SCHOOL DISTRICT
OF

EDGEWATER PARK TOWNSHIP

Edgewater Park Township Board of Education
Edgewater Park, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

Comprehensive Annual Financial Report

of the

Edgewater Park Township Board of Education

Edgewater Park, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by
Edgewater Park Township Board of Education
Finance Department

EDGEWATER PARK SCHOOL DISTRICT

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Introductory Section

BOARD OF EDUCATION
EDGEWATER PARK TOWNSHIP

August 5, 2011

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

Dear Board Members,

The comprehensive annual financial report of the Edgewater Park Township School District for the fiscal year ending June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial sections include the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular 1-128, "Audits of State and Local Governments", and the State Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure; compliance with applicable laws and regulations; findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Edgewater Park Township School District is an independent reporting entity within the criteria adopted by the BASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Edgewater Park Township Board of Education and all its schools constitute the District's reporting entity.

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

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

Average Daily Enrollment
(Numbers taken from Fall Reports)

Fiscal Year	Student Enrollment	Percent Change
2011	853	-3%
2010	877	5.8%
2009	829	.24%
2008	827	4.5%
2007	865	1%
2006	875	6%

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

In 2010/2011 the school district again qualified for a Preschool Education Grant from the State of New Jersey. This revenue has allowed us to continue and maintain our 4-year old pre-kindergarten program.

3. MAJOR INITIATIVES: The goal of this district, to remain competitive with comparable communities in educational performance, was accomplished during the 2010-2011 school year.

Professional Development, as mandated by the state department, logs the number of hours each teacher spends during the course of the school year on professional improvement. Professional development activities were aligned with each individual professional development plan (PDP), and the results indicate that the vast majority of teachers far exceeded the suggested 20 hours per year, with all teachers successfully meeting their PDP for 2010/2011.

The 2010/2011 staff development program maintained the district's initiatives from the 2009/2010 school year. Staff members received updated in-service training by the School Psychologist on board policy, ***"Prohibiting and Intervening For Harassment, Intimidation and Bullying"***. Administrators will work with employees to identify and discipline students exhibiting objectionable behaviors. The district's curriculum will continue to correlate instruction to the Assessment of Skills & Knowledge (ASK) for grades 3, 4, 5, 6, & 7, the Grade Eight Proficiency Assessment (GEPA) and the NJ CORE Curriculum Standards. Teachers continue fulfilling the requirements established by the No Child Left Behind federal initiative that necessitates all teachers to meet the definition of a "highly qualified teacher".

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

Staff members are committed in their efforts to guarantee that our school system is up to date in the ever-changing world of technology and to make sure all students receive the proper tools to achieve. A full-time Computer Systems Senior Technician sets up and services all computers and is available to the staff for trouble-shooting, hardware questions/concerns and supplies. The district also employed an Instructional Technology Facilitator/Coordinator to work directly with the teaching staff and introduce them to enhanced technology, new software, and the techniques necessary to implement them in the classrooms. Internet connectivity is available in all classrooms and labs. The district received a $235,000 INCLUDE (Implementing New Curricular Learning with Universally Designed Experiences) Grant -Year 4, the final year of the grant, which targeted special education students in the middle school and integrated technology to improve their math skills.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

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

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect

Governmental Units from a loss of funds on deposit with a failed banking institution in NJ. The laws require governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9. OTHER INFORMATION:

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

10) ACKNOWLEDGMENTS:

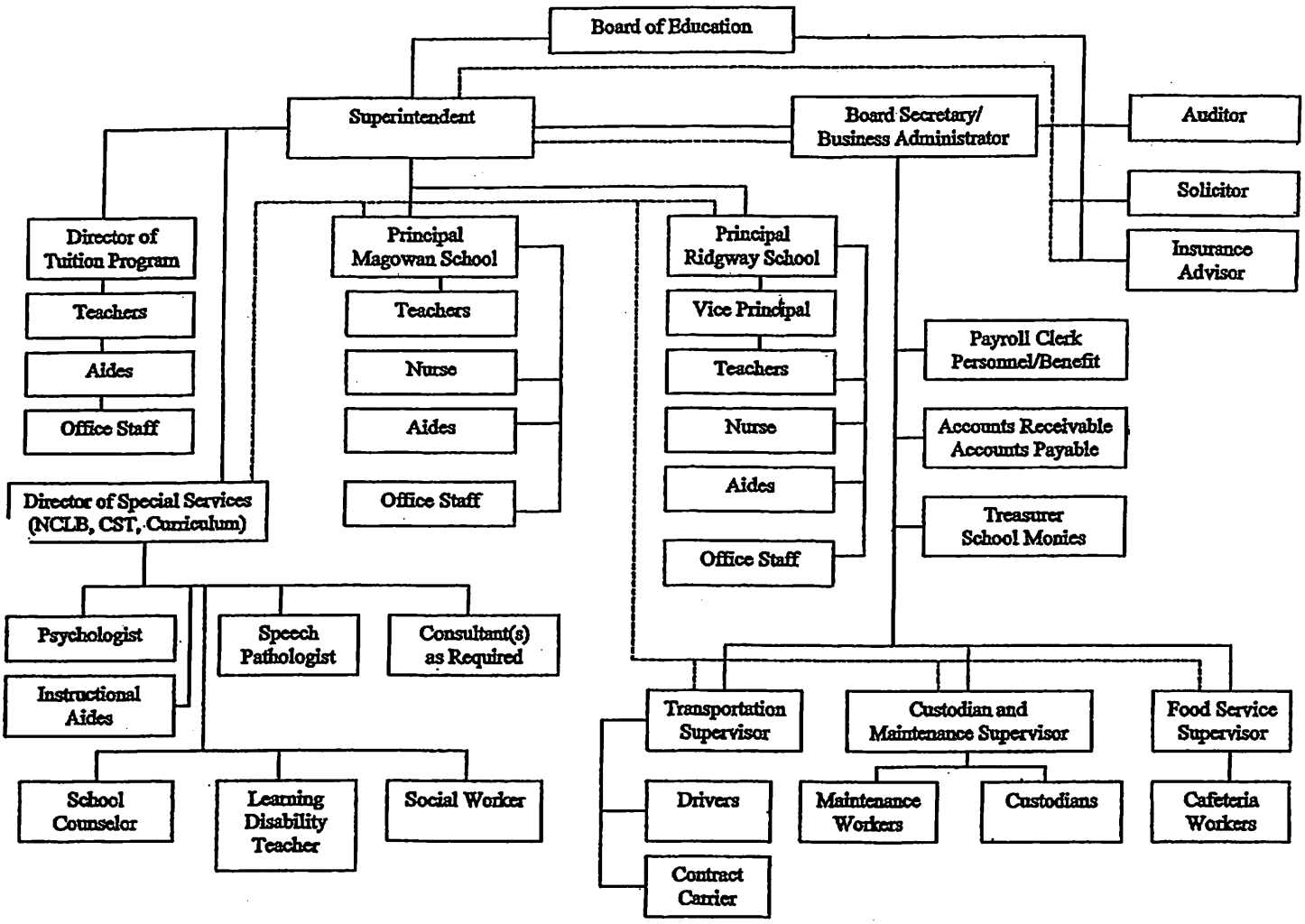
We would like to express our appreciation to the members of the Edgewater Park Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

Scott W. Streckenbein
Superintendent

Raymond Coxe
Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Line of Authority ———

Line of Cooperation - - - - - -

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS
JUNE 30, 2011

Members of the Board of Education:	Term Expires:
Karen Daly, President	2012
Matthew Coyle, Vice-President	2012
Dr. Gerald Gares	2013
John Alexander	2012
Susan Strasser	2014
Lester Holley	2014
Robert M. Notigan	2013
Jeffrey Jacobs	2013
Darren Atzert	2014

Other Officials:

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

Beneficial Savings Bank
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Philadelphia, PA 19106

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Registered Municipal Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Edgewater Park Township School District, in the County of Burlington, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, business-type activities, each major fund and the aggregate remaining fund information of the Edgewater Park Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2011 on our consideration of the Edgewater Park Township School District, in the County of Burlington, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Edgewater Park Township School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
August 5, 2011

INVERSO & STEWART, LLC

Certified Public Accountants
Registered Municipal Accountants

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New Jersey Society of CPAs

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Edgewater Park Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated August 5, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
August 5, 2011

Required Supplementary Information - Part I

Management's Discussion and Analysis

Edgewater Park Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

As management of the Board of Education of the Edgewater Park Township, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by $6,141,017 (*net assets)*.

- Governmental activities have an unrestricted net assets deficit of $1,007,367. The accounting treatments in the governmental funds for compensated absences payable and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance are primarily responsible for this deficit balance.

- The total net assets of the School District increased by $399,646, or a 6.9% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the payment of long-term debt ($356,816).

- Fund balance of the School District's governmental funds increased by $49,326 resulting in an ending fund balance of $2,500,260. The increase can be attributed to additional state and federal aid received by the School District.

- Business-type activities have unrestricted net assets of $1,683,111 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Services Program, After School Program and Tuition Program).

- The School District's long-term obligations decreased by $356,816 which is the net result of current year payments on existing debt obligations.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2011. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2011.

The assets of the primary government activities exceeded liabilities by $4,457,906 with an unrestricted deficit balance of $1,007,367. As mentioned earlier, the unrestricted net assets deficit balance is primarily due to the accounting treatment for compensated absences payable, the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

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

Net assets of $2,748,417 have been restricted as follows:

Reserved for future budget appropriation	$ 570,339
Designated for the 2011/12 budget	635,842
Capital projects	1,486,160
Reserved for debt service payments	56,076

Edgewater Park Township School District
Comparative Summary of Net Assets
As of June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Assets:						
Current assets	$ 2,729,333	$ 2,463,238	$ 1,666,276	$ 1,614,560	$ 4,395,609	$ 4,077,798
Capital assets	4,186,912	4,204,909	16,835	20,298	4,203,747	4,225,207
Total assets	6,916,245	6,668,147	1,683,111	1,634,858	8,599,356	8,303,005
Liabilities:						
Current Liabilities	573,157	370,868			573,157	370,868
Noncurrent Liabilities	1,885,182	2,190,766			1,885,182	2,190,766
Total liabilities	2,458,339	2,561,634			2,458,339	2,561,634
Net assets	$ 4,457,906	$ 4,106,513	$ 1,683,111	$ 1,634,858	$ 6,141,017	$ 5,741,371
Net assets consist of:						
Invested in capital assets, net of related debt	$ 2,716,856	$ 2,378,037	$ 16,835	$ 20,298	$ 2,733,691	$ 2,398,335
Restricted net assets	2,748,417	2,753,693			2,748,417	2,753,693
Unrestricted net assets (deficit)	(1,007,367)	(1,025,217)	1,666,276	1,614,560	658,909	589,343
Net assets	$ 4,457,906	$ 4,106,513	$ 1,683,111	$ 1,634,858	$ 6,141,017	$ 5,741,371

Governmental Activities

Governmental activities increased the net assets of the School District by $351,393 during the current fiscal year. Key elements of the increase in net assets for governmental activities are as follows:

- Actual expenditures of the budget were held to 91.76% of the amount budgeted.
- Long-term debt obligations were reduced by $356,816

Business-type Activities

Business-type activities increased the School District's net assets by $48,253. Key elements of the increase in net assets for business-type activities are as follows:

- Net loss from the tuition program decreased net assets by $3,198.
- Net profit from the after school program increased net assets by $55,613.
- Net loss from the food service program decreased net assets by $4,162.

Edgewater Park Township School District
Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues						
Charges for services			$ 1,371,588	$ 1,289,845	$ 1,371,588	$ 1,289,845
Operating grants and Contributions	$ 1,868,202	$ 1,920,292	201,438	211,314	2,069,640	2,131,606
General Revenues:						
Property Taxes	7,960,155	7,791,170			7,960,155	7,791,170
State Aid	6,022,648	6,152,782			6,022,648	6,152,782
State Aid restricted for Capital Projects		694,298				694,298
Other Revenues	175,327	206,073	9,795	11,082	185,122	217,155
Total Revenues	16,026,332	16,764,615	1,582,821	1,512,241	17,609,153	18,276,856
Expenses:						
Governmental Activities:						
Instruction	4,970,642	5,287,109			4,970,642	5,287,109
Tuition	3,751,993	3,230,821			3,751,993	3,230,821
Related Services	1,430,520	1,354,787			1,430,520	1,354,787
Administrative Services	1,034,885	1,023,282			1,034,885	1,023,282
Operations and Maintenance	942,418	729,597			942,418	729,597
Transportation	552,677	541,161			552,677	541,161
Unallocated benefits	3,006,220	3,007,955			3,006,220	3,007,955
Special Schools		12,244				12,244
Interest and other charges	52,107	88,177			52,107	88,177
Unallocated Depreciation	83,477	77,150			83,477	77,150
Business-Type Activities:						
Food Service Program			358,309	361,489	358,309	361,489
After School Program			109,262	111,190	109,262	111,190
Tuition Program			916,997	839,909	916,997	839,909
Total Expenses	15,824,939	15,352,283	1,384,568	1,312,588	17,209,507	16,664,871
Increase (Decrease) in Net Assets Before transfers	201,393	1,412,333	198,253	199,653	399,646	1,611,985
Transfers	150,000	178,841	(150,000)	(178,841)		
Changes in net assets	351,393	1,591,173	48,253	20,812	399,646	1,611,985
Net assets, July 1,	4,106,513	2,515,340	1,634,858	1,614,046	5,741,371	4,129,386
Net assets, June 30,	$ 4,457,906	$ 4,106,513	$ 1,683,111	$ 1,634,858	$ 6,141,017	$ 5,741,371

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of $2,500,260, an increase of $49,326 in comparison with the prior year. The increase is attributable to receiving additional federal and state aid in the amount of $16,220.

The unassigned fund balance for the School District at the end of the fiscal year reflects a deficit unassigned fund balance in the General Fund in the amount of $248,157 and $55,920 in the Debt Service Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) restricted cash reserved for future capital outlay expenditures ($1,722,439), 2) appropriated as a revenue source in the subsequent year's budget ($635,998), or 3) reserved for future budget appropriation in accordance with state statute ($334,060).

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

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

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget, as reflected on Exhibit C-1, during the year ($117,164) represents prior year-end encumbrances rolled over to the current year and state aid appropriated during the year.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was $293,131, while total fund balance (budgetary basis) was $2,749,193. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to $14,786,456. Unassigned fund balance (budgetary basis) represents 1.98% of expenditures while total fund balance (budgetary basis) represents 18.59% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2011, totaled $4,203,747 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was $21,460, or a 0,50% decrease. This decrease is primarily due to the current year depreciation offset by current year additions.

Edgewater Park Township School District
Capital Asset (net of accumulated depreciation)
June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Land	$ 7,953	$ 7,953			$ 7,953	$ 7,953
Construction in Progress	967,672	913,401			967,672	913,401
Site Improvements	6,993	10,624			6,993	10,624
Buildings and Building Improvements	2,950,441	3,026,952			2,950,441	3,026,952
Equipment	253,853	245,979	$ 16,835	$ 20,298	270,688	266,277
Net assets	$ 4,186,912	$ 4,204,909	$ 16,835	$ 20,298	$ 4,203,747	$ 4,225,207

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

Long-term debt – During the fiscal year ended June 30, 2011, the School District had total bonded debt outstanding of $1,171,000 backed by the full faith and credit of the School District. The School District also has capital lease agreements outstanding in the amount of $299,056 and compensated absences of $744,212 as of June 30, 2011.

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

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was $19,284,941 and the legal debt margin was $18,113,941.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The School District, along with many other public school systems in the state, still faces some difficult economic situations in the future since the primary funding source is local property tax revenue. The proposed budget for fiscal year 2011-2012 was approved by the residents of Edgewater Park as the district remained steadfast in maintaining programs while lessening the burden on taxpayers. Overall tax revenue for the 2011-2012 fiscal year was decreased by $188,000 or 2.37% compared to the 2010-2011 fiscal year. The District anticipates that it will withstand this decrease as it expects increased expenditures from rising costs of energy, health care, mandatory contributions to the retirement system, out of district tuition fees and rising insurance premiums. The District will also experience increased revenue from employee contributions towards their respective healthcare premiums.

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

Requests for Information

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

Basic Financial Statements

District-Wide Financial Statements

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	$ 235,081	$ 1,627,083	$ 1,862,164
Receivables, net	1,003,573	31,519	1,035,092
Inventory		7,674	7,674
Restricted assets:			
Cash and cash equivalents	1,486,160		1,486,160
Deferred bond issuance costs - net	4,519		4,519
Capital assets - net (Note 5)	4,186,912	16,835	4,203,747
Total Assets	6,916,245	1,683,111	8,599,356
LIABILITIES:			
Accounts payable	198,316		198,316
Intergovernmental payable			
Federal	2,929		2,929
Deferred revenue	23,309		23,309
Accrued interest payable	19,517		19,517
Noncurrent liabilities (Note 7):			
Due within one year	329,086		329,086
Due beyond one year	1,885,182		1,885,182
Total Liabilities	2,458,339		2,458,339
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	2,716,856	16,835	2,733,691
Restricted for:			
General Fund	969,902		969,902
Capital Projects	1,722,439		1,722,439
Debt Service	56,076		56,076
Unrestricted (Deficit)	(1,007,367)	1,666,276	658,909
Total Net Assets	$ 4,457,906	$ 1,683,111	$ 6,141,017

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:							
Instruction:							
Regular	$ 3,998,979		$ 334,097		$ (3,664,882)		$ (3,664,882)
Special Education	672,747				(672,747)		(672,747)
Other instruction	298,916				(298,916)		(298,916)
Support Services:							
Tuition	3,751,993		260,456		(3,491,537)		(3,491,537)
Student & instruction related services	1,430,520		287,459		(1,143,061)		(1,143,061)
General administrative services	395,186				(395,186)		(395,186)
School administrative services	377,620				(377,620)		(377,620)
Central services	262,079				(262,079)		(262,079)
Plant operations and maintenance	942,418		58,930		(883,488)		(883,488)
Pupil transportation	552,677				(552,677)		(552,677)
Unallocated employee benefits	3,006,220		829,045		(2,177,175)		(2,177,175)
Interest and other charges	52,107		98,215		46,108		46,108
Unallocated depreciation and amortization	83,477				(83,477)		(83,477)
Total Governmental Activities	15,824,939		1,868,202		(13,956,737)		(13,956,737)
Business-Type Activities:							
Food service	358,309	$ 152,709	201,438			$ (4,162)	(4,162)
After School Program	109,262	164,875				55,613	55,613
Tuition Program	916,997	1,054,004				137,007	137,007
Total Business-Type Activities	1,384,568	1,371,588	201,438			188,458	188,458
Total Primary Government	$ 17,209,507	$ 1,371,588	$ 2,069,640	$ -	(13,956,737)	188,458	(13,768,279)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					7,960,155		7,960,155
Federal and State aid not restricted					6,022,648		6,022,648
Investment Earnings					5,929	9,795	15,724
Miscellaneous Income					169,398		169,398
Transfers					150,000	(150,000)	
Total general revenues, special items, extraordinary items and transfers					14,308,130	(140,205)	14,167,925
Change in Net Assets					351,393	48,253	399,646
Net Assets - July 1, 2010					4,106,513	1,634,858	5,741,371
Net Assets - June 30, 2011					$ 4,457,906	$ 1,683,111	$ 6,141,017

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

Fund Financial Statements

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 173,835	$ (87,770)	$ 92,940	$ 56,076	$ 235,081
Receivables, net					
Local tax levy	663,346				663,346
State aid	34,362	10,386	143,339		188,087
Federal aid		152,140			152,140
Restricted assets:					
Cash and cash equivalents	1,486,160				1,486,160
Total Assets	$ 2,357,703	$ 74,756	$ 236,279	$ 56,076	$ 2,724,814
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	149,798	48,518			$ 198,316
Intergovernmental payable:					
Federal		2,929			2,929
Deferred revenues		23,309			23,309
Total Liabilities	149,798	74,756			224,554
Fund Balances:					
Restricted for:					
Capital reserve	1,486,160				1,486,160
Emergency reserve	262,000				262,000
Excess surplus	72,060				72,060
Assigned to:					
Subsequent year's budget	635,842		$ 236,279	$ 156	872,277
Unassigned	(248,157)			55,920	(192,237)
Total Fund Balances	2,207,905		236,279	56,076	2,500,260
Total Liabilities and Fund Balances	$ 2,357,703	$ 74,756	$ 236,279	$ 56,076	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $9,073,189 and the accumulated depreciation is $4,886,277.		4,186,912
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.		4,519
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
General Obligation Bonds	$ (1,171,000)	
Capital Lease Payable	(299,056)	
Accrued Interest Payable	(19,517)	
Compensated Absences Payable	(744,212)	
		(2,233,785)
Net assets of governmental activities		$ 4,457,906

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	$ 7,960,155				$ 7,960,155
Interest earned on capital reserve	5,929				5,929
Transportation fees from other LEA's	11,935				11,935
Transfer from other funds	150,000				150,000
Miscellaneous	157,463				157,463
Total local sources	8,285,482				8,285,482
State sources	6,851,693	$ 115,170		$ 98,215	7,065,078
Federal sources	3,384	765,921			769,305
Total Revenues	15,140,559	881,091		98,215	16,119,865
EXPENDITURES:					
Current expense:					
Regular instruction	3,610,303	334,097			3,944,400
Special education instruction	672,747				672,747
Other instruction	298,916				298,916
Support services and undistributed costs:					
Tuition	3,491,537	260,456			3,751,993
Student & instruction related services	1,143,061	287,459			1,430,520
General administrative services	380,423				380,423
School administrative services	377,620				377,620
Central services	262,079				262,079
Plant operations and maintenance	884,385				884,385
Pupil transportation	535,365				535,365
Unallocated employee benefits	3,006,220				3,006,220
Capital outlay	123,800	58,930	54,272		237,002
Debt service:					
Principal				233,000	233,000
Interest and other charges				55,869	55,869
Total Expenditures	14,786,456	940,942	54,272	288,869	16,070,539
Excess (Deficiency) of Revenues over (under) Expenditures	354,103	(59,851)	(54,272)	(190,654)	49,326
Other Financing Sources (Uses):					
Transfers from tuition program					
Transfers in			54,272	3,070	57,342
Transfers out	(57,342)				(57,342)
Total Other Financing Sources (Uses)	(57,342)		54,272	3,070	
Net Change in Fund Balances	296,761	(59,851)		(187,584)	49,326
Fund Balances - July 1, 2010	1,911,144	59,851	236,279	243,660	2,450,934
Fund Balances - June 30 , 2011	$ 2,207,905	$ -	$ 236,279	$ 56,076	$ 2,500,260

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2)		$ 49,326
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Governmental Funds report capital outlays 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 current period.		
Depreciation expense	$ (132,305)	
Fixed assets additions	114,308	
		(17,997)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		356,816
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.		(904)
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		3,762
In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)		(39,610)
Change in Net Assets of Governmental Activities		$ 351,393

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities Enterprise Funds			
	Food Service Fund	After School Program	Tuition Program	Total
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 24,440	$ 586,507	$ 1,016,136	$ 1,627,083
Intergovernmental receivables:				
Federal	22,232			22,232
State	547			547
Tuition fees			8,740	8,740
Inventories	7,674			7,674
Total current assets	54,893	586,507	1,024,876	1,666,276
Noncurrent assets:				
Machinery and equipment (net of accumulated depreciation)	16,835			16,835
Total noncurrent assets	16,835			16,835
Total Assets	71,728	586,507	1,024,876	1,683,111
LIABILITIES:				
Current Liabilities:				
Accounts payable				
Total current liabilities				
NET ASSETS:				
Invested in capital assets	16,835			16,835
Unrestricted	54,893	586,507	1,024,876	1,666,276
Total Net Assets	$ 71,728	$ 586,507	$ 1,024,876	$ 1,683,111

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds			
	Food Service Fund	After School Program	Tuition Program	Totals
Operating Revenues:				
Charges for Services:				
Daily sales:				
Reimbursable programs	$ 108,056			$ 108,056
Non-reimbursable programs	44,653			44,653
Program fees		$ 164,875	$ 1,054,004	1,218,879
Total Operating Revenue	152,709	164,875	1,054,004	1,371,588
Operating Expenses:				
Salaries and fringe benefits	150,761	104,167	865,521	1,120,449
Supplies and materials	9,554	475	5,250	15,279
Management fee	25,096			25,096
Purchased prof. - technical services	1,398		38,191	39,589
Travel			173	173
Other costs	9,119	4,620	433	14,172
Rental costs			3,963	3,963
Utilities			3,466	3,466
Depreciation	3,463			3,463
Cost of sales	158,918			158,918
Total Operating Expenses	358,309	109,262	916,997	1,384,568
Operating Income (Loss)	(205,600)	55,613	137,007	(12,980)
Non-Operating Revenues:				
State sources:				
State school lunch program	4,200			4,200
Federal sources:				
National school lunch program	149,553			149,553
National school breakfast program	26,210			26,210
Special milk program	1,044			1,044
Snack program	3,152			3,152
Food distribution program	17,279			17,279
Local sources:				
Interest earned			9,795	9,795
Total Non-Operating Revenues	201,438		9,795	211,233
Income (Loss) before Contributions and Transfers	(4,162)	55,613	146,802	198,253
Operating Transfer in (out)			(150,000)	(150,000)
Changes in Net Assets	(4,162)	55,613	(3,198)	48,253
Net Assets - July 1, 2010	75,890	530,894	1,028,074	1,634,858
Net Assets - June 30, 2011	$ 71,728	$ 586,507	$ 1,024,876	$ 1,683,111

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds			
	Food Service Fund	After School Program	Tuition Program	Total
Cash Flows from Operating Activities:				
Cash receipts from customers	$ 152,709	$ 164,875	$ 1,065,074	$ 1,382,658
Cash payments to employees for services	(150,761)	(104,167)	(865,521)	(1,120,449)
Cash payments to suppliers for goods and services	(197,333)	(8,166)	(51,476)	(256,975)
Net Cash Provided by (used for) Operating Activities	(195,385)	52,542	148,077	5,234
Cash Flows from Noncapital Financing Activities:				
Cash received from state sources	4,239			4,239
Cash received from federal sources	187,302			187,302
Operating transfer in (out)			(150,000)	(150,000)
Net Cash Provided by (used for) Noncapital Financing Activities	191,541		(150,000)	41,541
Cash Flows Used by Capital and Related Financing Activities:				
Purchase of equipment				
Cash Flow Provided by Investing Activities:				
Interest on cash equivalents			9,795	9,795
Net increase (decrease) in cash and cash equivalents	(3,844)	52,542	7,872	56,570
Cash and cash equivalents - July 1, 2010	28,284	533,965	1,008,264	1,570,513
Cash and cash equivalents - June 30, 2011	$ 24,440	$ 586,507	$ 1,016,136	$ 1,627,083
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Operating Income (Loss)	$ (205,600)	$ 55,613	$ 137,007	$ (12,980)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:				
Depreciation	3,463			3,463
Change in Assets and Liabilities:				
(Increase) decrease in accounts receivable	3,071		11,070	14,141
(Increase) decrease in inventories	3,681	(3,071)		610
Increase (decrease) in accounts payable				
Net Cash Provided by (used for) Operating Activities	$ (195,385)	$ 52,542	$ 148,077	$ 5,234

Noncash Noncapital Financing Activities:
During the year the District received $17,279 of food commodities from the U.S. Department of Agriculture.

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Trust Funds Unemployment Compensation Insurance Trust	Agency Funds
ASSETS:		
Cash and cash equivalents	$ 6,920	$ 99,584
Total Assets	6,920	$ 99,584
LIABILITIES:		
Payroll deductions payable		$ 59,860
Due to student groups		39,724
Total Liabilities		$ 99,584
NET ASSETS:		
Held in trust for unemployment claims and other purposes	$ 6,920	

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Insurance Trust
ADDITIONS:	
Contributions:	
Employee	$ 12,936
Total contributions	12,936
Investment earnings:	
Interest	115
Net investment earnings	115
Total Additions	13,051
DEDUCTIONS:	
Unemployment claims	26,418
Scholarships awarded	
Total Deductions	26,418
Change in Net Assets	(13,367)
Net assets - July 1, 2010	20,287
Net assets - June 30, 2011	$ 6,920

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Edgewater Park Township School District ("School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12 attend the Burlington City High School District on a tuition basis. The Edgewater Park Township School District has an approximate enrollment at June 30, 2011 of 853 students.

Criteria for determining if other entities are potential component units which should be reported within the School District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the School District is financially accountable and other organizations that the nature and significance of their relationship with the School District are such that exclusion would cause the School District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

Basis of Presentation

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

The School District's enterprise funds are:

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

Extended Day Program Fund - This fund accounts for the financial resources of the School District's extended day program. This program provides before and after school care to students.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (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 assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

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

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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 assigned 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2011 and 2010 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity – In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance – This classification reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the School District – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance – This classification reflects the amounts constrained by the School District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education and the Chief School Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted fund balances are available for use, it is the School District's policy to use externally restricted fund balances first, then unrestricted fund balance – committed, assigned, and unassigned – in order as needed.

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

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

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

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

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, state statutes requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling $4,006,798 at June 30, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey's multiple financial institution collateral pool as required by N.J.S.A. 17.9-41 et seq.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Balance – July 1, 2010		$ 787,573
Increased by:		
Interest earned	$ 5,929	
Board resolution	750,000	
		755,929
		1,543,502
Decreased by:		
Budget withdrawal		57,342
Balance – June 30, 2011		$ 1,486,160

The June 30, 2011 LRFP balance of local support costs of uncompleted projects is $2,056,214. The withdrawals from the capital reserve were for use in a DOE approved facilities projects, consistent with the School District's LRFP.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2011 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
Intergovernmental	$ 697,708	$ 162,526	$ 143,339	$ 22,779	$ 1,026,352
Other				8,740	8,740
Total Accounts Receivable	$ 697,708	$ 162,526	$ 143,339	$ 31,519	$ 1,035,092

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2011
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	$ 7,953			$ 7,953
Construction in progress	913,401	$ 54,271		967,672
Total capital assets, not being Depreciated	921,354	54,271		975,625
Capital Assets, being depreciated:				
Site Improvements	131,508			131,508
Building and Building Improvements	6,575,842			6,575,842
Equipment	1,330,177	60,037		1,390,214
Totals at historical cost	8,037,527	60,037		8,097,564
Less Accumulated Depreciation:				
Site Improvements	(120,884)	(3,631)		(124,515)
Building and Building Improvements	(3,548,890)	(76,511)		(3,625,401)
Equipment	(1,084,198)	(52,163)		(1,136,361)
Totals accumulated depreciation	(4,753,972)	(132,305)		(4,886,277)
Total Capital Assets, being depreciated, net	3,283,555	(72,268)		3,211,287
Governmental Activities Capital Assets, Net	$ 4,204,909	$ (17,997)		$ 4,186,912
Business-Type Activities:				
Capital Assets, being depreciated:				
Equipment	$ 280,521			$ 283,620
Less accumulated depreciation	(263,322)	$ (3,463)		(266,785)
Business-Type Activities Capital Assets, Net	$ 20,298	$ (3,463)		$ 16,835

5. CAPITAL ASSETS (Continued)

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

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

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	$ 5,901
Supplies	1,773
	$ 7,674

7. LONG-TERM OBLIGATIONS

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

	Principal Outstanding July 1, 2010	Additions	Reductions	Principal Outstanding June 30, 2011	Amounts Due Within One Year
Compensated Absences	$ 704,602	$ 39,610		$ 744,212	
Capital Leases Payable	422,872		$ 123,816	299,056	$ 96,086
General Obligation Bonds	1,404,000		233,000	1,171,000	233,000
	$ 2,531,474	$ 39,610	$ 356,816	$ 2,214,268	$ 329,086

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

2006 General Obligation Bonds dated August 15, 2006 in the amount of $1,171,000 due in annual installments through February 1, 2016, bearing interest rate of 3.75 % to 4.00%.

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2012	$ 233,000	$ 46,840	$ 279,840
2013	233,000	37,520	270,520
2014	233,000	28,200	261,200
2015	233,000	18,880	251,880
2016	239,000	9,560	248,560
	$ 1,171,000	$ 141,000	$ 1,312,000

7. LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2011 the School District had no authorizations to issue additional bonded debt.

Compensated Absences

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

Capital Leases Payable

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

Equipment	Maturity Date	Interest Rate	Total Value
Ground Lease	June 2011	3.70%	$ 600,000

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011:

Year ending June 30,	Principal	Interest	Total
2012	$ 96,086	$ 11,065	$ 107,151
2013	99,642	7,510	107,151
2014	103,328	3,823	107,151
	$ 299,056	$ 22,398	$ 321,453

8. OPERATING LEASES

At June 30, 2011, the School District had operating lease agreements in effect for copy machines. Rental payments under operating leases for the fiscal year ended June 30, 2011 were $30,449.

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

Fiscal Year Ending June 30,	Amount
2012	$ 28,289
2013	14,651
2014	14,651
Total future minimum lease payments	$ 57,591

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits. P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

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

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

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

Public Employees' Retirement System (PERS)

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

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

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

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

Fiscal Year	Normal Contribution	Accrued Liability	Non Contributory Life	Total Liability	Paid by School District
2011	$ 64,483	$ 102,750	$ 15,150	$ 182,383	$ 182,383
2010	55,622	71,468	17,624	144,714	144,714
2009	51,331	59,370	13,760	124,461	124,461

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists. In addition, to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no School District employees enrolled in the DCRP for the fiscal years ended June 30, 2011, 2010 and 2009.

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

10. POST-RETIREMENT BENEFITS

P.L. 1987, 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, 2010 there were 87,288 retirees receiving 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 pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

The State made post-retirement (PRM) contributions of $592.7 million for TPAF and $224.3 million for PERS in Fiscal Year 2009.

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

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2011, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement were $17,747 and $376,946, respectively. In addition, the State of New Jersey reimbursed the School District $434,352 during the fiscal year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

12. RISK MANAGEMENT

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

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

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

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010-2011	$ 115	$ 12,936	$ 26,418	$ 6,920
2009-2010	195	12,915	28,006	20,287
2008-2009	382	12,953	19,005	35,183

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit them to defer a portion of their current salary to all future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

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

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2011, the liability for compensated absences in the governmental activities and proprietary fund types was $744,212 and $0, respectively.

15. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2011, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

16. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of $248,157 in the General Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District can not recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of $248,157 is equal to or less than the June state aid payment.

17. DEFICIT UNRESTRICTED NET ASSETS

The governmental activities has a deficit in unrestricted net assets of $1,007,367 as of June 30, 2011. This deficit is attributable to the allocation of compensated absences balances payable, accrued interest payable and capital leases payable to unrestricted net assets.

18. FUND BALANCES

The School District has classified its fund balances with the following hierarchy:

Nonspendable – The School District does not have any nonspendable funds.

Spendable – The School District has classified the spendable fund balances as *Restricted, Assigned and Unassigned* and considered each to have been spent when expenditures are incurred. The School District currently has no funds classified as *Committed*.

Restricted Items:

Capital Reserve – As of June 30, 2011, the balance in the capital reserve account is $1,486,160. Of this amount $222,205 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2012 and $1,263,955 is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Emergency Reserve – As of June 30, 2011, the balance in the emergency reserve is $262,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

18. FUND BALANCES (Continued)

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is $72,060.

Assigned:

Designated for Subsequent Year's Expenditures – The School District has assigned a total of $872,277 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in the upcoming 2011-2012 budget. The amounts are $635,842 in the General Fund, $236,279 in the Capital Projects Fund and $156 in the Debt Service Fund.

Unassigned items - Represents the remainder of the School District's equity in governmental fund type balances. The balance at June 30, 2011 of $349,051 is allocated as follows: General Fund $293,131 and Debt Service Fund $55,920.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	$ 7,960,155		$ 7,960,155	$ 7,960,155	
Transportation Fees from Other LEA's	18,000		18,000	11,935	$ (6,065)
Interest earned on capital reserve	1,200		1,200	5,929	4,729
Transfers from other funds	150,000		150,000	150,000	
Unrestricted misc. revenues	142,000		142,000	157,463	15,463
Total local sources	8,271,355		8,271,355	8,285,482	14,127
State sources:					
Categorical special education aid	521,547	$ 23,370	544,917	544,917	
Equalization aid	5,408,297	(23,370)	5,384,927	5,384,927	
Extraordinary aid				10,400	10,400
Nonpublic transportation aid				2,436	2,436
On-behalf TPAF pension contrib.. (non-budgeted)				394,693	394,693
Reimbursed TPAF social security contribution (non-budgeted)				434,352	434,352
Total state sources	5,929,844		5,929,844	6,771,725	841,881
Federal sources:					
Medicaid reimbursement				3,384	3,384
Total state sources				3,384	3,384
TOTAL REVENUES	14,201,199		14,201,199	15,060,591	859,392
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Grades - Preschool	2,322		2,322	296	2,026
Grades - Kindergarten	302,310	27,400	329,710	326,096	3,614
Grades 1-5	1,825,410	(12,775)	1,812,635	1,732,499	80,136
Grades 6-8	1,048,846	93,550	1,142,396	1,140,151	2,245
Regular Programs - Home Instruction:					
Salaries of teachers	4,000	4,000	8,000	7,764	236
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	292,154	16,600	308,754	279,870	28,884
Purchased professional educational services	1,500	(600)	900		900
Purchased technical services	12,450	1,400	13,850	13,775	75
Other purchased services	25,920	(5,075)	20,845	20,450	395
General supplies	70,250	69,150	139,400	64,693	74,707
Textbooks	19,500	(2,650)	16,850	15,432	1,418
Other objects	1,000	8,850	9,850	9,277	573
Total - Regular Programs - Instruction	3,605,662	199,850	3,805,512	3,610,303	195,209

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

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EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Multiple Disabilities:					
Salaries of teachers	$ 111,905	$ (4,800)	$ 107,105	$ 106,811	$ 294
Other salaries for instruction	25,146	4,350	29,496	29,399	97
General supplies	1,000	(300)	700	195	505
Other objects	500		500		500
Total mulitple disabilities	138,551	(750)	137,801	136,405	1,396
Resource room/resource center:					
Salaries of teachers	481,453	54,600	536,053	533,945	2,108
General supplies	9,000	(6,250)	2,750	2,397	353
Other objects	500	(400)	100		100
Total resource room/resource center	490,953	47,950	538,903	536,342	2,561
Total Special Education - Instruction	629,504	47,200	676,704	672,747	3,957
Basic Skills/Remedial - Instruction					
Salaries of teachers	21,195	11,300	32,495	32,463	32
Other salaries for instruction	68,287	(3,000)	65,287	53,978	11,309
General supplies	500		500		500
Total basic skills/remedial - instruction	89,982	8,300	98,282	86,441	11,841
Bilingual Education - Instruction					
Salaries of teachers	142,855	(1,800)	141,055	128,789	12,266
Other salaries for instruction	29,590	1,800	31,390	30,386	1,004
Purchased professional educational services	3,000	(1,500)	1,500	1,226	274
General supplies	1,500	(1,100)	400	301	99
Other objects	500	(300)	200		200
Total bilingual education - instruction	177,445	(2,900)	174,545	160,702	13,843
School-Sponsored Cocurricular Act - Instruction:					
Salaries	45,864	(1,120)	44,744	31,424	13,320
Supplies and materials	1,000		1,000	873	127
Total school-sponsored cocurr. act. - instruct.	46,864	(1,120)	45,744	32,297	13,447
School-Sponsored Athletics - Instruction:					
Salaries	11,676	5,235	16,911	16,899	12
Purchased services	4,000	(1,484)	2,516	2,266	250
Supplies and materials	1,250	169	1,419	311	1,108
Total school-sponsored athletics - instruct.	16,926	3,920	20,846	19,476	1,370
Total Instruction	4,566,383	255,250	4,821,633	4,581,966	239,667
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	1,939,878	(126,000)	1,813,878	1,809,029	4,849
Tuition to other LEAs within the state - spec	743,305	(63,569)	679,736	675,957	3,779
Tuition to county vocational school - reg	250,000	5,000	255,000	255,000	
Tuition to county vocational school - spec	32,500	7,500	40,000	40,000	
Tuition to CSSD & Regional Day Schools	706,251	(201,555)	504,696	479,233	25,463
Tuition to priv. sch. for the disabled in state	204,140	75,000	279,140	183,869	95,271
Tuition - state facilities	48,449	3,177	51,626	48,449	3,177
Total undistributed expenditures - instruction	3,924,523	(300,447)	3,624,076	3,491,537	132,539

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

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EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health Services:					
Salaries	$ 110,505	$ 8	$ 110,513	$ 110,513	
Purchased professional and technical services	6,600	(8)	6,592	5,800	$ 792
Other purchased services	1,000		1,000		1,000
Supplies and materials	3,000		3,000	2,113	887
Other objects	500		500	335	165
Total health services	121,605		121,605	118,761	2,844
Speech, OT, PT & Related Services:					
Salaries	51,645	(51,500)	145		145
Purchased professional and educational services	84,896	102,200	187,096	187,035	61
Supplies and materials	1,500	1,750	3,250	1,751	1,499
Other objects	500		500		500
Total speech, ot, pt & related services	138,541	52,450	190,991	188,786	2,205
Guidance:					
Salaries of other professional staff	131,270	(875)	130,395	130,020	375
Salaries of secretarial and clerical assistants	37,512	875	38,387	37,752	635
Purchased prof. and educ. services	1,550		1,550		1,550
Other purchased prof. and tech. services	2,500	(1,000)	1,500		1,500
Other purchased services	1,000		1,000	215	785
Supplies and materials	2,500		2,500	50	2,450
Other objects	1,550		1,550		1,550
Total guidance	177,882	(1,000)	176,882	168,037	8,845
Child Study Teams:					
Salaries of other professional staff	299,390		299,390	284,794	14,596
Salaries of secretarial and clerical assistants	36,000	300	36,300	36,287	13
Other purchased prof. and tech. services	10,000	2,700	12,700	12,300	400
Other purchased services	4,423		4,423	3,681	742
Supplies and materials	5,000	(2,000)	3,000	2,999	1
Other objects	1,000		1,000	550	450
Total child study teams	355,813	1,000	356,813	340,611	16,202
Improvement of Instructional Services:					
Salaries of supervisors of instruction	123,955	(2,000)	121,955	79,399	42,556
Salaries of other professional staff	4,000		4,000		4,000
Other purchased prof. and tech. services	2,050	(750)	1,300		1,300
Other purchased services	1,550		1,550	214	1,336
Supplies and materials	1,421		1,421		1,421
Other objects	2,000	3,250	5,250	3,783	1,467
Total improvement of instructional services	134,976	500	135,476	83,396	52,080
Educational Media Services/School Library:					
Salaries	47,475		47,475	45,796	1,679
Salaries of technology coordinators	93,687		93,687	93,655	32
Purchased professional and technical services	21,000		21,000	300	20,700
Other purchased services	1,500		1,500		1,500
Supplies and materials	57,095		57,095	22,474	34,621
Other objects	500		500	20	480
Total educational media services/school library	221,257		221,257	162,245	59,012

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

(CONTINUED TO NEXT PAGE)

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional Staff Training Services:					
Salaries of supervisors of instruction	$ 27,730	$ 7,000	$ 34,730	$ 34,659	$ 71
Salaries of other professional staff	38,127		38,127	38,100	27
Other purchased professional and tech services	3,000		3,000	1,687	1,313
Other purchased services	11,750	(4,875)	6,875	5,911	964
Supplies and materials	1,000		1,000	868	132
Other objects	750		750		750
Total instructional staff training services	82,357	2,125	84,482	81,225	3,257
General Administration:					
Salaries	211,758	(170)	211,588	202,120	9,468
Legal services	19,500		19,500	19,500	
Audit fees	28,000	6,500	34,500	23,500	11,000
Architectural/engineering services		12,800	12,800	981	11,819
Other purchased professional services	7,500	1,700	9,200	9,036	164
Communications / telephone	73,566	10,500	84,066	57,284	26,782
BOE Other purchased services	6,500	(3,500)	3,000		3,000
Other purchased services	31,551	18,000	49,551	44,844	4,707
General supplies	2,000	2,000	4,000	3,109	891
BOE In-house training	250		250	69	181
Miscellaneous expenditures	3,100	9,670	12,770	12,764	6
BOE Membership dues and fees	8,700		8,700	7,216	1,484
Total general administration	392,425	57,500	449,925	380,423	69,502
School Administration:					
Salaries of principals/assist. principals	233,486	16,000	249,486	207,965	41,521
Salaries of secretarial and clerical assistants	122,160	800	122,960	121,923	1,037
Purchased professional and tech services	29,750	3,870	33,620	22,138	11,482
Other purchased services	8,204	4,900	13,104	8,995	4,109
Supplies and materials	4,000	8,330	12,330	11,930	400
Other objects	2,600	2,100	4,700	4,669	31
Total school administration	400,200	36,000	436,200	377,620	58,580
Central Services					
Salaries	186,100		186,100	183,713	2,387
Purchased professional services	20,786	14,689	35,475	29,986	5,489
Purchased technical services	8,000	5,500	13,500	12,430	1,070
Miscellaneous purchased services	6,920	1,100	8,020	5,853	2,167
Supplies and materials	2,000	(750)	1,250	786	464
Interest on lease purchase agreements	16,684	7,711	24,395	2,190	22,205
Other objects	3,050	1,000	4,050	3,569	481
Total Central services	243,540	29,250	272,790	238,527	34,263
Admin Info. Technology					
Purchased professional services	4,950	5,000	9,950	5,519	4,431
Purchased technical services	20,000	(12,000)	8,000	7,971	29
Other purchased services	1,550		1,550	1,305	245
Supplies and materials	6,240	2,750	8,990	8,757	233
Other objects	1,300		1,300		1,300
Total Admin Info Technology	34,040	(4,250)	29,790	23,552	6,238

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

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EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Required Maintenance School Facilities:					
Cleaning, repair and maintenance services	$ 45,000	$ (4,765)	$ 40,235	$ 25,688	$ 14,547
Total required maintenance school facilities	45,000	(4,765)	40,235	25,688	14,547
Custodial Services:					
Salaries	464,838	12,265	477,103	462,363	14,740
Purchased professional and technical services	27,750	1,000	28,750	22,073	6,677
Cleaning, repair and maintenance services	35,000	(1,000)	34,000	31,616	2,384
Other purchased property services	27,000	(6,056)	20,944	18,117	2,827
Insurance	55,500		55,500	53,872	1,628
Miscellaneous purchased services	500	500	1,000	625	375
General supplies	70,000	11,200	81,200	80,248	952
Energy (Natural Gas)	160,000	(49,479)	110,521	73,187	37,334
Energy (Electricity)	155,000	(4,200)	150,800	98,715	52,085
Energy (Oil)	6,000		6,000	716	5,284
Energy (Gasoline)	8,000		8,000	5,023	2,977
Other objects	3,500	3,000	6,500	4,575	1,925
Total custodial services	1,013,088	(32,770)	980,318	851,130	129,188
Care and Upkeep of Grounds:					
Cleaning, repair and maintenance services	3,000	1,000	4,000	3,720	280
General supplies	3,000	1,250	4,250	3,537	713
Total care & upkeep of grounds	6,000	2,250	8,250	7,257	993
Security:					
Purchased professional and technical services	2,500	(2,000)	500		500
Cleaning, repair and maintenance services	2,500		2,500	310	2,190
General supplies	1,000		1,000		1,000
Total security	6,000	(2,000)	4,000	310	3,690
Total operation & maint. of plant services	1,070,088	(37,285)	1,032,803	884,385	148,418
Student Transportation Services:					
Salaries for Pupil Trans (between home and school) - regular	37,700	3,000	40,700	40,656	44
Salaries for Pupil Trans (between home and school) - special	20,800	14,500	35,300	31,747	3,553
Salaries for Pupil Trans (not between home and school)	5,000	(3,000)	2,000		2,000
Management fee - ESC	4,500	(4,000)	500		500
Other purchased professional and tech services	1,500		1,500		1,500
Cleaning, repair and maintenance services	10,250		10,250	8,017	2,233
Contr. serv. (between home & sch) - vendor	381,000	(38,800)	342,200	341,754	446
Contr. serv. (not between home & sch) - vendor	10,000	(2,500)	7,500	5,307	2,193
Contr. serv. (Spl. Ed. students) - joint agree.	16,000	(8,500)	7,500	3,588	3,912
Contr. serv. (Spl. Ed. students) - ESC's	64,000	23,500	87,500	82,253	5,247
Contr. Serv. - Aid in Lieu of Payments - Nonpublic	16,840	(2,000)	14,840	12,818	2,022
Misc. purchased services - transportation	8,500	(2,800)	5,700	870	4,830
Supplies and materials	5,000		5,000		5,000
Transportation supplies	9,500	6,529	16,029	8,355	7,674
Miscellaneous expenditures	500		500		500
Total student transportation services	591,090	(14,071)	577,019	535,365	41,654

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

(CONTINUED TO NEXT PAGE)

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits - Employee Benefits:					
Social security contributions	$ 142,000	$ 42,935	$ 184,935	$ 184,865	$ 70
Other retirement contributions - PERS	146,381	41,000	187,381	182,627	4,754
Unemployment compensation	100,000	(91,100)	8,900		8,900
Workman's compensation	107,000	(5,000)	102,000	93,227	8,773
Health benefits	1,866,600	(46,900)	1,819,700	1,589,678	230,022
Tuition reimbursements	34,000	57,500	91,500	84,533	6,967
Other employee benefits	101,500	6,065	107,565	42,245	65,320
Total unallocated benefits - employee benefits	2,497,481	4,500	2,501,981	2,177,175	324,806
On-behalf TPAF pension contr. (non-budgeted)				394,693	(394,693)
Reimbursed TPAF social security contr. (non-budgeted)				434,352	(434,352)
Total Undistributed Expenditures	10,385,818	(173,728)	10,212,090	10,080,690	131,400
Total General Current Expense	14,952,201	81,522	15,033,723	14,662,656	371,067
CAPITAL OUTLAY:					
Interest on capital reserve	1,200	842	2,042		2,042
Equipment:					
Undist. expend. - admin info tech	10,000	(7,000)	3,000	2,100	900
Undist. expend. - security	5,000	7,000	12,000	11,463	537
Total Equipment	15,000		15,000	13,563	1,437
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements - Principal	107,152	34,800	141,952	107,151	34,801
Other objects	3,086		3,086	3,086	
Total Facilities Acquisition and Constr. Services	110,238	34,800	145,038	110,237	34,801
Total Capital Outlay	126,438	35,642	162,080	123,800	38,280
TOTAL EXPENDITURES	15,078,639	117,164	15,195,803	14,786,456	409,347
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(877,440)	(117,164)	(994,604)	274,135	1,268,739
Other Financing Sources:					
Operating transfers in					
Operating transfers out	(78,070)		(78,070)	(57,342)	20,728
Total Other Financing Sources	(78,070)		(78,070)	(57,342)	20,728
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(955,510)	(117,164)	(1,072,674)	216,793	1,289,467
Fund Balance - July 1, 2010	2,532,400		2,532,400	2,532,400	
Fund Balance - June 30, 2011	$ 1,576,890	$ (117,164)	$ 1,459,726	$ 2,749,193	$ 1,289,467

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

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EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitualtion of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				$ 1,263,955	
Capital reserve - designated to 2011/12 budget				222,205	
Emergency reserve				262,000	
Excess surplus				72,060	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				635,842	
Unassigned Fund Balance				293,131	
				2,749,193	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(541,288)	
Fund Balance per Governmental Funds (GAAP)				$ 2,207,905	

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	$ 115,170		$ 115,170	$ 115,170	
Federal sources	1,016,315		1,016,315	765,921	$ (250,394)
Total Revenues	1,131,485		1,131,485	881,091	(250,394)
EXPENDITURES:					
Instruction:					
Salaries of teachers	204,338		204,338	149,255	55,083
Other salaries for instruction	98,812		98,812	98,768	44
Tuition	264,738		264,738	260,456	4,282
Other purchased services	2,330		2,330	43	2,287
General supplies	117,333		117,333	85,929	31,404
Total Instruction	687,551		687,551	594,451	93,100
Support Services:					
Salaries - principal	10,000		10,000	8,000	2,000
Salaries - program directors	50,675		50,675	46,212	4,463
Salaries of other instructional staff	113,440		113,440	95,053	18,387
Personal services - employee benefits	81,399		81,399	13,687	67,712
Purchased professional - tech. services	118,182		118,182	63,122	55,060
Other purchased services	982		982		982
Travel	4,802		4,802	1,636	3,166
Total Support Services	379,480		379,480	227,710	151,770
Facilities Acquisition and Construction Services:					
Instructional equipment	15,528		15,528	10,862	4,666
Noninstructional equipment	48,926		48,926	48,068	858
Total Facilities Acq. and Const. Services	64,454		64,454	58,930	5,524
Total Expenditures	1,131,485		1,131,485	881,091	250,394
Total Outflows	1,131,485		1,131,485	881,091	250,394
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	---	---	---	---	---

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2011

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

	General Fund	Special Revenue Fund
Sources/Inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	$ 15,060,591	$ 881,091
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	621,256	10,507
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(541,288)	(10,507)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$ 15,140,559	$ 881,091
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 14,786,456	$ 881,091
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		59,851
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 14,786,456	$ 940,942

Other Supplementary Information

Special Revenue Fund
Detail Statements

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2011

	Title IV	IDEA Basic	IDEA Preschool ARRA Carryover	IDEA Preschool	IDEA Basic ARRA	Implementing New Curricular Learning Experiences	Implementing New Curricular Learning Experiences Carryover	Carryforward from Exh E-1A	Total
REVENUES:									
State sources								$ 115,170	$ 115,170
Federal sources	$ 4,762	$ 259,989	$ 4,450	$ 11,537	$ 67,628	$ 203,485		214,070	765,921
Total Revenues	4,762	259,989	4,450	11,537	67,628	203,485		329,240	881,091
EXPENDITURES:									
Instruction:									
Salaries of teachers					4,374	7,665		137,216	149,255
Other salaries for instruction								98,768	98,768
Other purchased services						43			43
Tuition		236,883	4,450	11,537	7,586				260,456
General supplies					1,500	54,268		30,161	85,929
Total Instruction		236,883	4,450	11,537	13,460	61,976		266,145	594,451
Support Services:									
Salaries - principal								8,000	8,000
Salaries - program director		23,106						23,106	46,212
Salaries - other instruction						95,053			95,053
Personal services-employee benefits								13,687	13,687
Purchased prof. tech. services						44,820		18,302	63,122
Travel						1,636			1,636
Total support Services		23,106				141,509		63,095	227,710
Facilities Acquisition and Const. Serv.:									
Instructional equipment	4,762				6,100				10,862
Noninstructional equipment					48,068				48,068
Total Facilities Acq. and Const. Serv.	4,762				54,168				58,930
Total Expenditures	4,762	259,989	4,450	11,537	67,628	203,485		329,240	881,091
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2011

	Preschool Education Aid	Title I	Title I Carryover	Title I ARRA	Title II A	Title II D	Title II D Carryover	Title III	Total
REVENUES:									
State sources	$ 115,170								$ 115,170
Federal sources		$ 129,262	$ 19,391	$ 9,500	$ 26,675	$ 250	$ 1,694	$ 27,298	214,070
Total Revenues	115,170	129,262	19,391	9,500	26,675	250	1,694	27,298	329,240
EXPENDITURES:									
Instruction:									
Salaries of teachers	101,363				21,918			13,935	137,216
Other salaries for instruction		98,768							98,768
General supplies	120	128	9,849		4,757	250	1,694	13,363	30,161
Total Instruction	101,483	98,896	9,849		26,675	250	1,694	27,298	266,145
Support Services:									
Salaries - principal				8,000					8,000
Salaries - program director		23,106							23,106
Personal services-employee benefits	13,687								13,687
Purchased prof. tech. services		7,260	9,542	1,500					18,302
Total Support Services	13,687	30,366	9,542	9,500					63,095
Facilities Acquisition and Const. Serv..									
Instructional equipment									
Total Facilities Acq. and Const. Serv.									
Total Expenditures	115,170	129,262	19,391	9,500	26,675	250	1,694	27,298	329,240
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2011

DISTRICT WIDE TOTAL

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of teachers	$ 101,363	$ 101,363	
General supplies	120	120	
Total instruction	101,483	101,483	
Support Services:			
Personal services - Employee benefits	13,687	13,687	
Total support services	13,687	13,687	
Total Expenditures	$ 115,170	$ 115,170	$ -

SUMMARY OF LOCATION TOTALS

Total revised 2010-2011 Preschool Education Aid allocation	$ 103,862
Add: Actual Preschool Education Aid Carryover (June 30, 2010)	10,844
Add: Prior year encumbrance canceled	464
Add: Budgeted transfer from the General Fund 2010-11	
Total Preschool Education Aid Funds available for 2010-2011 budget	115,170
Less: 2010-2011 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(115,170)
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2011	
Add: June 30, 2011 Unexpended Preschool Education Aid	
2010-2011 Actual Carryover - Preschool Education Aid	$ -
2010-2011 Preschool Education Aid Carryover Budgeted in 2011-2012	$ -

Capital Projects Fund
Detail Statements

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2011

Revenues and Other Financing Sources:	
Transfer from capital reserve	$ 54,272
Total revenues and other financing sources	54,272
Expenditures and Other Financing (Uses):	
Construction services	54,272
Total expenditures and other financing (uses)	54,272
Excess (deficiency) or revenues over (under) expenditures	-
Fund Balance - July 1, 2010	451,382
Fund Balance - June 30, 2011	$ 451,382

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

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SDA Grant	$ 516,305		$ 516,305	$ 516,305
Local sources - Lease Purchase	300,000		300,000	300,000
Transfer from capital reserve		$ 54,272	54,272	$54,272
Total revenues	816,305	54,272	870,577	870,577
Expenditures and Other Financing Uses:				
Purchased professional services	48,047		48,047	48,047
Construction services	549,208	54,272	603,480	603,480
	597,255	54,272	651,527	651,527
Excess (deficiency) or revenues over (under) expenditures	$ 219,050	$ -	$ 219,050	$ 219,050

Additional project information:

Project Number	1280-050-09-1001
Grant Date	02/26/09
Lease Authorization Date	06/15/09
Lease Authorized	06/15/09
Lease Issued	$ 300,000
Original Authorized Cost	$ 816,305
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 816,305
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original target completion date	12/31/11
Revised target completion date	12/31/10

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Samuel Ridgeway School Renovations
From Inceptionand for the Fiscal Year ended June 30, 2011

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SDA Grant	$ 393,096		$ 393,096	$ 393,096
Local sources - Lease Purchase	300,000		300,000	300,000
Total revenues	693,096	-	693,096	693,096
Expenditures and Other Financing Uses:				
Purchased professional services	44,624		44,624	44,624
Construction services	416,140		416,140	416,140
	460,764	-	460,764	460,764
Excess (deficiency) or revenues over (under) expenditures	$ 232,332	$ -	$ 232,332	$ 232,332

Additional project information:

Project Number	1280-070-09-1002
Grant Date	02/26/09
Lease Authorization Date	06/15/09
Lease Authorized	06/15/09
Lease Issued	$ 300,000
Original Authorized Cost	$ 693,096
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 693,096
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original target completion date	12/31/11
Revised target completion date	12/31/10

Proprietary Funds
Detail Statements

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

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

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

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2011

	Food Service Fund	After School Program	Tuition Program	Total
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 24,440	$ 586,507	$ 1,016,136	$ 1,627,083
Accounts receivable:				
Federal	22,232			22,232
State	547			547
Tuition fees			8,740	8,740
Inventories	7,674			7,674
Total Current Assets	54,893	586,507	1,024,876	1,666,276
Noncurrent Assets:				
Equipment	283,621			283,621
Less - accumulated depreciation	(266,786)			(266,786)
Total Noncurrent Assets	16,835			16,835
Total Assets	71,728	586,507	1,024,876	1,683,111
LIABILITIES:				
Current Liabilities:				
Interfund payable				
Accounts payable				
Total Current Liabilities				
NET ASSETS:				
Invested in capital assets	16,835			16,835
Unrestricted	54,893	586,507	1,024,876	1,666,276
Total Net Assets	$ 71,728	$ 586,507	$ 1,024,876	$ 1,683,111

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	Food Service Fund	After School Program	Tuition Program	Totals
OPERATING REVENUES:				
Charges for Services:				
Daily sales reimbursable programs:				
School lunch	$ 108,056			$ 108,056
Daily sales non-reimbursable programs:				
Adult and alacarte sales	44,653			44,653
Program fees		$ 164,875	$ 1,054,004	1,218,879
Total Operating Revenues	152,709	164,875	1,054,004	1,371,588
OPERATING EXPENSES:				
Salaries and fringe benefits	150,761	104,167	865,521	1,120,449
Supplies and materials	9,554	475	5,250	15,279
Management fee	25,096			25,096
Purchased prof. - technical services	1,398		38,191	39,589
Travel			173	173
Other costs	9,119	4,620	433	14,172
Rental costs			3,963	3,963
Utilities			3,466	3,466
Depreciation	3,463			3,463
Cost of sales	158,918			158,918
Total Operating Expenses	358,309	109,262	916,997	1,384,568
Operating Income (Loss)	(205,600)	55,613	137,007	(12,980)
Non-Operating Revenues:				
State sources:				
State school lunch program	4,200			4,200
Federal sources:				
National school lunch program	149,553			149,553
National school breakfast program	26,210			26,210
Special milk program	1,044			1,044
Snack program	3,152			3,152
Food distribution program	17,279			17,279
Local sources:				
Interest earned			9,795	9,795
Total Non-Operating Revenues	201,438		9,795	211,233
Income (Loss) before Contributions and Transfers	(4,162)	55,613	146,802	198,253
Operating Transfer in (out)			(150,000)	(150,000)
Changes in Net Assets	(4,162)	55,613	(3,198)	48,253
Net Assets - July 1, 2010	75,890	530,894	1,028,074	1,634,858
Net Assets - June 30, 2011	$ 71,728	$ 586,507	$ 1,024,876	$ 1,683,111

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

	Food Service Fund	After School Program	Tuition Program	Total
Cash Flows from Operating Activities:				
Cash receipts from customers	$ 152,709	$ 164,875	$ 1,065,074	$ 1,382,658
Cash payments to employees for services	(150,761)	(104,167)	(865,521)	(1,120,449)
Cash payments to suppliers for goods and services	(197,333)	(8,166)	(51,476)	(256,975)
Net cash provided by (used for) operating activities	(195,385)	52,542	148,077	5,234
Cash Flows from Noncapital Financing Activities:				
Cash received from state sources	4,239			4,239
Cash received from federal sources	187,302			187,302
Transfer to other funds			(150,000)	(150,000)
Net cash provided by noncapital financing activities	191,541		(150,000)	41,541
Cash Flows Used by Capital and Related Financing Activites:				
Purchase of equipment				
Cash Flow Provided by Investing Activities:				
Interest on cash equivalents			9,795	9,795
Net increase (decrease) in cash and cash equivalents	(3,844)	52,542	7,872	56,570
Cash and cash equivalents - July 1, 2010	28,284	533,965	1,008,264	1,570,513
Cash and cash equivalents - June 30, 2011	$ 24,440	$ 586,507	$ 1,016,136	$ 1,627,083
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:				
Operating income (loss)	$ (205,600)	$ 55,613	$ 137,007	$ (12,980)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	3,463			3,463
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	3,071		11,070	14,141
(Increase) decrease in inventories	3,681	(3,071)		610
Increase (decrease) in accounts payable				
Net cash provided by (used for) operating activities	$ (195,385)	$ 52,542	$ 148,077	$ 5,234

Noncash Noncapital Financing Activities:

During the year the District received $17,279 of food commodities from the U.S. Department of Agriculture.

Fiduciary Funds
Detail Statements

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

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

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

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

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

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011

	Trust Funds	Agency Funds		
	Unemployment Compensation Insurance	Student Activity	Payroll	Total
ASSETS:				
Cash and cash equivalents	$ 6,920	$ 39,724	$ 59,860	$ 106,504
Total Assets	6,920	$ 39,724	$ 59,860	106,504
LIABILITIES:				
Liabilities:				
Payroll deductions payable			$ 59,860	$ 59,860
Due to student groups		$ 39,724		39,724
Total Liabilities		$ 39,724	$ 59,860	99,584
NET ASSETS:				
Held in trust for unemployment claims	6,920			6,920
Totl Net Assets	$ 6,920			$ 6,920

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Years Ended June 30, 2011

	Unemployment Compensation Insurance Trust Fund
Additions:	
Interest on investments	$ 115
Employee withholdings	12,936
Total Additions	13,051
Deductions:	
Unemployment compensation insurance claims	26,418
Total Deductions	26,418
Change in Net Assets	(13,367)
Net Assets - July 1, 2010	20,287
Net Assets - June 30, 2011	$ 6,920

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	Balance June 30, 2010	Cash Receipts	Cash Disbursements	Accounts Payable	Balance June 30, 2011
Ridgeway School	$ 5,878	$ 35,277	$ 33,088		$ 8,067
Magowan School	13,811	13,896	11,701		16,006
Superintendent Special	834	1,426	1,282		978
Student Council	2,000	2,250	2,443		1,807
Music	390	9,633	9,474		549
Pepsi Sales	483	377			860
Fisherman Club	185	1	179		7
PBSIS	1,576	4,695	3,627		2,644
Magowan Donations	6,156	8,151	5,501		8,806
Eighth Grade Graduation	3,048		3,048		
Total all schools	$ 34,361	$ 75,706	$ 70,343	$ -	$ 39,724

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and cash equivalents	$ 64,299	$ 10,448,261	$ 10,452,700	$ 59,860
Total Assets	$ 64,299	$ 10,448,261	$ 10,452,700	$ 59,860
LIABILITIES:				
Net payroll		$ 5,094,745	$ 5,094,745	
Payroll deductions and withholdings	$ 64,299	5,353,516	5,357,955	$ 59,860
Total Liabilities	$ 64,299	$ 10,448,261	$ 10,452,700	$ 59,860

Long-Term Debt Schedules

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
School Addition	08/15/06	$ 2,336,000	02/01/12-15	$ 233,000	4.000%	$ 1,404,000		$ 233,000	$ 1,171,000
			02/01/16	239,000	4.000%				
						$ 1,404,000	$ -	$ 233,000	$ 1,171,000

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2011

Series	Date of Lease	Maturity Date	Interest Rate	Amount of Original Issue Principal	Amount of Original Issue Interest	Amount Outstanding July 1, 2010	Issued	Retired	Amount Outstanding June 30, 2011
Telephone System	06/06/07	07/15/11	2.970%	$ 75,057	$ 11,146	$ 31,159		$ 31,159	
Ground Lease	06/08/09	06/30/14	3.700%	600,000	58,605	391,713		92,657	$ 299,056
						$ 422,872	$ -	$ 123,816	$ 299,056

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources:					
Debt Service Aid Type II	$ 98,215		$ 98,215	$ 98,215	
Total Revenues	98,215		98,215	98,215	
EXPENDITURES:					
Regular debt service:					
Interest	76,636		76,636	55,869	$ 20,767
Redemption of principal	268,153		268,153	233,000	
Total regular debt service	344,789		344,789	288,869	20,767
Excess (Deficiency) of revenues over (under) expenditures	(246,574)		(246,574)	(190,654)	20,767
Other Financing Sources (Uses):					
Transfers in	3,070		3,070	3,070	
Total Other Financing Sources (Uses)	3,070		3,070	3,070	
Net Change in Fund Balance	(243,504)		(243,504)	(187,584)	20,767
Fund Balance - July 1, 2010	243,660		243,660	243,660	
Fund Balance - June 30, 2011	$ 156	$ -	$ 156	$ 56,076	$ 20,767
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	$ (243,504)	$ -	$ (243,504)	$ (187,584)	$ 20,767

Statistical Section

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
Invested in capital assets, net of related debt	$ 1,032,516	$ 884,311	$ (1,356,210)	$ 822,925	$ 928,888	$ 701,504	$ 2,378,037	$ 2,716,856
Restricted for:								
Special revenue							59,851	
Capital projects	29,253	30,854	2,268,491	289,595	277,216	600,000	236,279	1,722,439
Debt service				50,733	50,716	243,504	243,660	56,076
Other purposes	1,222,883	1,307,578	898,773	944,403	1,344,435	1,984,839	2,213,903	969,902
Unrestricted	(638,030)	(751,003)	(636,652)	(656,045)	(804,147)	(1,014,507)	(1,025,217)	(1,007,367)
Total governmental activities net assets	$ 1,646,622	$ 1,471,740	$ 1,174,402	$ 1,451,611	$ 1,797,108	$ 2,515,340	$ 4,106,513	$ 4,457,906
Business-type activities:								
Invested in capital assets, net of related debt	$ 31,962	$ 19,639	$ 18,551	$ 29,407	$ 25,034	$ 20,662	$ 20,298	$ 16,835
Unrestricted	848,432	1,168,707	1,354,594	1,200,072	1,495,119	1,593,384	1,614,560	1,666,276
Total business-type activities net assets	$ 880,394	$ 1,188,346	$ 1,373,145	$ 1,229,479	$ 1,520,153	$ 1,614,046	$ 1,634,858	$ 1,683,111
District-wide:								
Invested in capital assets, net of related debt	$ 1,064,478	$ 903,950	$ (1,337,659)	$ 852,332	$ 953,922	$ 722,166	$ 2,398,335	$ 2,733,691
Restricted:								
Special revenue							59,851	
Capital projects	29,253	30,854	2,268,491	289,595	277,216	600,000	236,279	1,722,439
Debt service				50,733	50,716	243,504	243,660	56,076
Other purposes	1,222,883	1,307,578	898,773	944,403	1,344,435	1,984,839	2,213,903	969,902
Unrestricted	210,402	417,704	717,942	544,027	690,972	578,877	589,343	658,909
Total district net assets	$ 2,527,016	$ 2,660,086	$ 2,547,547	$ 2,681,090	$ 3,317,261	$ 4,129,386	$ 5,741,371	$ 6,141,017

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

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:								
Governmental activities:								
Instruction:								
Regular	$ 4,674,639	$ 5,046,386	$ 3,882,238	$ 3,954,977	$ 4,096,225	$ 4,078,792	$ 4,362,150	$ 3,998,979
Special education	922,696	877,909	646,420	667,270	643,885	585,746	629,861	672,747
Other instruction	265,544	306,548	217,672	234,904	208,503	254,895	295,098	298,916
Support Services:								
Tuition	3,348,319	3,138,333	3,464,835	3,231,794	3,418,504	3,293,937	3,230,821	3,751,993
Student & instruction related services	1,538,996	1,567,882	1,238,446	1,168,325	1,124,607	1,448,990	1,354,787	1,430,520
School administrative services	360,682	392,233	316,877	363,165	380,253	334,038	377,882	377,620
General and business administrative services	396,632	739,966	676,517	593,335	603,082	628,155	645,400	657,265
Plant operations and maintenance	915,992	960,445	744,313	918,995	968,082	1,247,774	729,597	942,418
Pupil transportation	572,721	543,194	540,434	592,448	573,872	580,545	541,161	552,677
Business and other support services	179,634							
Unallocated employee benefits			2,516,307	3,061,445	3,180,355	2,722,279	3,007,955	3,006,220
Special schools	3,344	2,650	6,000	12,724	13,405	14,738	12,244	
Interest on long-term debt				45,555	82,391	73,635	88,177	52,107
Unallocated depreciation	39,495	39,495	39,494	53,900	74,852	77,900	77,150	83,477
Total governmental activities expenses	13,218,694	13,615,041	14,289,553	14,898,837	15,368,016	15,341,424	15,352,283	15,824,939
Business-type activities:								
Food service	218,093	262,150	267,151	284,162	271,939	332,400	361,489	358,309
After school program	50,499	58,868	88,318	80,775	103,738	123,298	111,190	109,262
Tuition program	790,806	722,518	881,619	693,497	696,441	918,299	839,909	916,997
Total business-type activities expense	1,059,398	1,043,536	1,237,088	1,058,434	1,072,118	1,373,997	1,312,588	1,384,568
Total district expenses	$ 14,278,092	$ 14,658,577	$ 15,526,641	$ 15,957,271	$ 16,440,134	$ 16,715,421	$ 16,664,871	$ 17,209,507
Program Revenues:								
Governmental activities:								
Operating grants and contributions	$ 2,063,883	$ 2,207,835	2,275,786	2,608,825	2,951,109	1,867,115	1,920,292	1,868,202
Total governmental activities program revenues	2,063,883	2,207,835	2,275,786	2,608,825	2,951,109	1,867,115	1,920,292	1,868,202

(Continued)

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Charges for services:								
Food service	$ 77,969	$ 98,533	$ 90,316	$ 114,385	$ 108,967	$ 166,223	$ 160,664	$ 152,709
After school program	118,829	130,371	129,146	125,593	170,514	199,996	159,446	164,875
Tuition program	981,956	1,025,445	1,178,398	791,163	958,302	1,013,234	969,735	1,054,004
Operating grants and contributions	125,118	135,594	128,993	131,652	152,809	169,145	211,314	201,438
Capital grants and contributions								
Total business type activities program revenues	1,303,872	1,389,943	1,526,853	1,162,793	1,390,592	1,548,598	1,501,159	1,573,026
Total district program revenues	$ 3,367,755	$ 3,597,778	$ 3,802,639	$ 3,771,618	$ 4,341,701	$ 3,415,713	$ 3,421,451	$ 3,441,228
Net (Expense)/Revenue:								
Governmental activities	$(11,154,811)	$ (11,407,206)	$ (12,013,767)	$ (12,290,012)	$(12,416,907)	$ (13,474,309)	$(13,431,991)	$ (13,956,737)
Business-type activities	244,474	346,407	289,765	104,359	318,474	174,601	188,571	188,458
Total district-wide net expense	$(10,910,337)	$ (11,060,799)	$ (11,724,002)	$ (12,185,653)	$(12,098,433)	$ (13,299,708)	$(13,243,420)	$ (13,768,279)
General Revenues and Other Changes in Net Assets:								
Governmental activities:								
Property taxes levied for general purposes, net	$ 5,678,203	$ 6,016,093	$ 6,439,639	$ 7,000,303	$ 7,317,531	$ 7,491,510	$ 7,791,170	$ 7,960,155
Unrestricted grants and contributions	4,859,273	5,044,525	5,059,243	5,043,229	5,305,011	6,300,808	6,152,782	6,022,648
State aid restricted for capital projects	35,112						694,298	
Investment earnings		20,283		1,259	982	514	3,915	5,929
Miscellaneous income	163,898	111,423	110,815	210,539	184,936	172,163	202,158	169,398
Loss on disposal of equipment					(113,972)			
Transfers		40,000	106,732	311,891	67,916	227,546	178,841	150,000
Total governmental activities	10,736,486	11,232,324	11,716,429	12,567,221	12,762,404	14,192,541	15,023,164	14,308,130
Business-type activities:								
Investment earnings	283	1,545	1,766	63,866	40,116	13,574	11,082	9,795
Transfers		(40,000)	(106,732)	(311,891)	(67,916)	(94,282)	(178,841)	(150,000)
Total business-type activities	283	(38,455)	(104,966)	(248,025)	(27,800)	(80,708)	(167,759)	(140,205)
Total district-wide	$ 10,736,769	$ 11,193,869	$ 11,611,463	$ 12,319,196	$ 12,734,604	$ 14,111,833	$ 14,855,405	$ 14,167,925
Change in Net Assets:								
Governmental activities	$ (418,325)	$ (174,882)	$ (297,338)	$ 277,209	$ 345,497	$ 718,232	$ 1,591,173	$ 351,393
Business-type activities	244,757	307,952	184,799	(143,666)	290,674	93,893	20,812	48,253
Total district-wide	$ (173,568)	$ 133,070	$ (112,539)	$ 133,543	$ 636,171	$ 812,125	$ 1,611,985	$ 399,646

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

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:								
Restricted for:								
Capital reserve	$ 29,253	$ 30,854	$ 31,471	$ 32,730	$ 33,712	$ 783,712	787,573	$ 1,486,160
Excess surplus	505,842	708,430	190,343	754,060	590,375	303,791	559,449	72,060
Emergency reserve						250,000	250,000	262,000
Assigned to:								
Year-end encumbrances							$ 81,523	
Designated for subsequent year's budget	717,041	$ 599,148	708,430	190,343	754,060	647,336	535,358	635,842
Unassigned	106,633	(9,098)	16,719	23,920	16,297	(307,397)	(302,759)	(248,157)
Total general fund	$ 1,358,769	$ 1,329,334	$ 946,963	$ 1,001,053	$ 1,394,444	$ 1,677,442	$ 1,911,144	$ 2,207,905
All Other Governmental Funds								
Unassigned, reported in:								
Special revenue fund				$ (38,492)	$ (43,967)		$ 59,851	
Capital projects fund			$ 2,237,020	256,865	243,504	$ 600,000	236,279	$ 236,279
Debt service fund				50,733	50,716	243,504	243,660	56,076
Total all other governmental funds	$ -	$ -	$ 2,237,020	$ 269,106	$ 250,253	$ 843,504	$ 539,790	$ 292,355

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

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

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	$ 5,029,639	$ 5,423,042	$ 5,678,203	$ 6,016,093	$ 6,439,639	$ 7,000,303	$ 7,317,531	$ 7,491,510	$ 7,791,170	$ 7,960,155
Tuition charges				20,283						
Interest earnings						1,259	982	514	3,915	5,929
Miscellaneous	147,261	174,992	163,898	111,423	110,815	210,539	184,936	172,163	202,158	319,398
State sources	5,798,831	6,099,620	6,400,833	6,583,881	6,779,893	7,096,564	7,645,926	7,360,155	6,867,774	7,065,078
Federal sources	465,571	493,465	557,436	668,478	609,069	553,242	610,194	807,768	1,899,598	769,305
Total revenue	11,441,302	12,191,119	12,800,370	13,400,158	13,939,416	14,861,907	15,759,569	15,832,110	16,764,615	16,119,865
Expenditures										
Instruction										
Regular Instruction	3,258,651	3,274,220	3,534,529	3,773,206	3,831,238	3,958,043	3,944,836	4,133,576	4,349,689	3,944,400
Special education instruction	685,000	731,219	672,487	642,473	646,420	667,270	643,885	585,746	629,861	672,747
Other instruction	190,018	181,224	198,067	228,957	217,672	234,904	208,503	254,895	295,098	298,916
Support Services:										
Tuition	2,705,929	3,091,408	3,348,319	3,138,333	3,464,835	3,231,794	3,418,504	3,293,937	3,230,821	3,751,993
Student & instruction related services	1,030,353	1,177,858	1,193,063	1,221,577	1,238,446	1,168,325	1,124,607	1,448,990	1,354,787	1,430,520
School administrative services	263,307	224,896	262,321	287,528	316,877	363,165	380,253	334,038	377,882	377,620
General and business admin.services	562,038	507,374	483,726	580,669	642,188	584,586	594,322	613,246	630,637	642,502
Plant operations and maintenance	742,190	748,637	776,327	782,085	857,187	926,728	965,386	1,064,002	949,257	884,385
Pupil transportation	448,102	477,385	530,264	499,455	526,065	576,557	556,528	561,727	523,849	535,365
Other support services	1,401,826	1,897,885	2,077,195	2,219,190	2,516,307	3,061,445	3,180,355	2,722,279	3,007,955	3,006,220
Special Schools	6,000		3,344	1,925	6,000	12,724	13,405	14,738	12,244	
Capital outlay	109,492	495,585	87,480	94,195	264,299	2,040,923	106,972	449,598	1,353,490	237,002
Debt service:										
Principal						233,000	233,000	233,000	233,000	233,000
Interest and other charges						45,555	82,391	73,635	64,898	55,869
Total expenditures	11,402,906	12,807,691	13,167,122	13,469,593	14,527,534	17,105,019	15,452,947	15,783,407	17,013,468	16,070,539
Excess (Deficiency) of revenues over (under) expenditures	38,396	(616,572)	(366,752)	(69,435)	(588,118)	(2,243,112)	306,622	48,703	(248,853)	49,326
Other Financing sources (uses)										
Proceeds from borrowing					2,336,035	2,248		600,000		
Transfers in		290,558	29,253	40,000	161,732	327,040	77,804	506,050	178,895	57,342
Transfers out		(290,558)	(29,253)		(55,000)		(9,888)	(278,504)	(54)	(57,342)
Total other financing sources (uses)	-	-	-	40,000	2,442,767	329,288	67,916	827,546	178,841	-
Net change in fund balances	$ 38,396	$ (616,572)	$ (366,752)	$ (29,435)	$ 1,854,649	$ (1,913,824)	$ 374,538	$ 876,249	$ (70,012)	$ 49,326
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	1.85%	2.06%	2.00%	1.94%	1.86%

Source: District records

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition/ Transportation	E-Rate	Donations	Prior Year Refunds	Rentals	Miscellaneous	Total
2002	$ 31,756	$ 19,775		$ 1,280	$ 19,609	$ 69,808	$ 5,033	$ 147,261
2003	33,782	51,670		23,000	13,092	52,735	713	174,992
2004	27,066	27,876		23,000	8,363	61,200	16,393	163,898
2005	51,783	27,628			22,002	8,125	22,168	131,706
2006	74,565					36,250		110,815
2007	139,940					71,247	611	211,798
2008	69,895	6,061			39,180	65,038	5,744	185,918
2009	24,040	47,215			36,456	62,051	2,915	172,677
2010	25,258	20,783	$ 9,541		51,284	90,861	8,346	206,073
2011	25,863	31,965	16,352	5,695	6,440	88,992	20	175,327
	$ 503,948	$ 232,973	$ 25,893	$ 52,975	$ 196,426	$ 606,307	$ 61,943	$ 1,680,465

Source: District records

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

Fiscal Year Ended June 30,		Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2002		$ 6,940,200	$ 220,129,400	$ 679,300	$ 140,700	$ 33,812,900	$ 4,442,100	$ 25,271,700	$ 291,416,300	$ 661,955	$ 292,078,255	$ 13,796,500	$ 1.790	$ 334,613,976
2003		5,580,400	226,509,800	679,300	140,700	33,830,700	4,442,100	25,271,700	296,454,700	641,188	297,095,888	14,303,200	1.868	349,502,852
2004		4,516,000	233,937,200	602,200	134,700	33,985,700	4,442,100	32,915,000	310,532,900	582,610	311,115,510	43,585,200	1.880	410,846,223
2005		4,151,800	236,336,300	602,200	134,700	33,648,200	4,442,100	31,181,500	310,496,800	524,611	311,021,411	44,011,900	2.002	462,880,497
2006		3,314,800	236,006,300	602,000	134,700	34,221,600	4,442,100	30,931,500	309,653,000	456,061	310,109,061	44,380,100	2.167	497,610,337
2007		3,086,800	237,589,700	602,200	134,700	33,838,100	4,442,100	30,490,400	310,184,000	404,619	310,588,619	44,326,500	2.305	578,151,424
2008		3,678,100	237,762,400	602,200	134,700	34,417,300	4,442,100	29,717,400	310,754,200	379,967	311,134,167	43,593,100	2.380	642,390,317
2009		3,518,100	238,411,200	602,200	134,700	34,055,300	4,442,100	28,767,400	309,931,000	394,085	310,325,085	43,593,100	2.482	675,262,675
2010		3,420,800	238,723,600	602,200	134,700	33,643,600	4,442,100	26,297,800	307,264,800	412,610	307,677,410	43,563,000	2.560	638,237,202
2011	R	9,456,800	469,168,600	1,236,700	166,900	64,429,000	7,614,500	69,402,900	621,475,400	682,336	622,157,736	78,685,200	1.264	Not available

Source:

Municipal Tax Assessor

Note:

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

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

b Tax rates are per $100 of assessed valuation.

R Revaluation

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

Fiscal Year Ended June 30,		Edgewater Park School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
		Basic Rate	General Obligation Debt Service	Total Direct	Township of Edgewater Park	Fire District	Burlington County	
2002		$ 1.868		$ 1.868	$ 0.639	$ 0.089	$ 0.616	$ 3.212
2003		1.868		1.868	0.619	0.088	0.600	3.175
2004		1.880		1.880	0.660	0.095	0.618	3.253
2005		2.002		2.002	0.788	0.097	0.680	3.567
2006		2.167		2.167	0.818	0.099	0.710	3.794
2007		2.305		2.305	0.941	0.100	0.784	4.130
2008		2.380		2.380	0.990	0.100	0.803	4.273
2009		2.462		2.462	1.064	0.100	0.828	4.454
2010		2.560		2.560	1.193	0.101	0.788	4.642
2011	R	1.264		1.264	0.618	0.051	0.381	2.314

Source: Municipal Tax Collector

R Revaluation

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

	2010-2011			2001-2002	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Edgewater Park Real Estate	$ 9,000,000	1.45%	Edgewater Manor Apartments	$ 9,232,200	3.16%
Edgewater Manor Apartments	7,800,000	1.25%	Federal National	6,800,000	2.33%
Edgewater Beach Apartments	5,250,000	0.84%	Rosemar Properties	5,846,500	2.00%
Pathmark	4,700,000	0.76%	Bridge Stuart, Inc.	5,262,100	1.80%
Rosemar Properties	2,400,000	0.39%	Edgewater Beach Apartments	5,250,000	1.80%
Edgewater Partnership	2,236,900	0.36%	Edgewater Partnership	2,459,500	0.84%
Public Storage Management	1,808,300	0.29%	Emigrant Savings - Parkridge Holders	2,125,000	0.73%
D.S.I. Realty	1,561,600	0.25%	D.S.I. Realty	2,000,300	0.68%
L&M Distribution Center	1,545,600	0.25%	Public Storage	1,808,300	0.62%
Ariel Realty	1,450,000	0.23%	Haims Realty, LLC	1,642,600	0.56%
Total	$ 37,752,400	6.07%		$ 42,426,500	14.53%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	$ 5,029,639	$ 5,029,639	100.00%	-
2003	5,423,042	5,423,042	100.00%	-
2004	5,678,203	5,678,203	100.00%	-
2005	6,016,093	6,016,093	100.00%	-
2006	6,439,639	6,439,639	100.00%	-
2007	7,000,303	7,000,303	100.00%	-
2008	7,317,531	7,317,531	100.00%	-
2009	7,491,510	7,491,510	100.00%	-
2010	7,791,170	7,791,170	100.00%	-
2011	7,960,155	7,960,155	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities			
	General Obligation Bonds [a]	Capital Leases	Capital Leases	Total District	Percentage of Personal Income [b]	Per Capita [c]
2002		$ 217,551	$ -	$ 217,551	0.08%	$ 28
2003		147,647	-	147,647	0.05%	19
2004		144,116	-	144,116	0.05%	18
2005		82,461	-	82,461	0.03%	10
2006	$ 2,336,035	20,614	-	2,356,649	0.73%	297
2007	2,103,000	10,452	-	2,113,452	0.61%	267
2008	1,870,000	58,359	-	1,928,359	0.55%	249
2009	1,637,000	645,220	-	2,282,220	0.63%	296
2010	1,404,000	422,872	-	1,826,872	0.51%	237
2011	1,171,000	299,056	-	1,470,056	Unavailable	190

Sources:

a District Records

b Personal Income has been estimated based upon the municipal population and per capita personal income.

c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Net Assessed Valuation Taxable [b]	Per Capita [c]
	Serial Bonds	Bond Anticipation Notes	Deductions	Net General Bonded Debt Outstanding [a]		
2002	-	-	-	-	0.00%	-
2003	-	-	-	-	0.00%	-
2004	-	-	-	-	0.00%	-
2005	-	-	-	-	0.00%	-
2006	$ 2,336,035	-	-	$ 2,336,035	0.75%	$ 294
2007	2,103,000	-	-	2,103,000	0.68%	266
2008	1,870,000	-	-	1,870,000	0.60%	241
2009	1,637,000	-	-	1,637,000	0.53%	213
2010	1,404,000	-	-	1,404,000	0.46%	182
2011	1,171,000	-	-	1,171,000	0.19%	152

Sources:

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

Edgewater Park Township School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2010

Governmental Unit	Debt Outstanding		Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Debt repaid with property taxes:					
Township of Edgewater Park	$ 5,469,546	(1)	100.000%		$ 5,469,546
Burlington County General Obligation Debt	379,858,498	(1)	0.761%	(2)	2,890,723
Subtotal, overlapping debt					8,360,269
Edgewater Park Township School District Direct Debt					1,171,000
Total direct and overlapping debt					$ 9,531,269

Sources:

(1) Entity's Audit Report

(2) The County percentage is based upon a calculation reflecting the Township's share of the 2010 Equalized Valuation. The source for this computation was the 2010 County Abstract of Ratables, provided by the County Board of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis (1)	
2010	$ 618,363,453
2009	638,374,871
2008	671,755,728
	$ 1,928,494,052
Average equalized valuation of taxable property	$ 642,831,351
Debt limit (3% of average equalized valuation) (2)	19,284,941
Net bonded school debt (3)	1,171,000
Legal debt margin	$ 18,113,941

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 9,472,835	$ 9,814,589	$ 10,553,569	$ 11,856,541	$ 13,406,283	$ 15,250,255	$ 17,030,168	$ 18,805,083	$ 19,464,055	$ 19,284,941
Total net debt applicable to limit (3)					2,336,035	2,103,000	1,870,000	1,637,000	1,404,000	1,171,000
Legal debt margin	$ 9,472,835	$ 9,814,589	$ 10,553,569	$ 11,856,541	$ 11,070,248	$ 13,147,255	$ 15,160,168	$ 17,168,083	$ 18,060,055	$ 18,113,941
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	17.42%	13.79%	10.98%	8.71%	7.21%	6.07%

Sources:

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

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

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2001	7,841	$ 289,426,992	$ 36,912	2.3%
2002	7,880	293,916,120	37,299	3.4%
2003	7,999	303,818,018	37,982	3.4%
2004	8,005	317,046,030	39,606	3.1%
2005	7,942	323,993,890	40,795	4.8%
2006	7,904	344,227,104	43,551	5.3%
2007	7,756	352,611,028	45,463	4.8%
2008	7,699	361,606,632	46,968	6.5%
2009	7,721	359,150,036	46,516	11.1%
2010	7,721	e	e	11.8%

Source:

[a] Population information provided by the NJ Dept of Labor and Workforce Development

[b] Personal income has been established based upon the municipal population and per capita personal income presented.

[c] Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

[e] Information not available

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	62	60	61	61	61	63	63	69	69	69
Special education	13	13	13	13	13	14	14	12	12	12
Other special education	9	9	9	9	9	7	7	6	6	7
Support Services:										
Student & instruction related services	22	22	22	25	25	16	16	15	15	16
School administrative services	10	10	10	10	10	10	10	9	9	9
General and business administrative services	4	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	9	9	9	9	9	12	12	12	12	11
Pupil transportation	6	4	4	4	4	4	4	3	3	2
Food Service	4	4	4	4	4	4	4	2	2	
Total	139	135	136	139	139	134	134	132	132	130

Source:
District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio: Elementary	Pupil/Teacher Ratio: Middle School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	970	$ 11,293,414	$ 11,642.69	-1.48%	88	1:12	1:12	976.0	918.2	-0.04%	94.08%
2003	921	12,312,106	13,368.19	14.82%	91	1:11	1:11	940.9	885.8	-3.59%	94.14%
2004	907	13,079,642	14,420.77	7.87%	93	1:11	1:11	920.0	868.7	-2.25%	94.42%
2005	930	13,375,398	14,382.15	-0.27%	93	1:11	1:11	926.5	876.7	0.70%	94.62%
2006	875	14,263,235	16,300.84	13.34%	80	1:13	1:10	870.0	823.0	-6.10%	94.60%
2007	865	14,785,541	17,093.11	4.86%	80	1:13	1:10	850.8	807.3	-2.21%	94.89%
2008	832	15,030,584	18,065.61	5.69%	81	1:10	1:10	826.0	785.0	-2.91%	95.04%
2009	829	15,027,174	18,126.87	0.34%	81	1:10	1:10	836.2	791.7	1.23%	94.68%
2010	877	15,362,080	17,516.62	-3.37%	81	1:10	1:10	867.1	815.8	3.70%	94.08%
2011	853	15,544,668	18,223.53	4.04%	81	1:10	1:10	849.1	799.7	-2.08%	94.18%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary										
Magowan School (1955)										
Square Feet	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410
Capacity (students)	736	736	736	736	736	736	736	736	736	736
Enrollment	540	538	570	519	540	537	510	507	520	512
Ridgway School (1969)										
Square Feet	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment	381	369	360	346	335	328	322	322	357	341

Number of Schools at June 30, 2011
- Elementary = 1
- Middle School = 1
- Senior High School = 0
- Other = 0

Source: District Facilities Office

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

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

* School Facilities	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Magowan School	$ 159,005	$ 153,552	$ 22,705	$ 26,103	$ 21,946	$ 33,963	$ 27,319	$ 33,669	$ 29,454	$ 5,684	$ 513,400
Jacques School	127,204	122,841									250,045
Ridgway School	243,808	235,446	15,778	18,140	15,250	10,662	18,985	44,945	23,255	19,705	645,974
Total School Facilities	$ 530,017	$ 511,839	$ 38,483	$ 44,243	$ 37,196	$ 44,625	$ 46,304	$ 78,614	$ 52,709	$ 25,389	$ 1,409,419

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

Source: District records

Edgewater Park Township School District
Insurance Schedule
June 30, 2011

	Coverage	Self-insured Retention	Deductible
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	$ 27,447,803		$ 1,000
General Liability	3,000,000		1,000
Automobile Liability	1,000,000		250
Inland Marine	500,000		100
Crime Coverage	100,000		
Commercial Umbrella	10,000,000	$ 10,000	
Workers' Compensation (2)	Statutory		
Student Accident (3)	1,000,000		
Surety Bonds (4)			
Treasurer	225,000		
Board Secretary	300,000		
Superintendent	225000		

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

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

Certified Public Accountants
Registered Municipal Accountants

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Marlton, New Jersey 08053
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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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

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

Compliance

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

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

In our opinion, the Edgewater Park Township School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and which is described in the accompanying schedule of findings and questioned costs as item #2011-1.

Internal Control Over Compliance

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

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

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

The Edgewater Park Township School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit School District's response and, accordingly, we express no opinion on the response.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Public School Accountant

Marlton, New Jersey
August 5, 2011

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2010 (Accounts Receivable)	Balance June 30, 2010 Deferred Revenue	Balance June 30, 2010 Due to Grantor	Adjustment	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2011 (Accounts Receivable)	Balance June 30, 2011 Deferred Revenue	Balance June 30, 2011 Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2011	84.010	NCLB128011	$ 172,148	9/1/10 - 8/31/11						$ 103,992	$ (129,262)		$ (68,156)	$ 42,886	
Fiscal Year 2010	84.010A	NCLB128010	211,280	9/1/09 - 8/31/10	$ (75,468)	$ 60,110				35,158	(19,391)		(40,310)	40,719	
ARRA - Fiscal Year 2010	84.389	N/A	81,587	9/1/09 - 8/31/11	(71,272)	65,740				7,032	(9,500)		(64,240)	56,240	
Title I - SIA															
Fiscal Year 2010	84.010A	NCLB128010	5,473	9/1/09 - 8/31/10	(5,473)	5,473							(5,473)	5,473	
Title II A:															
Fiscal Year 2011	84.367A	NCLB128011	33,066	9/1/10 - 8/31/11						22,256	(26,675)		(10,810)	6,391	
Fiscal Year 2010	84.367A	NCLB128010	32,865	9/1/09 - 8/31/10	(4,905)	1,139							(4,905)	1,139	
Title II D:															
Fiscal Year 2011	84.318X	NCLB128011	360	9/1/10 - 8/31/11							(250)		(360)	110	
Fiscal Year 2010	84.318X	NCLB128010	2,105	9/1/09 - 8/31/10	(1,694)	1,694				1,694	(1,694)				
Title III:															
Fiscal Year 2011	84.365A	NCLB128011	28,843	9/1/10 - 8/31/11						19,934	(27,298)		(8,909)	1,545	
Fiscal Year 2010	84.365A	NCLB128010	26,888	9/1/09 - 8/31/10	(8,394)	12,346				5,084			(3,310)	12,346	
Title III - Immigrant:															
Fiscal Year 2011	84.365A	NCLB128011	4,667	9/1/10 - 8/31/11									(4,667)	4,667	
Title IV:															
Fiscal Year 2010	84.186A	NCLB128010	6,304	9/1/09 - 8/31/10	(5,666)	5,588				4,762	(4,762)		(904)	826	
I.D.E.A. Part B - Basic:															
Fiscal Year 2011	84.027	FT128011	274,198	9/1/10 - 8/31/11						249,497	(259,989)		(24,702)	14,210	
Fiscal Year 2010	84.027	FT128010	254,712	9/1/09 - 8/31/10	(11,012)	5,871				5,141					
ARRA - Fiscal Year 2010	84.391	N/A	235,552	9/1/09 - 8/31/11	(235,552)	78,995				208,973	(67,628)		(26,579)	11,367	
I.D.E.A. Part B - Preschool:															
Fiscal Year 2011	84.173	PS128011	11,537	9/1/10 - 8/31/11						11,537	(11,537)				
ARRA - Fiscal Year 2010	84.392	N/A	8,492	9/1/09 - 8/31/11	(8,492)	8,492					(4,450)		(8,492)	4,042	
I.N.C.L.U.D.E. Grant															
Fiscal Year 2011	84.318X	10000134	235,000	9/1/10 - 8/31/11						130,646	(203,485)		(104,354)	31,515	
Fiscal Year 2010	84.318X	10000134	240,000	9/1/09 - 8/31/10	(81,575)	12,572		$ 4,345		78,521			(3,054)	16,917	
Fiscal Year 2008	84.318X	8000215	161,538	9/1/07 - 8/31/10			2,929								$ 2,929
Total U.S. Department of Education					(509,503)	258,020	2,929	4,345		884,227	(765,921)		(379,225)	250,393	2,929
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Food Distribution Program:															
Fiscal Year 2011	10.550	N/A	17,279	7/1/10 - 6/30/11						17,279	(17,279)				
Snack program															
Fiscal Year 2011	10.554	N/A	3,152	7/1/10 - 6/30/11						2,763	(3,152)		(389)		
Fiscal Year 2010	10.554	N/A	3,502	7/1/09 - 6/30/10	(240)					240					
National School Lunch Program															
Fiscal Year 2011	10.555	N/A	149,553	7/1/10 - 6/30/11						131,323	(149,553)		(18,231)		
Fiscal Year 2010	10.555	N/A	148,802	7/1/09 - 6/30/10	(10,038)					10,038					
National School Breakfast Program															
Fiscal Year 2011	10.553	N/A	26,210	7/1/10 - 6/30/11						22,734	(26,210)		(3,476)		
Fiscal Year 2010	10.553	N/A	24,259	7/1/09 - 6/30/10	(1,964)					1,964					
Special Milk Program:															
Fiscal Year 2011	10.556	N/A	1,043	7/1/10 - 6/30/11						908	(1,044)		(136)		
Fiscal Year 2010	10.556	N/A	650	7/1/09 - 6/30/10	(54)					54					
Total U.S. Department of Agriculture					(12,296)					187,302	(197,238)		(22,232)		
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services:															
General Fund															
Medicaid Assistance Program	93.778	N/A	3,384	7/1/10 - 6/30/11						3,384	(3,384)				
Total Federal Awards					$ (521,799)	$ 258,020	$ 2,929	$ 4,345	$ -	$ 1,074,913	$ (966,543)	$ -	$ (401,457)	$250,393	$ 2,929

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Awards
For the Fiscal Year ended June 30, 2011

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2010 (Accounts Receivable)	Balance June 30, 2010 Deferred Revenue	Balance June 30, 2010 Due to Grantor	Adjustment	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2011 (Accounts Receivable)	Balance June 30, 2011 Deferred Revenue	Balance June 30, 2011 Due to Grantor
State Department of Education														
General Fund:														
Equalization Aid	10-495-034-5120-078	$ 5,547,551	7/1/09- 6/30/10	$ (621,256)					$ 621,256					
Equalization Aid	11-495-034-5120-078	5,384,927	7/1/10- 6/30/11						4,843,639	$ (5,384,927)		$ (541,288)		
Special Education Categorical Aid	11-495-034-5120-089	544,917	7/1/10- 6/30/11						544,917	(544,917)				
Extraordinary Special Education Cost Aid	10-495-034-5120-044	37,635	7/1/09- 6/30/10	(37,635)					37,365					
Extraordinary Special Education Cost Aid	11-495-034-5120-044	10,400	7/1/10- 6/30/11							(10,400)		(10,400)		
Nonpublic Transportation Aid	11-495-034-5120-014	2,436	7/1/10- 6/30/11							(2,436)		(2,436)		
Nonpublic Transportation Aid	10-495-034-5120-044	2,537	7/1/09- 6/30/10	(2,537)					2,537					
On-behalf TPAF Pension Contribution	11-495-034-5095-001	394,693	7/1/10- 6/30/11						394,693	(394,693)				
Reimbursed TPAF Social Security Contr	10-495-034-5095-002	443,352	7/1/09- 6/30/10	(21,698)					21,698					
Reimbursed TPAF Social Security Contr	11-495-034-5095-002	434,352	7/1/10- 6/30/11						412,826	(434,352)		(21,526)		
Total General Fund				(683,126)					6,878,931	(6,771,725)		(575,650)		
Special Revenue Fund:														
Preschool Education Ad	10-495-034-5120-086	105,074	7/1/09- 6/30/10	(10,507)	$ 10,844		$ 464	$ (11,308)	10,507					
Preschool Education Ad	11-495-034-5120-086	103,862	7/1/10- 6/30/11					11,308	114,248	(115,170)		(10,386)		
Total Special Revenue Fund				(10,507)	10,844		464		124,755	(115,170)		(10,386)		
Debt Service Fund:														
Debt Service Type II Aid	11-495-034-5120-017	119,159	7/1/10- 6/30/11						98,215	(98,215)				
Total Department of Education				(693,633)	10,844		464		7,101,901	(6,985,110)		(586,036)		
NJ Economic Development Authority:														
Capital Projects Fund:														
EDA Educational Facilities Construction and Financing Act - Section 15:														
2009 Allotment														
Magowan School Renovations	1280-050-09-1001	516,305	7/1/09- 6/30/10	(320,294)					122,481			(197,813)		
Ridgeway School Renovations	1280-070-09-1002	393,096	7/1/09- 6/30/10	(160,629)	215,103							(160,629)	215,103	
Total Economic Development Authority				(480,923)	215,103				122,481			(358,442)	215,103	
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program (State Share)														
Fiscal Year 2010	10-100-010-3350-023	6,902	7/1/09- 6/30/10	(458)					458					
Fiscal Year 2011	11-100-010-3350-023	4,200	7/1/10- 6/30/11						3,653	(4,200)		(547)		
National School Breakfast Program (State Share)														
Fiscal Year 2010	10-100-010-3350-021	1,591	7/1/09- 6/30/10	(128)					128					
Total Enterprise Fund				(586)					4,239	(4,200)		(547)		
Total State Awards				$ (1,175,142)	$ 225,947	$ -	$ 464	$ -	$ 7,228,621	$ (6,989,310)	$ -	$ (945,025)	$ 215,103	$ -

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

Edgewater Park Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011

I. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $79,968 for the general fund and $0 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$ 3,384	$ 6,851,693	$ 6,855,077
Special Revenue Fund	765,921	115,170	881,091
Capital Projects Fund			0
Debt Service Fund		98,215	98,215
Food Service Fund	197,238	4,200	201,438
Total Awards & Financial Assistance	$ 966,543	$ 7,069,278	$ 8,035,821

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	Federal	State
Prior Year Payables Canceled	$ 4,345	$ 464

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

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

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

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

Federal Awards

Internal Control over major programs:

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

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

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. - Basic
10.555	National School Lunch Program

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

Auditee qualified as low-risk auditee? X yes ____ no

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

State Awards

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

Auditee qualified as low-risk auditee? X yes ____ no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Special Education Categorical Aid
11-495-034-5120-002	TPAF Rimbursed Social Security
11-100-010-3350-023	National School Lunch Program (State Share)

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section 2 -- Schedule of Financial Statement Findings

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

No findings identified.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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

FEDERAL AWARDS

Finding #2011-1

Information on the federal program:
IDEA Part B - Basic - CFDA No. 84.027; U. S. Department of Education; Passed-through State of New Jersey, Department of Education

Criteria or specific requirement:
As stipulated in OMB Circular A-87, Attachment A, Section (C)(1) costs must be adequately documented to be allowable under federal awards.

Condition:
Tuition costs for the full year were charged to the IDEA program for two (2) students who were not enrolled in the special education program for the full year.

Questioned Costs:
$24,475

Context:
A test sample of twenty-five student IEP's were examined for eligibility. Based upon this test it was noted that one student was removed from the special education program on October 5, 2010 and one student was removed on May 2, 2011, however the IDEA program was charged tuition cost in the amount of $2,225 per month for the full year for each student.

Effect:
Tuition costs to the program were overcharged in the amount of $24,475.

Cause:
There appears to be a lack of communication between the child study team office and the business office.

Recommendation:
Only those costs that qualify under the federal guidelines be charged to the grant.

Management's response:
Management agrees with the above finding and will address the matter as part of their corrective action plan.

STATE AWARDS

No findings and/or questioned costs identified.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENED JUNE 30, 2011

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

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.

NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN

NAME OF SCHOOL DISTRICT: EDGEWATER PARK COUNTY: BURLINGTON

TYPE OF EXAMINATION ANNUAL AUDIT - FISCAL YEAR 2010-2011

DATE OF BOARD MEETING:

CONTACT PERSON: RAYMOND COXE

TELEPHONE NUMBER: 609-877-2122 x3004

RECOMMENDATION NUMBER	CORRECTIVE ACTION APPROVED BY BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
#2011-1	Special Education tuition bills shall be reviewed on a monthly basis by both the District's Child Study Team Office and Business Office - Accounts Payable. The review shall determine that each listed pupil does have an IEP and does qualify for tution under IDEA Part B-Basic.	The Child Study Team Secretary and Accounts payable secretary shall jointly review the monthly special education bills. Each will sign and date verifying their review and confirming the listed students qualify as part of their respectiev IEP. The verified bill will then be reviewed by the Business Administrator.	Child Study Team Secretary / Accounts Payable Clerk / Director of Special Services / Business Administrator	

CHIEF SCHOOL ADMINISTRATOR DATE BOARD SECRETRAY / SCHOOL BUSINESS ADMINISTRATOR DATE