

**SCHOOL DISTRICT OF  
BEVERLY CITY**

**BEVERLY CITY BOARD OF EDUCATION**  
Beverly, New Jersey  
County of Burlington

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**BEVERLY CITY BOARD OF EDUCATION**

**BEVERLY, NEW JERSEY**

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

**Prepared by**

**Beverly City Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**



BEVERLY CITY BOARD OF EDUCATION  
601 BENTLEY AVENUE  
BEVERLY, NEW JERSEY 08010

*Robert Thibault, Board President*  
*Dr. Brian G. Gross, Ed.D., Superintendent/Principal*  
*Arlene Biesiada, Interim School Business Administrator*

(609) 387-2810  
Fax (609) 387-0986

October 13, 2010

Honorable President and  
Members of the Board of Education  
Beverly City School District  
Burlington County, New Jersey

Dear Board Members and Constituents of Beverly City:

The comprehensive annual financial report of the Beverly City School District for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Beverly Board of Education (Board). To the best of our knowledge and belief, the data presented in his report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1) REPORTING ENTITY AND ITS SERVICES:** Beverly City School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Beverly City Board of Education and all its schools constitute the District's reporting entity.

Educational services are provided for regular and special education programs for handicapped youngsters. The Beverly City School District (Pre-K through 8 grade) completed the 2010 fiscal year with an

enrollment of 237 students. The following details the changes in the student's enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2005-06	229.8	(15.3)%
2006-07	223.5	(2.7)%
2007-08	220.1	(1.5)%
2008-09	221.1	(0.4)%
2009-10	227.8	(3.7)%

2) **ECONOMIC CONDITION AND OUTLOOK:** The Beverly area is not experiencing much growth or expansion due to the limited space available for development. The general area surrounding the district provides most of the opportunities for employment for residents. Some new small businesses have opened in Beverly through the restoration of vacant properties. There is some speculation about re-development based on plans for the new commuter rail line, which has been completed.

3) **MAJOR INITIATIVES:** The District engaged in the following initiatives during the 2009-2010 school year.

- Technology Improvements – Hardware & Software
- Curriculum Development
- Community Outreach Program
- Summer Student Services

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

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

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

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality.

Annual appropriated budgets are adopted for the general fund and the special revenue 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 at June 30, 2010.

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

**7) FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Managements Discussion and Analysis for a summary of the financial statements in relation to the prior year.

**8) DEBT ADMINISTRATION:** During the 2005/06 school year, the District borrowed \$250,000 from a local financial institution for cash flow purposes. This obligation was repaid in May of 2008 through and advance of State Aid through the New Jersey DOE and Treasury. This advance was repaid by June 30, 2010. In 2005-2006, the District also entered into a textbook lease purchase in the amount of \$171,500. Repayment of this obligation will be included in future budgets. This debt and the District's prior year debt are detailed in "Notes to the Financial Statements".

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

**10) RISK MANAGEMENT:** The Board maintains a comprehensive insurance program, including (but not limited to) blanket building and contents property insurance, general liability, auto liability, umbrella liability and workers compensation. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

**11) OTHER INFORMATION:**

**A) Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of **Holman & Frenia, P. C.** was selected by the Board of Education for this purpose. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

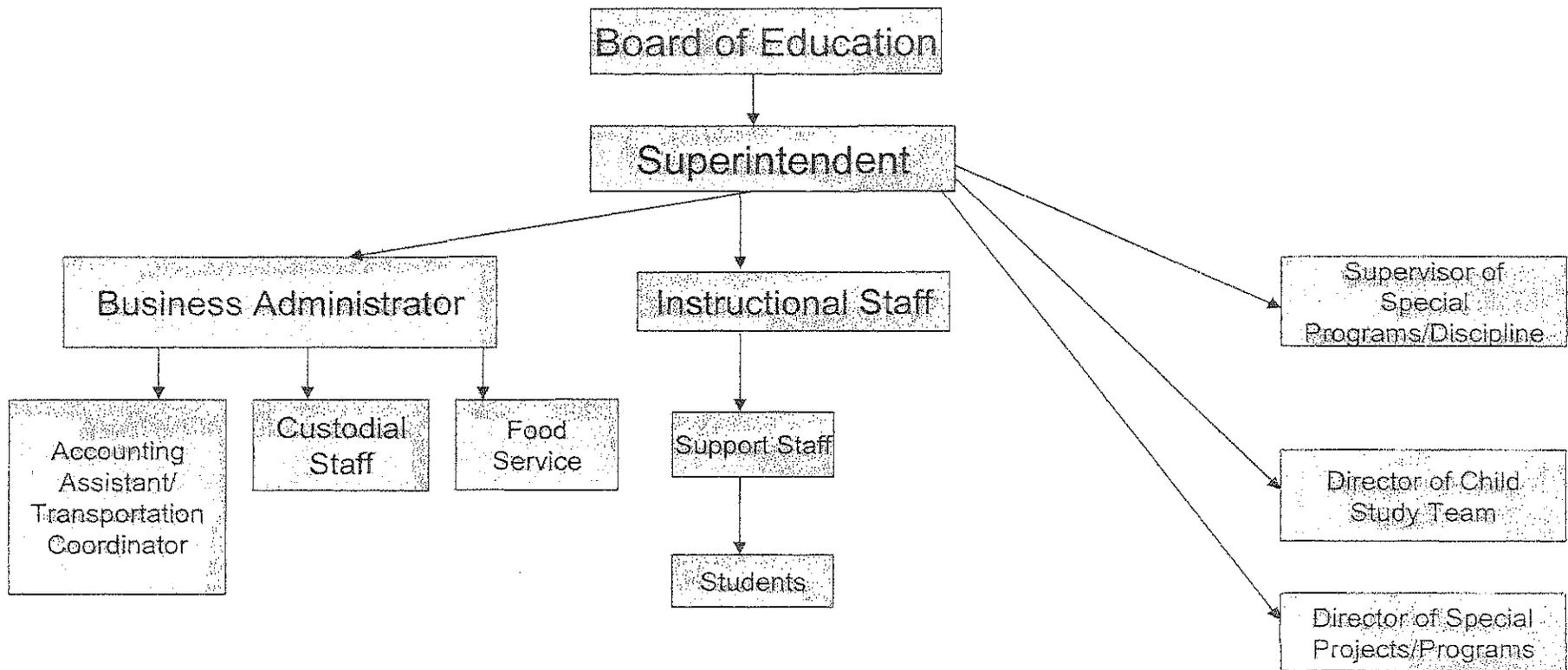
**B) Business Administrator/Board Secretary – Ms. Arlene Biesiada, serves as the Interim School Business Administrator/Board Secretary, and Ms. Charlene Senachai, serves as the Accounting Assistant.**

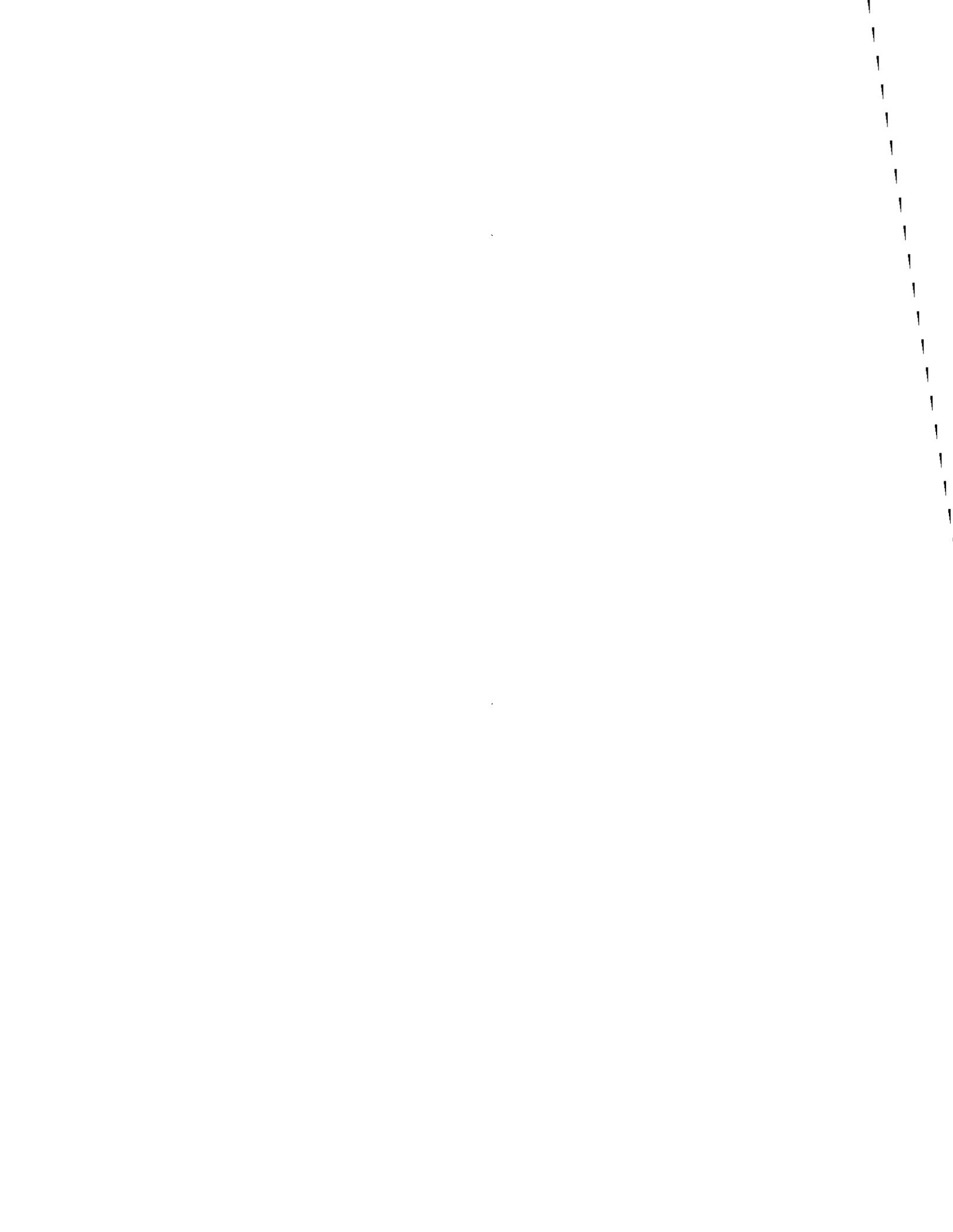
**12) ACKNOWLEDGMENTS:**

I would like to express my appreciation to the members of the Beverly City School Board 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.

Respectfully submitted,

  
Dr. Brian G. Gross, Ed.D  
Superintendent/Principal  
8-31-10





**BEVERLY CITY BOARD OF EDUCATION**

601 Bentley Avenue  
Beverly, New Jersey 08010

**ROSTER OF OFFICIALS**

**JUNE 30, 2010**

**MEMBERS OF THE BOARD OF EDUCATION** **TERM EXPIRES**

Robert Thibault, President	2011
Dale Thompson, Vice President	2013
Karen Crespo	2013
Paul Mourey	2012
Patricia Olsen	2011
Amy Pine	2012
Shirlene Scott	2012
Jean Wetherill	2013
Richard Wolbert	2011

**OTHER OFFICIALS**

Dr. Brian G. Gross, Ed.D., Interim Superintendent

Arlene Biesiada, Interim Business Administrator/Board Secretary

Pablo Canela, Treasurer

**BEVERLY CITY BOARD OF EDUCATION**

601 Bentley Avenue  
Beverly, New Jersey 08010

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

Stephen J. Mushinski  
Parker, McCay & Criscuolo  
3 Greentree Center  
Route 73 & Greentree  
Marlton, New Jersey 08053

**BOND COUNSEL**

McManimon & Scotland, LLC  
One Riverfront Plaza, 4<sup>th</sup> Floor  
Newark, New Jersey 07102

**OFFICIAL DEPOSITORY**

Beneficial Bank  
414 Cooper Street  
Beverly, New Jersey 08010

**FINANCIAL SECTION**





Certified Public Accountants & Consultants

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Beverly City  
County of Burlington  
Beverly, New Jersey 08010

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2010, on our consideration of the Beverly City Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

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### TOMS RIVER OFFICE

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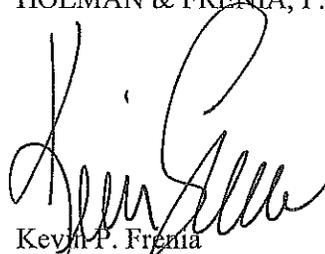
regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey  
September 3, 2010

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis



**BEVERLY CITY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**UNAUDITED**

The Management's Discussion and Analysis (MD&A) of the Beverly City Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2010. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found starting on page 1 of the Introductory Section, and the School Board's financial statements found in the Financial Section starting on page 14, and the notes thereto.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2009-2010 fiscal year include the following:

In total, net assets increased \$640,817 which represents a 78% increase from 2008-2009. Cash and cash equivalents decreased by \$84,136, receivables increased by \$65,826; and capital assets decreased by \$37,774.

Total liabilities of governmental activities decreased by \$637,400 as payables and other current liabilities decreased by \$578,679, and non-current liabilities (sick leave reimbursement and capital leases payable) decreased by \$58,721.

General revenues for 2009-2010 totaled \$6,347,159. Program specific revenues in the form of federal and state grants accounted for \$966,604 of total revenues for the year.

Total spending for all programs was \$6,745,009. General revenues (primarily local tax levy and state aid) of \$6,396,734 were adequate enough to provide for the balance of these programs.

**USING THE ANNUAL REPORT**

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds-such as the School Board's General Fund and Special Revenue Fund. The remaining statement, Statement of Fiduciary Net Assets, presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided its opinion in its independent auditor's report, located immediately preceding this Management's Discussion and Analysis, on the Basic Financial Statements. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

## THE SCHOOL DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net assets as of June 30, 2010 and 2009.

Table I  
Statement of Net Assets  
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>	<u>Percentage of Change</u>
<b>ASSETS</b>			
Cash & Cash Equivalents	264,631	348,767	(24.12)%
Receivables	369,937	304,111	21.65%
Other Assets	6,137	2,733	124.55%
Capital Assets	<u>157,854</u>	<u>189,106</u>	(15.98)%
Total Assets	<u>798,559</u>	<u>844,717</u>	(5.46)%
<b>LIABILITIES</b>			
Accounts Payable	108,990	469,175	(76.77)%
Deferred Revenue	58,841	275,860	(78.67)%
Other Current Liabilities	32,484	83,078	(61.45)%
Non-Current Liabilities:			
Due within One-Year	35,836	35,264	1.62%
Due Beyond One-Year	<u>100,623</u>	<u>159,916</u>	(37.08)%
Total Liabilities	<u>336,318</u>	<u>1,023,293</u>	(67.13)%
<b>NET ASSETS</b>	<u>\$ 462,241</u>	<u>\$(178,576)</u>	

Table II shows the changes in net assets for fiscal year 2010 as compared to fiscal year 2009. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and special extraordinary items.

Table II  
Statement of Revenues Expenditures and Changes in Fund Balance  
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>	<u>Percentage of Change 2009-2010</u>
<b>REVENUE</b>			
General Revenue:			
Local Tax Levy	2,702,584	2,652,124	1.90%
Federal & State Aid	4,561,646	4,430,281	2.97%

	<u>2010</u>	<u>2009</u>	<u>Percentage of Change 2009-2010</u>
<b>REVENUE (continued):</b>			
Other General Revenue	18,871	48,223	(60.87)%
Total Revenues	<u>\$ 7,283,101</u>	<u>\$7,130,628</u>	2.14%
<b>FUNCTION/PROGRAM EXPENSES:</b>			
Instruction:			
Regular Instruction	1,611,968	1,481,375	8.82%
Special Instruction	208,416	218,471	(4.60)%
Other Instruction	29,099	36,374	(20.00)%
Support Services			
Instruction	1,886,190	1,929,570	(2.25)%
Health Services	59,108	90,194	(34.47)%
Other Support Services	808,794	694,111	16.52%
Educational Media Services	3,734	1,416	(67.29)%
Instruction Staff Training	709	2,551	(72.21)%
General Administration	221,242	288,153	(11.34)%
School Administration	25,086	14,541	72.52%
Central Services	165,024	110,668	50.45%
Operations & Maintenance	460,145	343,395	4.95%
Student Transportation Svcs.	411,899	474,261	(13.15)%
Unallocated Employee Bnfts.	742,468	742,582	(0.02)%
Other	<u>58,815</u>	<u>6,310</u>	30.71%
Total Expenses	<u>6,692,697</u>	<u>6,513,972</u>	2.39%
Increase/(Decrease) in Fund Balance	<u>\$ 590,404</u>	<u>\$ 616,656</u>	

## THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the City of Beverly, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2010, it reported total net assets of \$462,241. This balance includes \$210,763 of Capital Reserve funds. The Board of Education approved this transfer of funds at the June 16, 2010 meeting. The Reconciliation of the Statement of Revenue & Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, on page 20 presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

## GENERAL FUND BUDGETING HIGHLIGHTS

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board’s original and final budget compared with actual operating results is provided in Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$618,440 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$55,076 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

**CAPITAL ASSETS**

At June 30, 2010, the School Board had approximately \$1,251,256 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table III below shows the book value of capital assets in government funds at the end of the 2010 and 2009 fiscal years.

Table III  
Capital Assets (net of accumulated depreciation)  
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>	<u>Of Change</u>
Land, Buildings & Building Improvements	\$964,210	\$964,210	0.00%
Furniture, Vehicles & Equipment	<u>292,176</u>	<u>287,046</u>	1.78%
Subtotal	<u>\$1,256,386</u>	<u>\$1,251,256</u>	0.41%
Less: Accumulated Depreciation	(1,098,532)	(1,062,150)	(3.43)%
Net Capital Assets	<u>\$157,854</u>	<u>\$189,106</u>	(16.53)%

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The Beverly area is not experiencing much growth or expansion due to the limited space available for development. The general area surrounding the District provides most of the opportunities for employment for residents. Some new businesses have opened in Beverly through the restoration of vacant properties.

The District anticipates the approved 2010-2011 budget will be adequate to satisfy all financial needs for the fiscal year, barring any significant unexpected situation or conditions unforeseen at this time.

## **CONTACTING THE SCHOOL BOARD'S FINANCIAL OFFICER**

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the school Board's finances and to show the Board's accountability for the funds it receives. If you have any questions or concerns about this report, or wish to request additional financial information, please contact Ms. Arlene Biesiada, RSBA, School Business Administrator/Board Secretary of the Beverly City Board of Education, 601 Bentley Avenue Beverly, New Jersey 08010.



**BASIC FINANCIAL STATEMENTS**



## A. District-Wide Financial Statements



**BEVERLY CITY BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$261,482	3,149	264,631	348,767
Receivables:				
Other (Net)	38,100		38,100	90,093
State	68,538	3,492	72,030	110,999
Federal	259,807		259,807	103,019
Inventory		6,137	6,137	2,733
Capital Assets, Net (Note 6)	139,310	18,544	157,854	189,106
<b>Total Assets</b>	<b>767,237</b>	<b>31,322</b>	<b>798,559</b>	<b>844,717</b>
<b>LIABILITIES</b>				
Accounts Payable	108,990		108,990	469,175
Accrued Interest Payable	1,544		1,544	3,019
Deferred Revenue	58,841		58,841	275,860
Interfund Payable		30,484	30,484	80,059
Noncurrent Liabilities (Note 7):				
Due Within One Year	35,836		35,836	35,264
Due Beyond One Year	100,623		100,623	159,916
<b>Total Liabilities</b>	<b>305,834</b>	<b>30,484</b>	<b>336,318</b>	<b>1,023,293</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	103,474	18,544	122,018	125,564
Restricted for:				
Other Purposes	210,763		210,763	10,696
Unrestricted	147,166	(17,706)	129,460	(314,836)
<b>Total Net Assets</b>	<b>\$461,403</b>	<b>838</b>	<b>462,241</b>	<b>(178,576)</b>

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

**BEVERLY CITY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Governmental Activities:							
Instruction:							
Regular	\$1,611,968		426,337	(1,185,631)		(1,185,631)	(1,148,372)
Special Education	208,416			(208,416)		(208,416)	(218,471)
Other Special Instruction	29,099			(29,099)		(29,099)	(36,374)
Support Services & Undistributed Costs:							
Instruction	1,886,190			(1,886,190)		(1,886,190)	(1,929,570)
Health Services	59,108			(59,108)		(59,108)	(90,194)
Other Support Services	808,794		216,390	(592,404)		(592,404)	(584,813)
Educational Media Services/School Library	3,734			(3,734)		(3,734)	(11,416)
Instructional Staff Training	709			(709)		(709)	(2,551)
General Administrative Services	221,242			(221,242)		(221,242)	(249,526)
School Administrative Services	25,086			(25,086)		(25,086)	(14,541)
Central Services	165,024			(165,024)		(165,024)	(113,687)
Plant Operations & Maintenance	460,145			(460,145)		(460,145)	(343,395)
Student Transportation Services	411,899			(411,899)		(411,899)	(474,261)
Unallocated Employee Benefits	742,468		243,640	(498,828)		(498,828)	(497,112)
Unallocated Depreciation	33,733			(33,733)		(33,733)	(32,267)
Decrease in Compensated Absences	(24,493)			24,493		24,493	36,275
<b>Total Governmental Activities</b>	<b>6,643,122</b>		<b>886,367</b>	<b>(5,756,755)</b>		<b>(5,756,755)</b>	<b>(5,710,275)</b>

**BEVERLY CITY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Business-Type Activities:							
Food Service	101,887	22,488	80,237		838	838	755
Total Business-Type Activities	101,887	22,488	80,237		838	838	755
Total Primary Government	\$6,745,009	22,488	966,604	(5,756,755)	838	(5,755,917)	(5,709,520)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				\$2,702,584		2,702,584	2,652,124
Federal & State Aid				3,675,279		3,675,279	3,704,989
Miscellaneous Income				18,871		18,871	42,413
Investment Earnings							5,810
Operating Transfer In					49,575	49,575	
Operating Transfer Out				(49,575)		(49,575)	
Cancellation of Prior Year Accounts Receivable							16,445
Total General Revenues, Special Items, Extraordinary Items & Transfers				6,347,159	49,575	6,396,734	6,421,781
Change In Net Assets				590,404	50,413	640,817	712,261
Net Assets - Beginning				(129,001)	(49,575)	(178,576)	(890,837)
Net Assets - Ending				\$461,403	838	462,241	(178,576)

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



## B. Fund Financial Statements



## Governmental Funds



**BEVERLY CITY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$221,012		221,012	328,940
Cash - Capital Reserve	210,763		210,763	10,696
Receivables:				
State	68,538		68,538	107,012
Federal	41,800	218,007	259,807	103,019
Other	4,205		4,205	
Interfund Receivable	36,122		36,122	112,796
<b>Total Assets</b>	<b>\$582,440</b>	<b>218,007</b>	<b>800,447</b>	<b>662,463</b>
<b>LIABILITIES &amp; FUND BALANCE</b>				
Liabilities:				
Cash Deficit		170,293	170,293	
Payable to State/Federal Government		25,777	25,777	3
Accounts Payable	\$83,213		83,213	467,742
Interfund Payable		2,227	2,227	22,703
Deferred Revenue	22,782	36,059	58,841	275,860
<b>Total Liabilities</b>	<b>105,995</b>	<b>234,356</b>	<b>340,351</b>	<b>766,308</b>
Fund Balances:				
Reserved for:				
Capital Reserve Account	210,763		210,763	10,696
Excess Surplus	263,137		263,137	
Unreserved, Reported in:				
Undesignated	2,545	(16,349)	(13,804)	(114,541)
<b>Total Fund Balances</b>	<b>476,445</b>	<b>(16,349)</b>	<b>460,096</b>	<b>(103,845)</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$582,440</b>	<b>218,007</b>		
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,210,761 and the accumulated depreciation is \$1,071,451.			139,310	173,043
Accrued Interest not recorded in current financial statements			(1,544)	(3,019)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 7 )			(136,459)	(195,180)
<b>Net assets of Governmental Activities</b>			<b>\$461,403</b>	<b>(129,001)</b>

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

**BEVERLY CITY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
<b>Revenues:</b>				
Local Sources:				
Local Tax Levy	\$2,702,584		2,702,584	2,652,124
Transportation Fees				7,644
Interest on Investments				5,810
Miscellaneous	18,871		18,871	34,769
<b>Total Local Sources</b>	<b>2,721,455</b>		<b>2,721,455</b>	<b>2,700,347</b>
State Sources	3,570,240	174,116	3,744,356	4,073,991
Federal Sources	365,028	452,262	817,290	356,290
<b>Total Revenues</b>	<b>6,656,723</b>	<b>626,378</b>	<b>7,283,101</b>	<b>7,130,628</b>
<b>Expenditures:</b>				
Current:				
Regular Instruction	1,185,631	426,337	1,611,968	1,481,375
Special Education Instruction	208,416		208,416	218,471
Other Special Instruction	29,099		29,099	36,374
Support Services & Undistributed Costs:				
Instruction	1,886,190		1,886,190	1,929,570
Health Services & Attendance	59,108		59,108	90,194
Other Support Services	592,404	216,390	808,794	694,111
Educational Media Services/ School Library	3,734		3,734	11,416
Instructional Staff Training	709		709	2,551
General Administrative Services	255,470		255,470	288,153
School Administrative Services	25,086		25,086	14,541
Central Services	166,499		166,499	110,668
Plant Operations & Maintenance	360,401		360,401	343,395
Student Transportation Services	411,899		411,899	474,261
Unallocated Employee Benefits	742,468		742,468	742,582
Capital Outlay	99,744		99,744	76,310
<b>Total Expenditures</b>	<b>6,026,858</b>	<b>642,727</b>	<b>6,669,585</b>	<b>6,513,972</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	629,865	(16,349)	613,516	616,656
<b>Other Financing Sources/(Uses):</b>				
Transfers Out	(49,575)		(49,575)	
Cancellation of Prior Year Accounts Receivable				16,445
<b>Total Other Financing Sources &amp; Uses</b>	<b>(49,575)</b>		<b>(49,575)</b>	<b>16,445</b>
Net Change in Fund Balances	580,290	(16,349)	563,941	633,101
Fund Balance - July 1	(103,845)		(103,845)	(736,946)
<b>Fund Balance - June 30</b>	<b>\$476,445</b>	<b>(16,349)</b>	<b>460,096</b>	<b>(103,845)</b>

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

**BEVERLY CITY BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$563,941
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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	(33,733)
----------------------	----------

Repayment of capital lease principal and pension liability are expenditures 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.	34,228
--	--------

Accrued interest is not recorded in the governmental funds, but is expensed in the statement of net assets.

Current Year	(1,544)	
Prior Year	3,019	1,475

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave, early retirement incentives, vacations) are measured by the amounts earned during the year. In the governmental funds, In the Governmental funds, however, expenditures for these items are reported in the amounts of financial resources used/(paid).	24,493

Change in Net Assets of Governmental Activities	\$590,404

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



## Proprietary Funds



**BEVERLY CITY BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2010  
 (With Comparative Totals for June 30, 2009)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	TOTALS (MEMORANDUM ONLY) JUNE 30, 2010		JUNE 30, 2009
Current Assets:				
Cash & Cash Equivalents	\$3,149	3,149	9,131	
Accounts Receivable:				
State	153	153	182	
Federal	3,339	3,339	3,805	
Inventories	6,137	6,137	2,733	
	<hr/>			
Total Current Assets	12,778	12,778	15,851	
Noncurrent assets:				
Furniture, Machinery & Equipment	45,625	45,625	40,495	
Less: Accumulated Depreciation	(27,081)	(27,081)	(24,432)	
	<hr/>			
Total Noncurrent Assets	18,544	18,544	16,063	
	<hr/>			
Total Assets	31,322	31,322	31,914	
	<hr/>			
LIABILITIES				
Accounts Payable			1,430	
Interfund Payable	30,484	30,484	80,059	
	<hr/>			
Total Liabilities	30,484	30,484	81,489	
	<hr/>			
NET ASSETS				
Investments in Capital Assets	18,544	18,544	16,063	
Unrestricted	(17,706)	(17,706)	(65,638)	
	<hr/>			
Total Net Assets	\$838	838	(49,575)	
	<hr/> <hr/>			

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

**BEVERLY CITY BOARD OF EDUCATION**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$13,320	13,320	15,014
School Breakfast Program	1,084	1,084	866
Daily Sales - Nonreimbursable Programs:			
Adult & Ala Carte	8,009	8,009	8,687
Special Functions	75	75	475
<b>Total Operating Revenues</b>	<b>22,488</b>	<b>22,488</b>	<b>25,042</b>
Operating Expenses:			
Salaries	41,154	41,154	33,974
Benefits & Payroll Taxes	7,651	7,651	6,251
Management Fee	10,000	10,000	8,000
Supplies & Materials	7,684	7,684	5,320
Depreciation	2,650	2,650	2,650
Cost of Sales	32,748	32,748	48,259
Other			2,355
<b>Total Operating Expenses</b>	<b>101,887</b>	<b>101,887</b>	<b>106,809</b>
<b>Operating Income/(Loss)</b>	<b>(79,399)</b>	<b>(79,399)</b>	<b>(81,767)</b>
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	2,105	2,105	2,373
State School Breakfast Program	861	861	1,054
Federal Sources:			
National School Lunch Program	51,124	51,124	55,245
National School Breakfast Program	13,857	13,857	16,600
Food Service Grant	5,130	5,130	
Food Distribution Program	7,160	7,160	7,250
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>80,237</b>	<b>80,237</b>	<b>82,522</b>
<b>Net Income/(Loss) Before Other Financing Sources/(Uses)</b>	<b>838</b>	<b>838</b>	<b>755</b>
Other Financing Sources/(Uses):			
Board Contribution	49,575	49,575	
<b>Total Other Financing Sources/(Uses)</b>	<b>49,575</b>	<b>49,575</b>	
<b>Change in Net Assets</b>	<b>50,413</b>	<b>50,413</b>	<b>755</b>
<b>Total Net Assets - Beginning</b>	<b>(49,575)</b>	<b>(49,575)</b>	<b>(50,330)</b>
<b>Total Net Assets - Ending</b>	<b>\$838</b>	<b>838</b>	<b>(49,575)</b>

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

**BEVERLY CITY BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2010	JUNE 30, 2009
Cash Flows From Operating Activities:			
Receipts from Customers	\$22,983	22,983	32,292
Payments to Employees	(48,805)	(48,805)	(40,225)
Payments to Suppliers	(104,841)	(104,841)	(74,886)
Net Cash Provided/(Used) by Operating Activities	(130,663)	(130,663)	(82,819)
Cash Flows From Capital Financing Activities:			
Purchase of Capital Assets	(5,130)	(5,130)	
Net Cash Provided/(Used) by Noncapital Financing Activities	(5,130)	(5,130)	
Cash Flows From Noncapital Financing Activities:			
State Sources	2,966	2,966	3,397
Federal Sources	77,270	77,270	70,903
Board Contributions	49,575	49,575	
Net Cash Provided/(Used) by Noncapital Financing Activities	129,811	129,811	74,300
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,982)	(5,982)	(8,519)
Balances - Beginning of Year	9,131	9,131	17,650
Balances - End of Year	\$3,149	3,149	9,131

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

Operating Income/(Loss)	(\$79,399)	(79,399)	(81,767)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	2,650	2,650	2,650
(Increase)/Decrease in Receivables	495	495	
(Increase)/Decrease in Inventories	(3,404)	(3,404)	6,552
Increase/(Decrease) in Accounts Payable	(51,005)	(51,005)	(10,254)
Total Adjustments	(51,264)	(51,264)	(1,052)
Net Cash Provided/(Used) by Operating Activities	(\$130,663)	(130,663)	(82,819)

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



Fiduciary Fund



**BEVERLY CITY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS	AGENCY		TOTALS (MEMORANDUM ONLY)	
	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$5,885	9,182	15,067	14,910
Total Assets	5,885	9,182	15,067	14,910
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings		5,772	5,772	2,352
Due to General Fund		3,410	3,410	10,034
Due to Student Groups	5,885		5,885	2,524
Total Liabilities	5,885	9,182	15,067	14,910
Total Net Assets	-	-	-	-

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



**BEVERLY CITY BOARD OF EDUCATION  
BOARD OF EDUCATION**

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



BEVERLY CITY BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

**Note 1. Summary of Significant Accounting Policies**

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

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

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

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

**A. Reporting Entity:**

The Beverly City Board of Education is a Type I district located in the County of Burlington, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The operations of the District include 1 elementary school located in Beverly City. The Board is comprised of seven members appointed by the Mayor to three-year terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The Beverly City Board of Education has an approximate enrollment at June 30, 2010 of 237 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization's board

## BEVERLY CITY BOARD OF EDUCATION

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

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

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

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

#### B. District-Wide and Fund Financial Statements

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

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

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

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

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

**District-Wide Financial Statements** – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BEVERLY CITY BOARD OF EDUCATION

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

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

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

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

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

**D. Fund Accounting:**

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

**Governmental Funds**

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

As required by the New Jersey Department of Education Beverly City Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting principles 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.

**BEVERLY CITY BOARD OF EDUCATION**

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

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

**D. Fund Accounting (continued):**

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

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

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

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

**Permanent Fund** -- Resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the reporting governments programs, that is for the benefit of the government or its citizenry.

**Proprietary Fund**

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

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

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

BEVERLY CITY BOARD OF EDUCATION

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

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

**D. Fund Accounting (continued):**

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

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

Food Service Fund:	
Equipment	12 Years

**Fiduciary Fund**

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

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

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

**E. Basis of Accounting:**

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

**BEVERLY CITY BOARD OF EDUCATION**

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

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

**E. Basis of Accounting (continued):**

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

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

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

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

**F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and then to the Board of School Estimates. 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:23-1.2*. All budget amendments must be approved by School Board resolution.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue

**BEVERLY CITY BOARD OF EDUCATION**

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

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

**F. Budgets/Budgetary Controls (continued):**

fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) “revenues” from the budgetary comparison schedules	\$6,749,949	\$642,727
Difference – Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	216,816	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(310,042)</u>	<u>(16,349)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$6,656,723</u>	<u>\$626,378</u>

**BEVERLY CITY BOARD OF EDUCATION**

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

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

**F. Budgets/Budgetary Controls (continued):**

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$6,026,858</u>	<u>\$642,727</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$6,026,858</u>	<u>\$642,727</u>

**G. Encumbrances:**

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

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

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

**H. Cash, Cash Equivalents and Investments:**

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

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

**BEVERLY CITY BOARD OF EDUCATION**

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

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

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

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

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

**I. Tuition Receivable/Payable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2010, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2006-2007 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

**J. Inventories & Prepaid Expenses**

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

**BEVERLY CITY BOARD OF EDUCATION**

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

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

**K. Short-Term Interfund Receivables/Payables**

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

**L. Fixed Assets:**

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

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

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

**M. Accrued Salaries and Wages**

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2010 for such salaries.

**N. Compensated Absences**

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

**BEVERLY CITY BOARD OF EDUCATION**

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

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

**N. Compensated Absences (continued):**

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

**O. Deferred Revenue**

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

**P. Long-term Obligations**

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

**Q. Fund Equity**

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

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

**Note 2. Cash and Cash Equivalents and Investments**

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

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits:</b>	
Demand Deposits	<u>\$279,698</u>
Total Deposits	<u>\$279,698</u>

**BEVERLY CITY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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

**Reconciliation to Statement of Net Assets:**

Governmental Activities	\$261,482
Business-Type Activities	3,149
Fiduciary Funds	<u>15,067</u>
Total Cash and Cash Equivalents	<u>\$279,698</u>

**Custodial Credit Risk** – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$496,302 at June 30, 2010. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$246,302 was secured by a collateral pool held by the bank, but not in the District’s name, as required by New Jersey’s Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

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

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

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

**BEVERLY CITY BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

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

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

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

**Note 3. Governmental Unit Deposit Protection Act (GUDPA)**

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

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

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

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

**BEVERLY CITY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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

liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

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

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

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

**Note 4. Capital Reserve Account**

A capital reserve account was established by the Beverly City Board of Education by inclusion of \$1 during 2000-2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. As of June 30, 2010 the Long Range Facilities Plan is \$7,216,988.

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

**BEVERLY CITY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**Note 4. Capital Reserve Account (continued):**

Beginning Balance, July 1, 2009	\$ 10,696
Increased by:	
Interest Earned	67
Transfer	<u>200,000</u>
 Ending Balance, June 30, 2010	 <u>\$210,763</u>

During the year ending June 30, 2010, the District transferred \$200,000 to the capital reserve account. The transfer was made from unreserved general fund fund balance.

**Note 5. Transfers to Capital Outlay**

During the year ending June 30, 2010, the District transferred \$ -0- to the capital outlay accounts.

**Note 6. Capital Assets**

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

	June 30, 2009	Additions	Deletions	June 30, 2010
Land & Improvements	\$ 84,750		\$ -	\$ 84,750
Building & Improvements	879,460			879,460
Machinery & Equipment	<u>246,551</u>			<u>246,551</u>
 Subtotal	 1,210,761			 1,210,761
Accumulated Depreciation	<u>(1,037,718)</u>	<u>\$(33,733)</u>		<u>(1,071,451)</u>
 Total	 <u>\$ 173,043</u>	 <u>\$(33,733)</u>	 <u>\$ -</u>	 <u>\$ 139,310</u>

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

	Original Cost	Accumulated Depreciation	Book Value
Machinery & Equipment	<u>\$45,625</u>	<u>\$(27,081)</u>	<u>\$18,544</u>

**BEVERLY CITY BOARD OF EDUCATION**

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

**Note 7. Long-Term Debt**

During the fiscal year ended June 30, 2010 the following changes occurred in liabilities reported in the long-term debt account group:

	<b>Balance 6/30/09</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance 6/30/10</b>	<b>Due Within One Year</b>
Compensated					
Absences Payable	\$118,205	\$ -	\$23,457	\$ 94,748	
Pension Liability	6,911		1,036	5,875	\$ 1,036
Capital Leases Payable	<u>70,064</u>		<u>34,228</u>	<u>35,836</u>	<u>35,836</u>
 Total	 <u>\$195,180</u>	 <u>\$ -</u>	 <u>\$58,721</u>	 <u>\$136,459</u>	 <u>\$36,872</u>

**A. Unfunded Pension Liability**

The School District approved an “Early Retirement Incentive Program” permitted by State Legislation during 1993 for certain members of the Teachers Pension and Annuity Fund. The members had to meet certain age and service requirements and had to apply for retirement between certain dates in fiscal year 1994 to be eligible. The District selected a thirty-year payment program and is assessed annually by the State Division of Pensions for their contribution to fund this program

**B. Capital Leases**

The District entered into a textbook sale/lease-back in June of 2006. Under this type of lease the District uses its existing textbook inventory as collateral to obtain the leased proceeds. The proceeds of the lease the District entered into are to be used to purchase new textbooks, playground equipment and other instructional needs. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2010:

<b>Year-Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30,</b>			
2011	<u>\$35,836</u>	<u>\$1,685</u>	<u>\$37,521</u>
Total	<u>\$35,836</u>	<u>\$1,685</u>	<u>\$37,521</u>

**C. Bonds Authorized But Not Issued**

As of June 30, 2010 the School District had no authorized but not issued bonds.

## BEVERLY CITY BOARD OF EDUCATION

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

#### Note 8. Pension Plans

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

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

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions of PERS are set by *N.J.S.A. 43:15A* and *43:3B* and *N.J.S.A. 18A:66* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

**BEVERLY CITY BOARD OF EDUCATION**

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

**Note 8. Pension Plans (continued):**

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

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

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

**Three-Year Trend Information for PERS**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/10	\$29,682	100%	\$ -0-
6/30/09	27,334	100%	-0-
6/30/08	16,011	100%	-0-

**BEVERLY CITY BOARD OF EDUCATION**

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

**Note 8. Pension Plans (continued):**

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

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/10	\$125,257	100%	\$ -0-
6/30/09	126,614	100%	-0-
6/30/08	239,525	100%	-0-

During the year ended June 30, 2010 the State of New Jersey contributed \$125,257 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A. 18A:66-66* the State of New Jersey reimbursed the District \$118,383 for the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Note 9. Post-Retirement Benefits**

P.L. 1937, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

**BEVERLY CITY BOARD OF EDUCATION**

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

**Note 10. Risk Management**

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

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

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

**Note 11. Economic Dependency**

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

**Note 12. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2010:

<b>Special Revenue Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$36,122	
Special Revenue Fund		\$ 2,227
Fiduciary Fund		3,411
Enterprise Fund	_____	<u>30,484</u>
Total	<u>\$36,122</u>	<u>\$36,122</u>

## BEVERLY CITY BOARD OF EDUCATION

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

#### **Note 13. Deficit Fund Balances**

2003, C97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes as asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to P.L. 2003, c.97 any negative unreserved, undesignated fund balance that is reported a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements in the Special Revenue Fund of \$16,349 is equal to the last state aid payment.

#### **Note 14. Fund Balance Appropriated**

**General Fund** – Of the \$476,445 General Fund balance at June 30, 2010; \$210,763 is a Capital Reserve Account; \$ 263,137 is reserved as excess surplus and \$2,545 is unreserved and undesignated.

#### **Note 15. Deferred Compensation**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

#### **Note 16. Compensated Absences**

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

**BEVERLY CITY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**JUNE 30, 2010**

**Note 16. Compensated Absences (continued):**

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2010 is \$94,748.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010 no liability existed for compensated absences in the proprietary fund types.

**Note 17. Calculation of Excess Surplus**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$263,137.

**Note 18. Deferred State Aid**

During the fiscal year ended June 30, 2006 the District borrowed money from a bank with interest only payments made through May 2008. The State of New Jersey advanced the District \$250,000 to repay the bank loan. The State will reduce the District's aid payment in future years to recoup the \$250,000. As of the fiscal year ended June 30, 2010 the State has reduced the District's aid by \$165,445. The remaining balance of \$80,445 was paid from district funds prior to year end.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**



### C. Budgetary Comparison Schedules



**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$2,702,584		2,702,584	2,702,584		2,652,124		2,652,124	2,652,124	
Transportation Fees	10-1300								7,644	7,644	7,644
Interest	10-XXX								5,810	5,810	5,810
Miscellaneous	10-1990	2,000		2,000	18,871	16,871			33,269	33,269	33,269
<b>Total Local Sources</b>		<b>2,704,584</b>		<b>2,704,584</b>	<b>2,721,455</b>	<b>16,871</b>	<b>2,652,124</b>		<b>2,652,124</b>	<b>2,698,847</b>	<b>46,723</b>
State Sources:											
Categorical Transportation Aid	10-3121	238,660		238,660	238,660		183,554		183,554	183,554	
Categorical Special Education Aid	10-3132	147,958		147,958	147,958		141,068		141,068	141,068	
Equalization Aid	10-3176	1,977,197	(358,754)	1,618,443	1,618,443		1,780,970		1,780,970	1,772,587	(8,383)
Categorical Security Aid	10-3177	72,271		72,271	72,271		64,559		64,559	64,559	
Adjustment Aid	10-3178	1,304,289		1,304,289	1,279,907	(24,382)	1,570,224	(92,188)	1,478,036	1,478,036	
Extraordinary Aid	10-3XXX				58,923	58,923	8,734	92,188	100,922	100,922	
Nonpublic Transportation Aid					3,664	3,664				6,090	6,090
Other State Aid	10-3XXX								133	133	133
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					125,257	125,257				126,614	126,614
Reimbursed TPAF Social Security Contributions					118,383	118,383				118,856	118,856
<b>Total State Sources</b>		<b>3,740,375</b>	<b>(358,754)</b>	<b>3,381,621</b>	<b>3,663,466</b>	<b>281,845</b>	<b>3,749,109</b>		<b>3,749,109</b>	<b>3,992,419</b>	<b>243,310</b>
Federal Sources:											
ARRA - Education Stabilization Fund			345,384	345,384	345,384						
ARRA - Government Services Fund			13,370	13,370	13,370						
Special Education - Medicaid Initiative		6,274		6,274	6,274					8,862	8,862
<b>Total Federal Services</b>		<b>6,274</b>	<b>358,754</b>	<b>365,028</b>	<b>365,028</b>					<b>8,862</b>	<b>8,862</b>
<b>Total Revenues</b>		<b>6,451,233</b>		<b>6,451,233</b>	<b>6,749,949</b>	<b>298,716</b>	<b>6,401,233</b>		<b>6,401,233</b>	<b>6,700,128</b>	<b>298,895</b>

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**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010					POSITIVE/ (NEGATIVE)	JUNE 30, 2009					POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL		
Expenditures:												
Current Expense:												
Instruction - Regular Programs:												
Salaries of Teachers:												
Preschool/Kindergarten	11-110-100-101	175,232	5,037	180,269	179,906	363	130,347	37,045	167,392	162,975	4,417	
Grades 1 - 5	11-120-100-101	458,205	74,932	533,137	532,269	868	388,795	116,932	505,727	505,727		
Grades 6 - 8	11-130-100-101	315,358	(4,475)	310,883	297,394	13,489	424,523	(102,055)	322,468	313,957	8,511	
Home Instruction:												
Salaries of Teachers	11-150-100-101	1,200		1,200	1,120	80	1,175		1,175	960	215	
Purchased Professional - Educational Services	11-150-100-320	2,100	3,422	5,522	5,522			2,649	2,649	2,197	452	
General Supplies	11-150-100-610	400	(400)				400	(375)	25		25	
Regular Programs - Undistributed Instruction:												
Other Salaries for Instruction	11-190-100-106	48,580	28,856	77,436	77,436		46,025	1,513	47,538	47,533	5	
Purchased Professional - Educational Services	11-190-100-320	24,716	(2,035)	22,681	22,413	268	24,716	(2,052)	22,664	22,664		
Purchased Technical Services	11-190-100-340	11,100	(7,746)	3,354	3,289	65	8,008	2,143	10,151	10,151		
Other Purchased Services	11-190-100-500	1,589	(1,000)	589		589	1,589	(1,000)	589	437	152	
General Supplies	11-190-100-610	65,000	(5,500)	59,500	59,500		42,868	(106)	42,762	42,155	607	
Textbooks	11-190-100-640	6,400	(890)	5,510	5,508	2	27,546	(25,941)	1,605	552	1,053	
Other Objects	11-190-100-890	7,700	(6,426)	1,274	1,274		10,242	(8,473)	1,769	1,543	226	
Total Regular Programs - Instruction		1,117,580	83,775	1,201,355	1,185,631	15,724	1,106,234	20,280	1,126,514	1,110,851	15,663	
Special Education:												
Learning and/or Language Disabilities:												
Salaries of Teachers	11-204-100-101	46,800	(46,800)				46,605	1,600	48,205	46,688	1,517	
Purchased Professional - Educational Services	11-204-100-320	450	(450)				450		450		450	
General Supplies	11-204-100-610	903	(903)				903		903		903	

**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Learning and/or Language Disabilities	48,153	(48,153)				47,958	1,600	49,558	46,688	2,870
Resource Room/Resource Center:										
Salaries of Teachers	11-213-100-101	178,300	29,326	207,626	207,626	170,674		170,674	170,674	
Purchased Professional - Educational Services	11-213-100-320	1,324	(414)	910	910	1,324		1,324		1,324
General Supplies	11-213-100-610	4,200	(2,847)	1,353	790	563	(5,403)	1,730	1,109	621
Textbooks	11-213-100-640	1,150	(950)	200	200	2,150	(1,000)	1,150		1,150
Other Objects	11-213-100-890	200	(200)			200		200		200
Total Resource Room/Resource Center		185,174	24,915	210,089	208,416	1,673	(6,403)	175,078	171,783	3,295
Total Special Education		233,327	(23,238)	210,089	208,416	1,673	(4,803)	224,636	218,471	6,165
Basic Skills/Remedial:										
Salaries of Teachers	11-230-100-101	41,858	(26,978)	14,880	6,503	8,377	3,007	43,255	18,863	24,392
Purchased Professional - Educational Services	11-230-100-320	500		500	500	500	(500)			
General Supplies	11-230-100-610	425	2,620	3,045	2,978	67	(380)	45	45	
Total Basic Skills/Remedial		42,783	(24,358)	18,425	9,481	8,944	2,127	43,300	18,908	24,392
Bilingual Education:										
Salaries of Teachers	11-240-100-101	7,500	107	7,607	7,607	6,049	1,406	7,455	7,455	
Total Bilingual Education		7,500	107	7,607	7,607	6,049	1,406	7,455	7,455	
School Sponsored Cocurricular Activities:										
Salaries	11-401-100-100	6,020	358	6,378	6,378	5,759		5,759	5,533	226
Purchased Services	11-401-100-500	1,133	(400)	733	733	1,133	1,624	2,757	2,582	175
Supplies and Materials	11-401-100-610	1,509		1,509	1,257	252	(1,075)	434	244	190
Other Objects	11-401-100-890	1,053		1,053	959	94	(549)	504	500	4
Total School Sponsored Cocurricular Activities		9,715	(42)	9,673	8,594	1,079	9,454	9,454	8,859	595

**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
School Sponsored Athletics - Instruction:											
Salaries of Teachers	11-402-100-100	6,623	(4,700)	1,923	1,899	24	6,362		6,362		6,362
Purchased Services	11-402-100-500	1,800	(384)	1,416	1,411	5	932	821	1,753	1,152	601
Supplies and Materials	11-402-100-610	200		200	107	93	821	(821)			
<b>Total School Sponsored Athletics - Instruction</b>		<b>8,623</b>	<b>(5,084)</b>	<b>3,539</b>	<b>3,417</b>	<b>122</b>	<b>8,115</b>		<b>8,115</b>	<b>1,152</b>	<b>6,963</b>
Other Instructional Programs - Instruction:											
Salaries	11-403-100-100						1,761	(1,761)			
<b>Total Other Instructional Programs - Instruction</b>							<b>1,761</b>	<b>(1,761)</b>			
Community Service Programs/Operations:											
Salaries	11-800-330-100						1,000		1,000		1,000
Purchased Services	11-800-330-500						258		258		258
Supplies and Materials	11-800-330-600						566		566		566
Other Objects	11-800-330-800						126		126		126
<b>Total Community Service Programs/Operations</b>							<b>1,950</b>		<b>1,950</b>		<b>1,950</b>
<b>Total Instruction</b>		<b>1,419,528</b>	<b>31,160</b>	<b>1,450,688</b>	<b>1,423,146</b>	<b>27,542</b>	<b>1,402,414</b>	<b>19,010</b>	<b>1,421,424</b>	<b>1,365,696</b>	<b>55,728</b>
Undistributed Expenditures:											
Instruction:											
Tuition to Other LEA's -State Regular	11-000-100-561	580,574	(10,000)	570,574	563,468	7,106	389,565	(37,674)	351,891	458,266	(106,375)
Tuition to Other LEA's -State Special	11-000-100-562	359,250	92,950	452,200	452,200		273,113	242,016	515,129	439,304	75,825
Tuition to City Vocational School District - Regular	11-000-100-563	115,500	(5,237)	110,263	97,020	13,243	142,000	(43,000)	99,000	99,000	
Tuition to CSSD & Regional Day School	11-000-100-565	501,820	32,174	533,994	509,787	24,207	588,408	(31,724)	556,684	556,624	60
Tuition to Private Schools for the Handicapped - State	11-000-100-566	259,041	(11,536)	247,505	211,861	35,644	422,837	(126,507)	296,330	290,736	5,594
Tuition to Private Schools for the Handicapped & Other LEA's Outside the State	11-000-100-567	47,504	2,866	50,370	50,370		57,504	(846)	56,658	56,658	

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**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Instruction (continued):											
Tuition - State Facilities	11-000-100-568	28,982	(28,982)			28,982		28,982	28,982		
Tuition - Other	11-000-100-569		1,484	1,484	1,484	16,568	(16,568)				
<b>Total Undistributed Expenditures - Instruction</b>		<b>1,892,671</b>	<b>73,719</b>	<b>1,966,390</b>	<b>1,886,190</b>	<b>80,200</b>	<b>1,918,977</b>	<b>(14,303)</b>	<b>1,904,674</b>	<b>1,929,570</b>	<b>(24,896)</b>
Attendance and Social Work Services:											
Salaries of Secretarial & Clerical Assistants											
	11-000-211-105	12,000	68	12,068	11,568	500	12,000	897	12,897	12,448	449
Group Insurance											
	11-000-211-210						4,691	(4,691)			
Social Security Contributions											
	11-000-211-220						912	(912)			
Purchased Professional & Technical Services											
	11-000-211-300	150	(68)	82		82		154	154	154	
<b>Total Attendance and Social Work Services</b>		<b>12,150</b>		<b>12,150</b>	<b>11,568</b>	<b>582</b>	<b>17,603</b>	<b>(4,552)</b>	<b>13,051</b>	<b>12,602</b>	<b>449</b>
Health Services:											
Salaries											
	11-000-213-104	69,303	(10,990)	58,313	38,305	20,008	68,947	287	69,234	69,233	1
Group Insurance											
	11-000-213-210						4,691	(4,691)			
Social Security Contributions											
	11-000-213-220						912	(912)			
Purchased Professional & Technical Services											
	11-000-213-300	10,800		10,800	7,603	3,197	5,096	1,089	6,185	6,185	
Supplies and Materials											
	11-000-213-610	2,500		2,500	1,632	868	2,910	(736)	2,174	2,174	
Other Objects											
	11-000-213-890	225		225		225	222	(222)			
<b>Total Health Services</b>		<b>82,828</b>	<b>(10,990)</b>	<b>71,838</b>	<b>47,540</b>	<b>24,298</b>	<b>82,778</b>	<b>(5,185)</b>	<b>77,593</b>	<b>77,592</b>	<b>1</b>
Other Support Services - Students - Related Services:											
Salaries											
	11-000-216-100		39,999	39,999	38,358	1,641	53,175	(53,175)			
Purchased Professional - Educational Services											
	11-000-216-320	140,000	(36,390)	103,610	88,799	14,811	2,029	159,853	161,882	161,294	588
Supplies and Materials											
	11-000-216-610	800		800	525	275	1,894	(1,894)			
Other Objects											
	11-000-216-890	800	(800)				800	(800)			
<b>Total Other Support Services - Students - Related Services</b>		<b>141,600</b>	<b>2,809</b>	<b>144,409</b>	<b>127,682</b>	<b>16,727</b>	<b>57,898</b>	<b>103,984</b>	<b>161,882</b>	<b>161,294</b>	<b>588</b>

**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Support Services - Special Education - Extraordinary Services:											
Salaries	11-000-217-100	12,000	(10,394)	1,606		1,606		11,467	11,467	8,904	2,563
Purchased Professional - Educational Services	11-000-217-320	8,000	(1,625)	6,375	6,375		83,000	(68,218)	14,782	12,892	1,890
Total Other Support Services - Special Education - Extraordinary Services		20,000	(12,019)	7,981	6,375	1,606	83,000	(56,751)	26,249	21,796	4,453
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	27,000	2,783	29,783	29,782	1	50,000	(24,100)	25,900	18,850	7,050
Purchased Professional - Educational Services	11-000-218-320	3,400	98	3,498	3,498		2,027	1,273	3,300	3,300	
Purchased Professional - Technical Services	11-000-218-390	800	(133)	667		667	800	(316)	484	484	
Other Purchased Services	11-000-218-500	500		500	500		500		500	388	112
Supplies and Materials	11-000-218-610	1,350	(1,350)				1,383	(1,000)	383		383
Other Objects	11-000-218-890	360		360		360	360		360		360
Total Other Support Services - Students - Regular		33,410	1,398	34,808	33,780	1,028	55,070	(24,143)	30,927	23,022	7,905
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	196,667	1,029	197,696	197,696		223,940	27,555	251,495	251,495	
Salaries of Secretarial & Clerical Assistants	11-000-219-105	36,985	(1,920)	35,065	24,360	10,705	52,269	(29,222)	23,047	23,046	1
Other Salaries	11-000-219-110	1,000	6,208	7,208	7,208		1,115	(1,115)			
Purchased Professional - Educational Services	11-000-219-320	23,000	66,082	89,082	89,080	2	41,337	(10,628)	30,709	30,709	
Other Purchased Professional & Technical Services	11-000-219-390	8,000	(25)	7,975	7,965	10	715	6,153	6,868	5,489	1,379
Supplies and Materials	11-000-219-610	5,600	(2,260)	3,340	3,083	257	6,315	(5,022)	1,293	965	328
Other Objects	11-000-219-890	1,780		1,780	1,780		1,780	(1,193)	587	494	93
Total Other Support Services - Students - Special Services		273,032	69,114	342,146	331,172	10,974	327,471	(13,472)	313,999	312,198	1,801

**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Improvement of Instruction Services/Other Support											
Services - Instruction Staff:											
Salaries of Supervisor of Instruction	11-000-221-102	70,000	9,550	79,550	79,550		33,271	31,848	65,119	65,119	
Salaries of Other Professional Staff	11-000-221-104	1,740	1,060	2,800	2,800		1,740	(1,740)			
Salaries of Secretarial & Clerical Assistants	11-000-221-105	2,100	(724)	1,376		1,376	2,100	(2,100)			
Other Salaries	11-000-221-110	6,000	4,595	10,595	10,595						
Purchased Professional - Educational Services	11-000-221-320						2,000	(2,000)			
Other Purchased Professional & Technical Services	11-000-221-390	500		500		500			500	500	
Supplies and Materials	11-000-221-610	2,500	(1,500)	1,000		1,000	460		460	460	
Other Objects	11-000-221-890	450		450	450		450		450	424	26
<b>Total Improvement of Instruction Services/Other Support Services - Instruction Staff</b>		<b>83,290</b>	<b>12,981</b>	<b>96,271</b>	<b>93,395</b>	<b>2,876</b>	<b>40,521</b>	<b>26,008</b>	<b>66,529</b>	<b>66,503</b>	<b>26</b>
Educational Media Services/School Library:											
Purchased Professional & Technical Services	11-000-222-300	2,800	(2,000)	800	182	618	2,435	265	2,700	2,700	
Other Purchased Services	11-000-222-500	1,300		1,300	1,300		1,500	6,406	7,906	7,311	595
Supplies and Materials	11-000-222-610	2,100		2,100	2,070	30	8,025	(5,991)	2,034	1,405	629
Other Objects	11-000-222-890	350	(168)	182	182		2,645	(2,303)	342		342
<b>Total Educational Media Services/School Library</b>		<b>6,550</b>	<b>(2,168)</b>	<b>4,382</b>	<b>3,734</b>	<b>648</b>	<b>14,605</b>	<b>(1,623)</b>	<b>12,982</b>	<b>11,416</b>	<b>1,566</b>
Instructional Staff Training Services:											
Other Salaries	11-000-223-110	750	(750)				750		750		750
Purchased Professional - Educational Services	11-000-223-320	3,000	(3,000)				3,000	(254)	2,746	2,551	195
Other Purchased Professional & Technical Services	11-000-223-390	2,000	(1,865)	135	135		2,000	(2,000)			
Travel	11-000-223-580	7,000	(5,244)	1,756	418	1,338	7,000	(7,000)			
Supplies & Materials	11-000-223-610	500		500		500	500	(500)			
Other Objects	11-000-223-890	400		400	156	244	400	(400)			

**BEVERLY CITY BOARD OF EDUCATION  
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BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Instructional Staff Training Services	13,650	(10,859)	2,791	709	2,082	13,650	(10,154)	3,496	2,551	945	
Support Services General Administration:											
Salaries	11-000-230-100	108,975	(18,135)	90,840	79,480	11,360	97,689	1,238	98,927	90,805	8,122
Group Insurance Benefits	11-000-230-210						11,272	(11,272)			
Social Security Contributions	11-000-230-220						403	(403)			
Legal Services	11-000-230-331	20,000	19,716	39,716	39,706	10	25,000	(9,730)	15,270	15,253	17
Audit Fees	11-000-230-332	28,100	(8,950)	19,150	19,150		25,000	1,050	26,050	26,050	
Other Purchased Professional Services	11-000-230-339	14,000	(5,900)	8,100	6,315	1,785	4,900	9,124	14,024	14,023	1
Purchased Technical Services	11-000-230-340	3,500		3,500	2,934	566	7,575	(4,001)	3,574	3,574	
Communications/Telephone	11-000-230-530	26,000	50	26,050	25,053	997	21,000	3,772	24,772	22,456	2,316
Other Purchased Professional Services	11-000-230-585	550	(450)	100		100	400	322	722	688	34
Other Purchased Services	11-000-230-590	5,000	(1,600)	3,400	2,232	1,168	3,050	7,706	10,756	10,756	
General Supplies	11-000-230-610	3,000		3,000	2,986	14	3,770	(913)	2,857	2,857	
BOE In House Training/Meeting Supplies	11-000-230-630	600		600	600		1,650	(1,363)	287		287
Judgments Against District	11-000-230-820	427,400	(113,230)	314,170	68,159	246,011	488,350		488,350	92,184	396,166
Miscellaneous Expenditures	11-000-230-890	3,700		3,700	3,061	639	4,710	(1,364)	3,346	3,320	26
BOE Membership Dues and Fees	11-000-230-895	6,550	(2)	6,548	5,794	754	5,134	1,100	6,234	6,187	47
Total Support Services General Administration		647,375	(128,501)	518,874	255,470	263,404	699,903	(4,734)	695,169	288,153	407,016
Support Services School Administration:											
Salaries of Secretarial & Clerical Assistants	11-000-240-105	11,925	12,421	24,346	18,178	6,168	6,060	1,147	7,207	7,207	
Group Insurance Benefits	11-000-240-210						4,835	(4,835)			
Social Security Contributions	11-000-240-220						940	(940)			
Purchased Professional & Technical Services	11-000-240-300	4,000	102	4,102	4,098	4	2,000	2,221	4,221	4,221	
Supplies and Materials	11-000-240-610	2,900		2,900	2,810	90	3,055	(2,083)	972	913	59
Other Objects	11-000-240-890	500	(100)	400		400	1,430	(950)	480	475	5
Total Support Services School Administration		19,325	12,423	31,748	25,086	6,662	18,320	(5,440)	12,880	12,816	64

**BEVERLY CITY BOARD OF EDUCATION  
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BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
<b>Central Services:</b>											
Salaries	11-000-251-100	97,722	41,483	139,205	134,009	5,196	89,783	23	89,806	71,424	18,382
Group Insurance Benefits	11-000-251-210						3,701	(3,701)			
Social Security Contributions	11-000-251-220						7,308	(7,308)			
Purchased Professional & Technical Services	11-000-251-340	27,000	(2,645)	24,355	24,057	298	15,665	11,540	27,205	27,201	4
Miscellaneous Purchased Services	11-000-251-592	6,000	(1,500)	4,500	598	3,902	12,000	(5,919)	6,081	6,080	1
Supplies and Materials	11-000-251-610	3,800		3,800	3,800		4,120	(281)	3,839	3,812	27
Interest on Current Loans	11-000-251-831	3,200	(3,200)				10,600	(10,600)			
Miscellaneous Expenditures	11-000-251-890	4,500		4,500	4,035	465	6,260	(3,605)	2,655	2,151	504
<b>Total Central Services</b>		<b>142,222</b>	<b>34,138</b>	<b>176,360</b>	<b>166,499</b>	<b>9,861</b>	<b>149,437</b>	<b>(19,851)</b>	<b>129,586</b>	<b>110,668</b>	<b>18,918</b>
<b>Administrative Information Technology:</b>											
Purchased Professional & Technical Services	11-000-252-340							1,725	1,725	1,725	
<b>Total Central Administrative Technology</b>								<b>1,725</b>	<b>1,725</b>	<b>1,725</b>	
<b>Required Maintenance for School Facilities:</b>											
Cleaning, Repair & Maintenance Services	11-000-261-420	25,000	450	25,450	24,705	745	26,515	(17,435)	9,080	5,902	3,178
General Supplies	11-000-261-610	23,500	(3,000)	20,500	20,455	45	23,045	(2,811)	20,234	20,043	191
<b>Total Required Maintenance for School Facilities</b>		<b>48,500</b>	<b>(2,550)</b>	<b>45,950</b>	<b>45,160</b>	<b>790</b>	<b>49,560</b>	<b>(20,246)</b>	<b>29,314</b>	<b>25,945</b>	<b>3,369</b>
<b>Operation &amp; Maintenance of Plant Services &amp; School Facilities:</b>											
Salaries	11-000-262-100	192,020	(25,593)	166,427	146,028	20,399	156,914	9,606	166,520	160,453	6,067
Purchased Professional - Technical Services	11-000-262-300	36,700	535	37,235	34,992	2,243	28,585	(5,056)	23,529	23,529	
Cleaning, Repair & Maintenance Services	11-000-262-420	22,900		22,900	22,139	761	14,363	(1,228)	13,135	12,458	677
Rental of Land & Buildings Other Than Purchase Agreements	11-000-262-441							7,969	7,969	7,969	
Other Purchased Property Services	11-000-262-490	2,400		2,400	1,668	732		2,379	2,379	2,379	
Insurance	11-000-262-520	21,755	(3,325)	18,430	18,430		18,203	1,610	19,813	17,816	1,997
Miscellaneous Purchased Services	11-000-262-590	10,555	(2,500)	8,055	5,422	2,633	10,555	(5,489)	5,066	832	4,234

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GENERAL FUND  
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ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Operation & Maintenance of Plant Services & School Facilities (continued):											
General Supplies	11-000-262-610	2,200		2,200	2,200		3,900	(446)	3,454	3,433	21
Energy (Heat & Electricity)	11-000-262-622	60,000	(4,500)	55,500	41,680	13,820	120,000	(12,969)	107,031	87,168	19,863
Energy (Natural Gas)	11-000-262-621	59,000		59,000	41,679	17,321					
Other Objects	11-000-262-890	2,690		2,690	1,003	1,687	2,690	(715)	1,975	1,413	562
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Total Operation & Maintenance of Plant Services & School Facilities		410,220	(35,383)	374,837	315,241	59,596	355,210	(4,339)	350,871	317,450	33,421
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Student Transportation Services:											
Salaries (Between Home & Schools)	11-000-270-161	7,800	2,663	10,463	10,463		6,556		6,556	6,543	13
Salaries (Other Than Between Home & Schools)	11-000-270-162	7,800		7,800	1,363	6,437	6,557		6,557	6,543	14
Management Fee - ESC & CTSA Transportation Program	11-000-270-350	11,950	(11,950)				8,320	3,080	11,400	11,318	82
Group Insurance Benefits	11-000-270-210						3,019	(3,019)			
Social Security Contributions	11-000-270-220						1,037	(1,037)			
Other Purchased Professional & Technical Services	11-000-270-390						4,510	(4,510)			
Cleaning, Repair & Maintenance Services	11-000-270-420						1,800	(1,800)			
Contracted Services (Between Home & School) - Vendors	11-000-270-511	68,250		68,250	67,151	1,099	90,500	(25,160)	65,340	65,340	
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	15,000	(10,000)	5,000	3,200	1,800	15,000	(10,000)	5,000	4,705	295
Contracted Services (Other Than Between Home & School) - Joint Agreements	11-000-270-513	37,500	(15,000)	22,500	15,958	6,542	15,365	19,813	35,178	11,374	23,804
Contracted Services (Special Education Students) - Vendors	11-000-270-514	65,000	(20,000)	45,000	20,282	24,718	97,890	(41,146)	56,744	51,570	5,174
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	95,000	(64,887)	30,113	22,243	7,870	66,775	3,618	70,393	41,805	28,588

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**BEVERLY CITY BOARD OF EDUCATION  
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FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Student Transportation Services (continued):											
Contracted Services - ESCs & CTSA's											
Regular Students	11-000-270-517	1,900		1,900		1,900	1,900		1,900		1,900
Contracted Services - ESCs & CTSA's											
Special Education Students	11-000-270-518	245,000	4,139	249,139	249,139		190,345	64,603	254,948	254,948	
Contracted Services - Aid in Lieu											
Payments	11-000-270-503	25,000	(2,577)	22,423	22,100	323	25,000	(208)	24,792	19,865	4,927
Miscellaneous Purchased Services	11-000-270-593	250		250		250	1,315	(1,065)	250	250	
Supplies and Materials	11-000-270-610						1,450	(1,450)			
Other Objects	11-000-270-800						520	(520)			
<b>Total Student Transportation Services</b>		<b>580,450</b>	<b>(117,612)</b>	<b>462,838</b>	<b>411,899</b>	<b>50,939</b>	<b>537,859</b>	<b>1,199</b>	<b>539,058</b>	<b>474,261</b>	<b>64,797</b>
Unallocated Benefits - Employee Benefits:											
Group Insurance	11-000-291-210	34,304	(7,703)	26,601	4,772	21,829	388,298	(47,999)	340,299	337,987	2,312
Social Security Contributions	11-000-291-220	41,500	30,776	72,276	72,276		36,359	18,907	55,266	55,266	
TPAF Contributions - ERIP	11-000-291-232							38,085	38,085	38,085	
Other Retirement Contributions -											
Regular	11-000-291-241	28,000	1,682	29,682	29,682		17,500	9,834	27,334	2,721	24,613
Other Retirement Contributions -											
ERIP	11-000-291-242	1,000		1,000		1,000	2,150	(1,190)	960	960	
Unemployment Compensation	11-000-291-250	9,600	1,293	10,893	6,270	4,623		6,600	6,600	5,760	840
Workman's Compensation	11-000-291-260	31,300		31,300	30,734	566	30,048		30,048	28,072	1,976
Health Benefits	11-000-291-270	403,078	(24,456)	378,622	350,823	27,799	10,292	17,274	27,566	24,039	3,527
Tuition Reimbursements	11-000-291-280	7,650	(1,600)	6,050	4,271	1,779	7,650	(3,573)	4,077	4,077	
Other Employee Benefits	11-000-291-290							146	146	145	1
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>556,432</b>	<b>(8)</b>	<b>556,424</b>	<b>498,828</b>	<b>57,596</b>	<b>492,297</b>	<b>38,084</b>	<b>530,381</b>	<b>497,112</b>	<b>33,269</b>
Operation & Maintenance of Plant Service - Employee Benefits:											
Group Insurance	11-000-260-210						7,623	(7,623)			
Health Benefits	11-000-260-220						1,037	(1,037)			
<b>Total Operation &amp; Maintenance of Plant Services - Employee Benefits</b>							<b>8,660</b>	<b>(8,660)</b>			
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					125,257	(125,257)				126,614	(126,614)
Reimbursed TPAF Social Security Contributions					118,383	(118,383)				118,856	(118,856)

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**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBERS	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Undistributed Expenditures	4,963,705	(113,508)	4,850,197	4,503,968	346,229	4,922,819	(22,453)	4,900,366	4,592,144	308,222
Total Expenditures - Current Expense	6,383,233	(82,348)	6,300,885	5,927,114	373,771	6,325,233	(3,443)	6,321,790	5,957,840	363,950
Capital Outlay:										
Equipment:										
Regular Programs - Instruction:										
Grades 1 - 5	12-120-100-730	2,000	(2,000)			3,000	(3,000)			
Grades 6 - 8	12-130-100-730	2,000	(2,000)			3,000	(3,000)			
Central Services	12-000-251-730						2,558	2,558	2,557	1
Operation & Maintenance of Plant Services	12-000-260-730						3,000	3,000		3,000
Non-Instructional Services	12-000-300-730	2,000		2,000	2,000	5,000	306	5,306	4,772	534
Total Equipment		6,000	(4,000)	2,000	2,000	11,000	(136)	10,864	7,329	3,535
Facilities Acquisition & Construction Services:										
Other Purchased Professional & Technical Services	12-000-400-390	2,000		2,000	2,000	5,000	4,600	9,600	9,600	
Construction Services	12-000-400-450	15,000	38,223	53,223	53,223	15,000	6,860	21,860	21,860	
Land & Improvements	12-000-400-710	5,000		5,000	5,000	5,000	(5,000)			
Lease Purchase Agreements - Principal	12-000-400-721	40,000	(1,450)	38,550	37,521	1,029		40,000	37,521	2,479
Total Facilities Acquisition & Construction Services		62,000	36,773	98,773	97,744	1,029	65,000	6,460	71,460	68,981
Total Capital Outlay		68,000	32,773	100,773	99,744	1,029	76,000	6,324	82,324	76,310
Total Expenditures		6,451,233	(49,575)	6,401,658	6,026,858	374,800	6,401,233	2,881	6,404,114	6,034,150
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)			49,575	49,575	723,091	673,516		(2,881)	(2,881)	665,978
Other Financing Sources/(Uses):										
Operating Transfers Out:										
Food Service Fund	11-000-310-930		(49,575)	(49,575)	(49,575)					
Cancellation of Prior Year Accounts Receivable									16,445	16,445
Total Other Financing Sources/(Uses)			(49,575)	(49,575)	(49,575)				16,445	16,445

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**BEVERLY CITY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)				673,516	673,516		(2,881)	(2,881)	682,423	685,304
Fund Balances, July 1	112,971		112,971	112,971		(569,452)		(569,452)	(569,452)	
Fund Balances, June 30	<u>\$112,971</u>	-	112,971	786,487	673,516	(569,452)	(2,881)	(572,333)	112,971	685,304

**RECAPITULATION OF FUND BALANCE:**

Unrestricted Fund Balance	\$312,587
Excess Surplus	263,137
Capital Reserve	<u>210,763</u>
Subtotal	786,487
Reconciliation to Governmental Funds Statements (GAAP): Last State Aid Payment Not Recognized on GAAP Basis	<u>(310,042)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$476,445</u>

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**BEVERLY CITY BOARD OF EDUCATION  
AMERICAN RECOVERY AND REINVESTMENT ACT -  
BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	ACCOUNT NUMBERS	JUNE 30, 2010			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>Revenues:</b>					
Federal Sources:					
ARRA - Education Stabilization Fund		\$ -	345,384	345,384	345,384
ARRA - Government Services Fund			13,370	13,370	13,370
Total Federal Services			358,754	358,754	358,754
Total Revenues			358,754	358,754	358,754
<b>Expenditures:</b>					
Education Stabilization Fund					
Instruction - Regular Programs:					
Salaries of Teachers:					
Grades 1 - 5	16-120-100-101		57,131	57,131	57,131
Grades 6 - 8	16-130-100-101		75,005	75,005	75,005
Health Services:					
Salaries	16-000-213-104		9,010	9,010	9,010
Other Support Services - Students - Related Services:					
Purchased Professional - Educational Services	16-000-216-320		19,674	19,674	19,674
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	16-000-219-104		93,679	93,679	93,679
Salaries of Secretarial & Clerical Assistants	16-000-219-105		16,080	16,080	16,080
Improvement of Instruction Services/Other Support Services - Instruction Staff:					
Salaries of Supervisor of Instruction	16-000-221-102		62,450	62,450	62,450
Central Services:					
Salaries	16-000-251-100		10,000	10,000	10,000
Purchased Professional & Technical Services	16-000-251-340		2,355	2,355	2,355
Total Education Stabilization Fund			345,384	345,384	345,384
Government Services Fund					
Instruction - Regular Programs:					
Salaries of Teachers: Kindergarten	17-110-100-101		13,370	13,370	13,370
Total Government Services Fund			13,370	13,370	13,370
Total Expenditures			358,754	358,754	358,754
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)					
Fund Balances, July 1					
Fund Balances, June 30		\$ -	-	-	-

**BEVERLY CITY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
State Sources	\$163,490	(5,621)	157,869	157,869		163,490	183,938	347,428	347,428	
Federal Sources	218,850	266,008	484,858	484,858		276,878	(145,984)	130,894	130,894	
Local Sources							1,500	1,500	1,500	
Total Revenues	382,340	260,387	642,727	642,727		440,368	39,454	479,822	479,822	
EXPENDITURES:										
Instruction:										
Salaries of Teachers	225,905	21,542	247,447	247,447		186,919	8,254	195,173	195,173	
Other Salaries for Instruction	27,830	(770)	27,060	27,060						
Other Purchased Services (400-500 Series)		20,818	20,818	20,818		2,700	45,018	47,718	47,718	
General Supplies	17,130	(5,804)	11,326	11,326		22,421	1,509	23,930	23,930	
Tuition	99,000	20,686	119,686	119,686		112,532	(8,829)	103,703	103,703	
Total Instruction	369,865	56,472	426,337	426,337		324,572	45,952	370,524	370,524	
Support Services:										
Salaries of Supervisors of Instruction	11,975	6,175	18,150	18,150		11,250	7,848	19,098	19,098	
Salaries of Other Professional Staff		102,745	102,745	102,745		16,000	(31)	15,969	15,969	
Salaries of Secretarial & Clerical Staff							2,642	2,642	2,642	
Personal Services - Employee Benefits		48,578	48,578	48,578		10,498	(10,498)			
Purchased Professional - Technical Services		32,674	32,674	32,674		25,625	639	26,264	26,264	
Other Purchased Professional Services		8,829	8,829	8,829		41,540	1,726	43,266	43,266	
Other Purchased Services	500	2,250	2,750	2,750		7,655	(7,655)			
General Supplies		2,664	2,664	2,664		3,228	(1,169)	2,059	2,059	
Total Support Services	12,475	203,915	216,390	216,390		115,796	(6,498)	109,298	109,298	
Total Expenditures	382,340	260,387	642,727	642,727		440,368	39,454	479,822	479,822	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-		-	-	-	-	



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



**BEVERLY CITY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

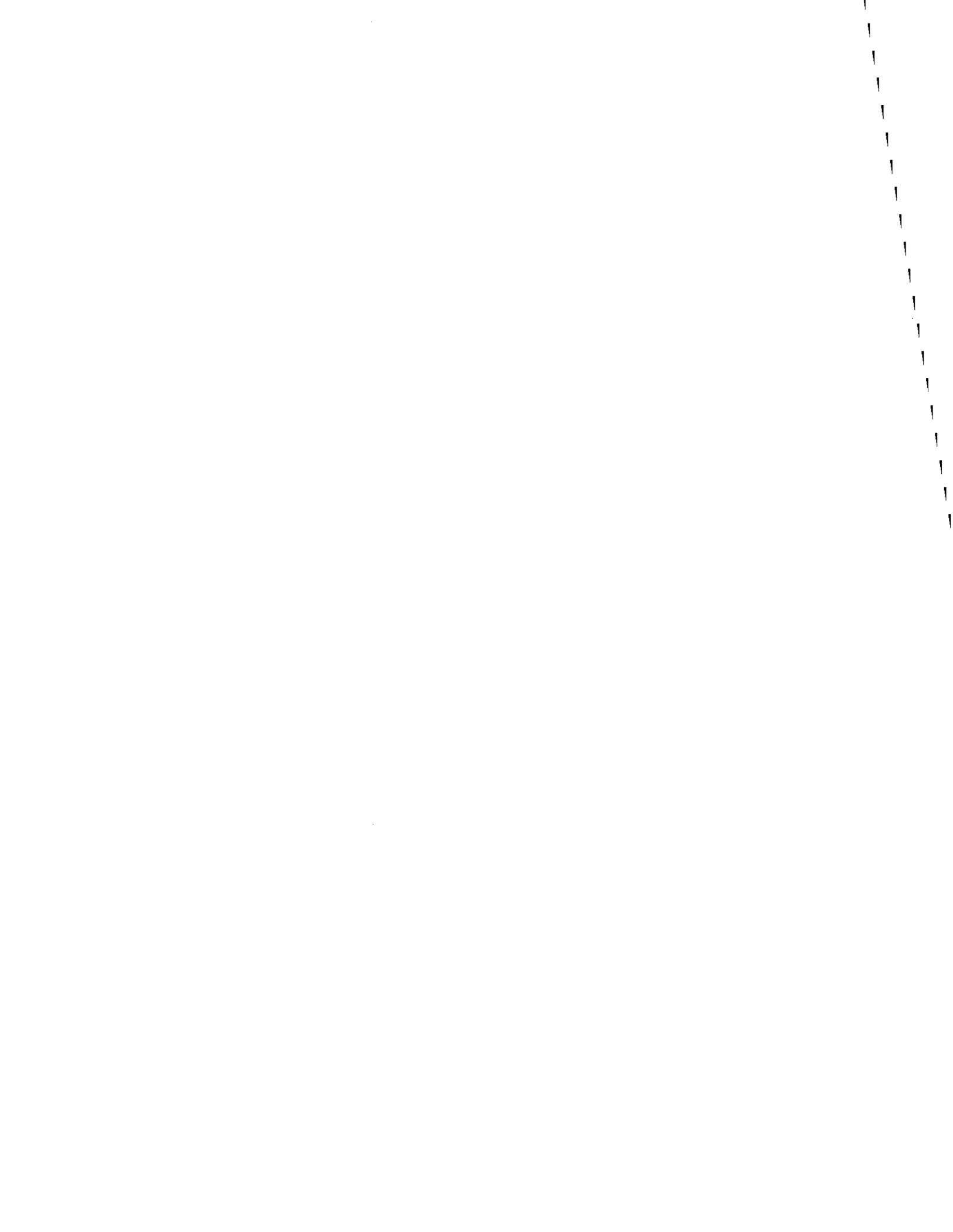
**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$6,749,949	642,727
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	216,816	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(310,042)</u>	<u>(16,349)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$6,656,723</u>	<u>626,378</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$6,026,858</u>	<u>642,727</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$6,026,858</u>	<u>642,727</u>

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



**OTHER SUPPLEMENTARY INFORMATION**



D. School Based Budget Schedules

Not Applicable



E. Special Revenue Fund



**BEVERLY CITY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	IMPROVING AMERICA'S SCHOOLS ACT				
	TITLE I PART A	TITLE I CARRYOVER	TITLE II PART A	TITLE I SINI	TITLE II PART A CARRYOVER
Revenues:					
Federal Sources	\$133,244	12,189	19,859	4,112	3,749
State Sources					
Local Sources					
<b>Total Revenues</b>	<b>\$133,244</b>	<b>12,189</b>	<b>19,859</b>	<b>4,112</b>	<b>3,749</b>
Expenditures:					
Instruction:					
Salaries of Teachers	\$80,200				
Other Salaries for Instruction					
Purchased Professional & Educational Services	845		4,500		1,749
Other Purchased Services					
General Supplies	222		2,883		
Tuition					
<b>Total Instruction</b>	<b>81,267</b>		<b>7,383</b>		<b>1,749</b>
Support Services:					
Salaries of Other Professional Staff					
Salaries of Supervisors of Instruction	8,922	9,790	1,375		
Salaries of Secretarial & Clerical Assistants					
Personal Services - Employee Benefits	16,040	2,399			
Purchased Professional - Technical Services	26,375		2,187	4,112	
Other Purchased Professional Services	640		4,000		2,000
Other Purchased Services			2,250		
General Supplies			2,664		
<b>Total Support Services</b>	<b>51,977</b>	<b>12,189</b>	<b>12,476</b>	<b>4,112</b>	<b>2,000</b>
<b>Total Expenditures</b>	<b>\$133,244</b>	<b>12,189</b>	<b>19,859</b>	<b>4,112</b>	<b>3,749</b>

**BEVERLY CITY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	ARRA TITLE I	ARRA TITLE I SUMMER SCHOOL
Revenues:		
Federal Sources	\$91,476	30,573
State Sources		
Local Sources		
Total Revenues	<u>\$91,476</u>	<u>30,573</u>
Expenditures:		
Instruction:		
Salaries of Teachers		17,500
Other Salaries for Instruction		
Purchased Professional & Educational Services		1,655
Other Purchased Services		
General Supplies		2,218
Tuition		
Total Instruction		<u>21,373</u>
Support Services:		
Salaries of Other Professional Staff		
Salaries of Supervisors of Instruction	\$73,458	9,200
Salaries of Secretarial & Clerical Assistants		
Personal Services - Employee Benefits	17,084	
Purchased Professional - Technical Services		
Other Purchased Professional Services	934	
Other Purchased Services		
General Supplies		
Total Support Services	<u>91,476</u>	<u>9,200</u>
Total Expenditures	<u>\$91,476</u>	<u>30,573</u>

**BEVERLY CITY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	I.D.E.A. PART B PRESCHOOL	I.D.E.A. PART B PRESCHOOL CARRYOVER	ARRA I.D.E.A. PART B BASIC	ARRA I.D.E.A. PART B PRESCHOOL	PRESCHOOL EDUCATION
<b>Revenues:</b>					
Federal Sources	\$2,712	214	33,207	2,912	
State Sources					157,869
Local Sources					
<b>Total Revenues</b>	<b>\$2,712</b>	<b>214</b>	<b>33,207</b>	<b>2,912</b>	<b>157,869</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers					117,151
Other Salaries for Instruction					27,060
Purchased Professional & Educational Services			3,608	2,912	
Other Purchased Services			5,549		
General Supplies					6,003
Tuition	\$2,712	214			
<b>Total Instruction</b>	<b>2,712</b>	<b>214</b>	<b>9,157</b>	<b>2,912</b>	<b>150,214</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff			18,150		
Salaries of Supervisors of Instruction					
Salaries of Secretarial & Clerical Assistants					
Personal Services - Employee Benefits			5,900		7,155
Purchased Professional - Technical Services					
Other Purchased Professional Services					
Other Purchased Services					500
General Supplies					
<b>Total Support Services</b>			<b>24,050</b>		<b>7,655</b>
<b>Total Expenditures</b>	<b>\$2,712</b>	<b>214</b>	<b>33,207</b>	<b>2,912</b>	<b>157,869</b>

**BEVERLY CITY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	I.D.E.A. PART B BASIC	I.D.E.A. PART B BASIC CARRYOVER	PRESCHOOL EDUCATION CARRYOVER	2010	2009
<b>Revenues:</b>					
Federal Sources	\$112,488	5,527		452,262	347,428
State Sources			32,596	190,465	130,894
Local Sources					1,500
<b>Total Revenues</b>	<b>\$112,488</b>	<b>5,527</b>	<b>32,596</b>	<b>642,727</b>	<b>479,822</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers			32,596	247,447	195,173
Other Salaries for Instruction				27,060	
Purchased Professional & Educational Services				15,269	47,718
Other Purchased Services				5,549	
General Supplies				11,326	23,930
Tuition	\$112,488	4,272		119,686	103,703
<b>Total Instruction</b>	<b>112,488</b>	<b>4,272</b>	<b>32,596</b>	<b>426,337</b>	<b>370,524</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff				18,150	15,969
Salaries of Supervisors of Instruction				102,745	19,098
Salaries of Secretarial & Clerical Assistants					2,642
Personal Services - Employee Benefits				48,578	43,266
Purchased Professional - Technical Services				32,674	26,264
Other Purchased Professional Services		1,255		8,829	
Other Purchased Services				2,750	
General Supplies				2,664	2,059
<b>Total Support Services</b>		<b>1,255</b>		<b>216,390</b>	<b>109,298</b>
<b>Total Expenditures</b>	<b>\$112,488</b>	<b>5,527</b>	<b>32,596</b>	<b>642,727</b>	<b>479,822</b>

F. Capital Projects Fund

Not Applicable



## G. Proprietary Funds



Enterprise Funds



**BEVERLY CITY BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET ASSETS  
AS OF JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2010	2009
Current Assets:			
Cash & Cash Equivalents	\$3,149	3,149	9,131
Accounts Receivable:			
State	153	153	182
Federal	3,339	3,339	3,805
Inventories	6,137	6,137	2,733
Total Current Assets	<u>12,778</u>	<u>12,778</u>	<u>15,851</u>
Noncurrent assets:			
Furniture, Machinery & Equipment	45,625	45,625	40,495
Less: Accumulated Depreciation	<u>(27,081)</u>	<u>(27,081)</u>	<u>(24,432)</u>
Total Noncurrent Assets	<u>18,544</u>	<u>18,544</u>	<u>16,063</u>
Total Assets	<u>31,322</u>	<u>31,322</u>	<u>31,914</u>
LIABILITIES			
Accounts Payable			1,430
Interfund Payable	30,484	30,484	80,059
Total Liabilities	<u>30,484</u>	<u>30,484</u>	<u>81,489</u>
NET ASSETS			
Investments in Capital Assets	18,544	18,544	16,063
Unrestricted	<u>(17,706)</u>	<u>(17,706)</u>	<u>(65,638)</u>
Total Net Assets	<u>\$838</u>	<u>838</u>	<u>(49,575)</u>

**BEVERLY CITY BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
AS OF JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2010	2009
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$13,320	13,320	15,014
School Breakfast Program	1,084	1,084	866
Daily Sales - Nonreimbursable Programs:			
Adult & Ala Carte	\$8,009	8,009	8,687
Special Functions	75	75	475
<b>Total Operating Revenues</b>	<b>22,488</b>	<b>22,488</b>	<b>25,042</b>
Operating Expenses:			
Salaries	41,154	41,154	33,974
Benefits & Payroll Taxes	7,651	7,651	6,251
Management Fee	10,000	10,000	8,000
Supplies & Materials	7,684	7,684	5,320
Depreciation	2,650	2,650	2,650
Cost of Sales	32,748	32,748	48,259
Other			2,355
<b>Total Operating Expenses</b>	<b>101,887</b>	<b>101,887</b>	<b>106,809</b>
<b>Operating Income/(Loss)</b>	<b>(79,399)</b>	<b>(79,399)</b>	<b>(81,767)</b>
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	2,105	2,105	2,373
State School Breakfast Program	861	861	1,054
Federal Sources:			
National School Lunch Program	51,124	51,124	55,245
National School Breakfast Program	13,857	13,857	16,600
Food Service Grant	5,130	5,130	
Food Distribution Program	7,160	7,160	7,250
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>80,237</b>	<b>80,237</b>	<b>82,522</b>
<b>Net Income/(Loss) Before Other Financing Sources/(Uses)</b>	<b>838</b>	<b>838</b>	<b>755</b>
Other Financing Sources/(Uses):			
Board Contribution	49,575	49,575	
<b>Total Other Financing Sources/(Uses)</b>	<b>49,575</b>	<b>49,575</b>	
<b>Net Income/(Loss)</b>	<b>50,413</b>	<b>50,413</b>	<b>755</b>
<b>Total Net Assets - Beginning</b>	<b>(49,575)</b>	<b>(49,575)</b>	<b>(50,330)</b>
<b>Total Net Assets - Ending</b>	<b>\$838</b>	<b>838</b>	<b>(49,575)</b>

**BEVERLY CITY BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
AS OF JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2010	2009
Cash Flows From Operating Activities:			
Receipts from Customers	\$22,983	22,983	32,292
Payments to Employees	(48,805)	(48,805)	(40,225)
Payments to Suppliers	(104,841)	(104,841)	(74,886)
	<u>(130,663)</u>	<u>(130,663)</u>	<u>(82,819)</u>
Net Cash Provided/(Used) by Operating Activities			
Cash Flows From Capital Financing Activities:			
Purchase of Capital Assets	(5,130)	(5,130)	
	<u>(5,130)</u>	<u>(5,130)</u>	
Net Cash Provided/(Used) by Noncapital Financing Activities			
	<u>(5,130)</u>	<u>(5,130)</u>	
Cash Flows From Noncapital Financing Activities:			
State Sources	2,966	2,966	3,397
Federal Sources	77,270	77,270	70,903
Board Contribution	49,575	49,575	
	<u>129,811</u>	<u>129,811</u>	<u>74,300</u>
Net Cash Provided/(Used) by Noncapital Financing Activities			
	<u>129,811</u>	<u>129,811</u>	<u>74,300</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,982)	(5,982)	(8,519)
Balances - Beginning of Year	9,131	9,131	17,650
	<u>\$3,149</u>	<u>3,149</u>	<u>9,131</u>
Balances - End of Year			

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

Operating Income/(Loss)	(\$79,399)	(79,399)	(81,767)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	2,650	2,650	2,650
(Increase)/Decrease in Receivables	495	495	
(Increase)/Decrease in Inventories	(3,404)	(3,404)	6,552
Increase/(Decrease) in Accounts Payable	(51,005)	(51,005)	(10,254)
	<u>(51,264)</u>	<u>(51,264)</u>	<u>(1,052)</u>
Total Adjustments			
	<u>(51,264)</u>	<u>(51,264)</u>	<u>(1,052)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(\$130,663)</u>	<u>(130,663)</u>	<u>(82,819)</u>



Internal Service Fund

Not Applicable



## H. Fiduciary Fund



**BEVERLY CITY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS	AGENCY		2010	2009
	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$5,885	9,182	15,067	14,910
Total Assets	5,885	9,182	15,067	14,910
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings		5,772	5,772	2,352
Due to General Fund		3,410	3,410	10,034
Due to Student Groups	5,885		5,885	2,524
Total Liabilities	5,885	9,182	15,067	14,910
Total Net Assets	-	-	-	-

**BEVERLY CITY BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BALANCE JULY 1, 2009	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2010
Elementary School	\$2,524	21,209	17,848	5,885
Total Student Activity	<u>\$2,524</u>	<u>21,209</u>	<u>17,848</u>	<u>5,885</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
<b>ASSETS</b>				
Cash & Cash Equivalents	\$12,386	2,819,703	2,822,907	9,182
Total Assets	<u>\$12,386</u>	<u>2,819,703</u>	<u>2,822,907</u>	<u>9,182</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$2,352	1,000,730	997,310	5,772
Due to General Fund	10,034	619	7,243	3,410
Net Payroll		<u>1,818,354</u>	<u>1,818,354</u>	
Total Liabilities	<u>\$12,386</u>	<u>2,819,703</u>	<u>2,822,907</u>	<u>9,182</u>

## I. Long-Term Debt



BEVERLY CITY BOARD OF EDUCATION  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2010

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PURPOSE	DATE OF ISSUE	TERM OF LEASE	AMOUNT OF ORIGINAL ISSUE		INTEREST RATE	AMOUNT OUTSTANDING	ADJUSTMENT	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING
			PRINCIPAL	INTEREST		JUNE 30, 2009			JUNE 30, 2010
Textbooks & Equipment	6/27/2005	5 Years	\$171,500	\$25,048	4.70%	\$70,064		34,228	35,836
				Total		\$70,064	-	34,228	35,836



**STATISTICAL SECTION (Unaudited)**



**BEVERLY CITY SCHOOL DISTRICT**  
**NET ASSETS BY COMPONENT**  
**LAST SIX FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,					
	2010	2009	2008	2007	2006	2005
<b>Governmental Activities:</b>						
Invested in Capital Assets, Net of Related Debt	\$103,474	102,979	166,521	388,868	285,838	518,912
Restricted	210,763	10,696	10,609	10,350	10,350	10,350
Unrestricted	147,166	(242,676)	(1,017,637)	(1,156,592)	(593,589)	(501,060)
<b>Total Governmental Activities Net Assets</b>	<b>\$461,403</b>	<b>(129,001)</b>	<b>(840,507)</b>	<b>(757,374)</b>	<b>(297,401)</b>	<b>28,202</b>
<b>Business-Type Activities:</b>						
Invested in Capital Assets, Net of Related Debt	\$18,544	16,063	18,713	17,907	19,791	21,675
Unrestricted	(17,706)	(65,638)	(69,043)	(63,679)	(65,256)	(35,584)
<b>Total Business-Type Activities Net Assets</b>	<b>\$838</b>	<b>(49,575)</b>	<b>(50,330)</b>	<b>(45,772)</b>	<b>(45,465)</b>	<b>(13,909)</b>
<b>District-Wide:</b>						
Invested in Capital Assets, Net of Related Debt	\$122,018	119,042	185,234	406,775	305,629	540,587
Restricted	210,763	10,696	10,609	10,350	10,350	10,350
Unrestricted	129,460	(308,314)	(1,086,680)	(1,220,271)	(658,845)	(536,644)
<b>Total District Net Assets</b>	<b>\$462,241</b>	<b>(178,576)</b>	<b>(890,837)</b>	<b>(803,146)</b>	<b>(342,866)</b>	<b>14,293</b>

**BEVERLY CITY SCHOOL DISTRICT  
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)  
LAST SIX FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,					
	2010	2009	2008	2007	2006	2005
Expenses:						
Governmental Activities						
Instruction:						
Regular	\$1,611,968	1,518,896	1,767,239	1,564,282	1,560,126	1,553,351
Special Education	208,416	218,471	207,807	214,192	198,392	186,491
Other Special Education	29,099	36,374	37,023	55,303	41,611	12,411
Other Instruction						19,103
Support Services:						
Undistributed - Tuition	1,886,190	1,929,570	2,171,736	2,574,059	2,213,994	2,871,610
Health Services	59,108	90,194	84,443	51,384	47,476	
Other Support Services	808,794	694,111	645,670	631,744	734,984	230,417
Educational Media Services	3,734	11,416	1,985	42,537	75,282	
Instruction Staff Training	709	2,551	4,007	1,937		90,221
General Administrative Services	221,242	249,526	280,823	240,494	183,587	234,899
School Administrative Services	25,086	14,541	81,612	70,827	44,967	40,458
Central Services	168,043	113,687	121,274	157,170	95,144	56,622
Technology						15,793
Allowed Maintenance for						
School Facilities			432,920	44,123	55,686	
Plant Operations & Maintenance	460,145	343,395	525,314	418,365	401,334	424,680
Student Transportation	411,899	474,261	402,318	478,535	508,960	488,117
Unallocated Benefits	742,468	742,582		509,296	513,231	715,196
Capital Assets Adjustment to Appraised Value			259,873			
Nonbudgeted Expenditures	6,221	(4,008)	63,193	371,115	234,015	
Total Governmental Activities Expenses	6,643,122	6,435,567	7,087,237	7,425,363	6,908,789	6,939,369
Business-Type Activities:						
Food Service	101,887	106,809	140,709	119,422	146,784	171,733
Total Business-Type Activities Expense	101,887	106,809	140,709	119,422	146,784	171,733
Total District Expenses	\$6,745,009	6,542,376	7,227,946	7,544,785	7,055,573	7,111,102
Program Revenues:						
Governmental Activities:						
Charges for Services:						
Operating Grants & Contributions	\$886,367	725,292	1,041,565			861,201
Total Governmental Activities Program Revenues	886,367	725,292	1,041,565			861,201
Business-Type Activities:						
Charges for Services:						
Food Service	22,488	25,042	36,509	40,743	38,819	43,734
Operating Grants & Contributions	80,237	82,522	72,310	78,372	76,409	89,226
Total Business Type Activities Program Revenues	102,725	107,564	108,819	119,115	115,228	132,960
Total District Program Revenues	\$989,092	832,856	1,150,384	119,115	115,228	994,161

**BEVERLY CITY SCHOOL DISTRICT  
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)  
LAST SIX FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,					
	2010	2009	2008	2007	2006	2003
Net (Expense)/Revenue:						
Governmental Activities	(\$5,756,755)	(5,710,275)	(6,045,672)	(7,425,363)	(6,908,789)	(6,078,168)
Business-Type Activities	838	755	(31,890)	(307)	(31,556)	(38,773)
<b>Total District-Wide Net Expense</b>	<b>(\$5,755,917)</b>	<b>(5,709,520)</b>	<b>(6,077,562)</b>	<b>(7,425,670)</b>	<b>(6,940,345)</b>	<b>(6,116,941)</b>
General Revenues & Other Changes in Net Assets:						
Governmental Activities:						
Property Taxes Levied for General Purposes, Net	\$2,702,584	2,652,124	2,550,119	2,504,759	2,295,831	2,115,604
Unrestricted Grants & Contributions	3,675,279	3,704,989	3,411,709	3,251,285	3,210,210	3,481,567
Federal & State Aid Restricted Investment Earnings		5,810	12,128	749,347	815,632	
Miscellaneous Income	18,871	42,413	27,978	15,141	16,143	22,174
Transfers	(49,575)		(27,332)	73,743	11,355	
Cancellation of Prior Year Accounts Receivable		16,445	(44,775)			
<b>Total Governmental Activities</b>	<b>6,347,159</b>	<b>6,421,781</b>	<b>5,929,827</b>	<b>6,594,275</b>	<b>6,349,171</b>	<b>5,619,345</b>
Business-Type Activities:						
Investment Earnings						261
Miscellaneous Income						(11,692)
Transfers	49,575		27,332			
<b>Total Business-Type Activities</b>	<b>49,575</b>		<b>27,332</b>			<b>(11,431)</b>
<b>Total District-Wide</b>	<b>\$6,396,734</b>	<b>6,421,781</b>	<b>5,957,159</b>	<b>6,594,275</b>	<b>6,349,171</b>	<b>5,607,914</b>
Change in Net Assets:						
Governmental Activities	\$590,404	711,506	(115,845)	(831,088)	(559,618)	(458,823)
Business-Type Activities	50,413	755	(4,558)	(307)	(31,556)	(50,204)
<b>Total District</b>	<b>\$640,817</b>	<b>712,261</b>	<b>(120,403)</b>	<b>(831,395)</b>	<b>(591,174)</b>	<b>(509,027)</b>

**BEVERLY CITY SCHOOL DISTRICT**  
**FUND BALANCES AND GOVERNMENTAL FUNDS**  
**LAST SIX FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,					
	2010	2009	2008	2007	2006	2005
General Fund:						
Reserved	\$210,763	10,696	10,609	10,350	10,350	10,350
Unreserved	265,682	(114,541)	(747,555)	(903,527)	(437,876)	(356,535)
Total General Fund	<u>\$476,445</u>	<u>(103,845)</u>	<u>(736,946)</u>	<u>(893,177)</u>	<u>(427,526)</u>	<u>(346,185)</u>
All Other Governmental Funds:						
Unreserved, Reported in:						
Special Revenue Fund	(\$16,349)			(13,525)	(18,537)	(17,122)
Total All Other Governmental Funds	<u>(16,349)</u>	<u>-</u>	<u>-</u>	<u>(13,525)</u>	<u>(18,537)</u>	<u>(17,122)</u>

Source: School District Financial Reports

**BEVERLY CITY SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GENERAL FUND,**  
**LAST SIX FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2010	2009	2008	2007	2006	2005
<b>Revenues</b>						
Tax Levy	\$2,702,584	2,652,124	2,550,119	2,504,759	2,295,831	2,115,604
Jointures		7,644	8,915	10,287		6,216
Tuition Charges				8,654	8,643	1,700
Interest Earnings		5,810	12,128	15,141	16,143	
Miscellaneous	18,871	33,269	19,063	54,802	174,212	13,284
State Sources	3,570,240	3,943,097	3,766,000	4,037,848	3,439,461	3,480,114
Federal Sources	365,028	8,862	3,444	333,899	4,764	1,453
<b>Total Revenue</b>	<b>6,656,723</b>	<b>6,650,806</b>	<b>6,359,669</b>	<b>6,965,390</b>	<b>5,939,054</b>	<b>5,618,371</b>
<b>Expenditures</b>						
<b>Instruction:</b>						
Regular Instruction	1,185,631	1,110,851	1,249,835	1,166,750	1,125,854	1,078,076
Special Education Instruction	208,416	218,471	207,807	214,192	198,392	186,491
Other Special Instruction	29,099	36,374	37,023	55,303	41,611	31,514
<b>Support Services:</b>						
Instruction	1,886,190	1,929,570	2,171,736	2,574,059	2,213,994	2,474,703
Health Services	59,108	90,194	84,443	51,384	47,476	
Other Support Services	592,404	584,813	477,969	322,237	352,209	230,417
Educational Media Services	3,734	11,416	1,985	42,537	75,282	
Instructional Staff Training	709	2,551	4,007	1,937		90,221
General Administrative Services	255,470	288,153	280,823	240,494	183,587	234,899
School Administrative Services	25,086	14,541	81,612	70,827	44,967	40,458
Central Services	166,499	110,668	121,274	157,170	95,144	56,622
Technology						15,793
Allowed Maintenance Facilities	360,401	343,395	432,920	44,123	55,686	
Plant Operations & Maintenance	411,899	474,261	525,314	359,499	339,760	359,160
Student Transportation Services	742,468	742,582	403,354	478,535	508,960	488,117
Unallocated Employee Benefits				516,032	503,458	474,924
Nonbudgeted Expenditures	99,744	76,310	51,229	209,863	234,015	220,155
<b>Capital Outlay</b>				15,500		35,143
<b>Total Expenditures</b>	<b>6,026,858</b>	<b>6,034,150</b>	<b>6,131,331</b>	<b>6,520,442</b>	<b>6,020,395</b>	<b>6,016,693</b>
<b>Excess (Deficiency) of Revenues</b>						
Over/(Under) Expenditures	629,865	616,656	228,338	444,948	(81,341)	(398,322)
<b>Other Financing Sources/(Uses):</b>						
Cancellation of Prior Year Receivables						(17,167)
Transfer Out	(49,575)		(27,332)			
Cancellation of Prior Year Accounts Receivable		16,445	(44,775)			
<b>Total Other Financing Sources/(Uses)</b>	<b>(49,575)</b>	<b>16,445</b>	<b>(72,107)</b>			<b>(17,167)</b>
<b>Net Change in Fund Balances</b>	<b>\$580,290</b>	<b>633,101</b>	<b>156,231</b>	<b>444,948</b>	<b>(81,341)</b>	<b>(415,489)</b>

Source: District records

**BEVERLY CITY SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST SIX FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	TRANSPORTATION FEES	MISCELLANEOUS	TOTAL
2010	\$1,619			17,252	18,871
2009	5,810		7,644	33,269	46,723
2008	12,128		8,915	19,063	40,106
2007	15,141	8,654	10,287	54,802	88,884
2006	16,143		8,643	174,212	198,998
2005	8,517	1,700	6,216	4,767	21,200
Total	<u>\$59,358</u>	<u>10,354</u>	<u>41,705</u>	<u>303,365</u>	<u>414,782</u>

Source: District records

**BEVERLY CITY SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST FIVE FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2009	\$960,300	75,849,800	4,268,200	1,932,700	800,400	83,811,400	177,817	83,989,217	3.191	154,948,050
2008	906,100	75,458,000	4,436,900	2,130,200	400,000	83,331,200	90,800	83,422,000	3.103	151,158,917
2007	709,500	75,064,400	4,595,300	2,130,200	800,400	83,299,800	95,244	83,395,044	3.031	135,328,369
2006	661,100	74,892,500	4,544,800	1,954,100	800,400	82,852,900	103,532	82,956,432	2.894	119,496,353
2005	621,500	75,056,900	4,534,800	1,954,100	797,400	82,964,700	132,506	83,097,206	2.654	105,506,252

**BEVERLY CITY SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST FIVE FISCAL YEARS**  
*(Rate per \$100 of Assessed Value)*

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE LOCAL SCHOOL	OVERLAPPING RATES				FIRE DISTRICT	TOTAL DIRECT AND OVERLAPPING TAX RATE
		CITY OF BEVERLY	BURLINGTON COUNTY	COUNTY OPEN SPACE			
2009	3.191	1.444	0.706	0.075	0.159	5.575	
2008	3.103	1.422	0.629	0.072	0.159	5.385	
2007	3.031	1.437	0.617	0.065	0.160	5.310	
2006	2.894	1.433	0.578	0.058	0.161	5.124	
2005	2.654	1.423	0.530	0.051	0.161	4.819	

Source: Municipal Tax Collector

**BEVERLY CITY SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAX PAYERS,  
 CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

NOT AVAILABLE

## EXHIBIT J-9

**BEVERLY CITY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST SIX FISCAL YEARS**

YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		CURRENT TAX COLLECTIONS	PERCENTAGE OF LEVY
2010	\$2,702,584	2,698,379	99.84%
2009	2,652,124	2,652,124	100.00%
2008	2,550,119	2,550,119	100.00%
2007	2,504,756	2,504,756	100.00%
2006	2,295,831	2,295,831	100.00%
2005	2,115,604	2,115,604	100.00%

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

## EXHIBIT J-10

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST FIVE FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	CAPITAL LEASES			
2010	35,836	35,836	-	-
2009	70,064	70,064	-	-
2008	102,755	102,755	-	-
2007	140,367	140,367	-	-
2006	171,500	171,500	-	-

EXHIBIT J-11

**BEVERLY CITY SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**THE DISTRICT HAS NO DEBT OUTSTANDING**

EXHIBIT J-12

**BEVERLY CITY SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2010**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes: County of Burlington	\$395,252,496	0.295%	<u>\$1,165,995</u>
Subtotal, Overlapping Debt			<u>1,165,995</u>
Total Direct & Overlapping Debt			<u><u>\$1,165,995</u></u>

Sources: Burlington County 2008 Abstract of Ratables, Beverly City, County of Burlington

**BEVERLY CITY SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST SEVEN FISCAL YEARS**

	FISCAL YEAR						
	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$5,843,601	5,843,601	5,363,873	4,779,245	4,264,755	3,890,811	3,655,492
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$5,843,601</u>	<u>5,843,601</u>	<u>5,363,873</u>	<u>4,779,245</u>	<u>4,264,755</u>	<u>3,890,811</u>	<u>3,655,492</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit							

**Legal Debt Margin Calculation for Fiscal Year 2010**

	Equalized Valuation Basis
	2009 154,948,050
	2008 151,158,917
	2007 <u>135,328,369</u>
	<u>\$438,270,102</u>
Average Equalized Valuation of Taxable Property	<u>\$146,090,034</u>
Debt Limit (4 % of Average Equalization Value)	5,843,601
Net Bonded School Debt	-
Legal Debt Margin	<u>\$5,843,601</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**BEVERLY CITY SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	BURLINGTON COUNTY	
		PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2009	2,572	NA	19.10%
2008	2,569	46,564	NA
2007	2,590	45,463	NA
2006	2,651	43,551	9.50%
2005	2,670	40,520	4.10%
2004	2,684	38,575	8.70%
2003	2,679	36,908	7.60%
2002	2,675	36,314	8.40%
2001	2,657	36,019	8.30%
2000	2,660	35,044	5.80%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income estimated

<sup>c</sup> Per Capita information provided by the US Department of Commerce, Bureau of Economic Analysis

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**COUNTY OF BURLINGTON  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

INFORMATION NOT AVAILABLE

**BEVERLY CITY SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST FIVE FISCAL YEARS**

Function/Program	2010	2009	2008	2007	2006
<b>Instruction:</b>					
Regular	14	15	15	13	16
Special Education	7	7	7	5	5
Other Instruction	4	5	5	5	5
<b>Support Services:</b>					
Student & Instruction Related Services	11	5	7	5	5
School Administrative Services	3	2	2	1	1
General Administrative Services	3	2	2	1	1
Plant Operations & Maintenance	2	2	2	1	1
Business & Other Support Services	5	3	2		
<b>Total</b>	<b>49</b>	<b>41</b>	<b>42</b>	<b>31</b>	<b>34</b>

Source: District Personnel Records

**BEVERLY CITY SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST SIX FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2010	237	\$6,569,841	27,721	-3.98%	25	9.5/1	227.8	213.5	3.2%	93.72%
2009	219	6,437,662	29,396	2.89%	23	10/1	221.1	207.4	-1.1%	93.80%
2008	220	6,750,407	30,684	-7.20%	22	10/1	220.1	201.9	-1.6%	91.73%
2007	223	6,437,662	28,868	27.00%	24	10/1	223.5	209.0	-18.8%	93.51%
2006	271	7,055,573	26,035	5.81%	26	9.6/1	271.2	253.6	-6.8%	93.51%
2005	289	7,111,102	24,606		26	11/1	289.2	265.2	-6.4%	91.70%

Sources: District records

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

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**BEVERLY CITY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary School:										
Square Feet	30,354	30,354	30,354	30,354	30,354	30,354	30,354	30,354	30,354	30,354
Capacity (Students)	286	286	286	286	286	286	286	286	286	286
Enrollment	234	219	220	223	271	289	NA	NA	NA	NA

Number of Schools at June 30, 2010:  
Elementary = 1

Source: District Facilities Office

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

∞

**BEVERLY CITY SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

	2010	2009	2008	2007	2007	2006	2004	2003	2002	2001	TOTAL
∞ Elementary School	\$45,160	25,945	31,954	44,123	55,686	41,500	53,509	49,865	40,313	49,412	437,467
Total School Facilities	\$45,160	25,945	31,954	44,123	55,686	41,500	53,509	49,865	40,313	49,412	437,467

\* 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

**BEVERLY CITY SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2010**

	COVERAGE
<b>Commercial Package Policy - SAIF</b>	
Building, Contents, Extra Expense Valuable Papers	\$5,200,000
	(Blanket Aggregate)
Liability (General & Auto)	5,000,000
Automobile Liability	5,000,000
Crime	100,000
Student Accident - SAIF	1,000,000
School Board Legal Liability - SAIF	5,000,000
Workers Compensation - SAIF	Statutory Plus Supplement
Public Official Bonds - Selective Insurance Company:	
Treasurer of School Monies	200,000
Board Secretary/Business Administrator	175,000

Source: District records

**SINGLE AUDIT SECTION**





Certified Public Accountants & Consultants

EXHIBIT K-1

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

Honorable President and Members  
of the Board of Education  
Beverly City School District  
County of Burlington  
Beverly, New Jersey 08010

We have audited the financial statements of the Beverly City School District, 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 September 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Beverly City 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over 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 Beverly City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other

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**TOMS RIVER OFFICE**

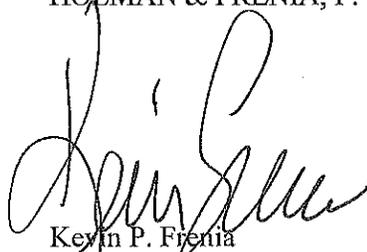
10 Allen Street, Suite 2B • Toms River, NJ 08753  
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matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

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

Medford, New Jersey  
September 3, 2010



Certified Public Accountants & Consultants

EXHIBIT K-2

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

Honorable President and Members  
of the Board of Education  
Beverly City School District  
County of Burlington  
Beverly, New Jersey 08010

**Compliance**

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

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

In our opinion, the Board of Education of the Beverly City School District, County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.

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## Internal Control Over Compliance

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

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

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

Respectfully submitted,

HOLMAN & ERENIA, P. C.



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

Medford, New Jersey  
September 3, 2010

**BEVERLY CITY BOARD OF EDUCATION  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT OR FEDERAL STATE CFDA PROJECT AWARD NUMBER NUMBER AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2009	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	DEFERRED REVENUE AT JUNE 30, 2010	DUE TO GRANTOR JUNE 30, 2010
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>								
ARRA Food Service Equipment	10.579		\$5,130	7/1/09-6/30/10		5,130	(5,130)	
Food Distribution Program	10.550		\$7,160	7/1/09-6/30/10		7,160	(7,160)	
National School Lunch Program	10.555		51,124	7/1/09-6/30/10		48,494	(51,124)	(2,630)
National School Lunch Program	10.555		55,245	7/1/08-6/30/09		2,855		
Breakfast Program	10.553		13,857	7/1/09-6/30/10		13,148	(13,857)	(709)
Breakfast Program	10.553		16,600	7/1/08-6/30/09		950		
Total U.S. Department of Agriculture			(3,805)	77,737	(77,271)	(3,339)		
<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>								
<b>Special Revenue Fund:</b>								
Title I	84.010		173,416	9/1/08-8/31/09		55,500	(12,189)	(15,042)
Title I	84.010		178,430	9/1/09-8/31/10		81,267	(133,244)	(51,977)
Title I SINI	84.010		10,024	9/1/09-8/31/10			(4,112)	(4,112)
Title I SIA	84.010		10,042	9/1/08-8/31/09		10,042		10,042
ARRA Title I	84.389		108,884	9/1/09-8/31/11		45,901	(91,476)	(45,575)
ARRA Title I SIA	84.389		34,576	9/1/09-8/31/11			(30,573)	(30,573)
Title II A	84.281		35,431	9/1/08-8/31/09		155	(3,749)	(14,750)
Title II A	84.281		36,953	9/1/06-8/31/07		349		349
Title II A	84.281		37,246	9/1/07-8/31/08		22,515		22,515
Title II A	84.281		35,906	9/1/09-8/31/10			(19,859)	(19,859)
Title II D	84.281		1,440	9/1/08-8/31/09		1,440		
Title IV	84.186A		2,411	9/1/08-8/31/09		1,000		
Title IV	84.186A		3,586	9/1/07-8/31/08		2,206		2,206
Title V	84.298		814	9/1/06-8/31/07		3		3
Title V	84.298		704	9/1/07-8/31/08		704		704
I.D.E.A. Part B, Basic Regular	84.027		111,076	9/1/08-8/31/09		36,597	(5,527)	
I.D.E.A. Part B, Basic Regular	84.027		112,488	9/1/09-8/31/10		112,488	(112,488)	
ARRA I.D.E.A. Part B, Basic Regular	84.391		80,966	7/1/09-8/31/11			(33,207)	(33,207)
I.D.E.A. Part B, Preschool	84.173		2,693	9/1/08-8/31/09		214	(214)	
I.D.E.A. Part B, Preschool	84.173		2,712	9/1/09-8/31/10		2,712	(2,712)	
ARRA I.D.E.A. Part B, Part B, Preschool	84.392		2,912	7/1/09-8/31/11			(2,912)	(2,912)
Total Special Revenue Fund			(67,200)	337,274	(452,262)	(218,007)	10,042	25,777
<b>General Fund:</b>								
ARRA - Education Stabilization Fund	84.394		345,384	9/1/09-8/31/10		307,008	(345,384)	(38,376)
ARRA - Government Services Fund	84.397		13,370	9/1/09-8/31/10		11,884	(13,370)	(1,486)
Medicaid	93.778		6,274	7/1/07-6/30/08		4,336	(6,274)	(1,938)
Total General Fund				323,228	(365,028)	(41,800)		
Total U.S. Department of Education			(67,200)	660,502	(817,290)	(259,807)	10,042	25,777
Total Federal Financial Assistance			(\$71,005)	738,239	(894,561)	(263,146)	10,042	25,777

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BEVERLY CITY BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2009			(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	DEFERRED REVENUE/ INTERFUNDS PAYABLE AT JUNE 30, 2010	MEMO	
				CASH RECEIVED	BUDGETARY EXPENDITURES	BUDGETARY RECEIVABLE			CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:										
General Fund:										
Categorical Transportation Aid	10-495-034-5120-014	\$238,660	7/1/09-6/30/10		238,660	(238,660)			(163,891)	238,660
Categorical Special Education Aid	10-495-034-5120-089	147,958	7/1/09-6/30/10		147,958	(147,958)			(19,783)	147,958
Equalization Aid	10-495-034-5120-078	1,618,443	7/1/09-6/30/10		1,618,443	(1,618,443)			(12,264)	1,618,443
Categorical Security Aid	10-495-034-5120-084	72,271	7/1/09-6/30/10		72,271	(72,271)			(5,990)	72,271
Adjustment Aid	10-495-034-5120-085	1,279,907	7/1/09-6/30/10		1,279,907	(1,279,907)			(108,114)	1,279,907
Extraordinary Aid	10-495-034-5120-044	58,923	7/1/09-6/30/10			(58,923)	(58,923)			58,923
Extraordinary Aid	09-100-034-5120-473	100,922	7/1/08-6/30/09	(\$100,922)	100,922					
Non-Public Transportation	10-495-034-5120-014	3,664	7/1/09-6/30/10			(3,664)	(3,664)			
Non-Public Transportation	09-495-034-5120-014	6,090	7/1/08-6/30/09	(6,090)	6,090					3,664
Nonbudgeted:										
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	118,383	7/1/09-6/30/10		112,433	(118,383)	(5,950)			118,383
TPAF Pension Contribution	10-495-034-5095-001	126,614	7/1/09-6/30/10		125,257	(125,257)				125,257
Total General Fund				(107,012)	3,701,941	(3,663,466)	(68,537)		(310,042)	3,663,466
Special Revenue Fund:										
Early Childhood Program Aid	07-495-034-5120-025	247,915	7/1/06-6/30/07		5,012			5,012		
Early Childhood Program Aid	08-495-034-5120-025	247,915	7/1/07-6/30/08		13,212			13,212		
Preschool Education	09-495-034-5120-086	163,490	7/1/08-6/30/09	16,247	16,349	(32,596)				163,490
Preschool Education	10-495-034-5120-086	163,490	7/1/09-6/30/10		141,520	(157,869)	(16,349)			157,869
Demonstrably Effective Program Aid	06-495-034-5064-002	122,815	7/1/05-6/30/06		730			730		
Demonstrably Effective Program Aid	08-495-034-5064-002	122,815	7/1/07-6/30/08		10,022			10,022		
Distance Learning Network Aid	03-100-034-5120-348	18,142	7/1/02-6/30/03		3,508			3,508		
Targeted At Risk Aid	08-495-034-5120-005	83,000	7/1/07-6-30/08		8,521			8,521		
Teacher Mentor Aid	05-495-034-5120-052	3,027	7/1/04-6/30/05		1,145			1,145		
Teacher Mentor Aid	06-495-034-5120-052	321	7/1/05-6/30/06		321			321		
Teacher Mentor Aid	07-495-034-5120-052	592	7/1/06-6/30/07		592			592		
Character Education Aid	07-495-034-5120-071	4,000	7/1/04-6/30/05		2,600			2,600		
Character Education Aid	08-495-034-5120-071	4,000	7/1/01-6/30/02		1,570			1,570		
Initiative for the Development of Early Achievement in Literacy	07-100-034-5063-H300-2	50,000	7/1/06-6/30/07		66			66		
Total Special Revenue Fund				63,546	157,869	(190,465)	(16,349)	47,299		321,359
Food Service Fund:										
Breakfast Program (State Share)	10-100-010-3360-096	861	7/1/09-6/30/10		817	(861)	(44)			861
Breakfast Program (State Share)	09-100-010-3360-096	1,054	7/1/08-6/30/09	(60)	60					
National School Lunch Program (State Share)	10-100-010-3360-067	2,105	7/1/09-6/30/10		1,996	(2,105)	(109)			2,105
National School Lunch Program (State Share)	09-100-010-3360-067	2,374	7/1/08-6/30/09	(122)	122					
Total Food Service Fund				(182)	2,995	(2,966)	(153)			2,966
Total State Financial Assistance				(\$43,648)	3,862,805	(3,856,897)	(85,039)	47,299	(310,042)	3,987,791

**BEVERLY CITY BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2010**

**Note 1. General**

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

**Note 2. Basis of Accounting**

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

**Note 3. Relationship to Basic Financial Statements**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(93,226) for the general fund and \$(16,349) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

**BEVERLY CITY BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2010**

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

	State	Federal	Total
General Fund	\$3,570,240	\$365,028	\$3,935,268
Special Revenue Fund	174,116	452,262	626,379
Food Service Fund	<u>2,966</u>	<u>77,271</u>	<u>80,237</u>
Total Financial Assistance	<u>\$3,747,322</u>	<u>\$894,561</u>	<u>\$4,641,883</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Other**

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

**Note 6. Federal and State Loans Outstanding**

Beverly City Board of Education had no loan balances outstanding at June 30, 2010.

**BEVERLY CITY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs:**

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. – Part B
84.394	A.R.R.A – Education Stabilization Fund

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

**CITY OF BEVERLY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified? No

2) Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to basic financial Statements noted? No

**State Awards**

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

Auditee qualified as low-risk auditee? No

Type of auditor’s report issued on compliance for major programs Unqualified

Internal Control over major programs:

1) Material weakness(es) identified? No

2) Significant deficiencies identified that are not considered To be material weaknesses? No

Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 No

**Identification of major programs:**

GMIS Number(s)	Name of State Program
10-495-034-5120-078	Equalization Aid
10-495-034-5120-085	Adjustment Aid

**CITY OF BEVERLY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section II – Financial Statement Findings**

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

No Current Year Findings

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

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

No Current Year Findings

**CITY OF BEVERLY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2010**

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

**Status of Prior Year Findings:**

**Finding 2008-03:**

**Condition:**

A review of the District's fund balance accounts revealed deficits in the District's General Fund and Enterprise Fund. In obtaining an understanding of the Districts budgeting process it is apparent that an adequate amount of realizable revenue is not being budgeted to cover the Districts operating expenditures.

**Current Status:**

This condition has been corrected.

**Finding 2008-04:**

**Condition:**

The District had three advertised appropriation account that had transfers in excess of 10% of the original budget without County Superintendant approval.

**Current Status:**

This condition has been corrected

**Finding 2008-07:**

**Condition:**

The audit of the Application for State School Aid and DRTRS revealed the following:

**CITY OF BEVERLY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):  
For the Fiscal Year Ended June 30, 2010**

**Finding 2008-07 (continued):**

1. The District did not maintain or make available written internal procedures of the description of the October 15, 2007 count process.
2. The application for State School Aid contained minor discrepancies between the report and the District workpapers for On-Roll student classification.
3. The District had no record of workpapers to support the number of Related Services reported on the Application for State School Aid.
4. One student reported as Bilingual did not have testing administered under state guidelines.
5. Three B6T forms could not be located for nonpublic school students.
6. One Private School student who was no longer enrolled was reported on the Application for State School Aid under Private Schools for the Handicapped.

**Current Status:**

This condition has been corrected

**Finding 2009-01:**

**Condition:**

A review of the District's New Jersey Employer's Quarterly Tax Report 927 revealed that the first quarter of 2009's report was filed incorrectly resulting in a penalty of \$541.

**Current Status:**

This condition has been corrected.

**Finding 2009-02:**

**Condition:**

During review of the District's financial reports revealed an over-expenditure of one budgetary line account.

**Current Status:**

This condition has been corrected.

**CITY OF BEVERLY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):  
For the Fiscal Year Ended June 30, 2010**

**Finding 2009-03:**

**Condition:**

The Treasurer's and Board Secretary's reports were not in agreement.

**Current Status:**

This condition has been corrected.

**Finding 2009-04:**

**Condition:**

A review of the District's fund balance accounts deficits in the District's Enterprise Fund. It is apparent that an adequate amount of revenue is not being realized in order to cover the District's operating expenditures.

**Current Status:**

This condition has been corrected.