720.11	166,678.35
Acquisition of a 2011 Blue Bird Bus	02/01/10	48 Month	91,885.00	5,935.76	4.34%		91,885.00	24,455.19	67,429.81
Acquisition of Three 2011 Thomas Buses	02/24/10	36 Month	275,400.00	12,127.08	4.47%		275,400.00	95,842.36	179,557.64
						\$ 29,533.65	547,683.46	145,452.25	\$ 431,764.86

(a) Future Interest Payments Removed from Carrying Value of Leases.

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 4,039,586.00		\$ 4,039,586.00	\$ 4,039,586.00	
State Sources:					
Debt Service Aid Type II	1,438,523.00		1,438,523.00	1,438,523.00	
Total Revenues	<u>5,478,109.00</u>	<u>-</u>	<u>5,478,109.00</u>	<u>5,478,109.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	1,813,109.00		1,813,109.00	1,813,108.78	\$ 0.22
Redemption of Principal	3,665,000.00		3,665,000.00	3,665,000.00	
Total Regular Debt Service	<u>5,478,109.00</u>	<u>-</u>	<u>5,478,109.00</u>	<u>5,478,108.78</u>	<u>0.22</u>
Total Expenditures	<u>5,478,109.00</u>	<u>-</u>	<u>5,478,109.00</u>	<u>5,478,108.78</u>	<u>0.22</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.22	0.22
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	0.22	0.22
Fund Balance, July 1	0.03		0.03	0.03	-
Fund Balance, June 30	<u>\$ 0.03</u>	<u>-</u>	<u>\$ 0.03</u>	<u>\$ 0.25</u>	<u>\$ 0.22</u>

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1, J-2 and J-3 are only presented for the last eight fiscal years as the School District's first year of implementation of the Governmental Accounting Standards Board Statement No. 34 was for the fiscal year ended June 30, 2003; thus, ten year comparative financial information is unavailable.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Net Assets by Component  
 Last Eight Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 35,700,902.98	\$ 32,883,669.94	\$ 30,313,967.38	\$ 30,000,879.95	\$ 23,046,326.00	\$ 27,256,352.72	\$ 21,991,866.58	\$ 20,738,989.19
Restricted	5,055,451.76	7,819,411.99	9,962,586.33	9,064,029.29	11,704,597.00	4,217,387.19	2,431,516.17	3,598,345.59
Unrestricted	(2,374,395.80)	(27,923.28)	829,011.22	477,597.65	(371,035.00)	(860,612.69)	4,607,330.71	2,329,972.01
Total Governmental Activities Net Assets	\$ 38,381,958.94	\$ 40,675,158.65	\$ 41,105,564.93	\$ 39,542,506.89	\$ 34,379,888.00	\$ 30,613,127.22	\$ 29,030,713.46	\$ 26,667,306.79
<b>Business-type Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 176,642.38	\$ 166,220.29	\$ 209,247.64	\$ 241,203.82	\$ 264,043.00	\$ 275,250.01	\$ 283,650.81	\$ 316,292.29
Restricted	385,901.21	418,633.18	444,039.95	525,407.08	555,138.00	443,877.43	444,136.13	420,258.96
Unrestricted	\$ 562,543.59	\$ 584,853.47	\$ 653,287.59	\$ 766,610.90	\$ 819,181.00	\$ 719,127.44	\$ 727,786.94	\$ 736,551.25
Total Business-type Activities Net Assets	\$ 948,444.79	\$ 1,003,486.65	\$ 1,107,327.23	\$ 1,292,017.98	\$ 1,374,319.00	\$ 1,162,997.47	\$ 1,171,923.07	\$ 1,156,810.21
<b>District-wide:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 35,877,545.36	\$ 33,049,890.23	\$ 30,523,215.02	\$ 30,242,083.77	\$ 23,310,369.00	\$ 27,531,602.73	\$ 22,275,517.39	\$ 21,055,281.48
Restricted	5,055,451.76	7,819,411.99	9,962,586.33	9,064,029.29	11,704,597.00	4,217,387.19	2,431,516.17	3,598,345.59
Unrestricted	(1,988,494.59)	(390,709.90)	1,273,051.17	1,003,004.73	(184,103.00)	(416,735.26)	5,051,466.84	2,750,230.97
Total District-wide Net Assets	\$ 38,944,502.53	\$ 41,260,012.12	\$ 41,758,852.52	\$ 40,309,117.79	\$ 35,199,069.00	\$ 31,332,254.66	\$ 29,758,500.40	\$ 27,403,858.04

Source: Exhibit A-1

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Changes in Net Assets  
 Last Eight Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses:</b>								
<u>Governmental Activities:</u>								
Instruction:								
Regular	\$ 19,797,669	\$ 19,926,773	\$ 19,375,527	\$ 18,843,450	\$ 18,641,421	\$ 19,933,592	\$ 18,628,833	\$ 18,267,773
Special Education	9,740,377	8,916,931	8,325,360	7,845,134	7,334,495	7,234,687	5,992,484	4,446,293
Other Special Education	2,077,026	1,961,818	547,935	534,054	505,359	473,904	517,293	920,668
Vocational								
Other Instruction	1,419,733	1,956,461	2,648,368	1,224,826				
Community Service Programs								
Support Services:								
Tuition	1,414,733	1,951,366	2,224,794	2,105,592	2,481,368	2,429,579	2,567,441	2,500,767
Student and Instruction Related Services	6,380,694	5,435,493	4,621,639	5,825,937	6,390,990	6,303,357	5,780,222	5,535,892
School Administrative Services	2,361,111	2,233,493	2,389,906	2,385,231	2,353,589	2,341,284	2,245,691	2,129,878
General and Business Administrative Services	2,578,205	2,605,737	2,770,193	3,053,441	2,416,141	2,408,218	1,965,241	1,745,043
Plant Operations and Maintenance	6,929,874	7,156,761	7,064,326	6,577,469	6,518,297	5,739,695	4,880,795	4,714,850
Pupil Transportation	4,167,854	3,790,924	3,960,784	3,842,208	3,736,758	3,506,237	3,376,711	3,278,705
Unallocated Benefits	17,941,422	16,951,141	16,809,159	15,227,446	12,399,111	11,611,106	10,078,239	8,749,843
Interest on Long-term Debt	1,619,913	1,768,090	1,767,714	2,122,776	1,888,552	1,575,060	2,176,989	2,200,865
Unallocated Depreciation	2,293,664	1,887,835	1,515,246	2,436,801	1,708,467	1,633,573	1,648,674	1,374,751
Total Governmental Activities Expenses	<u>78,722,276</u>	<u>76,542,821</u>	<u>74,020,950</u>	<u>72,024,365</u>	<u>66,374,548</u>	<u>65,190,292</u>	<u>59,858,613</u>	<u>55,865,328</u>
<u>Business-type Activities:</u>								
Food Service	1,495,559	1,490,488	1,513,911	1,438,715	1,437,371	1,470,447	1,453,188	1,366,701
Childcare Program	801,515	938,730	896,283	851,979	732,159	695,386	671,860	660,063
Total Business-type Activities Expense	<u>2,297,074</u>	<u>2,429,218</u>	<u>2,410,194</u>	<u>2,290,694</u>	<u>2,169,530</u>	<u>2,165,833</u>	<u>2,125,048</u>	<u>2,026,764</u>
Total District Expenses	<u>\$ 81,019,350</u>	<u>\$ 78,972,039</u>	<u>\$ 76,431,144</u>	<u>\$ 74,315,059</u>	<u>\$ 68,544,078</u>	<u>\$ 67,356,125</u>	<u>\$ 61,983,661</u>	<u>\$ 57,892,092</u>

(continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Changes in Net Assets  
 Last Eight Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Program Revenues:</b>								
<u>Governmental Activities:</u>								
Operating Grants and Contributions	\$ 7,254,477	\$ 6,638,657	\$ 8,193,051	\$ 7,983,982	\$ 5,750,946	\$ 5,237,422	\$ 4,935,568	\$ 4,296,804
Charges for Services	6,532			17,682	28,330			
Capital Grants and Contributions								
Total Governmental Activities Program Revenues	<u>7,261,009</u>	<u>6,638,657</u>	<u>8,193,051</u>	<u>8,001,664</u>	<u>5,779,276</u>	<u>5,237,422</u>	<u>4,935,568</u>	<u>4,296,804</u>
<u>Business-type activities:</u>								
Charges for services								
Food service	1,176,210	1,215,740	1,220,420	1,178,510	1,247,812	1,190,509	1,261,813	1,206,404
Childcare Program	822,359	931,079	832,566	822,052	782,589	760,224	668,253	630,386
Capital Grants and Contributions		6,000						
Operating Grants and Contributions	269,114	237,701	219,535	200,176	209,143	193,060	181,553	183,212
Total Business-type Activities Program Revenues	<u>2,267,683</u>	<u>2,390,519</u>	<u>2,272,520</u>	<u>2,200,738</u>	<u>2,239,544</u>	<u>2,143,793</u>	<u>2,111,619</u>	<u>2,020,002</u>
Total District Program Revenues	<u>\$ 9,528,692</u>	<u>\$ 9,029,176</u>	<u>\$ 10,465,572</u>	<u>\$ 10,202,402</u>	<u>\$ 8,018,820</u>	<u>\$ 7,381,215</u>	<u>\$ 7,047,187</u>	<u>\$ 6,316,806</u>
<b>Net (Expense)/Revenue:</b>								
Governmental Activities	\$ (71,461,267)	\$ (69,904,164)	\$ (65,827,899)	\$ (64,022,701)	\$ (60,595,272)	\$ (59,952,870)	\$ (54,923,045)	\$ (51,568,524)
Business-type Activities	(29,391)	(38,699)	(137,674)	(89,956)	70,014	(22,040)	(13,429)	(6,762)
Total District-wide Net Expense	<u>\$ (71,490,658)</u>	<u>\$ (69,942,863)</u>	<u>\$ (65,965,573)</u>	<u>\$ (64,112,657)</u>	<u>\$ (60,525,258)</u>	<u>\$ (59,974,910)</u>	<u>\$ (54,936,474)</u>	<u>\$ (51,575,286)</u>

(continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Changes in Net Assets  
 Last Eight Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets:</b>								
<u>Governmental Activities:</u>								
Property Taxes Levied for General Purposes, Net	\$ 51,045,922	\$ 50,309,043	\$ 48,374,080	\$ 46,746,887	\$ 44,840,162	\$ 42,318,027	\$ 39,766,554	\$ 36,504,104
Taxes Levied for Debt Service	4,039,586	3,444,164	2,360,596	5,296,095	3,564,598	3,464,402	2,647,080	3,367,929
Restricted and Unrestricted Grants and Contributions	13,687,341	15,211,862	15,952,006	14,735,500	15,358,724	15,360,690	14,803,361	14,035,701
Miscellaneous	360,864	340,695	763,765	2,275,701	855,949	369,070	232,704	253,405
Other				115,193				
Donation (Disposal) of Assets	5,818	20,494	18,861	15,944	(257,401)	26,477	27,307	(1,521,556)
Transfers	28,536	147,500	(78,352)			(3,381)	(190,555)	(26,411)
Total Governmental Activities	69,168,067	69,473,758	67,390,956	69,185,320	64,362,032	61,535,285	57,286,451	52,613,172
<u>Business-type Activities:</u>								
Investment Earnings	7,082	5,004	24,351	37,386	30,040	13,380	4,665	6,281
Donation (Disposal) of Assets		(20,494)						
Transfers		(14,246)						
Total Business-type Activities	7,082	(29,736)	24,351	37,386	30,040	13,380	4,665	6,281
Total District-wide	\$ 69,175,149	\$ 69,444,022	\$ 67,415,307	\$ 69,222,706	\$ 64,392,072	\$ 61,548,665	\$ 57,291,116	\$ 52,619,453
<b>Change in Net Assets:</b>								
Governmental Activities	\$ (2,293,200)	\$ (430,406)	\$ 1,563,058	\$ 5,162,619	\$ 3,766,760	\$ 1,582,415	\$ 2,363,406	\$ 1,044,648
Business-type Activities	(22,310)	(68,434)	(113,323)	(52,570)	100,054	(8,660)	(8,764)	(481)
Total District	\$ (2,315,510)	\$ (498,841)	\$ 1,449,735	\$ 5,110,049	\$ 3,866,814	\$ 1,573,755	\$ 2,354,642	\$ 1,044,167

Source: Exhibit A-2

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Fund Balances, Governmental Funds  
 Last Eight Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<u>General Fund:</u>								
Reserved	\$ 5,107,539.53	\$ 8,120,940.49	\$ 9,520,488.76	\$ 7,936,117.93	\$ 6,398,940.00	\$ 3,479,833.34	\$ 4,673,642.28	\$ 2,762,032.93
Unreserved	(168,473.78)	1,553,961.66	1,559,695.13	1,523,982.82	1,543,449.00	1,890,305.35	3,260,947.27	2,839,053.34
<u>Total General Fund</u>	<u>\$ 4,939,065.75</u>	<u>\$ 9,674,902.15</u>	<u>\$ 11,080,183.89</u>	<u>\$ 9,460,100.75</u>	<u>\$ 7,942,389.00</u>	<u>\$ 5,370,138.69</u>	<u>\$ 7,934,589.55</u>	<u>\$ 5,601,086.27</u>
<u>All Other Governmental Funds:</u>								
Reserved			\$ 110,815.98	\$ 1,156,960.88	\$ 8,714,099.00	\$ 424,646.70	\$ 11,970.00	\$ 289,190.83
Unreserved, Reported in:								
Capital Projects Fund	\$ 425,435.00		85,732.74	302,937.36	(2,962,711.00)	54,110.08	966,070.89	1,726,123.34
Special Revenue Fund	0.25	0.03	630,792.03	1,851,752.03	94,544.00	1.10	2.36	(11,968.20)
Debt Service Fund								1.62
<u>Total All Other Governmental Funds</u>	<u>\$ 425,435.25</u>	<u>\$ 0.03</u>	<u>\$ 827,340.75</u>	<u>\$ 3,311,650.27</u>	<u>\$ 5,845,932.00</u>	<u>\$ 11,219,035.26</u>	<u>\$ 978,043.25</u>	<u>\$ 2,003,347.59</u>
<u>Total District</u>	<u>\$ 5,364,501.00</u>	<u>\$ 9,674,902.18</u>	<u>\$ 11,907,524.64</u>	<u>\$ 12,771,751.02</u>	<u>\$ 13,788,321.00</u>	<u>\$ 16,589,173.95</u>	<u>\$ 8,912,632.80</u>	<u>\$ 7,604,433.86</u>

Source: Exhibit B-1

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues:</b>										
Tax Levy	\$ 55,085,508.00	\$ 53,753,207.00	\$ 50,734,676.00	\$ 52,042,982.00	\$ 48,404,760.00	\$ 45,782,429.00	\$ 42,413,634.00	\$ 39,872,033.00	\$ 37,164,869.00	\$ 35,728,673.00
Other Local Revenue	422,747.30	391,902.30	813,230.12	2,345,998.92	888,280.00	384,070.23	289,068.55	268,028.42	565,178.00	1,267,017.00
State Sources	16,912,640.62	20,186,288.17	22,550,402.22	21,190,994.36	19,617,329.00	19,055,045.32	18,326,999.47	17,114,523.52	16,716,532.00	14,106,600.00
Federal Sources	3,973,825.74	1,613,023.72	1,545,190.96	1,478,271.31	1,477,341.00	1,528,065.97	1,375,565.69	1,203,357.37	1,081,112.00	835,579.00
Total Revenue	76,394,721.66	75,944,421.19	75,643,499.30	77,055,846.59	70,387,710.00	66,749,610.52	62,385,267.71	58,457,942.31	55,527,691.00	51,937,869.00
<b>Expenditures:</b>										
Instruction	19,833,983.37	19,847,851.95	19,471,714.39	19,614,238.26	19,189,722.00	19,076,224.12	18,291,390.21	17,785,153.87	17,563,724.07	16,748,102.19
Regular Instruction	9,664,989.47	8,679,405.67	8,376,869.80	7,842,189.94	7,520,800.00	6,930,996.95	5,986,118.71	4,413,692.75	4,627,023.47	3,971,677.66
Special Education Instruction	2,077,025.91	1,961,817.53	547,934.78	534,053.84	505,359.00	473,904.43	517,292.66	484,830.55	917,417.46	797,179.28
Other Special Instruction	1,419,733.05	1,956,460.98	2,648,367.77	1,224,826.10	424,006.00	442,321.54	429,118.56	433,651.68	425,308.48	377,816.87
Community Services										
Support Services:										
Tuition	1,414,733.11	1,951,365.98	2,224,794.00	2,105,592.38	2,057,362.00	1,987,257.00	2,138,322.26	2,500,766.82	1,596,720.45	1,560,018.67
Student and Instruction Related Services	6,376,988.75	5,431,787.66	4,617,933.96	5,818,168.73	6,383,003.00	6,303,356.77	5,778,437.47	5,535,892.34	4,990,135.23	4,628,080.76
School Administrative Services	2,361,111.37	2,233,492.52	2,389,905.63	2,385,200.00	2,353,589.00	2,341,283.62	2,245,690.71	2,129,877.56	2,156,126.02	2,062,708.43
Other Administrative Services	2,465,317.07	2,535,710.04	2,233,169.67	2,976,403.92	2,310,557.00	2,318,778.89	1,907,174.21	1,661,747.26	1,389,482.45	1,440,965.68
Plant Operations and Maintenance	6,146,948.26	6,419,456.27	6,427,915.49	6,404,612.54	5,533,182.00	5,372,079.11	4,848,261.78	4,698,036.17	4,371,078.87	4,384,899.46
Pupil Transportation	3,833,932.69	3,617,153.24	3,759,150.92	3,583,161.10	3,476,844.00	3,263,556.35	3,146,579.28	3,038,998.19	2,767,154.15	2,712,827.99
Unallocated Benefits	17,209,679.64	16,244,374.40	16,809,159.33	15,227,445.36	12,399,111.00	11,611,105.69	10,078,239.48	8,460,531.64	7,106,897.40	6,626,051.91
Debt Service:										
Principal	3,665,000.00	3,555,000.00	2,630,000.00	3,815,000.00	3,105,000.00	2,585,000.00	2,315,000.00	3,057,000.00	2,900,000.00	2,650,000.00
Interest and Other Charges	1,813,108.78	1,972,171.00	2,233,126.00	2,140,636.78	1,518,877.00	1,992,141.26	2,181,791.26	2,237,867.26	2,403,375.76	2,557,150.76
Capital Outlay	2,998,781.22	1,743,486.81	2,059,331.37	11,286,048.18	5,497,935.00	5,120,022.02	1,023,096.72	2,887,032.16	6,498,977.00	8,781,662.00
Total Expenditures	81,281,342.69	78,349,534.05	76,429,373.11	84,957,607.95	72,275,347.00	69,818,027.75	60,886,513.31	59,325,078.25	59,693,430.81	59,299,141.66
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,886,621.03)	(2,405,112.86)	(785,873.81)	(7,901,761.36)	(1,887,637.00)	(3,068,417.23)	1,498,754.40	(867,135.94)	(4,165,739.81)	(7,361,272.66)
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)										
Sale of Bonds	547,683.46	24,990.25		17,533.30	392,700.00	22,485,000.00				
Premium on Sale of Bonds				6,066,000.00	9,419,000.00	2,067,845.20				
Payment to Escrow Agent						(24,304,439.68)				
Costs Associated with Sale of Bonds						(248,405.52)				
Accounts Receivable/Payable Canceled	(282.00)	28,602.03	(78,352.57)	89,217.29	4,361.00	8,062.53	(188,463.97)	(70,373.35)	232,663.77	203,934.66
Change in Year-end Inventory	28,818.39	118,909.05				2,100,000.00	853,647.54	702,866.47	(18,824.96)	(19,813.00)
Transfers In		(10.93)				(2,103,381.53)	(855,739.03)	(729,277.18)		
Transfers Out										
Total Other Financing Sources (Uses)	576,219.85	172,490.40	(78,352.57)	6,172,750.59	9,816,061.00	4,681.00	(190,555.46)	(96,784.06)	213,838.81	184,121.66
Net Change in Fund Balances	\$ (4,310,401.18)	\$ (2,232,622.46)	\$ (864,226.38)	\$ (1,729,010.77)	\$ 7,928,424.00	\$ (3,063,736.23)	\$ 1,308,198.94	\$ (963,920.00)	\$ (3,951,901.00)	\$ (7,177,151.00)
Debt Service as a Percentage of Noncapital Expenditures	7.0%	7.2%	6.5%	8.1%	6.9%	7.1%	7.5%	9.4%	10.0%	10.3%

Source: Exhibit B-2

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Various Refunds	\$ 64,158.92	\$ 63,320.14	\$ 80,460.11	\$ 50,188.80	\$ 481.50	\$ 61,226.44	\$ 52,037.29	\$ 68,245.85	\$ 93,995.67	\$ 122,635.51
Book Fines	181.45	471.29	928.23	432.35		17.00		8.35		19.96
Photocopy Fees (OPRA)	211.00	160.00	288.00	368.00		266.83	407.50	104.77	75.00	4.50
Badge Replacement	14,953.00	13,431.00	15,665.00	13,674.00						
Curriculum Workshop Fees		400.00		150,000.00						
Settlement		16.68	31.08	39.51						
Vending Machines	19,500.00	22,139.98	3,754.66		43.77	108.19	124.24	130.89	122.32	120.84
Sale of Assets/Textbooks					14,619.91	761.64			3,051.00	
Outstanding Checks Canceled	47,948.75	73,284.46	107,512.09	81,279.75	73,964.00	27,203.98	75,000.00	50,000.00	259.10	3,017.28
Rental of School Facilities					28,330.38	25,665.80	18,099.58			
Tuition	27,127.70			695.00	33,629.90					
Prior Year Tuition Adjustments	4,310.65			4,361.38	43,731.03	18,204.78	5,803.75	3,184.75	116,483.22	4,612.00
Other							12,827.72	11,538.00		119,352.50
Emergency Snow Removal--FEMA	13,555.00									
Saturday Enrichment	168,917.45	126,577.74	432,451.19	526,966.18	683,964.85	235,615.57	86,503.03	67,288.88	135,243.37	328,007.13
Interest Earned on Deposits										
<b>Total Miscellaneous Revenues</b>	<b>\$ 360,863.92</b>	<b>\$ 299,801.29</b>	<b>\$ 641,090.36</b>	<b>\$ 828,004.97</b>	<b>\$ 878,765.34</b>	<b>\$ 369,070.23</b>	<b>\$ 250,803.11</b>	<b>\$ 200,538.57</b>	<b>\$ 349,229.68</b>	<b>\$ 577,769.72</b>

Source: District Records

## Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2010	\$ 38,668,000.00	\$ 4,156,491,310.00	\$ 14,825,100.00	\$ 864,582,575.00	\$ 39,217,600.00	\$ 265,891,400.00	\$ 5,379,675,985.00	\$ 20,439,291.00	\$ 5,400,115,276.00	\$ 467,215,300.00	\$ 5,776,142,129.00	\$ 1,023
2009	35,663,400.00	4,205,267,000.00	15,186,500.00	852,716,400.00	46,450,600.00	285,261,300.00	5,440,545,200.00	22,503,815.00	5,463,049,015.00	346,163,300.00	5,957,428,218.00	0.986
2008	17,059,400.00	2,239,682,300.00	7,947,200.00	448,607,200.00	18,546,600.00	93,335,700.00	2,825,178,400.00	8,034,965.00	2,833,213,365.00	237,617,100.00	5,890,256,476.00	1.836
2007	18,227,500.00	2,230,968,600.00	7,971,800.00	433,279,600.00	18,546,600.00	106,365,100.00	2,815,359,200.00	8,310,626.00	2,823,669,826.00	236,972,500.00	5,342,800,049.00	1.827
2006	20,136,700.00	2,220,076,600.00	6,670,300.00	426,241,400.00	20,048,300.00	106,365,100.00	2,799,540,400.00	8,780,369.00	2,808,320,769.00	236,200,900.00	4,738,982,060.00	1.790
2005	26,635,200.00	2,191,515,000.00	6,768,500.00	408,684,000.00	20,048,300.00	106,365,100.00	2,760,016,100.00	10,618,023.00	2,770,634,123.00	236,220,500.00	4,247,604,249.00	1.700
2004	32,363,300.00	2,138,871,200.00	6,547,800.00	408,337,300.00	20,803,800.00	105,910,100.00	2,712,833,500.00	11,463,649.00	2,724,297,149.00	207,704,800.00	3,879,473,360.00	1.619
2003	45,355,200.00	2,058,844,400.00	6,947,900.00	395,755,400.00	20,803,800.00	100,263,100.00	2,627,969,800.00	1,366,156.00	2,629,335,956.00	204,704,000.00	3,240,593,643.00	1.568
2002	64,030,900.00	1,987,641,100.00	7,170,900.00	363,763,100.00	20,803,800.00	98,263,100.00	2,541,662,900.00	14,226,032.00	2,555,890,932.00	200,339,700.00	2,932,281,119.00	1.508
2001	52,226,900.00	1,928,376,800.00	8,430,100.00	394,125,300.00	20,803,800.00	91,566,500.00	2,456,531,400.00	14,020,276.00	2,469,551,676.00	196,294,800.00	2,672,610,816.00	1.475

(1) Taxable Value of Machinery, Implements and Equipment of Telephones, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation

Source: Burlington County Board of Taxation

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)  
*Unaudited*

Year Ended Dec. 31	District Direct Rate				Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Regional High School District	Township of Evesham	Township of Evesham Fire District	Burlington County			
2010	\$ 0.948	\$ 0.075	\$ 1.023	\$ 0.598	\$ 0.403	\$ 0.128	\$ 0.407	\$	2.559	
2009	0.932	0.064	0.996	0.561	0.403	0.122	0.416		2.498	
2008	1.751	0.085	1.836	1.108	0.727	0.225	0.809		4.705	
2007	1.641	0.186	1.827	1.109	0.578	0.210	0.796		4.520	
2006	1.660	0.013	1.790	1.036	0.703	0.188	0.621		4.338	
2005	1.573	0.127	1.700	0.973	0.511	0.187	0.701		4.072	
2004	1.507	0.112	1.619	0.928	0.511	0.187	0.667		3.912	
2003	1.444	0.114	1.558	0.812	0.443	0.176	0.626		3.615	
2002	1.363	0.145	1.508	0.669	0.385	0.167	0.616		3.345	
2001	1.312	0.163	1.475	0.669	0.349	0.149	0.605		3.247	

(1) Revaluation

Source: Municipal Tax Collector

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Davis & Associates LLC	\$ 122,048,000.00	1	2.26%			
Brandywine Operating P/S	42,328,100.00	2	0.78%			
Liberty Property Partnership	41,693,800.00	3	0.77%			
East Coast Woodview at Marlton	40,314,600.00	4	0.75%			
Hunter Chase Assoc. LLC % Scully Co.	39,747,500.00	5	0.74%			
Marlton Plaza Associates	38,109,000.00	6	0.71%	\$ 10,805,000.00	2	0.44%
Davis Enterprises	37,372,300.00	7	0.69%	9,200,000.00	6	0.37%
Willow Ridge Village Apartments	28,118,000.00	8	0.52%			
Marlton VF LLC	22,572,400.00	9	0.42%	9,700,000.00	4	0.39%
Brandywine Greentree	18,890,400.00	10	0.35%			
Midwest Holding				16,500,000.00	1	0.67%
Marlton Plaza Associates II				10,600,000.00	3	0.43%
McCandless Joint Venture Inc				9,500,000.00	5	0.38%
Greentree Square Affiliates				8,350,000.00	7	0.34%
West Jersey Health Systems				8,228,600.00	8	0.33%
Wharton Hardware & Supply Co.				8,000,000.00	9	0.32%
Wiley Mission, Inc.				7,951,200.00	10	0.32%
<b>Total</b>	<b>\$ 431,194,100.00</b>		<b>7.98%</b>	<b>\$ 98,834,800.00</b>		<b>4.00%</b>

Source: Municipal Tax Assessor

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
*Unaudited*

---

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2010	\$ 55,085,508.00	\$ 55,085,508.00	100.00%	-
2009	53,753,207.00	53,753,207.00	100.00%	-
2008	50,734,676.00	50,734,676.00	100.00%	-
2007	52,042,982.00	52,042,982.00	100.00%	-
2006	48,404,760.00	48,404,760.00	100.00%	-
2005	45,782,429.00	45,782,429.00	100.00%	-
2004	42,413,634.00	42,413,634.00	100.00%	-
2003	39,872,033.00	39,872,033.00	100.00%	-
2002	37,164,869.00	37,164,869.00	100.00%	-
2001	35,728,673.00	35,728,673.00	100.00%	-

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

Source: District Records

## Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2010	\$ 38,465,000.00	-	\$ 431,764.86	-	-	\$ 38,896,764.86	Unavailable	Unavailable
2009	42,130,000.00	-	29,533.65	-	-	42,159,533.65	Unavailable	Unavailable
2008	45,685,000.00	-	39,784.58	-	-	45,724,784.58	2.17%	\$ 46,564.00
2007	48,315,000.00	-	164,102.38	-	-	48,479,102.38	2.34%	45,463.00
2006	46,049,000.00	-	261,762.02	-	-	46,310,762.02	2.30%	43,551.00
2005	39,735,000.00	-	-	-	-	39,735,000.00	2.10%	40,795.00
2004	43,045,000.00	-	-	-	-	43,045,000.00	2.34%	39,606.00
2003	45,360,000.00	-	93,508.79	-	-	45,453,508.79	2.60%	37,982.00
2002	48,417,000.00	-	-	-	-	48,417,000.00	2.77%	37,299.00
2001	51,317,000.00	-	-	-	-	51,317,000.00	3.09%	36,912.00

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2000 Census published

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2010	\$ 38,465,000.00	-	\$ 38,465,000.00	0.71%	Unavailable
2009	42,130,000.00	-	42,130,000.00	0.77% (4)	\$ 928.59
2008	45,685,000.00	-	45,685,000.00	1.61%	1,009.06
2007	48,315,000.00	-	48,315,000.00	1.71%	1,061.33
2006	46,049,000.00	-	46,049,000.00	1.64%	995.07
2005	39,735,000.00	-	39,735,000.00	1.43%	855.33
2004	43,045,000.00	-	43,045,000.00	1.58%	926.78
2003	45,360,000.00	-	45,360,000.00	1.72%	986.58
2002	48,417,000.00	-	48,417,000.00	1.89%	1,088.59
2001	51,317,000.00	-	51,317,000.00	2.08%	1,103.45

**Sources:**

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development
- (4) Revaluation

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2009  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Evesham Township</u>
Municipal Debt: (1)				
Evesham Township School District	\$ 40,425,000.00	\$ 40,425,000.00		
Regional High School District	30,804,436.00	30,804,436.00		
Evesham Township	50,868,316.00	10,349,549.00	\$ 40,518,767.00	\$ 40,518,767.00
	<u>122,097,752.00</u>	<u>81,578,985.00</u>	<u>40,518,767.00</u>	<u>40,518,767.00</u>
Overlapping Debt Apportioned to the Municipality:				
Evesham Township Fire District	5,990,000.00		5,990,000.00	5,990,000.00
Evesham Township Municipal Utility Authority County of Burlington: (2)	42,641,518.17		42,641,518.17	42,641,518.17
Solid Waste Utility				
Bonds	81,865,434.00	81,865,434.00		
General:				
Bonds	264,223,644.00	35,360,585.00 (3)	228,863,059.00	25,953,161.87 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>250,800,000.00</u>	<u>250,800,000.00</u> (4)		
	<u>645,520,596.17</u>	<u>368,026,019.00</u>	<u>277,494,577.17</u>	<u>74,584,680.04</u>
	<u>\$ 767,618,348.17</u>	<u>\$ 449,605,004.00</u>	<u>\$ 318,013,344.17</u>	<u>\$ 115,103,447.04</u>

Sources:

- (1) 2009 Annual Debt Statement
  - (2) County's 2009 Audit Report
  - (3) Includes Cash on Hand, Accounts Receivable and County College Bonds paid with State Aid.
  - (4) Deductible in accordance with N.J.S. 40:37A-80.
  - (5) Such debt is allocated as a proportion of the Township's share of the total 2009 Equalized Value, which is 11.34%.
- The source for this computation was the 2009 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.



## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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

---

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2009	45,370	Unavailable	Unavailable	6.9%
2008	45,275	\$ 2,108,185,100.00	\$ 46,564.00	4.0%
2007	45,523	2,069,612,149.00	45,463.00	2.9%
2006	46,277	2,015,409,627.00	43,551.00	3.0%
2005	46,456	1,895,172,520.00	40,795.00	2.7%
2004	46,446	1,839,540,276.00	39,606.00	2.4%
2003	45,977	1,746,298,414.00	37,982.00	2.6%
2002	44,477	1,658,947,623.00	37,299.00	2.6%
2001	46,506	1,716,629,472.00	36,912.00	1.8%
2000	42,509	1,499,675,011.00	35,279.00	1.6%

## Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2000 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Principal Non-Governmental Employers  
 Current Year and Nine Years Ago  
*Unaudited*

	2010			2001		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
<u>Employer</u>						
Virtua Health System	1,000	1	3.73%	850	1	3.50%
Computer Science Corp.	700	2	2.61%	400	2	1.65%
Care One	240	3	0.90%			
Shop Rite	230	4	0.86%	200	5	0.82%
Wal-Mart	200	5	0.75%	350	3	1.44%
Target	180	6	0.67%			
Champps	150	7	0.56%	220	4	0.91%
Parker, McCay & Criscuolo, P.A.	145	8	0.54%	147	6	0.61%
Burns Honda	142	9	0.53%			
PF Changs	136	10	0.51%			
Kohl's				128	7	0.53%
Burlington County Coat Factory				101	8	0.42%
TGI Friday's				100	9	0.41%
800 West				100	10	0.41%
Davis Enterprises	<u>3,123</u>		<u>11.66%</u>	<u>2,596</u>		<u>10.69%</u>

Source: Individual Employers

## Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

Function/Program	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction										
Regular	323	331	338	458	458	443	427	395	375	395
Special education	127	125	122	132	132	111	77	69	67	71
Other special education	16	15	15	15	15	15	13	12	9	12
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	225	227	223	147	147	28	27	27	26	26
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	49	50	50	20	20	20	20	20	17	19
General administrative services	7	7	7	7	7	4	6	5	5	5
School administrative services	45	47	47	40	40	33	33	22	22	22
Business administrative services	13	14	14	8	8	8	8	8	7	8
Plant operations and maintenance	134	141	141	139	139	67	66	65	65	65
Pupil transportation	61	62	62	62	62	33	31	26	24	26
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	18	18	18	12	12	12	13	15	15	15
Community Education and Recreation	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,018</b>	<b>1,037</b>	<b>1,037</b>	<b>1,040</b>	<b>1,040</b>	<b>774</b>	<b>721</b>	<b>664</b>	<b>632</b>	<b>664</b>

Prior to fiscal year 2004-2005 the information above is only full-time individuals, not full-time equivalents.

Source: District Records

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

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2010	4,879	\$ 72,804,452.69	\$ 14,922.00	25.18%	456	1/11.5	1/10.3	4,844	4,782	-6.32%	98.72%
2009	4,924	71,078,876.24	14,435.19	25.72%	456	1/11.1	1/10.6	4,889	4,785	-7.75%	97.87%
2008	4,977	69,506,915.74	13,965.63	21.63%	469	1/10.7	1/10.6	4,940	4,838	-6.78%	97.94%
2007	5,111	67,715,922.99	13,249.06	15.39%	458	1/11.9	1/11.0	5,058	4,949	-4.56%	97.84%
2006	5,214	62,153,535.00	11,920.51	3.82%	466	1/12	1/11.5	5,171	5,064	-2.42%	97.93%
2005	5,236	60,120,865.00	11,482.21	10.56%	462	1/12	1/11.5	5,300	5,094	-0.99%	96.12%
2004	5,331	55,366,625.00	10,385.79	10.55%	461	1/12.5	1/12	5,352	5,156	-1.76%	96.34%
2003	5,444	51,143,179.00	9,394.41	7.40%	425	1/12.6	1/12.2	5,448	5,236	0.97%	96.11%
2002	5,475	47,891,078.00	8,747.23	4.98%	419	1/12	1/12.8	5,396	5,202	2.02%	96.40%
2001	5,438	45,310,329.00	8,332.17	8.24%	400	1/13	1/11.9	5,289	5,071	3.36%	95.88%

Sources: District Records

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

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>District Building</b>										
<b>Elementary</b>										
Frances DeMasi Elementary School										
Square Feet	33,872	33,872	33,872	33,872	33,872	33,872	33,872	33,872	33,872	33,872
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	234	264	267	289	291	291	285	312	326	327
Florence V. Evans School										
Square Feet	77,637	77,637	77,637	77,637	77,637	77,637	77,637	77,637	77,637	77,637
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	573	586	577	561	566	566	579	574	572	544
H.L. Beeler School										
Square Feet	63,971	63,971	63,971	63,971	63,971	63,971	63,971	63,971	63,971	63,971
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	462	457	461	480	491	491	487	508	528	556
J. Harold Van Zant School										
Square Feet	59,391	59,391	59,391	59,391	59,391	59,391	59,391	59,391	59,391	59,391
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	421	421	428	462	489	489	523	539	535	541
Marion Elementary School										
Square Feet	88,852	88,852	88,852	88,852	88,852	88,852	88,852	88,852	88,852	88,852
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	521	513	513	550	560	560	561	556	535	534
Richard L. Rice School										
Square Feet	71,657	71,657	71,657	71,657	71,657	71,657	71,657	71,657	71,657	71,657
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	453	449	474	459	411	411	485	396	441	461
Robert B. Jaggard School										
Square Feet	86,178	86,178	86,178	86,178	86,178	86,178	86,178	86,178	86,178	86,178
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	462	466	477	483	491	491	473	471	481	509
<b>Middle School</b>										
Frances DeMasi Middle School										
Square Feet	135,490	135,490	135,490	135,490	135,490	135,490	135,490	135,490	135,490	135,490
Capacity (students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	690	680	683	714	760	760	774	760	723	770
Marion Middle School										
Square Feet	126,220	126,220	126,220	126,220	126,220	126,220	126,220	126,220	126,220	126,220
Capacity (students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	1,011	1,088	1,097	1,067	1,059	1,059	1,108	1,177	1,202	1,086
<b>Other</b>										
District Admin. Building										
Square Feet	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200
District Bus Garage										
Square Feet	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257
District Maint./Trans. Building										
Square Feet	13,684	13,684	13,684	13,684	13,684	13,684	-	-	-	-
Number of Schools at June 30, 2010										
Elementary = 7										
Middle School = 2										
High School = 0										
Other = 3										

Source: District Records  
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

(1) Unavailable

Source: District records, ASSA

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Frances DeMasi Middle School	40	\$ 100,330.90	\$ 121,356.40	\$ 156,600.76	\$ 144,495.10	\$ 122,803.63	\$ 131,899.82	\$ 86,785.36	\$ 148,236.24	\$ 173,343.03	\$ 168,717.88
Florence V. Evans School	50	94,349.37	75,795.26	78,078.18	66,787.64	96,352.04	59,975.47	44,667.29	66,385.91	79,825.28	77,695.38
H.L. Beeler School	55	60,492.67	84,933.49	109,771.85	71,746.37	32,649.32	96,419.70	74,092.58	51,987.00	65,770.73	64,015.83
J. Harold Van Zant School	57	53,895.07	62,756.28	66,123.93	44,481.18	62,836.74	59,097.02	43,250.84	49,349.15	61,061.74	59,432.49
Marlton Elementary School	58	109,323.24	80,074.12	68,823.27	60,126.38	58,224.62	52,651.82	27,546.90	59,525.18	91,351.57	88,914.13
Marlton Middle School	60	127,630.65	173,327.16	137,339.50	84,338.55	80,980.59	86,813.73	93,302.59	111,357.30	129,770.76	126,308.21
Richard L. Rice	65	63,609.69	62,758.88	66,576.39	55,602.05	51,371.45	76,569.88	57,875.29	61,172.76	73,672.89	71,707.15
Robert B. Jaggard School	70	78,890.08	66,431.22	78,339.28	48,315.84	52,284.00	59,116.63	48,214.56	62,172.50	88,602.50	86,238.41
District Adm. Building	999	40,568.67	32,047.64	46,286.06	63,252.33	27,271.09	32,322.12	105,486.43	23,199.10	13,468.46	13,109.09
District Bus Garage	999	6,411.02	17,581.74	6,385.74	5,325.87	22,581.96	570.09	1,131.46	6,587.17	2,320.95	2,259.02
Operations (building and grounds)	999	53,956.62	26,392.74	50,497.18	17,362.10	23,890.29					
District Maint./Trans. Building	999	27,915.84	18,704.96	15,580.19	8,465.90	42,374.38	10,565.59	31,080.89	23,846.02	3,348.65	3,259.31
<b>Total School Facilities</b>		<b>817,363.82</b>	<b>822,159.89</b>	<b>880,402.33</b>	<b>670,299.31</b>	<b>673,620.11</b>	<b>666,001.87</b>	<b>613,434.19</b>	<b>663,798.33</b>	<b>782,536.56</b>	<b>761,656.90</b>
Other Facilities		-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>\$ 817,363.82</b>	<b>\$ 822,159.89</b>	<b>\$ 880,402.33</b>	<b>\$ 670,299.31</b>	<b>\$ 673,620.11</b>	<b>\$ 666,001.87</b>	<b>\$ 613,434.19</b>	<b>\$ 663,798.33</b>	<b>\$ 782,536.56</b>	<b>\$ 761,656.90</b>

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

Source: District Records

TOWNSHIP OF EVESHAM SCHOOL DISTRICT

Insurance Schedule

June 30, 2010

Unaudited

---

		<u>Coverage</u>	<u>Deductible</u>
School Package Policy			
Property, Inland Marine and Automobile Physical Damages	(A)	\$ 150,000,000.00	\$ 500.00
Boiler and Machinery	(A)	100,000,000.00	1,000.00
General and Automobile Liability	(A)	10,000,000.00	
Workers' Compensation	(A)	Statutory	
Crime Coverage	(A)	500,000.00	500.00
Educator's Legal Liability	(A)	10,000,000.00	
Pollution and Mold Legal Liability	(A)	3,000,000.00	25,000.00
 Bonds:			
Business Administrator/Board Secretary	(B)	100,000.00	
Treasurer of School Funds	(B)	352,000.00	

(A Burlington County Insurance Pool Joint Insurance Fund  
 (B Travelers Indemnity Company)

Source: District Records

SINGLE AUDIT SECTION

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

The Honorable President and  
Members of the Board of Education  
Township of Evesham School District  
Marlton, New Jersey 08053

**Compliance**

We have audited the Township of Evesham School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2010. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Township of Evesham School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010.

**Internal Control Over Compliance**

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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Joseph J. Hoffmann  
Certified Public Accountant  
Public School Accountant No. CS 00759

Voorhees, New Jersey  
October 26, 2010

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2010

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2009</u>
				<u>From</u>	<u>To</u>	
General Fund:						
U.S. Department of Education Passed-through						
State Department of Education:						
ARRA - ESF Equalization Aid	84.394	N/A	\$ 1,751,407.00	7-1-09	6-30-10	
ARRA - GSF Equalization Aid	84.397	N/A	67,800.00	7-1-09	6-30-10	
Total General Fund						-
Special Revenue Fund:						
U.S. Department of Education Passed-through						
State Department of Education:						
I.A.S.A.:						
Title I	84.010A	IASA169010	\$ 134,982.00	9-1-09	8-31-10	
Title I	84.010A	IASA169009	201,459.00	9-1-08	8-31-09	\$ (58,246.38)
Title II Part A	84.367A	IASA169010	112,463.00	9-1-09	8-31-10	
Title II Part A	84.367A	IASA169009	110,010.00	9-1-08	8-31-09	(42,732.00)
Title II Part D	84.318X	IASA169010	1,564.00	9-1-09	8-31-10	
Title II Part D	84.318X	IASA169009	1,673.00	9-1-08	8-31-09	(1,673.00)
Title III	84.365A	IASA169010	16,222.00	9-1-09	8-31-10	
Title III	84.365A	IASA169009	17,141.00	9-1-08	8-31-09	(6,527.49)
Title III Carryover	84.365A	IASA169007	689.00	9-1-07	8-31-08	688.65
Title IV	84.186A	IASA169007	13,917.00	9-1-06	8-31-07	110.58
Title IV	84.186A	IASA169009	10,501.00	9-1-08	8-31-09	(3,913.00)
Title IV	84.186A	IASA169010	9,409.00	9-1-09	8-31-10	
Ulysses S. Grant	84.215X	N/A	7,990.33	9-1-09	8-31-10	
I.D.E.I.A. Part B:						
Basic & Capacity	84.027	FT169010	1,105,969.00	9-1-09	8-31-10	
Basic & Capacity	84.027	FT169009	1,123,172.00	9-1-08	8-31-09	(29,930.40)
Basic & Capacity	84.027	FT169008	1,118,762.00	9-1-07	8-31-08	78.85
Basic & Capacity Carryover	84.027	FT169008	1,600.00	9-1-08	8-31-09	1,600.00
ARRA - Basic & Capacity	84.391	FT169010	1,128,658.00	7-1-09	8-31-11	
Pre-School	84.173	PS169010	71,519.00	9-1-09	8-31-10	
Pre-School	84.173	PS169009	71,723.00	9-1-08	8-31-09	(5,634.00)
Pre-School Carryover	84.173	PS169008	1,661.00	9-1-08	8-31-09	419.39
ARRA - Pre-School	84.392	PS169010	40,825.00	7-1-09	8-31-11	
Total Special Revenue Fund						(145,758.80)
Enterprise Fund:						
U.S. Department of Agriculture:						
Food Distribution Program	10.555	Unavailable	83,990.72	7-1-09	6-30-10	
Food Distribution Program	10.555	Unavailable	75,368.77	7-1-08	6-30-09	17,878.50
Passed-through State Department of Education:						
National School Lunch Program	10.555	Unavailable	171,234.03	7-1-09	6-30-10	
National School Lunch Program	10.555	Unavailable	148,428.66	7-1-08	6-30-09	(8,869.05)
Total U.S. Department of Agriculture						9,009.45
Total Enterprise Fund						9,009.45
Total Federal Financial Assistance						\$ (136,749.35)

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

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2010		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor
	\$ 1,751,407.00	\$ 1,751,407.00					
	67,800.00	67,800.00					
-	1,819,207.00	1,819,207.00	-	-	-	-	-
	100,157.00	134,232.00			\$ (34,825.00)	\$ 750.00	
	59,794.00	1,547.62					
	40,640.00	90,181.98			(71,823.00)	22,281.02	
	44,226.00	1,494.00					
	1,366.00	1,543.90			(198.00)	20.10	
	1,673.00						
	9,143.00	16,180.49			(7,079.00)	41.51	
	7,157.00	629.51					\$ 688.65
							110.58
	3,913.00						
	768.00	2,827.13			(8,641.00)	6,581.87	
	5,029.95	7,990.33			(2,960.38)		
	782,736.00	1,102,906.46			(323,233.00)	3,062.54	
	35,817.00	5,849.60				37.00	
		78.85					
		1,600.00					
	573,375.00	697,239.42			(555,283.00)	431,418.58	
	63,402.00	71,519.00			(8,117.00)		
	6,186.00	552.00					
		548.39	\$ 129.00				
	28,239.00	28,308.75			(12,586.00)	12,516.25	
-	1,763,621.95	2,165,229.43	129.00	-	(1,024,745.38)	476,708.87	799.23
	83,990.72	60,939.57				23,051.15	
		17,878.50					
	158,173.27	171,234.03			(13,060.76)		
	8,869.05						
-	251,033.04	250,052.10	-	-	(13,060.76)	23,051.15	-
-	251,033.04	250,052.10	-	-	(13,060.76)	23,051.15	-
-	\$ 3,833,861.99	\$ 4,234,488.53	\$ 129.00	-	\$ (1,037,806.14)	\$ 499,760.02	\$ 799.23

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2010

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009		Carryover / (Walkover) Amount
			From	To	Deferred Revenue / Accounts Receivable	Due to Grantor	
<b>General Fund:</b>							
Current Expense:							
Equalization Aid	10-495-034-5120-078	\$ 6,040,204.00	7-1-09	6-30-10			
Equalization Aid	09-495-034-5120-078	9,508,455.00	7-1-08	6-30-09	\$ (902,902.50)		
Transportation Aid	10-495-034-5120-014	1,105,393.00	7-1-09	6-30-10			
Transportation Aid	09-495-034-5120-014	1,321,123.00	7-1-08	6-30-09	(125,451.00)		
Special Education Aid	10-495-034-5120-089	2,471,973.00	7-1-09	6-30-10			
Special Education Aid	09-495-034-5120-089	2,411,239.00	7-1-08	6-30-09	(228,966.09)		
Security Aid	10-495-034-5120-084	219,107.00	7-1-09	6-30-10			
Security Aid	09-495-034-5120-084	327,187.00	7-1-08	6-30-09	(31,068.98)		
Adjustment Aid	10-495-034-5120-085	365,871.00	7-1-09	6-30-10			
Adjustment Aid	09-495-034-5120-085	1,198,968.00	7-1-08	6-30-09	(113,851.43)		
Adjustment Aid	09-495-034-5120-085	24,120.00	7-1-08	6-30-09	(24,120.00)		
Extraordinary Aid	10-495-034-5120-473	175,534.00	7-1-09	6-30-10			
Extraordinary Aid	09-495-034-5120-473	130,262.00	7-1-08	6-30-09	(130,262.00)		
Nonpublic School Transportation Aid	10-495-034-5120-014	28,628.00	7-1-09	6-30-10			
Nonpublic School Transportation Aid	09-495-034-5120-014	34,904.60	7-1-08	6-30-09	(34,904.60)		
T.P.A.F. Social Security Aid	10-495-034-5095-002	2,375,551.63	7-1-09	6-30-10			
Total General Fund					(1,591,526.60)	-	-
<b>Special Revenue Fund:</b>							
Nonpublic Aid:							
Textbook Aid (Ch. 194)	10-100-034-5120-064	34,048.00	7-1-09	6-30-10			
Textbook Aid (Ch. 194)	09-100-034-5120-064	38,089.00	7-1-08	6-30-09	\$ 9,834.31		
Nursing Services	10-100-034-5120-070	40,376.00	7-1-09	6-30-10			
Auxiliary Services (Ch. 192)							
Compensatory Education	10-100-034-5120-067	53,936.00	7-1-09	6-30-10			
Compensatory Education	09-100-034-5120-067	65,692.00	7-1-08	6-30-09	25,183.29		
ESL	10-100-034-5120-067	979.00	7-1-09	6-30-10			
ESL	09-100-034-5120-067	2,639.00	7-1-08	6-30-09			
Home Instruction	10-100-034-5120-067	1,273.00	7-1-09	6-30-10			
Home Instruction	09-100-034-5120-067	589.00	7-1-08	6-30-09	(589.00)		
Handicapped Services (Ch. 193)							
Corrective Speech	10-100-034-5120-068	38,559.00	7-1-09	6-30-10			
Corrective Speech	09-100-034-5120-068	46,500.00	7-1-08	6-30-09	15,531.00		
Examination and Classification	10-100-034-5120-068	34,001.00	7-1-09	6-30-10			
Examination and Classification	09-100-034-5120-068	31,091.00	7-1-08	6-30-09	1,519.94		
Supplementary Instruction	10-100-034-5120-068	18,636.00	7-1-09	6-30-10			
Supplementary Instruction	09-100-034-5120-068	20,650.00	7-1-08	6-30-09	6,442.80		
Total Special Revenue Fund					(589.00)	58,511.34	-
<b>Capital Projects Fund:</b>							
School Development Authority	1420-055-09-1001	243,185.20	7-1-09	Completion			
School Development Authority	1420-057-09-1002	241,367.20	7-1-09	Completion			
School Development Authority	1420-060-09-1004	202,324.00	7-1-09	Completion			
Total Capital Projects Fund					-	-	-
<b>Debt Service Fund:</b>							
Debt Service Aid, Type 2	10-100-034-5120-017	1,438,523.00	7-1-09	6-30-10	-	-	-
<b>Enterprise Fund:</b>							
State School Lunch Aid	10-100-010-3350-023	13,889.34	7-1-09	6-30-10			
State School Lunch Aid	09-100-010-3350-023	13,903.08	7-1-08	6-30-09	(782.62)		
Total Enterprise Fund					(782.62)	-	-
Total State Financial Assistance					\$ (1,592,898.22)	\$ 58,511.34	-

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

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2010			Memo	
				(Accounts Receivable)	Deferred Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2010	Cumulative Total Expenditures
\$ 5,166,654.00	\$ 6,040,204.00			\$ (873,550.00)			\$ (873,550.00)	\$ 6,040,204.00
902,902.50								
945,528.19	1,105,393.00			(159,864.81)			(159,864.81)	1,105,393.00
125,451.00								
2,114,469.84	2,471,973.00			(357,503.16)			(357,503.16)	2,471,973.00
228,966.09								
187,419.18	219,107.00			(31,687.82)			(31,687.82)	219,107.00
31,068.98								
312,957.79	365,871.00			(52,913.21)			(52,913.21)	365,871.00
113,851.43								
24,120.00								
	175,534.00			(175,534.00)				175,534.00
130,262.00								
	28,628.00			(28,628.00)				28,628.00
34,904.60								
2,178,504.18	2,375,551.63			(197,047.45)				2,375,551.63
<u>12,497,059.78</u>	<u>12,782,261.63</u>	<u>-</u>	<u>-</u>	<u>(1,876,728.45)</u>	<u>-</u>	<u>-</u>	<u>(1,475,519.00)</u>	<u>12,782,261.63</u>
34,048.00	32,161.43					\$ 1,886.57		32,161.43
40,376.00	40,376.00	\$ (0.31)	\$ 9,834.00					40,376.00
53,936.00	53,737.60					198.40		53,737.60
979.00	978.70	(0.29)	25,183.00					978.70
		(0.30)						
	1,273.00			(1,273.00)				1,273.00
589.00								
38,559.00	31,563.84					6,995.16		31,563.84
			15,531.00					
34,001.00	32,722.42					1,278.58		32,722.42
18,636.00	17,998.64	0.06	1,520.00			637.36		17,998.64
		0.20	6,443.00					
<u>221,124.00</u>	<u>210,811.63</u>	<u>(0.64)</u>	<u>58,511.00</u>	<u>(1,273.00)</u>	<u>-</u>	<u>10,996.07</u>	<u>-</u>	<u>210,811.63</u>
159,688.07	159,688.07							159,688.07
156,597.71	156,597.71							156,597.71
				(202,324.00)	\$ 202,324.00			
<u>316,285.78</u>	<u>316,285.78</u>	<u>-</u>	<u>-</u>	<u>(202,324.00)</u>	<u>202,324.00</u>	<u>-</u>	<u>-</u>	<u>316,285.78</u>
1,438,523.00	1,438,523.00	-	-	-	-	-	-	1,438,523.00
12,839.94	13,889.34			(1,049.40)				13,889.34
782.62								
<u>13,622.56</u>	<u>13,889.34</u>	<u>-</u>	<u>-</u>	<u>(1,049.40)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,889.34</u>
<u>\$ 14,486,615.12</u>	<u>\$ 14,761,771.38</u>	<u>\$ (0.64)</u>	<u>\$ 58,511.00</u>	<u>\$ (2,081,374.85)</u>	<u>\$ 202,324.00</u>	<u>\$ 10,996.07</u>	<u>\$ (1,475,519.00)</u>	<u>\$ 14,761,771.38</u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended 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 Township of Evesham School District (hereafter referred to as the "School District"). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2: BASIS OF ACCOUNTING**

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

**Note 3: RELATIONSHIP TO 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments 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 one or two state June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$5,756.35 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)**

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 1,819,207.00	\$ 14,818,227.63	\$ 16,637,434.63
Special Revenue	2,154,618.74	210,559.21	2,365,177.95
Capital Projects		316,285.78	316,285.78
Debt Service		1,438,523.00	1,438,523.00
Food Service	<u>250,052.10</u>	<u>13,889.34</u>	<u>263,941.44</u>
Total Awards and Financial Assistance	<u>\$ 3,973,825.74</u>	<u>\$ 16,783,595.62</u>	<u>\$ 20,757,421.36</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: ADJUSTMENTS**

Amounts reported in the column entitled "Adjustments" represent minor favorable and unfavorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2008-2009 and minor rounding differences.

**Note 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2010.

**Note 7: MAJOR PROGRAMS**

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

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

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified?        yes   x   no

Were significant deficiencies identified that were not considered to be a material weakness?        yes   x   none reported

Noncompliance material to financial statements noted?        yes   x   no

**Federal Awards**

Internal control over compliance:

Material weaknesses identified?        yes   x   no

Were significant deficiencies identified that were not considered to be a material weakness?        yes   x   none reported

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

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

Identification of major programs:

<b><u>CFDA Numbers</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.027	IDEIA Part B -- Basic & Capacity
84.173	IDEIA Part B -- Preschool
84.391	ARRA - IDEIA Part B -- Basic & Capacity
84.392	ARRA - IDEIA Part B -- Preschool
84.394	ARRA - ESF
84.397	ARRA - GSF

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee?   x   yes        no

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

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

**State Financial Assistance**

Internal control over compliance:

Material weaknesses identified?        yes   x   no

Were significant deficiencies identified that were not considered to be a material weakness?        yes   x   none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB?        yes   x   no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
10-495-034-5120-078	State Aid Public -- Equalization Aid
10-495-034-5120-089	State Aid Public -- Special Education Aid
10-495-034-5120-084	State Aid Public -- Security Aid
10-495-034-5120-085	State Aid Public -- Adjustment Aid
10-495-034-5120-014	Transportation Aid
10-495-034-5095-002	Reimbursed TPAF Social Security Contributions
10-100-034-5120-017	Debt Service Aid

Dollar threshold used to determine Type A programs \$442,853.14

Auditee qualified as low-risk auditee?   x   yes        no

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

---

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

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

None.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

---

***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

---

***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

---

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

