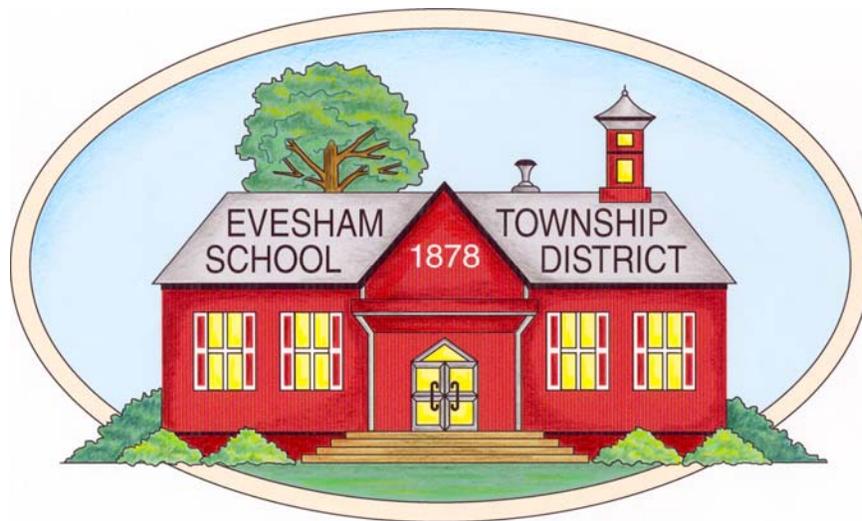


**BOARD OF EDUCATION  
OF THE  
TOWNSHIP OF EVESHAM  
SCHOOL DISTRICT  
MARLTON, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

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

---

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	10
<b>Required Supplementary Information – Part I Management’s Discussion and Analysis</b>	15
<b>Basic Financial Statements</b>	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets	30
A-2 Statement of Activities	31
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	33
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	34
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Proprietary Funds:	
B-4 Statement of Net Assets	36
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	37
B-6 Statement of Cash Flows	38
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	39
B-8 Statement of Changes in Fiduciary Net Assets	40
<b>Notes to the Financial Statements</b>	41
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	65
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Budgetary Comparison Schedule – General Fund -- Education Jobs Fund 18	74
C-2 Special Revenue Fund	75
C-3 Budget-to GAAP Reconciliation	76

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

---

	<u>Page</u>
<b>Required Supplementary Information – Part III</b>	
RSI-1 Required Supplementary Information	78
<b>Notes to the Required Supplementary Information</b>	79
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures – Budgetary Basis	82
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	87
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis	88
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and -2d Project Status - Budgetary Basis	89
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	94
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	95
G-3 Combining Statement of Cash Flows	96
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	98
H-2 Combining Statement of Changes in Fiduciary Net Assets	99
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	100
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	101

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

	<b>Page</b>
<b>Other Supplementary Information (Cont'd)</b>	
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	103
I-2 Schedule of Obligations under Capital Leases	104
I-3 Debt Service Fund Budgetary Comparison Schedule	105
 <b>STATISTICAL SECTION (Unaudited)</b> 	
<b>Introduction to the Statistical Section</b>	
<b>Financial Trends</b>	
J-1 Net Assets by Component	108
J-2 Changes in Net Assets	109
J-3 Fund Balances—Governmental Funds	111
J-4 Changes in Fund Balances—Governmental Funds	112
J-5 General Fund Other Local Revenue by Source	113
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	113
J-7 Direct and Overlapping Property Tax Rates	114
J-8 Principal Property Taxpayers	115
J-9 Property Tax Levies and Collections	116
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	118
J-11 Ratios of General Bonded Debt Outstanding	119
J-12 Direct and Overlapping Governmental Activities Debt	120
J-13 Legal Debt Margin Information	121
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	123
J-15 Principal Employers	124
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	126
J-17 Operating Statistics	127
J-18 School Building Information	128
J-19 Schedule of Required Maintenance Expenditures by School Facility	129
J-20 Insurance Schedule	130
 <b>SINGLE AUDIT SECTION</b> 	
K-1 Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	12
K-2 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 State of New Jersey Circular 04-04-OMB	132
K-3 Schedule of Expenditures of Federal Awards, Schedule A	134
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	138
K-5 Notes to the Schedules of Awards and Financial Assistance	140
K-6 Schedule of Findings and Questioned Costs	142
K-7 Summary Schedule of Prior Audit Findings	147

## INTRODUCTORY SECTION



# Evesham Township School District

Meland Administration Building, 25 South Maple Avenue, Marlton, NJ 08053

[www.evesham.k12.nj.us](http://www.evesham.k12.nj.us) • (856) 983-1800 • Fax # (856) 983-2939

John Scavelli, Jr., Superintendent

Danielle T. Magulick, Director of Curriculum & Instruction

Dennis J. Nettleton, CPA, School Business Administrator/Board Secretary

Tina L. Briscione, Personnel Administrator

October 26, 2012

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

Dear Board Members and Constituents:

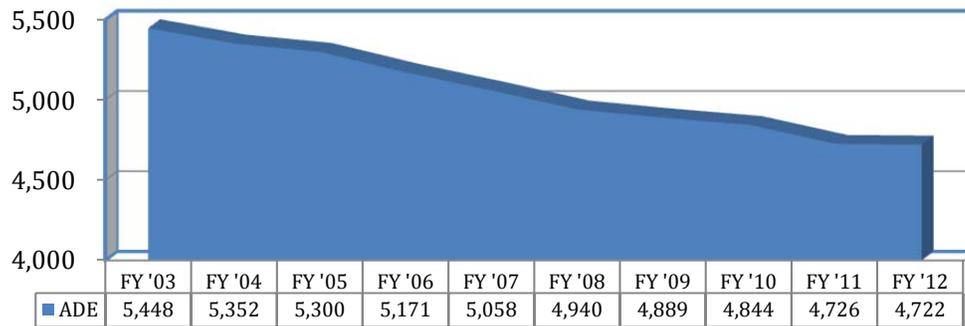
The comprehensive annual financial report of the Evesham Township School District for the fiscal year ending June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Evesham Township Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2012 and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable readers of these statements 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 (designed as a complement the Management's Discussion and Analysis which can be found in Part 1 of the Required Supplementary Information), the district's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Evesham Township School District is required to undergo an annual single audit in conformity with the provisions of the OMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Evesham Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the district are included in this report. The Evesham Township Board of Education and all its schools constitute the district's reporting entity. The Evesham Township School District provides a full range of educational services appropriate to Grade Levels Pre-K through 8. These include regular as well as special education for handicapped students. The Evesham Township School District completed the 2011-12 fiscal year with an average daily enrollment of 4,722 students, which is 4 students below the previous year's enrollment.

The following Exhibit illustrates the change in average daily enrollment of the district over the last ten years. In addition, in fiscal year 2011, the district commissioned a demographic study that analyzed birth rates in Evesham Township. Using the Cohort Survival Projection

Method<sup>1</sup>, the demographer projected a continued decline in enrollment through the 2016-17 school year. Essentially, in Evesham Township, there are simply fewer live births in the community. Going forward the district has planned for a housing turnover analysis to identify anticipated housing trends in an attempt to pinpoint a time enrollments might increase due to turnover of existing homes.



2. **ECONOMIC CONDITION AND OUTLOOK:** The Evesham Township School District reflects the overall demographic in the community. The current economic condition has been difficult for many local businesses and families within the community. Ratables have been in slow decline since the Township did a revaluation in 2009. Total bonded indebtedness is \$30,720,000, as compared to a borrowing capacity of \$169,137,531. In addition, the district's bond rating was reviewed over the spring of 2012 by Moody's Investors Service and maintained its bond rating at Aa2.

Evesham's ratables for the 2012 calendar year are classified as follows:

Vacant Property	\$32,883,500
Residential	4,114,634,100
Farmland	13,377,900
Commercial	790,110,275
Industrial	31,554,000
Apartment	246,282,200
Public Utilities	16,311,542
<b>TOTAL Ratables</b>	<b>\$5,245,153,517</b>

3. **LONG TERM PLANNING AND MAJOR INITIATIVES:** Public school districts are faced with increasing challenges these days. The Evesham Township School District recognizes the need for community involvement and has individual school level planning committees and provides for a wide variety of community activities. Throughout the 2012 school year, the district engaged in a Strategic Planning Initiative engaging parents, teachers, board members and administrators, as well as the community in an effort to obtain direction from the school community for its' schools. The process identified many areas of focus for the upcoming years. Those areas are as follows:
  - a. **Curriculum, Instruction, & Assessment** – A major focus of the district's long-term planning is the high quality programs it offers as well as an assessment of the successes of those programs. Integrating technology, and a culture supporting continuous professional development for our staff will support our existing and future high quality educational programs. Another goal of this area will be to define student achievement so that we can best assess the progress of our students toward goals.

<sup>1</sup> The Cohort Survival Projection Method is a simple method for forecasting what the future population will be based upon the survival of the existing population and the births that will occur

- b. **Fiscal Resources & District Operations** – Maintaining fiscal responsibility and maximizing efficiencies wherever possible are an underlying focus of the District's mission. In order to accomplish the goal of efficiency and effectiveness, the District will continue to monitor future enrollment projections, as well as expand current "Green" initiatives and shared service opportunities with our partner local government agencies.
- c. **School Culture & Communication** – It is important for the district to maintain the positive school climates that it has enjoyed for decades. The development of professional learning communities and responsive classroom strategies is a key to maintaining the school environment. Through this period, the district will also be examining its' mission statement. Additionally, the district will seek to enhance it's present on the web through the use of social media and increased web-based communication. Other goals include the establishment of a deliberate public relations outreach program to showcase the district's accomplishments to the community.

While the Strategic Planning Initiative began in the Winter of 2012 and continued throughout the remainder of the school year, it is an ongoing process. Currently, the district administrative team, staff, and board members are in the process of developing action plans in order to respond to the goals and direction laid out through the process. It is anticipated that this process will continue to engage the community in the months and years to come.

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

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

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

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

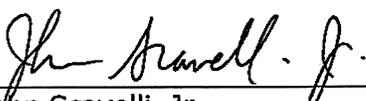
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2012.

6. **ACCOUNTING SYSTEM AND REPORTS:** The Evesham Township School District's accounting records reflect generally accepted accounting principles in the United States of America, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the basic financial statements, the Evesham Township School District continues to meet its responsibility for sound financial management.
8. **DEBT ADMINISTRATION:** At June 30, 2012, the District's outstanding debt issues were \$30,720,000 which only 18.16% of the districts Debt Limit.
9. **CASH MANAGEMENT:** The investment policy of the Evesham Township School District is guided in large part by state statute as detailed in "Notes to the statements", Note 2. The district requires all deposits of public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, workers compensation, professional liability, hazard and theft insurance on property and contents, and fidelity bonds.
11. **OTHER INFORMATION:** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, CPAs, was approved by the Board to complete this audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. **ACKNOWLEDGMENTS**

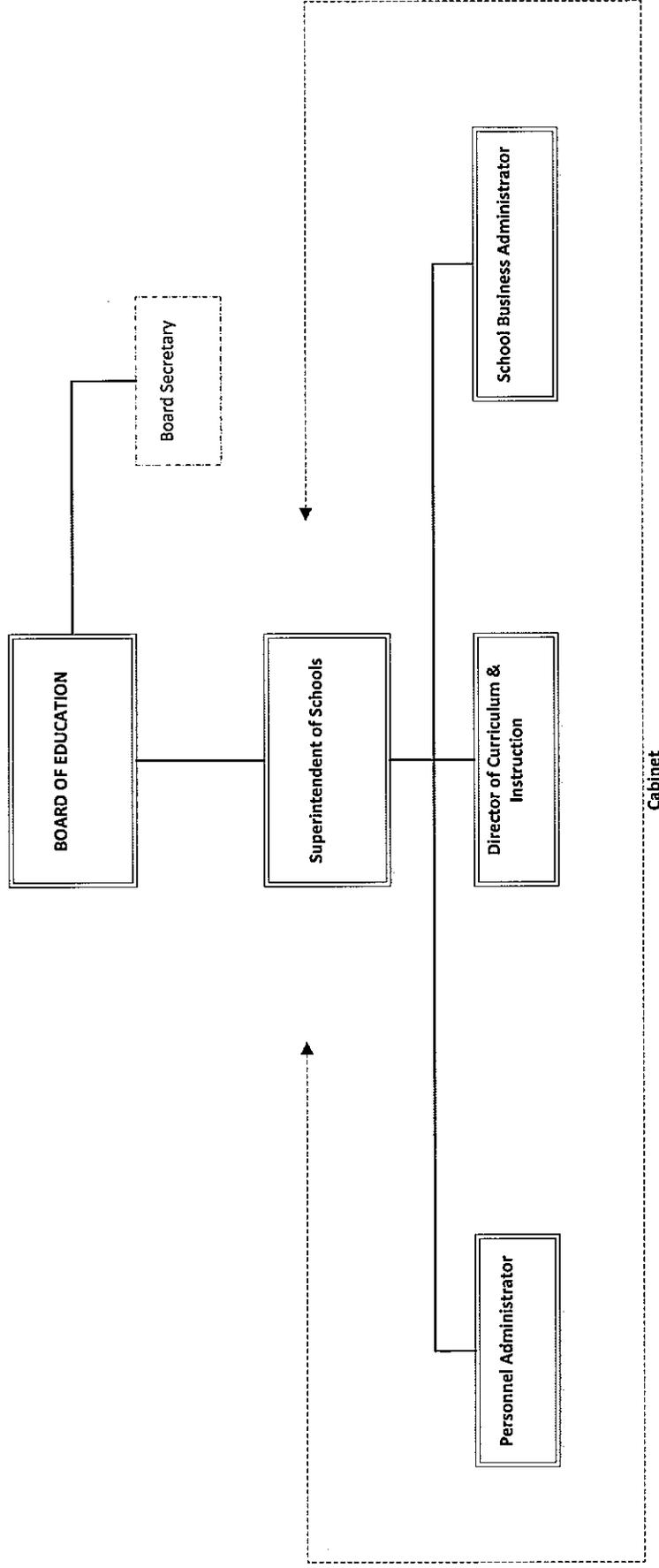
We would like to express our appreciation to the members of the Evesham Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

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

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

# 2011-12 Professional Staff Chart



- Curriculum Subject Area Supervisors**
- Classroom Teachers (A)
  - Special Education Teachers (A)
  - ESL Teachers (A)
  - Reading Specialists (B)
  - Reading Recovery Teachers (B)
  - School Counselors (A)
  - Nurses (A)
  - Media Specialists (A)
  - Related Arts Teachers (B)
  - World Language Teachers (B)
  - Long Term Substitutes (A)

- Supervisor of Special Services & Child Study Teams**
- Pre K-1 Supervisor/Child Study Team Liaison (A)
  - Social Workers (B)
  - Psychologists (B)
  - LDTC (B)
  - Special Education Teachers (A)
  - Speech Teachers (A)
  - Behavior Specialists

- Principals**
- Vice Principals & Elem. Asst. Principal (A)
  - Classroom Teachers (B)
  - Special Education Teachers (B)
  - ESL Teachers (B)
  - Speech Teachers (B)
  - Reading Specialists (A)
  - Reading Recovery Teachers (A)
  - School Counselors (B)
  - Nurses (B)
  - Media Specialists (B)
  - Related Arts Teachers (A)
  - World Language Teachers (A)
  - Long Term Substitutes (B)

(A) – Shares responsibility for required formal performance appraisal and provides input into annual performance report and PIP  
 (B) – Has direct responsibility for annual performance report

**Evesham Township School District  
Marlton, New Jersey**

**Roster of Officials**

**June 30, 2012**

**Members of the Board of Education**

**Term  
Expires**

Sanford "Sandy" Student, President	2014
Joseph M. De Julius, Vice President	2013
Rosemary Bernardi	2014
Patricia Everhart	2012
Eileen Lenihan	2012
Jay Levenson	2013
Lisa Mansfield	2013
David Silver	2014
Louise Sprouse	2012

**Other Officials**

John Scavelli, Jr. *Superintendent of Schools*

Danielle Magulick, *Director of Curriculum & Instruction*

Tina Briscione, *Personnel Administrator*

Dennis J. Nettleton, *CPA, RSBA, School Business  
Administrator/Board Secretary*

**Evesham Township School District  
Marlton, New Jersey**

**Consultants and Advisors**

**June 30, 2012**

**Architects**

Wayne A. Neville, AIA  
430 Commerce Lane – Suite C  
West Berlin, NJ 08091

**Independent Auditors**

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

**Attorney**

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

**Official Repositories**

Beneficial Bank  
4522 Church Road  
Mount Laurel, NJ 08054

Fulton Bank of New Jersey  
195 Greentree Road  
Marlton, NJ 08053

New Jersey Cash Management Fund  
PO Box 290  
Trenton, NJ 08625-0290

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

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

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 Township of Evesham School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility, of the Township of Evesham School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Evesham School District in the County of Burlington, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2012 on our consideration of the Township of Evesham School District's internal control over financial reporting and on 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 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 the 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 of 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 Township of Evesham School District's financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Evesham School District's basic financial statements. The introductory section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
October 26, 2012

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

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

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 Township of Evesham School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 26, 2012. 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 Administration and Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

Management of the Township of Evesham School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Evesham School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Evesham School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey and which is described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as finding number 2012-1.

The Township of Evesham 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 the School District's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M DiGangi*

Daniel M DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
October 26, 2012

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

The discussion and analysis of The Township of Evesham School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2011-12) and the prior year (2010-11) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2011-12 fiscal year include the following:

- ⇒ Net Assets were \$43,268,027 for Governmental Activities and \$767,294 for Business-Type Activities.
- ⇒ Net Assets increased by \$3,749,269 from July 1, 2011 to June 30, 2012 for Governmental Activities and increased by \$175,118 for Business-Type Activities.
- ⇒ The General Fund balance at June 30, 2012 was \$6,091,809, which includes \$2,758,582 in the Capital Reserve Account.
- ⇒ The Food Service enterprise posted an increase in its change in net assets of \$56,652 as opposed to a net decrease in change in net assets of (\$47,307) in the prior year. This is the first positive change in net assets in several years.
- ⇒ The Child Care enterprise posted an increase in its change in net assets of \$118,465. This is an increase of \$41,526 over the prior year. This is the second year of an increase in change in net assets for this program.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

**District-wide Statements**

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

## **Reporting the School District as a Whole**

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

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

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

**The School District as a Whole**

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

Table A-2 provides a summary of the School District's net assets for fiscal year end 2011 versus 2012.

	2010-11		2011-12		Increase/(Decrease)	
	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities
<b><u>Assets:</u></b>						
Current and Other Assets	\$ 7,514,715	\$ 803,209	\$ 7,929,536	\$ 909,854	\$ 414,821	\$ 106,645
Capital Assets	72,021,518	152,200	69,682,385	273,574	(2,339,133)	121,374
<b>Total Assets</b>	<b>\$ 79,536,233</b>	<b>\$ 955,409</b>	<b>\$ 77,611,921</b>	<b>\$ 1,183,428</b>	<b>\$ (1,924,312)</b>	<b>\$ 228,019</b>
<b><u>Liabilities:</u></b>						
Long-Term Liabilities	\$ 33,353,683	\$ 15,615	\$ 29,630,908	\$ 1,098	\$ (3,722,775)	\$ (14,517)
Other Liabilities	6,663,792	347,618	4,712,986	415,037	(1,950,806)	67,419
<b>Total Liabilities</b>	<b>\$ 40,017,475</b>	<b>\$ 363,233</b>	<b>\$ 34,343,894</b>	<b>\$ 416,135</b>	<b>\$ (5,673,581)</b>	<b>\$ 52,902</b>
<b><u>Net Assets:</u></b>						
Invested in Cap. Assets, Net of Debt	\$ 36,650,746	\$ 152,200	\$ 38,721,910	\$ 273,574	\$ 2,071,164	\$ 121,374
Restricted	4,645,528	-	5,880,261		1,234,733	-
Unrestricted	(1,777,516)	439,976	(1,334,144)	493,719	443,372	53,743
<b>Total Net Assets</b>	<b>\$ 39,518,758</b>	<b>\$ 592,176</b>	<b>\$ 43,268,027</b>	<b>\$ 767,293</b>	<b>\$ 3,749,269</b>	<b>\$ 175,117</b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

Table A-3 shows a summary of changes in net assets from fiscal year 2012 to fiscal year 2011.

**Table A-3  
Township of Evesham School District  
Net Cost of Governmental Activities**

	<u>2011-12</u>	<u>2010-11</u>	<u>Increase/ (Decrease)</u>
<b><u>Revenues</u></b>			
General Revenue:			
Property Taxes	\$ 55,053,421	\$ 55,369,559	\$ (316,138)
Federal and State Aid	22,180,288	20,217,236	1,963,052
Miscellaneous Income	962,749	1,099,027	(136,278)
Donation of cap. assets & operating transfers net	18,704	2,348	16,356
<b>Total Revenues</b>	<b><u>\$ 78,215,162</u></b>	<b><u>\$ 76,688,170</u></b>	<b><u>\$ 1,526,992</u></b>
<b><u>Program Expenses</u></b>			
Governmental Activities:			
Instruction	\$ 32,166,638	\$ 32,594,766	\$ (428,128)
Support Services:			
Student & Instruction Related Services	6,571,865	6,996,157	(424,292)
Administrative Services	4,521,573	4,713,128	(191,555)
Plant Operations & Maintenance	5,782,360	6,531,657	(749,297)
Pupil Transportation	4,142,668	3,932,716	209,952
Unallocated Benefits	17,554,264	16,968,067	586,197
Interest on Long-Term Debt	1,308,901	1,467,619	(158,718)
Unallocated depreciation	2,417,624	2,347,261	70,363
Subtotal Expenses, Governmental Activities	<u>\$ 74,465,893</u>	<u>\$ 75,551,371</u>	<u>\$ (1,085,478)</u>
Business-Type Activities Net Expenses:			
Food Service	\$ 56,652	\$ (47,307)	\$ (103,959)
Childcare Program	118,466	76,939	(41,527)
Subtotal Net (Income) Expenses, Business-Type Activities	<u>\$ 175,118</u>	<u>\$ 29,632</u>	<u>\$ (145,486)</u>
<b>Total Expenses</b>	<b><u>\$ (74,290,775)</u></b>	<b><u>\$ (75,521,739)</u></b>	<b><u>\$ (1,230,964)</u></b>
<b>Increase (Decrease) in Net Assets</b>	<b><u>\$ 3,924,387</u></b>	<b><u>\$ 1,166,431</u></b>	<b><u>\$ 2,757,956</u></b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

**Changes in Net Assets.** Total revenues for the district were \$76,023,690. Property taxes for general purposes and debt service are 72.4% of the district's revenues with the State of New Jersey and Federal Sources providing \$19,878,803 in aid. The dependence upon local property taxes is apparent and is the primary support for the Township of Evesham School District. A steady decrease in ratables over the past several years has had a direct impact on tax rates and an increased burden on the remaining tax base.

The District's expenses are predominantly related to instruction and support services. Instruction together with tuition totaled \$30,972,087 or 42.9% of total expenditures. Student support services, exclusive of administration, totaled \$6,463,970 or 8.9% of total expenditures.

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

<u>Governmental Activities</u>	<u>Source</u>	<u>11-12 Net Cost</u>	<u>10-11 Net Cost</u>	<u>Increase/ (Decrease)</u>
Instruction:				
Regular	A-2	\$ 19,057,970	\$ 19,589,851	\$ (531,881)
Special	A-2	8,092,329	7,686,529	405,800
Other Special Instruction	A-2	1,675,522	1,849,119	(173,597)
Other Instruction	A-2	2,146,266	2,067,674	78,592
Support Services:				
Student & Instruction Related Services	A-2	6,463,970	6,443,279	20,691
School Administrative Services	A-2	2,335,909	2,347,018	(11,109)
General and Business Admin. Services	A-2	2,185,664	2,366,110	(180,446)
Plant Operations & Maintenance	A-2	5,782,360	6,531,657	(749,297)
Pupil Transportation	A-2	4,127,155	3,918,899	208,256
Unallocated Benefits	A-2	11,693,627	12,544,084	(850,457)
Interest on long-term debt	A-2	942,532	1,096,027	(153,495)
Unallocated depreciation	A-2	2,417,624	2,347,261	70,363
<b>Total Governmental Activities</b>		<b><u>\$ 66,920,928</u></b>	<b><u>\$ 68,787,508</u></b>	<b><u>\$ (1,866,580)</u></b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

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

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

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

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

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

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

**The School District's Funds**

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$78,310,913, expenditures of \$77,160,453.

**General Fund Budgeting Highlights**

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

The following schedule presents a summary of General Fund Revenues.

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

	<u>2011-12</u>		<u>2010-11</u>		<u>Increase /</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>(Decrease)</u>	<u>%Change</u>
<b><u>Revenues</u></b>						
Local Sources:						
Local Tax Levy	\$ 50,852,659	71.79%	\$ 51,186,102	74.30%	\$ (333,443)	-0.65%
Interest	170,491	0.24%	163,030	0.24%	7,461	4.58%
Tuition	16,243	0.02%	98,854	0.14%	(82,611)	-83.57%
Rentals	218,468	0.31%	115,506	0.17%	102,962	89.14%
Miscellaneous	672,002	0.95%	721,637	1.05%	(49,635)	-6.88%
<b>Sub-total Local Sources</b>	<b>\$ 51,929,863</b>	<b>73.31%</b>	<b>\$ 52,285,129</b>	<b>75.90%</b>	<b>\$ (355,266)</b>	<b>-0.68%</b>
Government Sources:						
State Sources	\$ 18,389,577	25.96%	\$ 16,606,116	24.10%	\$ 1,783,461	10.74%
Federal Sources	516,060	0.73%	-	0.00%	(516,060)	-
<b>Sub-total Government Sources</b>	<b>\$ 18,905,637</b>	<b>26.69%</b>	<b>\$ 16,606,116</b>	<b>24.10%</b>	<b>\$ 1,267,401</b>	<b>7.63%</b>
<b>Total Revenues</b>	<b>\$ 70,835,500</b>	<b>100.00%</b>	<b>\$ 68,891,245</b>	<b>100.00%</b>	<b>\$ 912,135</b>	<b>1.32%</b>

The General Fund revenues are primarily made up of local sources, with Local Tax Levy being the single largest portion of the district's revenue. Additionally, State Aid is the second largest category. Over the last few years state aid support has been in decline. 2011-12 experienced an increase in state aid which in turn allowed the district to reduce the overall tax levy. What the above Table illustrates is the inverse relationship that the district experiences with Tax Levy and State Aid. As state aid was reduced the tax levy increased and now as state aid is increased it is possible to consider decreases in tax levy.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

The following schedule presents a summary of General Fund expenditures.

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

	<u>2011-12</u>		<u>2010-11</u>		<u>Increase /</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>(Decrease)</u>	<u>%Change</u>
Instruction:						
Regular Instruction	\$ 19,189,894	27.81%	\$ 19,433,794	28.20%	\$ (243,900)	-1.26%
Special Education Instruction	8,094,516	11.73%	7,645,653	11.09%	448,863	5.87%
Other Special Instruction	1,675,522	2.43%	1,849,119	2.68%	(173,597)	-9.39%
Other Instruction	2,146,266	3.11%	2,067,674	3.00%	78,592	3.80%
Support Services & Undistributed Costs:						
Student & Instruction Related Services:	6,463,445	9.37%	6,439,574	9.34%	23,871	0.37%
School Administrative Services	2,335,909	3.38%	2,347,018	3.41%	(11,109)	-0.47%
General and Business Admin. Service	2,176,875	3.15%	2,336,649	3.39%	(159,774)	-6.84%
Plant Operations & Maintenance	5,544,767	8.03%	5,801,154	8.42%	(256,387)	-4.42%
Pupil Transportation	3,963,028	5.74%	3,750,987	5.44%	212,041	5.65%
Unallocated Benefits	12,138,044	17.59%	12,601,469	18.29%	(463,425)	-3.68%
Reimbursed TPAF & Social Security	5,227,238	7.57%	4,402,408	6.39%	824,830	18.74%
Capital Outlay	58,570	0.08%	238,700	0.35%	(180,130)	-75.46%
<b>Total Expenditures</b>	<b>\$ 69,014,074</b>	<b>100.00%</b>	<b>\$ 68,914,199</b>	<b>100.00%</b>	<b>\$ 99,875</b>	<b>0.14%</b>

Total General Fund expenditures increased \$99,875 or 0.14% from the previous year. Increases in Special Education Instruction costs \$275,266 or 2.90%. Unallocated benefits decreased \$463,425 or 3.68%. Overall there was little significant fluctuation in any one category however Capital Outlay expenditures were down 75.46% from prior year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

**UNRESERVED FUND BALANCE**

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

**Capital Assets**

At the end of the fiscal year 2012, the School District had \$69,682,385 invested in land, buildings, furniture and equipment, net of depreciation for governmental activities. More information on capital assets can be found in the Notes to the Financial Statements.

Table A-7 shows a summary of the fiscal year 2012 balances as compared to fiscal year 2011.

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

	<u>2011-12</u>		<u>2010-11</u>		<b>Increase /</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	<b>(Decrease)</b>	<b>% Change</b>
Land	\$ 9,930,682	14.25%	\$ 9,930,682	13.79%	\$ 0	0.00%
Land Improvements	813,442	1.17%	864,948	1.20%	(51,506)	-5.95%
Construction In Progress	310,127	0.45%	329,840	0.46%	(19,713)	-5.98%
Buildings & Improvements	56,620,947	81.26%	58,341,491	81.01%	(1,720,544)	-2.95%
Furniture & Equipment	2,007,187	2.88%	2,554,557	3.55%	(547,370)	-21.43%
<b>Totals</b>	<b>\$ 69,682,385</b>	<b>100.00%</b>	<b>\$ 72,021,518</b>	<b>100.00%</b>	<b>\$ (2,339,133)</b>	<b>-3.25%</b>

The capitalization threshold for classification of fixed assets is \$2,000. Any equipment with a unit value under \$2,000 is classified as a supply item. Capital Assets net of depreciation has remained stable over the prior year.

**Food Service Fund**

This fund accounts for the financial transactions related to the food service operations of the School District. The Food Service Fund had Net Assets of \$499,325 on June 30, 2012. This is an increase of \$56,652 from the previous year. This is the first increase in net assets in a number of years for the Food Service Program. The increase can be primarily attributed to the privatization of cafeteria workers for the 2011-12 school year.

**Childcare Program**

The Childcare Program had net assets on June 30, 2012 of \$267,969. This reflects an increase of \$118,465 from the previous year primarily as a result of an increase in participation in the program, and cost containment. This fund accounts for the financial activity relating to before and after school day care services for the pupils of the Evesham Township School District.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

**DEBT SERVICE FUND**

The current year obligations for payment of debt service principal and interest amounted to \$5,540,296. Funding was provided by the local tax levy in the amount of \$4,200,762 and \$1,339,535 was received as aid from the state with the remainder from budgeted fund balance.

**Construction Planning**

The district will soon continue with certain roof replacements and sheet metal work. In July 2011, a roof replacement occurred at the Florence V. Evans, Robert B. Jaggard and Richard L. Rice Schools. Additionally in 2011, an HVAC controls upgrade began at Marlton Middle School. Grants were secured from the NJ School Development Authority, which covered approximately 40% of the costs. Going into the 2012-13 school year, the district is planning for a full roof replacement at Marlton Middle School, and partial replacements at the Van Zant and Beeler Elementary schools. A district-wide HVAC Controls system replacement is also being planned for. None of the 2012-13 projects are expected to receive any state funding, as those funds are not anticipated being available.

Other construction related items include the district's participation in the New Jersey Board of Public Utilities (BPU), Energy Savings Improvement Program (ESIP). This program affords school districts the ability to get a high level energy audit performed at no cost to the district. It further allows districts special financing opportunities to get the work done. As of the date of this report, the district is in the process of finalizing the energy audit.

**Long-term Obligations**

The district also had a \$785,020 liability for compensated absences. This liability represents the district's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

The district was also required to report obligations for "Other Post Employment Benefits" in accordance with GASB Statement 45. For the fiscal year ended June 30, 2012 the present value of these benefits to be paid over the next thirty years is \$936,707.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

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

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

<b>Governmental Activity</b>	<b>Balance at June 30, 2012</b>	<b>Balance at June 30, 2011</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
General Obligation Bonds Payable	\$ 30,720,000	\$ 34,745,000	\$ (4,025,000)	-13.00%
Other Post Employment Benefits	936,707	1,381,124	(444,417)	-47.00%
Capital Leases	102,920	338,807	(235,887)	-229.00%
Unamortized Bond Premiums	1,149,277	1,327,717	(178,439)	-16.00%
Unamortized Loss on Refunding	(694,727)	(674,369)	(20,358)	3.00%
Compensated Absences	785,020	905,018	(119,998)	-15.00%
<b>Totals</b>	<b>\$ 32,999,197</b>	<b>\$ 38,023,297</b>	<b>\$ (5,024,100)</b>	<b>-15.00%</b>

**Current Financial Issues and Concerns**

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

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

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

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

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

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Statement of Net Assets  
June 30, 2012

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,341,341.92	\$ 839,106.32	\$ 6,180,448.24
Receivables, net	1,798,654.15	26,509.80	1,825,163.95
Deferred Charge:			
Debt Issuance Costs (Net of Amortization)	316,994.85		316,994.85
Restricted Cash and Cash Equivalents	295,805.86		295,805.86
Inventory	176,739.13	44,238.19	220,977.32
Capital Assets, net (Note 6)	<u>69,682,385.26</u>	<u>273,574.10</u>	<u>69,955,959.36</u>
<b>Total Assets</b>	<u>77,611,921.17</u>	<u>1,183,428.41</u>	<u>78,795,349.58</u>
<b>LIABILITIES:</b>			
Accounts Payable	886,244.92	373,699.68	1,259,944.60
Payable to Other Governments	19,105.00		19,105.00
Accrued Interest	374,985.66		374,985.66
Deferred Revenue	64,362.09	41,337.11	105,699.20
Noncurrent Liabilities (Note 7):			
Due within One Year	3,368,288.62		3,368,288.62
Due beyond One Year	<u>29,630,907.89</u>	<u>1,098.03</u>	<u>29,632,005.92</u>
<b>Total Liabilities</b>	<u>34,343,894.18</u>	<u>416,134.82</u>	<u>34,760,029.00</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	38,721,910.39	273,574.10	38,995,484.49
Restricted for:			
Debt Service	(374,490.54)		(374,490.54)
Capital Projects	551,018.63		551,018.63
Other Purposes	5,703,732.33		5,703,732.33
Unrestricted (Deficit)	<u>(1,334,143.82)</u>	<u>493,719.49</u>	<u>(840,424.33)</u>
<b>Total Net Assets</b>	<u>\$ 43,268,026.99</u>	<u>\$ 767,293.59</u>	<u>\$ 44,035,320.58</u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 19,074,212.65	\$ 1,175,151.50		\$ (19,057,969.65)		\$ (19,057,969.65)
Special Education	9,267,480.41			(8,092,328.91)		(8,092,328.91)
Other Special Instruction	1,675,521.76			(1,675,521.76)		(1,675,521.76)
Other Instruction	2,149,423.84	3,157.49		(2,146,266.35)		(2,146,266.35)
Support Services:						
Student and Instruction Related Services	6,571,864.67	107,894.58		(6,463,970.09)		(6,463,970.09)
School Administrative Services	2,335,908.92			(2,335,908.92)		(2,335,908.92)
General and Business Administrative Services	2,185,664.11			(2,185,664.11)		(2,185,664.11)
Plant Operations and Maintenance	5,782,359.82			(5,782,359.82)		(5,782,359.82)
Pupil Transportation	4,142,668.00	15,513.30		(4,127,154.70)		(4,127,154.70)
Allocated and Unallocated Benefits	12,327,026.23	633,398.93		(11,693,627.30)		(11,693,627.30)
Reimbursed TPAF and Social Security	5,227,238.15	5,227,238.15		(942,531.70)		(942,531.70)
Interest on Long-Term Debt	1,308,900.62	366,368.92		(2,417,624.39)		(2,417,624.39)
Unallocated Depreciation	2,417,624.39					
<b>Total Governmental Activities</b>	<b>74,465,893.57</b>	<b>7,528,722.87</b>	<b>-</b>	<b>(66,920,927.70)</b>	<b>-</b>	<b>(66,920,927.70)</b>
<b>Business-Type Activities:</b>						
Food Service	1,386,890.00	298,387.53			\$ 51,706.91	\$ 51,706.91
Childcare Program	921,669.60				111,609.62	111,609.62
<b>Total Business-Type Activities</b>	<b>2,308,559.60</b>	<b>298,387.53</b>	<b>-</b>	<b>-</b>	<b>163,316.53</b>	<b>163,316.53</b>
<b>Total Primary Government</b>	<b>\$ 76,774,453.17</b>	<b>\$ 7,827,110.40</b>	<b>-</b>	<b>(66,920,927.70)</b>	<b>163,316.53</b>	<b>(66,757,611.17)</b>
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes, net				50,852,659.00		50,852,659.00
Taxes Levied for Debt Service				4,200,762.00		4,200,762.00
Federal and State Aid Not Restricted				13,678,399.00		13,678,399.00
Federal and State Aid Restricted				973,166.08		973,166.08
Miscellaneous Income				1,060,961.07	11,801.40	1,072,762.47
Change in Inventory				18,703.81		18,703.81
Cancellation of Receivables				(114,454.36)		(114,454.36)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>				<b>70,670,196.60</b>	<b>11,801.40</b>	<b>70,681,998.00</b>
Change in Net Assets				3,749,268.90	175,117.93	3,924,386.83
Net Assets -- July 1				39,518,758.09	592,175.66	40,110,933.75
Net Assets -- June 30				\$ 43,268,026.99	\$ 767,293.59	\$ 44,035,320.58

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

FUND FINANCIAL STATEMENTS

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 5,341,341.92		\$ 295,804.63	\$ 1.23	\$ 5,637,147.78
Receivables, net:					
Interfunds Receivable:					
Enterprise Funds	369,946.68				369,946.68
Special Revenue Fund	242,529.26				242,529.26
Receivables from Other Governments:					
Federal	59,312.17	\$ 255,652.60			314,964.77
State of NJ -- Extraordinary Aid	313,232.00				313,232.00
State of NJ -- FICA	110,585.02				110,585.02
State of NJ -- Transportation Aid	36,366.00				36,366.00
State of NJ -- Nonpublic Aid		19,072.00			19,072.00
State of NJ -- SDA Grants			255,214.00		255,214.00
Other Receivables	73,226.80	63,517.62			136,744.42
Inventory of Supplies	176,739.13				176,739.13
<b>Total Assets</b>	<b><u>\$ 6,723,278.98</u></b>	<b><u>\$ 338,242.22</u></b>	<b><u>\$ 551,018.63</u></b>	<b><u>\$ 1.23</u></b>	<b><u>\$ 7,612,541.06</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 526,085.79	\$ 47,095.87			\$ 573,181.66
Interfunds Payable:					
General Fund		242,529.26			242,529.26
Fiduciary Funds	70,534.00				70,534.00
Payable to State Government		19,105.00			19,105.00
Deferred Revenue	34,850.00	29,512.09			64,362.09
<b>Total Liabilities</b>	<b><u>631,469.79</u></b>	<b><u>338,242.22</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>969,712.01</u></b>
<b>Fund Balances:</b>					
Nonspendable -- Inventory of Supplies	176,739.13				176,739.13
Restricted:					
Capital Reserve	2,758,582.25				2,758,582.25
Emergency Reserve	652,784.02				652,784.02
Maintenance Reserve	256,745.21				256,745.21
Maintenance Reserve Designated for Subsequent Year's Expenditures	250,000.00				250,000.00
Legally Restricted Designated for Subsequent Year's Expenditures	11,574.71				11,574.71
Excess Surplus Designated for Subsequent Year's Expenditures	118,942.21				118,942.21
Capital Projects			\$ 551,018.63		551,018.63
Debt Service				\$ 1.23	1.23
Assigned:					
Other Purposes	260,236.72				260,236.72
Subsequent Year's Expenditures	1,218,128.08				1,218,128.08
Unassigned	388,076.86				388,076.86
<b>Total Fund Balances</b>	<b><u>6,091,809.19</u></b>	<b><u>-</u></b>	<b><u>551,018.63</u></b>	<b><u>1.23</u></b>	<b><u>6,642,829.05</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 6,723,278.98</u></b>	<b><u>\$ 338,242.22</u></b>	<b><u>\$ 551,018.63</u></b>	<b><u>\$ 1.23</u></b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$110,343,468.03 and the accumulated depreciation is \$40,661,082.77.	69,682,385.26
Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.	(32,999,196.51)
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	316,994.85
Interest on long term debt is accrued on the Statement of Net Assets regardless when due.	(374,985.66)

Net assets of governmental activities \$ 43,268,026.99

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 50,852,659.00			\$ 4,200,762.00	\$ 55,053,421.00
Other Local Revenue	1,077,204.07	\$ 97,457.77			1,174,661.84
State Sources	18,389,577.15	210,707.04		1,339,535.00	19,939,819.19
Federal Sources	516,060.00	1,626,950.99			2,143,010.99
<b>Total Revenues</b>	<b>70,835,500.22</b>	<b>1,935,115.80</b>	<b>-</b>	<b>5,540,297.00</b>	<b>78,310,913.02</b>
<b>EXPENDITURES:</b>					
Regular Instruction	19,189,894.34				19,189,894.34
Special Education Instruction	8,094,516.26	1,175,151.50			9,269,667.76
Other Special Instruction	1,675,521.76				1,675,521.76
Other Instruction	2,146,266.35	3,157.49			2,149,423.84
Support Services and Undistributed Costs:					
Student and Instruction Related Services	6,463,445.09	107,894.58			6,571,339.67
School Administrative Services	2,335,908.92				2,335,908.92
Other Administrative Services	2,176,874.81				2,176,874.81
Plant Operations and Maintenance	5,544,766.62				5,544,766.62
Pupil Transportation	3,963,027.68	15,513.30			3,978,540.98
Allocated and Unallocated Benefits	12,138,044.57	633,398.93			12,771,443.50
Reimbursed TPAF Pension and Social Security	5,227,238.15				5,227,238.15
Debt Service:					
Principal				4,025,000.00	4,025,000.00
Interest				1,515,296.26	1,515,296.26
Capital Outlay	58,569.55		\$ 670,966.37		729,535.92
<b>Total Expenditures</b>	<b>69,014,074.10</b>	<b>1,935,115.80</b>	<b>670,966.37</b>	<b>5,540,296.26</b>	<b>77,160,452.53</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,821,426.12</b>	<b>-</b>	<b>(670,966.37)</b>	<b>0.74</b>	<b>1,150,460.49</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Cancellation of Grant Balances	171.56		(73,371.92)		(73,200.36)
Transfers To and From Capital Reserve	145,192.68		(145,192.68)		(41,254.00)
Cancellation of Tuition Receivable	(41,254.00)				18,703.81
Change in Year-end Inventory	18,703.81				
<b>Total Other Financing Sources and Uses</b>	<b>122,814.05</b>	<b>-</b>	<b>(218,564.60)</b>	<b>-</b>	<b>(95,750.55)</b>
<b>Net Change in Fund Balances</b>	<b>1,944,240.17</b>	<b>(889,530.97)</b>	<b>1,440,549.60</b>	<b>0.74</b>	<b>1,054,709.94</b>
<b>Fund Balance -- July 1</b>	<b>4,147,569.02</b>	<b>-</b>	<b>-</b>	<b>0.49</b>	<b>5,588,119.11</b>
<b>Fund Balance -- June 30</b>	<b>\$ 6,091,809.19</b>	<b>\$ -</b>	<b>\$ 551,018.63</b>	<b>\$ 1.23</b>	<b>\$ 6,642,829.05</b>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2012

Total Net Change in Fund Balances - Governmental Funds	\$ 1,054,709.94
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	\$ (3,059,475.61)
Assets Less Than \$2,000.00	(7,199.34)
Debt Service Assessment Charged to Capital Outlay	(1,994.00)
Capital Outlays	<u>729,535.92</u>
	(2,339,133.03)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	4,025,000.00
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	
Amortization of Debt Issuance Costs	(49,386.81)
Amortization of Loss on Refunding Bonds	20,358.25
Amortization of Bond Sale Premiums	178,439.34
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	235,886.95
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)	58,978.86
In the statement of activities, post employment benefits other than pension are accrued regardless of when due. This accrued liability is not recorded In the governmental funds. The increase in accrued liability is an reduction in the reconciliation. (-)	444,417.27
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	<u>119,998.13</u>
Change in Net Assets of Governmental Activities	<u>\$ 3,749,268.90</u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Proprietary Funds  
Combining Statement of Net Assets  
June 30, 2012

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 310,485.81	\$ 528,620.51	\$ 839,106.32
Accounts Receivable:			
State	389.10		389.10
Federal	8,106.98		8,106.98
Other	2,651.42	15,362.30	18,013.72
Inventories	44,238.19		44,238.19
<b>Total Current Assets</b>	<u>365,871.50</u>	<u>543,982.81</u>	<u>909,854.31</u>
<b>Noncurrent Assets:</b>			
Restricted Cash and Cash Equivalents			
Furniture, Machinery and Equipment	1,033,257.11	85,306.39	1,118,563.50
Less Accumulated Depreciation	(836,791.56)	(8,197.84)	(844,989.40)
<b>Total Noncurrent Assets</b>	<u>196,465.55</u>	<u>77,108.55</u>	<u>273,574.10</u>
<b>Total Assets</b>	<u>562,337.05</u>	<u>621,091.36</u>	<u>1,183,428.41</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	1,068.65	2,684.35	3,753.00
Interfund Accounts Payable:			
Due General Fund	23,264.86	346,681.82	369,946.68
Deferred Revenue	37,580.90	3,756.21	41,337.11
<b>Total Current Liabilities</b>	<u>61,914.41</u>	<u>353,122.38</u>	<u>415,036.79</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	1,098.03	-	1,098.03
<b>Total Liabilities</b>	<u>63,012.44</u>	<u>353,122.38</u>	<u>416,134.82</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	196,465.55	77,108.55	273,574.10
Unrestricted	302,859.06	190,860.43	493,719.49
<b>Total Net Assets</b>	<u>\$ 499,324.61</u>	<u>\$ 267,968.98</u>	<u>\$ 767,293.59</u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Proprietary Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 499,958.30		\$ 499,958.30
Daily Sales - Non-Reimbursable Programs	626,490.58		626,490.58
Child Care Fees -- Regular Program		\$ 990,127.72	990,127.72
Child Care Fees -- Summer Program		43,151.50	43,151.50
Special Functions	13,760.50		13,760.50
	<u>1,140,209.38</u>	<u>1,033,279.22</u>	<u>2,173,488.60</u>
Total Operating Revenues	<u>1,140,209.38</u>	<u>1,033,279.22</u>	<u>2,173,488.60</u>
<b>OPERATING EXPENSES:</b>			
Salaries	58,631.56	519,475.03	578,106.59
Employee Benefits	33,208.62	114,419.93	147,628.55
General Supplies	45,598.24	122,326.80	167,925.04
Depreciation	36,095.76	8,197.84	44,293.60
Administrative Fee	27,000.00		27,000.00
Purchased Professional Services	489,605.81	7,250.00	496,855.81
Purchased Property Services		150,000.00	150,000.00
Cost of Sales	693,121.19		693,121.19
Miscellaneous	3,628.82		3,628.82
	<u>1,386,890.00</u>	<u>921,669.60</u>	<u>2,308,559.60</u>
Total Operating Expenses	<u>1,386,890.00</u>	<u>921,669.60</u>	<u>2,308,559.60</u>
Operating Income / (Loss)	<u>(246,680.62)</u>	<u>111,609.62</u>	<u>(135,071.00)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	11,739.20		11,739.20
Federal Sources:			
National School Lunch Program	206,374.85		206,374.85
National School Breakfast Program	6,227.48		6,227.48
Food Distribution Program	74,046.00		74,046.00
Interest Revenue	4,945.53	6,855.87	11,801.40
	<u>303,333.06</u>	<u>6,855.87</u>	<u>310,188.93</u>
Total Nonoperating Revenues (Expenses)	<u>303,333.06</u>	<u>6,855.87</u>	<u>310,188.93</u>
Income (Loss) before Contributions and Transfers	56,652.44	118,465.49	175,117.93
Capital Contributions	-	-	-
Change in Net Assets	56,652.44	118,465.49	175,117.93
Net Assets -- July 1	442,672.17	149,503.49	592,175.66
Net Assets -- June 30	<u>\$ 499,324.61</u>	<u>\$ 267,968.98</u>	<u>\$ 767,293.59</u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Proprietary Funds  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 1,146,002.95	\$ 1,015,704.41	\$ 2,161,707.36
Payments to Employees	(83,100.41)	(519,475.03)	(602,575.44)
Payments for Employee Benefits	(33,208.62)	(114,419.93)	(147,628.55)
Payments for Supplies and Services	<u>(1,261,761.98)</u>	<u>(278,040.61)</u>	<u>(1,539,802.59)</u>
Net Cash Provided by (used for) Operating Activities	<u>(232,068.06)</u>	<u>103,768.84</u>	<u>(128,299.22)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	12,705.46		12,705.46
Federal Sources	288,969.43		288,969.43
Operating Subsidies and Transfers to Other Funds	<u>(51,510.00)</u>	<u>138,199.04</u>	<u>86,689.04</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>250,164.89</u>	<u>138,199.04</u>	<u>388,363.93</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets	<u>(80,361.15)</u>	<u>(85,306.39)</u>	<u>(165,667.54)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	<u>4,945.53</u>	<u>6,855.87</u>	<u>11,801.40</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(57,318.79)	163,517.36	106,198.57
Cash and Cash Equivalents -- July 1	<u>367,804.60</u>	<u>365,103.15</u>	<u>732,907.75</u>
Cash and Equivalents -- June 30	<u>\$ 310,485.81</u>	<u>\$ 528,620.51</u>	<u>\$ 839,106.32</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	\$ (246,680.62)	\$ 111,609.62	\$ (135,071.00)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	36,095.76	8,197.84	44,293.60
(Increase) Decrease in Accounts Receivable	881.22	(738.59)	142.63
(Increase) Decrease in Inventories	(3,876.57)		(3,876.57)
Increase (Decrease) in Accounts Payable	1,068.65	1,536.19	2,604.84
Increase (Decrease) in Deferred Revenue	4,912.35	(16,836.22)	(11,923.87)
Increase (Decrease) in Accrued Salaries Benefits	<u>(24,468.85)</u>	<u></u>	<u>(24,468.85)</u>
Total Adjustments	<u>14,612.56</u>	<u>(7,840.78)</u>	<u>6,771.78</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (232,068.06)</u>	<u>\$ 103,768.84</u>	<u>\$ (128,299.22)</u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2012

	<u>Trust Fund</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 383,822.08	\$ 134,905.89	\$ 55,914.05	\$ 574,642.02
Accounts Receivable:				
Intergovernmental Accounts Receivable:				
Due State of New Jersey			15,159.77	15,159.77
Interfund Accounts Receivable:				
Due Payroll Fund	43,078.03			43,078.03
Due General Fund			70,534.00	70,534.00
Total Investments	43,078.03	-	85,693.77	128,771.80
 Total Assets	 426,900.11	 \$ 134,905.89	 \$ 141,607.82	 703,413.82
<b>LIABILITIES:</b>				
Accounts Payable	21,701.52			21,701.52
Interfund Accounts Payable:				
Due Unemployment Fund			\$ 43,078.03	43,078.03
Payable to Student Groups		\$ 134,905.89		134,905.89
Payroll Deductions and Withholdings			98,529.79	98,529.79
Total Liabilities	21,701.52	\$ 134,905.89	\$ 141,607.82	298,215.23
 <b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims and Other Purposes	\$ 405,198.59			\$ 405,198.59

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2012

---

	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions and Donations from Payroll Deductions Withheld	\$ 68,726.04
Investment Earnings: Interest	<u>6,435.05</u>
Total Additions	<u>75,161.09</u>
DEDUCTIONS:	
Unemployment Claims	<u>377,026.93</u>
Change in Net Assets	(301,865.84)
Net Assets -- July 1	<u>707,064.43</u>
Net Assets -- June 30	<u><u>\$ 405,198.59</u></u>

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2012

---

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

**Description of the Reporting Entity** - The Township of Evesham School District (hereafter referred to as the "School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-8 at its 9 schools. The School District has an approximate enrollment at June 30, 2012 of 4,691.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**General Fund (Cont'd)** - In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures at June 30, 2012 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

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

The School District's enterprise funds are:

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Financial Statements (Cont'd)**

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

Equipment	5 to 12 Years
Light Trucks and Vehicles	4 to 10 Years
Heavy Trucks and Vehicles	6 to 10 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. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. 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 payroll fund.

**Measurement Focus**

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.

For the 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.

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

**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. For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

**Recognition of Revenue** - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

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

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

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

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

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

**Budgets / Budgetary Control (Cont'd)** – 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. 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 fiscal year end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, 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. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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.

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

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

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

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

**Prepaid Expenses** - Prepaid expenses, if any, 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, 2012.

In the governmental fund financial statements, 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 (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

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

**Short-Term Inter-fund Receivables / Payables** - Short-term inter-fund 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 government-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as inter-funds receivable and / or inter-funds payable on the statement of net assets.

**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 governmental fund financial statements. Capital assets utilized by the proprietary funds, however, 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.

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

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

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

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

**Accrued Salaries and Wages** - Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

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

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

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

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

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

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

**Fund Balance** - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

**Non-spendable** - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

**Unassigned** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

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

**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, gifted and talented program fees, community education fees, and tuition for the childcare program. Non-operating revenues principally consist of federal and state grant funding and interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**Inter-fund 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 inter-fund transfers. Inter-fund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

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

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition.

As of June 30, 2012, the School District's bank balances of \$10,226,880.40 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 442,384.49
Collateralized by securities held by the pledging financial institution	<u>9,784,495.91</u>
Total	<u><u>\$ 10,226,880.40</u></u>

**Note 3: CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance July 1, 2011		\$ 1,292,335.19
Increased by:		
Transfer per June 28, 2012 Resolution	\$ 1,450,000.00	
Interest Earnings	<u>16,247.06</u>	
		<u>1,466,247.06</u>
Ending Balance June 30, 2012		<u><u>\$ 2,758,582.25</u></u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2012 is \$6,822,084.45.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Proprietary Fund</b>	<b>Fiduciary Fund</b>	<b>Total</b>
Intergovernmental	\$ 519,495.19	\$ 274,724.60	\$ 255,214.00	\$ 8,496.08		\$ 1,057,929.87
Other	<u>73,226.80</u>	<u>63,517.62</u>		<u>18,013.72</u>	<u>\$ 15,159.77</u>	<u>169,917.91</u>
Total	<u><u>\$ 592,721.99</u></u>	<u><u>\$ 338,242.22</u></u>	<u><u>\$ 255,214.00</u></u>	<u><u>\$ 26,509.80</u></u>	<u><u>\$ 15,159.77</u></u>	<u><u>\$ 1,227,847.78</u></u>

**Note 5: INVENTORY**

Inventory in the general fund at June 30, 2012 consisted of the following:

Supplies	\$ 176,739.13
----------	---------------

Inventory in the food service fund at June 30, 2012 consisted of the following:

Food	\$ 18,550.50
Commodities	16,156.89
Supplies	9,530.80
	<u>\$ 44,238.19</u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions /</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Government Activities:</b>				
Capital Assets that are not being Depreciated:				
Land	\$ 9,930,681.73			\$ 9,930,681.73
Construction In Progress	329,840.00	\$ 310,127.37	\$ 329,840.00	310,127.37
Total Capital Assets not being Depreciated	<u>10,260,521.73</u>	<u>310,127.37</u>	<u>329,840.00</u>	<u>10,240,809.10</u>
Land Improvements	2,120,536.49	47,054.96		2,167,591.45
Building and Improvements	89,161,795.88	360,839.00	(329,840.00)	89,852,474.88
Equipment	10,853,743.57	2,321.25	2,773,472.22	8,082,592.60
Totals at Historical Cost	<u>102,136,075.94</u>	<u>410,215.21</u>	<u>2,443,632.22</u>	<u>100,102,658.93</u>
Less: Accumulated Depreciation for:				
Land Improvements	(1,255,587.50)	(98,561.91)		(1,354,149.41)
Building and Improvements	(30,820,305.26)	(2,411,222.84)		(33,231,528.10)
Equipment	(8,299,186.62)	(549,690.86)	(2,773,472.22)	(6,075,405.26)
Total Accumulated Depreciation	<u>(40,375,079.38)</u>	<u>(3,059,475.61) *</u>	<u>(2,773,472.22)</u>	<u>(40,661,082.77)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>61,760,996.56</u>	<u>(2,649,260.40)</u>	<u>(329,840.00)</u>	<u>59,441,576.16</u>
Government Activities Capital Assets, net	<u>\$ 72,021,518.29</u>	<u>\$ (2,339,133.03)</u>	<u>-</u>	<u>\$ 69,682,385.26</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 952,895.96	\$ 165,667.54		\$ 1,118,563.50
Less: Accumulated Depreciation	(800,695.80)	(44,293.60)		(844,989.40)
Business-Type Activities Capital Assets, net	<u>\$ 152,200.16</u>	<u>\$ 121,373.94</u>	<u>-</u>	<u>\$ 273,574.10</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

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

Instructional - Regular	\$ 29,866.88
Instructional - Special	37,805.35
Support Services Students/Staff	525.00
Support Services School Adm.	57,729.18
Transportation	278,331.61
Support Services Plant	237,593.20
Unallocated	<u>2,417,624.39</u>
Total Depreciation Expense	<u>\$ 3,059,475.61</u>

**Note 7: LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 34,745,000.00		\$ (4,025,000.00)	\$ 30,720,000.00	\$ 3,075,000.00
Unamortized Costs:					
Premium on Bonds	1,327,716.51		(178,439.34)	1,149,277.17	159,691.84
Loss on Refunding	(674,369.13)		(20,358.25)	(694,727.38)	(99,246.77)
Obligations under Capital					
Lease	338,806.88		(235,886.95)	102,919.93	70,346.44
Other Post Employment					
Benefits	1,381,123.84		(444,417.27)	936,706.57	29,301.27
Compensated Absences	<u>905,018.35</u>	<u>\$ 39,398.35</u>	<u>(159,396.48)</u>	<u>785,020.22</u>	<u>133,195.84</u>
Governmental Activity					
Long-term Liabilities	<u>\$ 38,023,296.45</u>	<u>\$ 39,398.35</u>	<u>\$ (5,063,498.29)</u>	<u>\$ 32,999,196.51</u>	<u>\$ 3,368,288.62</u>
<b>Business Type Activities:</b>					
Compensated Absences	<u>\$ 25,566.88</u>	<u>-</u>	<u>\$ (24,468.85)</u>	<u>\$ 1,098.03</u>	<u>-</u>

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

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

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

**Bonds Payable (Cont'd)** - Principal and interest due on bonds outstanding is as follows:

<b>Fiscal Year</b>			
<b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2013	\$ 3,075,000.00	\$ 1,364,121.26	\$ 4,439,121.26
2014	3,675,000.00	1,215,346.26	4,890,346.26
2015	3,770,000.00	1,057,996.26	4,827,996.26
2016	3,875,000.00	884,921.26	4,759,921.26
2017	4,040,000.00	704,671.26	4,744,671.26
2018-2021	12,285,000.00	1,033,898.17	13,318,898.17
	<u>\$ 30,720,000.00</u>	<u>\$ 6,260,954.47</u>	<u>\$ 36,980,954.47</u>

**Bonds Authorized but not Issued** - As of June 30, 2012, 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. Typically payments have been made from the General Fund and Food Service Fund.

**Capital Leases Payable** - The School District is leasing copiers, computer equipment and buses totaling \$722,691.88 under capital leases. All capital leases are for terms of two to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012. The repayment of capital leases typically have been paid from the General Fund.

<b>Fiscal Year</b>			
<b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2013	\$ 70,346.44	\$ 3,872.75	\$ 74,219.19
2014	32,573.49	602.51	33,176.00
	<u>\$ 102,919.93</u>	<u>\$ 4,475.26</u>	<u>\$ 107,395.19</u>

**Note 8: OPERATING LEASES**

At June 30, 2012, the School District had operating lease agreements in effect for a postage machine and copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<b>Fiscal Year</b>	
<b><u>Ending June 30,</u></b>	<b><u>Amount</u></b>
2013	\$ 105,946.00
2014	100,296.00
2015	100,296.00
2016	100,296.00
	<u>\$ 406,834.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2012 were \$250,236.00.

**Note 9: PENSION PLANS**

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

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$ 454,012.00	\$ 762,318.00	\$ 1,216,330.00	\$1,216,330.00
2011	514,841.00	685,369.00	1,200,210.00	1,200,210.00
2010	468,262.00	456,892.00	925,154.00	925,154.00

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund 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 Division 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. 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.

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$ 1,280.16		\$ 1,280.16	\$ 1,280.16
2011				None
2010				None

**Note 10: POST-RETIREMENT BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

**Note 10: POST-RETIREMENT BENEFITS (CONT'D)**

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**Note 11: OTHER POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION)**

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

**Funding Policy** - Employees become eligible for retirement benefits based on hire date and years of service. Contribution requirements of plan members and the School District are established and may be amended by the School District's Board of Education. The School District presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The School District's contributions to the Plan for the fiscal year ended June 30, 2012 was \$29,007.75.

**Annual OPEB Cost and Net OPEB Obligation** - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the School District is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. As indicated, the School District has funded the cost of existing retirees in the amount of \$29,007.75, and in fiscal year 2012, the School District has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability. The School District does not plan to fund any portion of this outstanding liability.

The following table shows the components of the School District's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the School District's net obligation to the Plan:

Annual Required Contribution	\$ 31,223.56
Interest on Net OPEB Obligation	13,812.23
Adjustment to Annual Required Contribution	<u>(460,445.31)</u>
Annual OPEB Cost (Expense)	(415,409.52)
Contributions Made	<u>(29,007.75)</u>
Decrease in Net OPEB Obligation	(444,417.27)
Net OPEB Obligation, July 1, 2011	<u>1,381,123.84</u>
Net OPEB Obligation, July 1, 2012	<u><u>\$ 936,706.57</u></u>

**Note 11: OTHER POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION) (Cont'd)**

**Annual OPEB Cost and Net OPEB Obligation (Cont'd)** - The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012, and the two preceding fiscal years, were as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
2012	\$ (415,409.52)	3.10%	\$ 936,706.57
2011	(1,108.22)	3.90%	1,381,126.84
2010	731,742.23	4.00%	1,438,508.38

**Funded Status and Funding Progress** - As of June 30, 2012, the most recent actuarial valuation date, the School District's Plan was 0.0% funded. The actuarial accrued liability for benefits was \$936,706.57, and the actuarial value of Plan assets was \$0.00, resulting in an unfunded actuarial accrued liability (UAAL) of \$936,706.57.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions** - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 1.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on Plan assets, and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6.0%. Both rates included a 3.0% inflation assumption. At June 30, 2012 the UAAL has been established at the full amount of the liability.

**Note 12: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$986,930.00 and \$1,983,989.00 respectively.

**Note 13: RISK MANAGEMENT**

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

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

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

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

<b>Fiscal Year</b>	<b>School District</b>	<b>Employee</b>	<b>Amount</b>	<b>Ending</b>
<b><u>Ended June 30,</u></b>	<b><u>Contributions</u></b>	<b><u>Contributions</u></b>	<b><u>Reimbursed</u></b>	<b><u>Balance</u></b>
2012	-	\$ 68,726.04	\$ 377,026.93	\$ 405,198.59
2011	-	72,386.51	122,619.04	707,064.43
2010	-	80,482.94	106,630.77	749,056.31

**Self-Insurance Plan** - The School District has adopted a plan of self-insurance for prescription benefits. At June 30, 2012, there is no reserve balance. The district funds the plan on a pay-as-you-go basis.

**Joint Insurance Pool** - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides the School District with the following coverage:

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

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

The Fund's own financial report for the fiscal year ended June 30, 2012, which can be obtained from:

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

**Note 14: DEFERRED COMPENSATION**

The School District offers its employees a choice of five deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning  
AXA Equitable  
AIG Variable Annuity Life Insurance Co.  
ING Life Insurance and Annuity  
Midland National Annuity Division

**Note 15: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, the liability for compensated absences in the governmental activities and proprietary fund types was \$785,020.22 and \$1,098.03 respectively.

**Note 16: INTERFUND BALANCES AND TRANSFERS**

The following interfund balances were recorded on the various balance sheets as June 30, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 612,475.94	\$ 70,534.00
Special Revenue		242,529.26
Proprietary		369,946.68
Fiduciary	113,612.03	43,078.03
	<u>\$ 726,087.97</u>	<u>\$ 726,087.97</u>

All interfunds, except for the special revenue fund, were created as a result of the final allocation of costs in the various funds. The inter-fund, in the special revenue fund, was created as a result of a delay in the cash payments from the State of New Jersey. All inter-funds are expected to be liquidated within the next fiscal cycle.

**Note 17: DEFICIT UNRESTRICTED NET ASSETS**

The Governmental Funds had a deficit in unrestricted net assets of \$1,334,143.82 as of June 30, 2012. This deficit is mostly attributable to the allocation of compensated absences balances and the unfunded OPEB liability payable.

**Note 18: DEFICIT RESTRICTED NET ASSETS**

There was a deficit in the restricted net assets for debt service at June 30, 2012 of \$374,490.54. This deficit is attributable to accrued interest.

**Note 19: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund -**

**Legally Restricted Appropriations** - In accordance with N.J.A.C. 6A:23A-8.5(j), the School District adopted a resolution to legally restrict fund balance in the amount of \$11,574.71, which represents unspent capital project funds transferred to the general fund. These funds were originally transferred from capital outlay. All has been restricted and designated for utilization in the 2012-2013 Budget.

**For 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 reserve general 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. There is no excess fund balance at June 30, 2012. Additionally, \$118,942.21 of excess fund balance generated during 2010-2011 has been restricted and designated for utilization in the 2012-2013 Budget.

**For Capital Reserve Account** - As of June 30, 2012, the balance in the capital reserve account is \$2,758,582.25. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2012, the balance in the maintenance reserve account is \$256,745.21. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Additionally, there is \$250,000.00 of the maintenance reserve that has been restricted and designated for utilization in the 2012-2013 Budget.

**For Emergency Reserve** - As of June 30, 2012, the balance in the emergency reserve is \$652,784.02. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

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

**Capital Projects Fund** – On July 16, 2010 the District received approval from the Department of Education for four projects. The projects were for HVAC Improvements to the Marlton Middle School, roof replacement at the Evans School, the Rice School and the Jaggard School. The projects were funded with a combination of Grants from the State of New Jersey and transfers from the Capital Reserve and Capital Outlay. As of June 30, 2012, the restricted fund balance amount was \$551,018.63 of which \$89,413.68 was restricted for reserve for encumbrances.

**Debt Service Fund** - As of June 30, 2012, \$1.23 of debt service fund balance is restricted for future debt service expenditures.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund -**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an item of revenue anticipated for the fiscal year ending June 30, 2013 \$1,218,128.08 of general fund balance at June 30, 2012.

**Other Purposes** - As of June 30, 2012, the School District had \$260,236.72 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2012, \$388,076.86 of general fund balance was unassigned.

**Note 20: LITIGATION**

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

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 50,852,659.00		\$ 50,852,659.00	\$ 50,852,659.00	\$ 14,947.06
Interest Earned on Capital Reserve Funds	1,300.00		1,300.00	16,247.06	7,670.27
Interest Earned on Emergency Reserve Funds				7,670.27	3,458.24
Interest Earned on Maintenance Reserve Funds				3,458.24	
Unrestricted Miscellaneous Revenues	978,700.00		978,700.00	1,033,585.50	54,885.50
Tuition				16,243.00	16,243.00
<b>Total - Local Sources</b>	<b>51,832,659.00</b>	<b>-</b>	<b>51,832,659.00</b>	<b>51,929,863.07</b>	<b>97,204.07</b>
State Sources:					
Equalization Aid	8,946,937.00		8,946,937.00	8,946,937.00	
Special Education Aid	2,432,277.00		2,432,277.00	2,432,277.00	
Security Aid	340,571.00		340,571.00	340,571.00	
Extraordinary Aid	85,000.00		85,000.00	313,232.00	228,232.00
Transportation Aid	510,713.00		510,713.00	1,228,841.00	718,128.00
Excess Non-Public Transportation Aid				36,366.00	36,366.00
Other State Aid				984.00	984.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,256,319.15	2,256,319.15
On-behalf TPAF Medical Contributions (non-budgeted)				1,983,989.00	1,983,989.00
On-behalf TPAF Pension Contributions (non-budgeted)				986,930.00	986,930.00
<b>Total - State Sources</b>	<b>12,315,498.00</b>	<b>-</b>	<b>12,315,498.00</b>	<b>18,526,446.15</b>	<b>6,210,948.15</b>
Federal Sources:					
Education Jobs Funds	500,384.00	\$ 15,676.00	516,060.00	516,060.00	-
<b>Total Revenues</b>	<b>64,648,541.00</b>	<b>15,676.00</b>	<b>64,664,217.00</b>	<b>70,972,369.22</b>	<b>6,308,152.22</b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:	\$ 820,979.00	\$ (21,528.00)	\$ 799,451.00	\$ 796,677.43	\$ 2,773.57
Preschool/Kindergarten	10,890,324.00	(275,396.00)	10,614,928.00	10,533,429.35	81,498.65
Grades 1 - 5	6,437,735.00	(220,019.00)	6,217,716.00	6,103,634.55	114,081.45
Grades 6 - 8					
Regular Programs - Home Instruction:					
Salaries of Teachers	13,000.00	2,550.00	15,550.00	15,549.74	0.26
Purchased Professional/Educational Services	4,200.00	19,950.00	24,150.00	23,966.36	183.64
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	2,600.00	28,908.00	28,908.00	26,018.44	2,889.56
Purchased Professional/Educational Services	381,169.00	28,590.00	31,190.00	30,604.00	586.00
Other Purchased Services	487,364.00	(29,676.65)	351,492.35	336,234.42	15,257.93
General Supplies	131,226.00	807,312.14	1,274,676.14	1,202,759.07	71,917.07
Textbooks		1,298.51	132,524.51	121,020.98	11,503.53
<b>Total Regular Programs</b>	<b>19,148,597.00</b>	<b>341,989.00</b>	<b>19,490,586.00</b>	<b>19,189,894.34</b>	<b>300,691.66</b>
<b>Special Education:</b>					
Learning and/or Language Disabilities:					
Salaries of Teachers	470,453.00	(40,000.00)	430,453.00	409,519.58	20,933.42
Other Salaries for Instruction	203,889.00	(12,571.00)	191,318.00	176,265.30	15,062.70
General Supplies	4,716.00	(250.00)	4,466.00	2,954.26	1,511.74
Textbooks	200.00		200.00		200.00
<b>Total - Learning and/or Language Disabilities</b>	<b>679,258.00</b>	<b>(52,821.00)</b>	<b>626,437.00</b>	<b>588,729.14</b>	<b>37,707.86</b>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	247,942.00	85,519.00	333,461.00	326,805.32	6,655.68
Other Salaries for Instruction	153,966.00	(11,474.00)	142,492.00	136,225.09	6,266.91
General Supplies	1,461.00		1,461.00	1,191.80	269.20
Textbooks	180.00		180.00		180.00
<b>Total - Behavioral Disabilities</b>	<b>403,549.00</b>	<b>74,045.00</b>	<b>477,594.00</b>	<b>464,222.21</b>	<b>13,371.79</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	571,747.00	(35,051.00)	536,696.00	535,765.54	930.46
Other Salaries for Instruction	565,011.00	(28,660.00)	536,351.00	506,984.28	29,366.72
General Supplies	4,970.00	(333.00)	4,637.00	3,791.88	845.12
Textbooks	250.00	(22.90)	227.10		227.10
<b>Total - Multiple Disabilities</b>	<b>1,141,978.00</b>	<b>(64,066.90)</b>	<b>1,077,911.10</b>	<b>1,046,541.70</b>	<b>31,369.40</b>
<b>Resource Room/Center</b>					
Salaries of Teachers	4,361,286.00	(63,225.00)	4,298,061.00	4,277,911.77	20,149.23
Other Salaries for Instruction	651,282.00	2,810.00	654,092.00	624,101.46	29,990.54
General Supplies	1,938.00	(297.90)	1,640.10	758.64	881.46
Textbooks	300.00		300.00		300.00
<b>Total - Resource Room/Center</b>	<b>5,014,806.00</b>	<b>(60,712.90)</b>	<b>4,954,093.10</b>	<b>4,902,771.87</b>	<b>51,321.23</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Special Education(Cont'd):					
Autism					
Salaries of Teachers	290,278.00	2,745.00	\$ 293,023.00	\$ 276,946.21	\$ 16,076.79
Other Salaries for Instruction	185,211.00	47,340.00	232,551.00	224,320.71	8,230.29
General Supplies	1,913.00	(311.49)	1,601.51	1,146.27	455.24
Textbooks	125.00	(75.00)	50.00	50.00	50.00
<b>Total - Autism</b>	<b>477,527.00</b>	<b>49,698.51</b>	<b>527,225.51</b>	<b>502,413.19</b>	<b>24,812.32</b>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	313,769.00	(3,975.00)	309,794.00	291,597.84	18,196.16
Other Salaries for Instruction	335,749.00	(5,531.00)	330,218.00	296,187.09	34,030.91
General Supplies	3,000.00		3,000.00	2,053.22	946.78
<b>Total - Preschool Disabilities - Part-Time</b>	<b>652,518.00</b>	<b>(9,506.00)</b>	<b>643,012.00</b>	<b>589,838.15</b>	<b>53,173.85</b>
<b>Total - Special Education</b>	<b>8,369,636.00</b>	<b>(63,363.29)</b>	<b>8,306,272.71</b>	<b>8,094,516.26</b>	<b>211,756.45</b>
Basic Skills/Remedial:					
Salaries of Teachers	1,060,603.00	(33,351.00)	1,027,252.00	1,025,748.63	1,503.37
Other Salaries for Instruction	486,222.00		486,222.00	469,548.27	16,673.73
General Supplies	2,750.00		2,750.00	2,705.03	44.97
<b>Total - Basic Skills/Remedial</b>	<b>1,549,575.00</b>	<b>(33,351.00)</b>	<b>1,516,224.00</b>	<b>1,498,001.93</b>	<b>18,222.07</b>
Bilingual Education:					
Salaries of Teachers	174,551.00	2,638.00	177,189.00	177,189.00	169.17
General Supplies	500.00		500.00	330.83	169.17
<b>Total - Bilingual Education</b>	<b>175,051.00</b>	<b>2,638.00</b>	<b>177,689.00</b>	<b>177,519.83</b>	<b>169.17</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	272,600.00		272,600.00	258,380.15	14,219.85
Supplies and Materials	27,400.00	61,227.00	88,627.00	6,147.11	82,479.89
Other Objects	500.00	27,000.00	27,500.00	14,794.00	12,706.00
<b>Total - School Sponsored Cocurricular Activities - Instruction</b>	<b>300,500.00</b>	<b>88,227.00</b>	<b>388,727.00</b>	<b>279,321.26</b>	<b>109,405.74</b>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within State-Regular	25,000.00	(230.00)	24,770.00	18,610.10	6,159.90
Tuition to Other LEAs within State-Special	40,000.00	960.00	40,960.00	40,960.00	0.00
Tuition to CSSD & Reg. Day Schools	398,493.00	344,040.00	742,533.00	694,940.16	47,592.84
Tuition to Private School for the Disabled within State	1,417,917.00	(299,237.97)	1,118,679.03	1,073,789.23	44,889.80
Tuition - State Facilities	4,500.00	18,271.00	22,771.00	22,771.00	0.00
Tuition - Other	60,000.00	(43,271.00)	16,729.00	15,874.60	854.40
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,945,910.00</b>	<b>20,532.03</b>	<b>1,966,442.03</b>	<b>1,866,945.09</b>	<b>99,496.94</b>
<b>Total - Instruction</b>	<b>31,489,269.00</b>	<b>356,671.74</b>	<b>31,845,940.74</b>	<b>31,106,198.71</b>	<b>739,742.03</b>

(Continued)

**TOWNSHIP OF EYESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 5,356.00	\$ 3,083.00	\$ 8,439.00	\$ 8,438.88	\$ 0.12
Undistributed Expenditures:					
Health Services:					
Salaries	565,023.00	9,534.00	574,557.00	573,784.06	772.94
Purchased Professional and Technical Services	10,500.00		10,500.00	10,500.00	
Other Purchased Services	450.00	325.00	775.00	761.02	13.98
Supplies and Materials	16,289.00	(813.48)	15,475.52	13,871.65	1,603.87
Other Objects	1,005.00	600.20	1,605.20	1,559.75	45.45
Total Health Services	593,267.00	9,645.72	602,912.72	600,476.48	2,436.24
Other Support Services-Students-Related Services:					
Salaries	1,161,528.00	(59,000.00)	1,102,528.00	1,092,251.26	10,276.74
Purchased Professional - Educational Services	770,950.00	177,462.14	948,412.14	890,552.63	57,859.51
Supplies and Materials	13,750.00		13,750.00	7,791.10	5,958.90
Other Objects	8,500.00	1,290.00	9,790.00	8,408.19	1,381.81
Total - Other Support Services-Students-Related Services	1,954,728.00	119,752.14	2,074,480.14	1,999,003.18	75,476.96
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	899,241.00	(200.00)	899,041.00	879,084.77	19,956.23
Other Purchased Prof. and Tech. Services	13,700.00		13,700.00	10,476.18	3,223.82
Other Purchased Services	1,100.00	(200.00)	900.00	900.00	900.00
Supplies and Materials	6,050.00	(1,457.00)	4,593.00	4,552.35	40.65
Total Other Support Services - Students - Regular	920,091.00	(1,857.00)	918,234.00	894,113.30	24,120.70
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	1,170,864.00	(25,762.00)	1,145,102.00	1,130,719.86	14,382.14
Salaries of Secretarial and Clerical Assistants	143,975.00	100.00	144,075.00	142,412.85	1,662.15
Other Purchased Professional and Technical Services	78,000.00	15,287.00	93,287.00	77,038.87	16,248.13
Miscellaneous Purchased Services	15,079.00		15,079.00	11,354.14	3,724.86
Supplies and Materials	16,665.00	670.95	17,335.95	10,949.15	6,386.80
Total Other Support Services - Students - Regular	1,424,583.00	(9,704.05)	1,414,878.95	1,372,474.87	42,404.08

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Improvement of Instruction Services/Other Support Services - Instructional Staff:					
Salaries of Supervisor of Instruction	\$ 425,560.00	\$ 39,143.00	\$ 464,693.00	\$ 464,691.36	\$ 1.64
Salaries of Other Professional Staff	123,844.00	(17,643.00)	106,201.00	105,985.51	235.49
Other Salaries	3,120.00		3,120.00	2,353.00	767.00
Other Purchased Services	28,857.00	(6,000.00)	22,857.00	20,003.37	2,853.63
Supplies and Materials	25,999.00	(4,854.62)	21,144.38	19,524.41	1,619.97
Other Objects	10,350.00		10,350.00	5,398.00	4,952.00
<b>Total Improvement of Instruction Services/Other Support Services - Instructional Staff</b>	<b>617,720.00</b>	<b>10,645.38</b>	<b>628,365.38</b>	<b>617,935.65</b>	<b>10,429.73</b>
<b>Educational Media Services/School Library:</b>					
Salaries	581,983.00	44,883.00	626,866.00	624,379.12	2,486.88
Other Purchased Services	197,500.00	1,500.00	199,000.00	198,999.12	0.88
Supplies and Materials	80,725.00	(2,834.19)	77,890.81	74,270.82	3,619.99
<b>Total Educational Media Services/School Library</b>	<b>860,208.00</b>	<b>43,548.81</b>	<b>903,756.81</b>	<b>897,649.06</b>	<b>6,107.75</b>
<b>Instructional Staff Training Services:</b>					
Salaries of Other Professional Staff	34,160.00		34,160.00	29,747.26	4,412.74
Other Salaries	26,904.00	951.09	27,855.09	27,501.59	353.50
Purchased Professional-Educational Services	12,500.00	(951.09)	11,548.91	8,350.00	3,198.91
Other Purchased Professional and Technical Services	450.00		450.00		450.00
Other Purchased Services	7,000.00		7,000.00	2,846.99	4,153.01
Supplies and Materials	8,375.00	(1,663.17)	6,711.83	4,907.83	1,804.00
<b>Total Instructional Staff Training Services</b>	<b>89,389.00</b>	<b>(1,663.17)</b>	<b>87,725.83</b>	<b>73,353.67</b>	<b>14,372.16</b>
<b>Support Services General Administration:</b>					
Salaries	480,321.00		480,321.00	479,415.54	905.46
Legal Services	115,000.00		115,000.00	85,068.95	29,931.05
Audit Fees	74,000.00		74,000.00	57,780.00	1,220.00
Architectural/Engineering Services	45,000.00	(15,000.00)	30,000.00	59,000.00	(29,000.00)
Other Purchased Professional Services	14,340.00	10,706.88	25,046.88	46,573.52	9,133.36
Purchased Technical Services	9,076.00	22,675.65	31,751.65	37,015.65	15,193.30
Communications/Telephone/Postage	132,780.00		132,780.00	9,028.80	47.20
BOE Other Purchased Services	2,510.00		2,510.00	121,560.47	11,219.53
Other Purchased Services	198,027.00	(5,000.00)	193,027.00	505.00	2,005.00
General Supplies	8,499.00	35.04	8,534.04	167,820.40	25,206.60
BOE In-House Training/Meeting Supplies	550.00		550.00	6,173.02	2,361.02
Judgments Against the School District	15,000.00		15,000.00	175.47	374.53
Miscellaneous Expenditures	2,600.00		2,600.00	625.00	1,975.00
BOE Membership Dues and Fees	28,341.00		28,341.00	26,662.70	1,678.30
<b>Total Support Services General Administration</b>	<b>1,126,044.00</b>	<b>13,417.57</b>	<b>1,139,461.57</b>	<b>1,023,211.22</b>	<b>116,250.35</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
<b>Undistributed Expenditures (Contd):</b>					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 1,446,868.00	\$ 3,695.00	\$ 1,450,563.00	\$ 1,450,562.24	\$ 0.76
Salaries of Other Professional Staff	131,437.00		131,437.00	131,436.96	0.04
Salaries of Secretarial and Clerical Assistants	728,242.00	6,081.00	734,323.00	731,615.58	2,707.42
Purchased Professional and Technical Services	4,000.00	(2,800.00)	1,200.00	259.28	940.72
Other Purchased Services	11,337.00	(6,877.50)	4,459.50	3,058.43	1,401.07
Supplies and Materials	16,016.00	(4,477.55)	11,538.45	8,918.43	2,620.02
Other Objects	14,905.00	(3,170.00)	11,735.00	10,058.00	1,677.00
Total Support Services School Administration	<u>2,352,805.00</u>	<u>(7,549.05)</u>	<u>2,345,255.95</u>	<u>2,335,908.92</u>	<u>9,347.03</u>
<b>Central Services</b>					
Salaries	733,325.00	4,713.00	738,038.00	738,037.16	0.84
Purchased Professional Services	15,180.00	(2,213.00)	12,967.00	12,788.00	179.00
Purchased Technical Services	60,807.00	(9,700.00)	51,107.00	50,348.09	758.91
Miscellaneous Purchased Services	22,279.00		22,279.00	21,045.74	1,233.26
Supplies and Materials	27,890.00	1,334.52	29,224.52	29,054.51	170.01
Miscellaneous Expenditures	3,090.00		3,090.00	2,635.02	454.98
Total Central Services	<u>862,571.00</u>	<u>(5,865.48)</u>	<u>856,705.52</u>	<u>853,908.52</u>	<u>2,797.00</u>
<b>Administration of Information Technology</b>					
Salaries	356,397.00	(47,383.00)	309,014.00	299,163.56	9,850.44
Other Purchased Services	1,430.00		1,430.00	591.51	838.49
Total Administration of Information Technology	<u>357,827.00</u>	<u>(47,383.00)</u>	<u>310,444.00</u>	<u>299,755.07</u>	<u>10,688.93</u>
<b>Required Maintenance for School Facilities:</b>					
Salaries	455,283.00	2,075.00	457,358.00	457,310.68	47.32
Cleaning, Repair & Maintenance Services	154,400.00	76,922.56	231,322.56	156,698.69	74,623.87
General Supplies	170,500.00	75,014.72	245,514.72	178,461.98	67,052.74
Total - Required Maintenance for School Facilities	<u>780,183.00</u>	<u>154,012.28</u>	<u>934,195.28</u>	<u>792,471.35</u>	<u>141,723.93</u>
<b>Other Operation and Maintenance of Plant Services:</b>					
Energy	25,000.00		25,000.00	19,224.75	5,775.25
Salaries	2,044,274.00	12,243.00	2,056,517.00	2,020,550.94	35,966.06
Cleaning, Repair & Maintenance Services	64,340.00	8,177.34	72,517.34	69,377.15	3,140.19
Other Purchased Property Services	109,650.00		109,650.00	101,335.08	8,314.92
Insurance	196,724.00		196,724.00	196,724.00	
Miscellaneous Purchased Services	4,900.00		4,900.00	3,593.60	1,306.40
General Supplies	232,166.00	4,490.00	236,656.00	222,544.55	14,111.45
Energy (Electricity)	1,602,900.00	(55,000.00)	1,547,900.00	1,297,480.33	250,419.67
Other Objects	9,000.00		9,000.00	6,482.82	2,517.18
Salaries of Non-Instructional Aides	381,476.00	1,012.00	382,488.00	362,342.98	20,145.02
Energy (Natural Gas)	323,200.00	(65,000.00)	258,200.00	178,524.65	79,675.35
Total - Other Operation and Maintenance of Plant Services	<u>4,993,630.00</u>	<u>(94,077.66)</u>	<u>4,899,552.34</u>	<u>4,478,180.85</u>	<u>421,371.49</u>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Care and Upkeep of Grounds	\$ 191,931.00	\$ 346.00	\$ 192,277.00	\$ 192,277.00	
Salaries	24,250.00	7,717.00	31,967.00	29,057.40	\$ 2,909.60
Cleaning, Repair & Maintenance Services	56,000.00	217.00	56,217.00	52,780.02	3,436.98
General Supplies					
<b>Total - Care and Upkeep of Grounds</b>	<b>272,181.00</b>	<b>8,280.00</b>	<b>280,461.00</b>	<b>274,114.42</b>	<b>6,346.58</b>
<b>Total - Operation and Maintenance of Plant Services</b>	<b>6,045,994.00</b>	<b>68,214.62</b>	<b>6,114,208.62</b>	<b>5,544,766.62</b>	<b>569,442.00</b>
<b>Student Transportation Services:</b>					
Salaries of Non-Instructional Aides	143,327.00	(4,153.00)	139,174.00	131,511.27	7,662.73
Salaries for Pupil Transportation (Between Home & School) - Regular	1,022,283.00	(15,677.00)	1,006,606.00	983,927.98	22,678.02
Salaries for Pupil Transportation (Between Home & School) - Special	418,575.00	40,877.00	459,452.00	459,389.99	62.01
Salaries for Pupil Transportation (Other than Between Home & School)	101,000.00	(15,089.00)	85,911.00	77,939.46	7,971.54
Salaries for Pupil Transportation (Between Home & School) - Non Public	11,828.00		11,828.00	8,668.51	3,159.49
Management Fee - ESC & CTSA Transportation Program	30,005.00		30,005.00	29,106.64	898.36
Other Purchased Professional and Technical Services	1,500.00	30,875.00	32,375.00	30,927.55	1,447.45
Cleaning, Repair, and Maintenance Services	44,861.00	15,502.29	60,363.29	60,342.00	21.29
Contracted Services (Between Home & School) - Vendors	916,435.00	11,263.10	927,698.10	927,698.10	
Contracted Services (Special Education Students) - Joint Agreements	67,983.00	(65,108.41)	2,874.59	2,874.59	
Contracted Services (Regular Students) - ESC's and CTSA's	12,988.00	11,579.67	24,567.67	24,567.00	0.67
Contracted Services (Special Education Students) - ESC's and CTSA's	467,348.00	150,491.00	617,839.00	602,319.02	15,519.98
Contracted Services - Aid in Lieu Payments - Non Public School	115,804.00		115,804.00	101,816.32	13,987.68
Miscellaneous Purchased Services - Transportation	159,960.00	17,006.00	176,966.00	174,158.99	2,807.01
General Supplies	3,666.00	(729.08)	2,936.92	2,134.89	802.03
Transportation Supplies	334,189.00	35,819.64	370,008.64	341,870.37	28,138.27
Other Objects	3,250.00	1,400.00	4,650.00	3,775.00	875.00
<b>Total Student Transportation Services</b>	<b>3,855,002.00</b>	<b>214,057.21</b>	<b>4,069,059.21</b>	<b>3,963,027.68</b>	<b>106,031.53</b>
<b>Unallocated Benefits - Employee Benefits:</b>					
Group Insurance	52,000.00		52,000.00	51,761.23	238.77
Social Security Contributions	799,410.00	65,000.00	864,410.00	849,199.45	15,210.55
Other Retirement Contributions - Regular	1,279,674.00	(59,600.00)	1,220,074.00	1,219,826.35	247.65
Workmen's Compensation	386,732.00		386,732.00	386,732.00	
Health Benefits	10,055,903.00	(644,844.35)	9,411,058.65	9,123,189.32	287,869.33
Tuition Reimbursement	40,000.00		40,000.00	33,783.00	6,217.00
Other Employee Benefits	425,002.00	58,027.35	483,029.35	473,553.22	9,476.13
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>13,038,721.00</b>	<b>(581,417.00)</b>	<b>12,457,304.00</b>	<b>12,138,044.57</b>	<b>319,259.43</b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Reimbursed TPAF Social Security Contributions			\$	2,256,319.15	\$ (2,256,319.15)
On-behalf TPAF Medical Contributions				1,983,989.00	(1,983,989.00)
On-behalf TPAF Pension Contributions				986,930.00	(986,930.00)
Total TPAF Contributions	-	-	-	5,227,238.15	(5,227,238.15)
Total Undistributed Expenses	\$ 34,104,306.00	\$ (173,074.30)	\$ 33,931,231.70	37,849,305.84	(3,918,074.14)
Total Expenditures - Current Expense	65,593,575.00	183,597.44	65,777,172.44	68,955,504.55	(3,178,332.11)
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	1,300.00	-	1,300.00	-	1,300.00
Special Education - Equipment:					
Multiple Disabilities	2,500.00		2,500.00	2,321.25	178.75
Autism	2,500.00		2,500.00	2,399.78	100.22
Undistributed Expenditures:					
Support Services - Related Services	2,500.00		2,500.00	2,399.78	100.22
Support Services - Students - Special	2,500.00		2,500.00	2,399.78	100.22
Total - Equipment	10,000.00	-	10,000.00	9,520.59	479.41
Facilities Acquisition and Construction Services:					
Land and Improvements	38,000.00	10,140.32	48,140.32	47,054.96	1,085.36
Other Objects	1,994.00		1,994.00	1,994.00	
Capital Outlay - Transfer to Capital Projects	133,672.00		133,672.00		133,672.00
Total - Facilities Acquisition and Construction Services	173,666.00	10,140.32	183,806.32	49,048.96	134,757.36
Total Capital Outlay	184,966.00	10,140.32	195,106.32	58,569.55	136,536.77
Total Expenditures	65,778,541.00	193,737.76	65,972,278.76	69,014,074.10	(3,041,795.34)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,130,000.00)	\$ (178,061.76)	\$ (1,308,061.76)	\$ 1,958,295.12	\$ (3,266,356.88)
Other Financing Sources (Uses):					
Capital Projects - Transfer to Capital Reserve				145,192.68	145,192.68
Transfer from Special Revenue - Cancellation of Grants Receivables and Appropriations				171.56	171.56
Cancellation of Tuition Receivable				(41,254.00)	(41,254.00)
Change in Year-end Inventory				18,703.81	18,703.81
<b>Total - Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,814.05</b>	<b>122,814.05</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,130,000.00)	(178,061.76)	(1,308,061.76)	2,081,109.17	3,389,170.93
Fund Balances, July 1	5,250,332.02	-	5,250,332.02	5,250,332.02	-
Fund Balances, June 30	<b>\$ 4,120,332.02</b>	<b>\$ (178,061.76)</b>	<b>\$ 3,942,270.26</b>	<b>\$ 7,331,441.19</b>	<b>\$ 3,389,170.93</b>
<b>Recapitulation:</b>					
Nonspendable Fund Balance:					
Reserve for Supplies Inventory				176,739.13	
Restricted Fund Balance:					
Excess Surplus				87,374.14	
Legally Restricted Capital Outlay -- Designated for Subsequent Year's Expenditures				118,942.21	
Emergency Reserve				11,574.71	
Maintenance Reserve				652,784.02	
Maintenance Reserve -- Designated for Subsequent Year's Expenditures				256,745.21	
Capital Reserve				250,000.00	
Assigned Fund Balance:				2,758,582.25	
Reserve for Encumbrances				260,236.72	
Designated for Subsequent Year's Expenditures				1,218,128.08	
Unassigned Fund Balance				1,540,334.72	
Reconciliation to Governmental Funds Statements (GAAP):				7,331,441.19	
Last State Aid Payment Not Recognized on GAAP Basis				(1,239,632.00)	
Fund Balance per Governmental Funds (GAAP)	<b>\$ 6,091,809.19</b>			<b>\$ 6,091,809.19</b>	

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund -- Education Jobs Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Federal Sources:					
Education Jobs Funds	\$ 500,384.00	\$ 15,676.00	\$ 516,060.00	\$ 516,060.00	-
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Undistributed Expenditures:					
Educational Media Services/School Library:					
Salaries	-	44,883.00	44,883.00	44,883.00	-
Support Services School Administration:					
Salaries of Secretarial and Clerical Assistants	49,059.00	-	49,059.00	49,059.00	-
Administration of Information Technology:					
Salaries	44,883.00	(44,883.00)	-	-	-
Other Operation and Maintenance of Plant Services:					
Salaries	193,694.00	14,664.00	208,358.00	208,358.00	
Salaries of Non-Instructional Aides	40,672.00	1,012.00	41,684.00	41,684.00	
Total - Other Operation and Maintenance of Plant Services	234,366.00	15,676.00	250,042.00	250,042.00	-
Care and Upkeep of Grounds:					
Salaries	172,076.00	-	172,076.00	172,076.00	-
Total Expenditures - Current Expense	500,384.00	15,676.00	516,060.00	516,060.00	-
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	-	-	-	-	-

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	-	\$ 121,992.35	\$ 121,992.35	\$ 100,997.21	\$ (20,995.14)
State Sources:					
Nonpublic Aid	196,953.00	32,551.00	229,504.00	210,398.86	(19,105.14)
Federal Sources:					
Title I	135,828.00	48,678.60	184,506.60	159,055.44	(25,451.16)
Title II Part A	96,359.00	73,807.59	170,166.59	158,721.69	(11,444.90)
Title II Part D		179.63	179.63	179.63	
Title III	11,904.00	8,472.83	20,376.83	18,237.66	(2,139.17)
Jlysses S. Grant		4,825.50	4,825.50	4,825.50	
I.D.E.I.A., Part B Basic	1,013,836.00	232,062.92	1,245,898.92	1,165,349.85	(80,549.07)
I.D.E.I.A., Part B Basic - ARRA		40,871.93	40,871.93	40,871.93	
I.D.E.I.A., Part B, Preschool		77,380.00	77,380.00	77,303.90	(76.10)
I.D.E.I.A., Part B, Preschool - ARRA		5,639.69	5,639.69	4,573.69	(1,066.00)
Total - Federal Sources	1,257,927.00	491,918.69	1,749,845.69	1,629,119.29	(120,726.40)
<b>Total Revenues</b>	<b>\$ 1,454,880.00</b>	<b>\$ 646,462.04</b>	<b>\$ 2,101,342.04</b>	<b>\$ 1,940,515.36</b>	<b>\$ (160,826.68)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	140,203.33	\$ 111,164.97	\$ 251,368.30	\$ 233,796.74	\$ 17,571.56
Other Salaries for Instruction		3,157.49	3,157.49	3,157.49	
Other Purchased Services		19,085.06	19,085.06	19,085.06	
Textbooks	28,123.00	(1,776.00)	26,347.00	21,337.31	5,009.69
Tuition	595,751.29	263,800.71	859,552.00	809,103.72	50,448.28
General Supplies	144,355.30	(11,971.68)	132,383.62	98,865.11	33,518.51
Other Objects	1,932.34	567.66	2,500.00	2,262.00	238.00
Total Instruction	910,365.26	384,028.21	1,294,393.47	1,187,607.43	106,786.04
Support Services:					
Personal Services - Employee Benefits	28,040.84	45,135.88	73,176.72	73,147.72	29.00
Purchased Professional - Technical Services	462,040.48	206,082.44	668,122.92	633,398.93	34,723.99
Other Purchased Services	23,501.47	4,641.53	28,143.00	20,233.80	7,909.20
Contracted Services - Transportation Other than Between Home and School Supplies and Materials	10,561.95	4,951.35	15,513.30	15,513.30	
Total Support Services	544,514.74	262,433.83	806,948.57	752,907.93	54,040.64
<b>Total Expenditures</b>	<b>\$ 1,454,880.00</b>	<b>\$ 646,462.04</b>	<b>\$ 2,101,342.04</b>	<b>\$ 1,940,515.36</b>	<b>\$ 160,826.68</b>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 For the Fiscal Year Ended June 30, 2012

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 70,972,369.22	\$ 1,940,515.36
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(5,399.56)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2011.	1,102,763.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2012.	<u>(1,239,632.00)</u>	
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u><u>\$ 70,835,500.22</u></u>	<u><u>\$ 1,935,115.80</u></u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 69,014,074.10	\$ 1,940,515.36
<b>Differences - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(5,399.56)</u>
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)</b>	<u><u>\$ 69,014,074.10</u></u>	<u><u>\$ 1,935,115.80</u></u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Funding Progress for Health Benefits Plan  
 For the Fiscal Year Ended June 30, 2012

---

Actuarial Valuation Date <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>[(b-a)/c]</u>
06/30/12	-	\$ 936,706.57	\$ 936,706.57	-	N/A	N/A
06/30/11	-	1,381,126.84	1,381,126.84	-	N/A	N/A
06/30/10	-	1,438,508.38	1,438,508.38	-	N/A	N/A

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2012

---

**Other Postemployment Benefits**

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

Valuation Date	June 30, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	None
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	3.0%
Rate of Salary Increases	N/A
Rate of Medical and Prescription Inflation	6.0%

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	N.C.L.B.						Total Brought Forward
	Total	Title I	Title I.A	Title I.D	Title III	Ulysses S. Grant	Metamorphosis
<b>REVENUES:</b>							
Federal Sources	\$ 1,629,119.29						
State Sources	210,398.86	\$ 159,055.44	\$ 158,721.69	\$ 179.63	\$ 18,237.66	\$ 4,825.50	\$ 1,288,099.37
Local Sources	100,997.21						210,398.86
						\$ 15,717.50	85,279.71
<b>Total Revenues</b>	<b>\$ 1,940,515.36</b>	<b>\$ 159,055.44</b>	<b>\$ 158,721.69</b>	<b>\$ 179.63</b>	<b>\$ 18,237.66</b>	<b>\$ 4,825.50</b>	<b>\$ 1,583,777.94</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	\$ 233,796.74	\$ 91,933.63	\$ 95,731.78	\$ 135.00	\$ 7,176.00	\$ 4,825.50	\$ 25,499.07
Other Salaries for Instruction	3,157.49						1,983.46
Purchased Professional - Technical Services	19,085.06						19,085.06
Other Purchased Services	98,865.11	1,503.00	20,256.02		5,364.66	534.79	71,206.64
General Supplies	21,337.31						21,337.31
Textbooks	809,103.72						809,103.72
Tuition	2,262.00				2,262.00		
Other Objects							
<b>Total Instruction</b>	<b>1,187,607.43</b>	<b>93,436.63</b>	<b>115,987.80</b>	<b>135.00</b>	<b>14,802.66</b>	<b>4,825.50</b>	<b>948,215.26</b>
<b>Support Services:</b>							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits	73,147.72	37,568.60	25,400.00		3,435.00		6,744.12
Purchased Professional - Technical Services	633,398.93	19,471.30	6,249.00	29.00			607,649.63
Other Purchased Services	20,233.80	8,578.91	11,084.89				570.00
Salaries for Transportation Other Than Between Home and School	15,513.30						10,000.38
Other Objects							
Supplies and Materials	10,614.18			15.63			10,598.55
<b>Total Support Services</b>	<b>752,907.93</b>	<b>65,618.81</b>	<b>42,733.89</b>	<b>44.63</b>	<b>3,435.00</b>	<b>5,512.92</b>	<b>635,562.68</b>
<b>Facilities Acquisition and Construction Services:</b>							
Instructional Equipment							
Non-Instructional Equipment							
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 1,940,515.36</b>	<b>\$ 159,055.44</b>	<b>\$ 158,721.69</b>	<b>\$ 179.63</b>	<b>\$ 18,237.66</b>	<b>\$ 4,825.50</b>	<b>\$ 1,583,777.94</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	I.D.E.I.A. Part B			Nonpublic Textbook Aid, Ch. 194, L. 1979	Nonpublic Nursing Aid	Total Brought Forward
		Basic	Basic ARRA	Preschool			
<b>REVENUES:</b>							
Federal Sources	\$ 1,288,099.37	\$ 1,165,349.85	\$ 40,871.93	\$ 77,303.90	\$ 21,337.31	\$ 37,423.00	\$ 151,638.55
State Sources	210,398.86						85,279.71
Local Sources	85,279.71						
<b>Total Revenues</b>	<b>\$ 1,583,777.94</b>	<b>\$ 1,165,349.85</b>	<b>\$ 40,871.93</b>	<b>\$ 77,303.90</b>	<b>\$ 21,337.31</b>	<b>\$ 37,423.00</b>	<b>\$ 236,918.26</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	\$ 25,499.07		\$ 15,042.75				\$ 10,456.32
Other Salaries for Instruction	1,983.46						1,983.46
Purchased Professional - Technical Services	19,085.06		19,085.06				36,417.62
Other Purchased Services	71,206.64	\$ 26,263.43		\$ 3,951.90	\$ 4,573.69		151,638.55
General Supplies	21,337.31			30,000.00			
Textbooks	809,103.72	627,465.17					
Tuition							
Other Objects							
<b>Total Instruction</b>	<b>948,215.26</b>	<b>653,728.60</b>	<b>34,127.81</b>	<b>33,951.90</b>	<b>21,337.31</b>	<b>-</b>	<b>200,495.95</b>
<b>Support Services:</b>							
Salaries of Other Professional Staff	6,744.12		6,744.12				26,421.93
Personal Services - Employee Benefits	607,649.63	500,452.70		43,352.00		\$ 37,423.00	
Purchased Professional - Technical Services	570.00						
Other Purchased Services							
Salaries for Transportation Other Than Between Home and School	10,000.38						10,000.38
Other Objects							
Supplies and Materials	10,598.55	10,598.55					
<b>Total Support Services</b>	<b>635,562.68</b>	<b>511,621.25</b>	<b>6,744.12</b>	<b>43,352.00</b>	<b>-</b>	<b>37,423.00</b>	<b>36,422.31</b>
<b>Facilities Acquisition and Construction Services:</b>							
Instructional Equipment							
Non-Instructional Equipment							
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 1,583,777.94</b>	<b>\$ 1,165,349.85</b>	<b>\$ 40,871.93</b>	<b>\$ 77,303.90</b>	<b>\$ 21,337.31</b>	<b>\$ 37,423.00</b>	<b>\$ 236,918.26</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Handicapped Services Ch. 193			Coordinate Arts Program for Primary Students	Total Brought Forward
	Total Carried Forward	Compensatory Education	English as a Second Language	Supplemental Instruction	Examination and Classification		
<b>REVENUES:</b>							
Federal Sources	\$ 151,638.55	\$ 72,188.62	\$ 344.80	\$ 24,692.80	\$ 23,843.20	\$ 30,569.13	\$ 62,255.46
State Sources	85,279.71						
Local Sources							
<b>Total Revenues</b>	<b>\$ 236,918.26</b>	<b>\$ 72,188.62</b>	<b>\$ 344.80</b>	<b>\$ 24,692.80</b>	<b>\$ 23,843.20</b>	<b>\$ 30,569.13</b>	<b>\$ 62,255.46</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 10,456.32						\$ 10,456.32
Other Salaries for Instruction	1,983.46						1,983.46
Purchased Professional - Technical Services							
Other Purchased Services	36,417.62						36,417.62
General Supplies							
Textbooks							
Tuition	151,638.55	\$ 72,188.62	\$ 344.80	\$ 24,692.80	\$ 23,843.20	\$ 30,569.13	584.09
Other Objects							\$ 35,833.53
<b>Total Instruction</b>	<b>200,495.95</b>	<b>72,188.62</b>	<b>344.80</b>	<b>24,692.80</b>	<b>23,843.20</b>	<b>30,569.13</b>	<b>35,833.53</b>
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits	26,421.93						26,421.93
Purchased Professional - Technical Services							
Other Purchased Services							
Salaries for Transportation Other Than Between Home and School	10,000.38						10,000.38
Other Objects							
Supplies and Materials							
<b>Total Support Services</b>	<b>36,422.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,421.93</b>
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non-Instructional Equipment							
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 236,918.26</b>	<b>\$ 72,188.62</b>	<b>\$ 344.80</b>	<b>\$ 24,692.80</b>	<b>\$ 23,843.20</b>	<b>\$ 30,569.13</b>	<b>\$ 62,255.46</b>

(Continued)

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	Star Labs	Vote and Win Supply Grant	Genesis Program	Rap Room	Reading Recovery	Demasi Elementary Technology	PTA Technology	Education Foundation Technology
<b>REVENUES:</b>									
Federal Sources									
State Sources	\$ 62,255.46	\$ 1,350.00	\$ 8,274.73	\$ 26,421.93	\$ 1,425.58	\$ 12,127.44	\$ 3,739.00	\$ 5,908.00	\$ 3,008.78
Local Sources	<u>\$ 62,255.46</u>	<u>\$ 1,350.00</u>	<u>\$ 8,274.73</u>	<u>\$ 26,421.93</u>	<u>\$ 1,425.58</u>	<u>\$ 12,127.44</u>	<u>\$ 3,739.00</u>	<u>\$ 5,908.00</u>	<u>\$ 3,008.78</u>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers									
Other Salaries for Instruction									
Purchased Professional - Technical Services									
Other Purchased Services	\$ 35,833.53	\$ 1,350.00	\$ 8,274.73		\$ 1,425.58	\$ 12,127.44	\$ 3,739.00	\$ 5,908.00	\$ 3,008.78
General Supplies									
Textbooks									
Tuition									
Other Objects									
Total Instruction	<u>35,833.53</u>	<u>1,350.00</u>	<u>8,274.73</u>	<u>-</u>	<u>1,425.58</u>	<u>12,127.44</u>	<u>3,739.00</u>	<u>5,908.00</u>	<u>3,008.78</u>
Support Services:									
Salaries of Other Professional Staff									
Personal Services - Employee Benefits				\$ 26,421.93					
Purchased Professional - Technical Services	26,421.93								
Other Purchased Services									
Salaries for Transportation Other Than Between Home and School									
Other Objects									
Supplies and Materials									
Total Support Services	<u>26,421.93</u>	<u>-</u>	<u>-</u>	<u>26,421.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Non-Instructional Equipment									
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 62,255.46</u>	<u>\$ 1,350.00</u>	<u>\$ 8,274.73</u>	<u>\$ 26,421.93</u>	<u>\$ 1,425.58</u>	<u>\$ 12,127.44</u>	<u>\$ 3,739.00</u>	<u>\$ 5,908.00</u>	<u>\$ 3,008.78</u>

CAPITAL PROJECTS FUND

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2012

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancellations</u>	<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>		
HVAC Improvements to the Marlon Middle School	7/16/2010	\$ 728,921.00	\$	233,521.95	\$	495,399.05
Roof Replacement to Evans Elementary School	7/16/2010	132,225.00		76,605.42		55,619.58
Roof Replacement to Rice Elementary School	7/16/2010	271,040.00	\$	180,462.00	\$	21,243.00
Roof Replacement to Jaggard Elementary School	7/16/2010	638,203.60		180,377.00	197,321.60	
<b>Total</b>		<b>\$ 1,770,389.60</b>	<b>\$</b>	<b>670,966.37</b>	<b>\$ 218,564.60</b>	<b>\$ 551,018.63</b>
Reserve for Encumbrances						
Unreserved -- Designated for Subsequent Years Expenditures						
					\$	89,413.68
						461,604.95
Cancellation of SDA Grant						
Canceled to General Fund - Capital Reserve						
					\$	73,371.92
						145,192.68
					\$	218,564.60

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

CAPITAL PROJECTS FUND

Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

For the Fiscal Year Ended June 30, 2012

**Revenues and Other Financing Sources**

State Sources--SDA Grant		
Bond Proceeds and Transfers		
Miscellaneous Revenue -- Interest		
Transfer form Capital Reserve		
Transfer form Capital Outlay		
Total Revenues		-

**Expenditures and Other Financing Uses**

Legal Services		
Other Purchased Professional and Technical Services	\$ 18,141.05	
Construction Services	652,825.32	
Total Expenditures		\$ 670,966.37
Other Financing Uses:		
Cancellation of SDA Grant	73,371.92	
Transfer to General Fund -- Capital Reserve	145,192.68	
Total Other Financing Uses		218,564.60
Total Expenditures and Other Financing Uses		889,530.97

Excess (Deficiency) of Revenues Over (Under) Expenditures	(889,530.97)
Fund Balance -- July 1	1,440,549.60
Fund Balance -- June 30	\$ 551,018.63

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
HVAC Improvements to the Marlton Middle School  
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant	\$ 202,324.00		\$ 202,324.00	\$ 202,324.00
Bond Proceeds and Transfers				
Transfer from Capital Reserve	247,820.00		247,820.00	247,820.00
Transfer from Capital Outlay	278,777.00		278,777.00	278,777.00
	<u>728,921.00</u>	<u>-</u>	<u>728,921.00</u>	<u>728,921.00</u>
<b>Total Revenues</b>				
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services		\$ 8,541.05	8,541.05	14,000.00
Construction Services		224,980.90	224,980.90	714,921.00
Transfer to General Fund -- Capital Reserve				
Transfer to General Fund -- Capital Outlay				
	<u>-</u>	<u>233,521.95</u>	<u>233,521.95</u>	<u>728,921.00</u>
<b>Total Expenditures</b>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 728,921.00</u>	<u>\$ (233,521.95)</u>	<u>\$ 495,399.05</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	1420-060-09-1004			
Grant Date	7/16/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 425,435.00			
Additional Authorized Cost	303,486.00			
Revised Authorized Cost	\$ 728,921.00			
Percentage Increase over Original Authorized Cost	42%			
Percentage Completion	32%			
Original Target Completion Date	8/31/2011			
Revised Target Completion Date	11/30/2012			

## TOWNSHIP OF EVESHAM SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

Roof Replacement to Evans Elementary School

From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant	\$ 52,890.00		\$ 52,890.00	\$ 52,890.00
Bond Proceeds and Transfers				
Transfer from Capital Reserve	79,335.00		79,335.00	79,335.00
Transfer from Capital Outlay				
<b>Total Revenues</b>	<b>132,225.00</b>	<b>-</b>	<b>132,225.00</b>	<b>132,225.00</b>
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services		\$ 1,400.00	1,400.00	4,000.00
Construction Services		75,205.42	75,205.42	128,225.00
Transfer to General Fund -- Capital Reserve				
Transfer to General Fund -- Capital Outlay				
<b>Total Expenditures</b>	<b>-</b>	<b>76,605.42</b>	<b>76,605.42</b>	<b>132,225.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 132,225.00	\$ (76,605.42)	\$ 55,619.58	-

**Additional Project Information:**

Project Number	1420-050-09-1003
Grant Date	7/16/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 132,225.00
Additional Authorized Cost	0.00
Revised Authorized Cost	\$ 132,225.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	58%
Original Target Completion Date	9/30/2011
Revised Target Completion Date	11/30/2011

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

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
 Roof Replacement to Rice Elementary School  
 From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant	\$ 108,416.00	\$ (3,564.09)	\$ 104,851.91	\$ 104,851.91
Bond Proceeds and Transfers				
Transfer from Capital Reserve	162,624.00		162,624.00	162,624.00
Transfer from Capital Outlay				
<b>Total Revenues</b>	<u>271,040.00</u>	<u>(3,564.09)</u>	<u>267,475.91</u>	<u>267,475.91</u>
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services	2,000.00	2,800.00	4,800.00	4,800.00
Construction Services	67,335.00	177,662.00	244,997.00	244,997.00
Transfer to General Fund -- Capital Reserve		17,678.91	17,678.91	17,678.91
Transfer to General Fund -- Capital Outlay				
<b>Total Expenditures</b>	<u>69,335.00</u>	<u>198,140.91</u>	<u>267,475.91</u>	<u>267,475.91</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 201,705.00</u>	<u>\$ (201,705.00)</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	1420-065-09-1005			
Grant Date	7/16/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 271,040.00			
Additional Authorized Cost	(3,564.09)			
Revised Authorized Cost	\$ 267,475.91			
Percentage Increase over Original Authorized Cost	-1%			
Percentage Completion	100%			
Original Target Completion Date	8/31/2011			
Revised Target Completion Date	8/31/2011			

## TOWNSHIP OF EVESHAM SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

Roof Replacement to Jaggard Elementary School

From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant	\$ 255,281.60	\$ (69,807.83)	\$ 185,473.77	\$ 185,473.77
Bond Proceeds and Transfers				
Transfer from Capital Reserve	382,922.00		382,922.00	382,922.00
Transfer from Capital Outlay				
<b>Total Revenues</b>	<b>638,203.60</b>	<b>(69,807.83)</b>	<b>568,395.77</b>	<b>568,395.77</b>
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services	2,000.00	5,400.00	7,400.00	7,400.00
Construction Services	258,505.00	174,977.00	433,482.00	433,482.00
Transfer to General Fund -- Capital Reserve		127,513.77	127,513.77	127,513.77
Transfer to General Fund -- Capital Outlay				
<b>Total Expenditures</b>	<b>260,505.00</b>	<b>307,890.77</b>	<b>568,395.77</b>	<b>568,395.77</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 377,698.60	\$ (377,698.60)	-	-
<b>Additional Project Information:</b>				
Project Number	1420-070-09-1006			
Grant Date	7/16/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 638,203.60			
Additional Authorized Cost	(69,807.83)			
Revised Authorized Cost	\$ 568,395.77			
Percentage Increase over Original Authorized Cost	-11%			
Percentage Completion	100%			
Original Target Completion Date	8/31/2011			
Revised Target Completion Date	8/31/2011			

PROPRIETARY FUNDS

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Enterprise Fund  
 Combining Statement of Net Assets  
 June 30, 2012

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 310,485.81	\$ 528,620.51	\$ 839,106.32
Accounts Receivable:			
State	389.10		389.10
Federal	8,106.98		8,106.98
Other	2,651.42	15,362.30	18,013.72
Inventories	44,238.19		44,238.19
<b>Total Current Assets</b>	<u>365,871.50</u>	<u>543,982.81</u>	<u>909,854.31</u>
<b>Noncurrent Assets:</b>			
Restricted Cash and Cash Equivalents			
Furniture, Machinery and Equipment	1,033,257.11	85,306.39	1,118,563.50
Less Accumulated Depreciation	(836,791.56)	(8,197.84)	(844,989.40)
<b>Total Noncurrent Assets</b>	<u>196,465.55</u>	<u>77,108.55</u>	<u>273,574.10</u>
<b>Total Assets</b>	<u>562,337.05</u>	<u>621,091.36</u>	<u>1,183,428.41</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	1,068.65	2,684.35	3,753.00
Interfund Accounts Payable:			
Due General Fund	23,264.86	346,681.82	369,946.68
Deferred Revenue	37,580.90	3,756.21	41,337.11
<b>Total Current Liabilities</b>	<u>61,914.41</u>	<u>353,122.38</u>	<u>415,036.79</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	1,098.03	-	1,098.03
<b>Total Liabilities</b>	<u>63,012.44</u>	<u>353,122.38</u>	<u>416,134.82</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	196,465.55	77,108.55	273,574.10
Unrestricted	302,859.06	190,860.43	493,719.49
<b>Total Net Assets</b>	<u>\$ 499,324.61</u>	<u>\$ 267,968.98</u>	<u>\$ 767,293.59</u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 499,958.30		\$ 499,958.30
Daily Sales - Non-Reimbursable Programs	626,490.58		626,490.58
Child Care Fees -- Regular Program		\$ 990,127.72	990,127.72
Child Care Fees -- Summer Program		43,151.50	43,151.50
Special Functions	13,760.50		13,760.50
	<u>1,140,209.38</u>	<u>1,033,279.22</u>	<u>2,173,488.60</u>
Total Operating Revenues	<u>1,140,209.38</u>	<u>1,033,279.22</u>	<u>2,173,488.60</u>
<b>OPERATING EXPENSES:</b>			
Salaries	58,631.56	519,475.03	578,106.59
Employee Benefits	33,208.62	114,419.93	147,628.55
General Supplies	45,598.24	122,326.80	167,925.04
Depreciation	36,095.76	8,197.84	44,293.60
Administrative Fee	27,000.00		27,000.00
Purchased Professional Services	489,605.81	7,250.00	496,855.81
Purchased Property Services		150,000.00	150,000.00
Cost of Sales	693,121.19		693,121.19
Miscellaneous	3,628.82		3,628.82
	<u>1,386,890.00</u>	<u>921,669.60</u>	<u>2,308,559.60</u>
Total Operating Expenses	<u>1,386,890.00</u>	<u>921,669.60</u>	<u>2,308,559.60</u>
Operating Income / (Loss)	<u>(246,680.62)</u>	<u>111,609.62</u>	<u>(135,071.00)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	11,739.20		11,739.20
Federal Sources:			
National School Lunch Program	206,374.85		206,374.85
National School Breakfast Program	6,227.48		6,227.48
Food Distribution Program	74,046.00		74,046.00
Interest Revenue	4,945.53	6,855.87	11,801.40
	<u>303,333.06</u>	<u>6,855.87</u>	<u>310,188.93</u>
Total Nonoperating Revenues (Expenses)	<u>303,333.06</u>	<u>6,855.87</u>	<u>310,188.93</u>
Income (Loss) before Contributions and Transfers	56,652.44	118,465.49	175,117.93
Capital Contributions	-	-	-
Change in Net Assets	56,652.44	118,465.49	175,117.93
Net Assets -- July 1	442,672.17	149,503.49	592,175.66
Net Assets -- June 30	<u>\$ 499,324.61</u>	<u>\$ 267,968.98</u>	<u>\$ 767,293.59</u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 1,146,002.95	\$ 1,015,704.41	\$ 2,161,707.36
Payments to Employees	(83,100.41)	(519,475.03)	(602,575.44)
Payments for Employee Benefits	(33,208.62)	(114,419.93)	(147,628.55)
Payments for Supplies and Services	(1,261,761.98)	(278,040.61)	(1,539,802.59)
Net Cash Provided by (used for) Operating Activities	<u>(232,068.06)</u>	<u>103,768.84</u>	<u>(128,299.22)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	12,705.46		12,705.46
Federal Sources	288,969.43		288,969.43
Operating Subsidies and Transfers to Other Funds	(51,510.00)	138,199.04	86,689.04
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>250,164.89</u>	<u>138,199.04</u>	<u>388,363.93</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets	(80,361.15)	(85,306.39)	(165,667.54)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	4,945.53	6,855.87	11,801.40
Net Increase (Decrease) in Cash and Cash Equivalents	(57,318.79)	163,517.36	106,198.57
Cash and Cash Equivalents -- July 1	367,804.60	365,103.15	732,907.75
Cash and Equivalents -- June 30	<u>\$ 310,485.81</u>	<u>\$ 528,620.51</u>	<u>\$ 839,106.32</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	\$ (246,680.62)	\$ 111,609.62	\$ (135,071.00)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	36,095.76	8,197.84	44,293.60
(Increase) Decrease in Accounts Receivable	881.22	(738.59)	142.63
(Increase) Decrease in Inventories	(3,876.57)		(3,876.57)
Increase (Decrease) in Accounts Payable	1,068.65	1,536.19	2,604.84
Increase (Decrease) in Deferred Revenue	4,912.35	(16,836.22)	(11,923.87)
Increase (Decrease) in Accrued Salaries Benefits	(24,468.85)		(24,468.85)
Total Adjustments	<u>14,612.56</u>	<u>(7,840.78)</u>	<u>6,771.78</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (232,068.06)</u>	<u>\$ 103,768.84</u>	<u>\$ (128,299.22)</u>

## FIDUCIARY FUNDS

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2012

	Trust Fund	Agency Funds		
	Unemployment Compensation Trust	Student Activity	Payroll	Total
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 383,822.08	\$ 134,905.89	\$ 55,914.05	\$ 574,642.02
Accounts Receivable:				
Intergovernmental Accounts Receivable:				
Due State of New Jersey			15,159.77	15,159.77
Interfund Accounts Receivable:				
Due Payroll Fund	43,078.03			43,078.03
Due General Fund			70,534.00	70,534.00
Total Investments	43,078.03	-	85,693.77	128,771.80
<b>Total Assets</b>	426,900.11	\$ 134,905.89	\$ 141,607.82	703,413.82
<b>LIABILITIES:</b>				
Accounts Payable	21,701.52			21,701.52
Interfund Accounts Payable:				
Due Unemployment Fund			\$ 43,078.03	43,078.03
Payable to Student Groups		\$ 134,905.89		134,905.89
Payroll Deductions and Withholdings			98,529.79	98,529.79
<b>Total Liabilities</b>	21,701.52	\$ 134,905.89	\$ 141,607.82	298,215.23
<b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims and Other Purposes	\$ 405,198.59			\$ 405,198.59

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Assets  
 For the Fiscal Year Ended June 30, 2012

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions and Donations from Payroll Deductions Withheld	\$ 68,726.04
Investment Earnings: Interest	<u>6,435.05</u>
Total Additions	<u>75,161.09</u>
DEDUCTIONS:	
Unemployment Claims	<u>377,026.93</u>
Change in Net Assets	(301,865.84)
Net Assets -- July 1	<u>707,064.43</u>
Net Assets -- June 30	<u><u>\$ 405,198.59</u></u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

	Balance <u>June 30, 2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2012</u>
<b>ELEMENTARY SCHOOLS:</b>				
Beeler	\$ 3,527.59	\$ 5,453.34	\$ 3,010.13	\$ 5,970.80
DeMasi	1,871.37	5,141.30	1,649.97	5,362.70
Evans	4,236.08	6,233.68	6,218.82	4,250.94
Jaggard	5,507.87	3,223.49	3,772.60	4,958.76
Rice	6,845.69	11,023.21	10,004.90	7,864.00
Van Zant	3,586.02	5,968.23	7,805.61	1,748.64
Marlton	354.27	8,302.89	8,645.20	11.96
	<u>25,928.89</u>	<u>45,346.14</u>	<u>41,107.23</u>	<u>30,167.80</u>
Total Elementary Schools				
<b>MIDDLE SCHOOLS:</b>				
Marlton	44,497.55	75,421.25	73,587.25	46,331.55
DeMasi	30,699.04	62,619.66	34,912.16	58,406.54
	<u>75,196.59</u>	<u>138,040.91</u>	<u>108,499.41</u>	<u>104,738.09</u>
Total Middle Schools				
Total All Schools	<u>\$ 101,125.48</u>	<u>\$ 183,387.05</u>	<u>\$ 149,606.64</u>	<u>\$ 134,905.89</u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 99,649.45	\$ 47,011,090.88	\$ 47,054,826.28	\$ 55,914.05
Due from State of New Jersey		15,159.77		15,159.77
Due from General Fund	12,534.00	163,099.50	105,099.50	70,534.00
<b>Total Assets</b>	<b><u>\$ 112,183.45</u></b>	<b><u>\$ 47,189,350.15</u></b>	<b><u>\$ 47,159,925.78</u></b>	<b><u>\$ 141,607.82</u></b>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 30,451.73	\$ 20,676,176.11	\$ 20,608,098.05	\$ 98,529.79
Net Payroll		26,219,089.18	26,219,089.18	
Contra		225,358.82	225,358.82	
Interfund Accounts Payable: Due Unemployment Trust	81,731.72	68,726.04	107,379.73	43,078.03
<b>Total Liabilities</b>	<b><u>\$ 112,183.45</u></b>	<b><u>\$ 47,189,350.15</u></b>	<b><u>\$ 47,159,925.78</u></b>	<b><u>\$ 141,607.82</u></b>

LONG-TERM DEBT

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2011	Issued	Retired	Balance June 30, 2012
School District Refunding Bonds--Series 2005	6-27-05	\$ 22,485,000.00	3-1-2013	\$ 2,090,000.00	5.000%	\$ 18,380,000.00			\$ 16,380,000.00
			3-1-2014	2,195,000.00	4.500%				
			3-1-2015	2,290,000.00	5.000%				
			3-1-2016/17	2,385,000.00	5.000%				
			3-1-2018	2,500,000.00	5.000%				
	3-1-2019	2,515,000.00	5.000%			\$ 2,000,000.00			
School District Bonds--Series 2006A	1-5-06	9,419,000.00	12-1-2012	600,000.00	3.850%				
			12-1-2013/15	900,000.00	3.850%				
			12-1-2016/17	1,000,000.00	3.850%				
			12-1-2018	1,100,000.00	3.850%				
			12-1-2019	1,100,000.00	3.875%				
	12-1-2020	1,219,000.00	3.875%		9,219,000.00	500,000.00		8,719,000.00	
School District Bonds--Series 2006B	9-6-06	6,066,000.00	9-1-2012	385,000.00	4.000%				
			9-1-2013/15	580,000.00	4.125%				
			9-1-2016/17	645,000.00	4.125%				
			9-1-2018/19	710,000.00	4.125%				
			9-1-2020	786,000.00	4.125%				
							325,000.00		5,621,000.00
School District Refunding Bonds--Series 2006	11/1/06	6,905,000.00	N/A	N/A	N/A	1,200,000.00		1,200,000.00	
						\$ 34,745,000.00		\$ 4,025,000.00	\$ 30,720,000.00

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2012

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2011(a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012(a)</u>
			<u>Principal</u>	<u>Interest</u>					
Acquisition of a Savin Copier	02/04/07	60 Month	\$ 17,533.30	\$ 3,468.81	8.10%	\$ 4,273.99		\$ 4,273.99	
Acquisition of Eight Digital Copiers	03/01/10	48 Month	180,398.46	18,657.54	4.91%	124,147.83		44,665.89	\$ 79,481.94
Acquisition of a 2011 Blue Bird Bus	02/01/10	48 Month	91,885.00	5,935.76	4.34%	45,901.07		22,463.08	23,437.99
Acquisition of Three 2011 Thomas Buses	02/24/10	36 Month	275,400.00	12,127.08	4.47%	91,741.51		91,741.51	
Computer Equipment	11/29/10	24 Month	105,894.12	8,063.00	5.00%	48,915.56		48,915.56	
Computer Equipment	08/30/10	24 Month	51,581.00	3,927.16	5.00%	23,826.92		23,826.92	
						\$ 338,806.88	-	\$ 235,886.95	\$ 102,919.93

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 4,200,762.00		\$ 4,200,762.00	\$ 4,200,762.00	
State Sources:					
Debt Service Aid Type II	1,339,535.00		1,339,535.00	1,339,535.00	
<b>Total Revenues</b>	<u>5,540,297.00</u>	<u>-</u>	<u>5,540,297.00</u>	<u>5,540,297.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	1,515,297.00		1,515,297.00	1,515,296.26	\$ 0.74
Redemption of Principal	4,025,000.00		4,025,000.00	4,025,000.00	
<b>Total Regular Debt Service</b>	<u>5,540,297.00</u>	<u>-</u>	<u>5,540,297.00</u>	<u>5,540,296.26</u>	<u>0.74</u>
<b>Total Expenditures</b>	<u>5,540,297.00</u>	<u>-</u>	<u>5,540,297.00</u>	<u>5,540,296.26</u>	<u>0.74</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.74</u>	<u>0.74</u>
<b>Fund Balance, July 1</b>	<u>0.49</u>		<u>0.49</u>	<u>0.49</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ 0.49</u>	<u>-</u>	<u>\$ 0.49</u>	<u>\$ 1.23</u>	<u>\$ 0.74</u>

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 38,721,910.39	\$ 36,650,745.69	\$ 35,700,902.98	\$ 32,883,669.94	\$ 30,313,967.38	\$ 30,000,879.95	\$ 23,046,326.00	\$ 27,256,352.72	\$ 21,991,866.58	\$ 20,738,969.19
Restricted	5,880,260.42	4,645,528.52	5,055,451.76	7,819,411.99	9,962,586.33	9,064,029.29	11,704,597.00	4,217,387.19	2,431,516.17	3,598,345.59
Unrestricted	(1,334,143.82)	(1,777,516.12)	(2,374,395.80)	(27,923.28)	829,011.22	477,597.65	(371,035.00)	(860,612.69)	4,607,330.71	2,329,972.01
<b>Total Governmental Activities Net Assets</b>	<b>\$ 43,268,026.99</b>	<b>\$ 39,518,758.09</b>	<b>\$ 38,381,958.94</b>	<b>\$ 40,675,158.65</b>	<b>\$ 41,105,564.93</b>	<b>\$ 39,542,506.89</b>	<b>\$ 34,379,888.00</b>	<b>\$ 30,613,127.22</b>	<b>\$ 29,030,713.46</b>	<b>\$ 26,667,306.79</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 273,574.10	\$ 152,200.16	\$ 176,642.38	\$ 166,220.29	\$ 209,247.64	\$ 241,203.82	\$ 264,043.00	\$ 275,250.01	\$ 283,650.81	\$ 316,292.29
Restricted	493,719.49	439,975.50	385,901.21	418,633.18	444,039.95	525,407.08	555,138.00	443,877.43	444,136.13	420,258.96
Unrestricted	(767,293.59)	(592,175.66)	(562,543.59)	(584,853.47)	(653,287.59)	(766,610.90)	(819,181.00)	(719,127.44)	(727,786.94)	(736,551.25)
<b>Total Business-type Activities Net Assets</b>	<b>\$ 200,000.00</b>	<b>\$ 100,000.00</b>								
<b>District-wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 38,995,484.49	\$ 36,802,945.85	\$ 35,877,545.36	\$ 33,049,890.23	\$ 30,523,215.02	\$ 30,242,083.77	\$ 23,310,369.00	\$ 27,531,602.73	\$ 22,275,517.39	\$ 21,055,281.48
Restricted	5,880,260.42	4,645,528.52	5,055,451.76	7,819,411.99	9,962,586.33	9,064,029.29	11,704,597.00	4,217,387.19	2,431,516.17	3,598,345.59
Unrestricted	(840,424.33)	(1,337,540.62)	(1,988,494.59)	(390,709.90)	1,273,051.17	1,003,004.73	(184,103.00)	(416,735.26)	5,051,466.84	2,750,230.97
<b>Total District-wide Net Assets</b>	<b>\$ 44,035,320.58</b>	<b>\$ 40,110,933.75</b>	<b>\$ 38,944,502.53</b>	<b>\$ 41,260,012.12</b>	<b>\$ 41,758,852.52</b>	<b>\$ 40,309,117.79</b>	<b>\$ 35,199,069.00</b>	<b>\$ 31,332,254.66</b>	<b>\$ 29,758,500.40</b>	<b>\$ 27,403,858.04</b>

Source: Exhibit A-1

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
Instruction:										
Regular	\$ 19,074,213	\$ 19,637,579	\$ 19,797,669	\$ 19,926,773	\$ 19,375,527	\$ 18,843,450	\$ 18,641,421	\$ 19,933,592	\$ 18,628,833	\$ 18,267,773
Special Education	9,267,480	8,148,849	9,740,377	8,916,931	8,325,360	7,845,134	7,334,495	7,234,687	5,992,484	4,446,293
Other Special Education	1,675,522	1,849,119	2,077,026	1,961,818	547,935	534,054	505,359	473,904	517,293	920,668
Other Instruction	2,149,424	2,959,219	1,419,733	1,956,461	2,648,368	1,224,826				
Support Services:										
Student and Instruction Related Services	6,571,865	6,996,157	7,795,427	7,386,859	6,846,433	7,931,529	8,872,358	8,732,936	8,347,663	8,036,659
School Administrative Services	2,335,909	2,347,018	2,361,111	2,233,493	2,389,906	2,385,231	2,353,589	2,341,284	2,245,691	2,129,878
General and Business Administrative Services	2,185,664	2,366,110	2,578,205	2,605,737	2,770,193	3,053,441	2,416,141	2,408,218	1,965,241	1,745,043
Plant Operations and Maintenance	5,782,360	6,531,657	6,929,874	7,156,761	7,064,326	6,577,469	6,516,297	5,739,695	4,880,795	4,714,850
Pupil Transportation	4,142,668	3,932,716	4,167,854	3,790,924	3,960,784	3,842,208	3,736,758	3,506,237	3,376,711	3,278,705
Unallocated Benefits	17,554,264	16,968,067	17,941,422	16,951,141	16,809,159	15,227,446	12,399,111	11,611,106	10,078,239	8,749,843
Interest on Long-term Debt	1,308,901	1,467,619	1,619,913	1,768,090	1,767,714	2,122,776	1,888,552	1,575,060	2,176,989	2,200,865
Unallocated Depreciation	2,417,624	2,347,261	2,293,664	1,887,835	1,515,246	2,436,801	1,708,467	1,633,573	1,648,674	1,374,751
Total Governmental Activities Expenses	74,465,894	75,551,372	78,722,276	76,542,821	74,020,950	72,024,365	66,374,548	65,190,292	59,858,613	55,865,328
<b>Business-type Activities:</b>										
Food Service	1,386,890	1,451,083	1,495,559	1,490,488	1,513,911	1,438,715	1,437,371	1,470,447	1,453,188	1,366,701
Childcare Program	921,670	774,361	801,515	938,730	896,283	851,979	732,159	695,386	671,860	660,063
Total Business-type Activities Expense	2,308,560	2,225,444	2,297,074	2,429,218	2,410,194	2,290,694	2,169,530	2,165,833	2,125,048	2,026,764
Total District Expenses	\$ 76,774,453	\$ 77,776,816	\$ 81,019,350	\$ 78,972,039	\$ 76,431,144	\$ 74,315,059	\$ 68,544,078	\$ 67,356,125	\$ 61,983,661	\$ 57,892,092
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Operating Grants and Contributions	\$ 7,528,723	\$ 6,665,010	\$ 7,254,477	\$ 6,638,657	\$ 8,193,051	\$ 7,993,982	\$ 5,750,946	\$ 5,237,422	\$ 4,935,568	\$ 4,296,804
Charges for Services	16,243	98,854	6,632			17,682	28,330			
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	7,544,966	6,763,864	7,261,009	6,638,657	8,193,051	8,001,664	5,779,276	5,237,422	4,935,568	4,296,804
<b>Business-type activities:</b>										
Charges for Services										
Food Service	1,140,209	1,137,055	1,176,210	1,215,740	1,220,420	1,178,510	1,247,812	1,190,509	1,261,813	1,206,404
Childcare Program	1,033,279	847,717	822,359	931,079	832,566	822,052	782,589	760,224	668,253	630,386
Capital Grants and Contributions	298,388	255,581	269,114	6,000	219,535	200,176	209,143	193,060	181,553	183,212
Operating Grants and Contributions	2,471,876	2,240,353	2,267,683	2,390,519	2,272,520	2,200,738	2,239,544	2,143,793	2,111,619	2,020,002
Total Business-type Activities Program Revenues	\$ 10,016,842	\$ 9,004,217	\$ 9,528,692	\$ 9,029,176	\$ 10,465,572	\$ 10,202,402	\$ 8,018,820	\$ 7,381,215	\$ 7,047,187	\$ 6,316,906

(continued)

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (66,920,928)	\$ (68,787,508)	\$ (71,461,267)	\$ (69,904,164)	\$ (65,827,899)	\$ (64,022,701)	\$ (60,595,272)	\$ (59,952,870)	\$ (54,923,045)	\$ (51,568,524)
Business-type Activities	163,317	14,909	(29,391)	(38,699)	(137,674)	(89,956)	70,014	(22,040)	(13,429)	(6,762)
Total District-wide Net Expense	\$ (66,757,611)	\$ (68,772,599)	\$ (71,490,658)	\$ (69,942,863)	\$ (65,965,573)	\$ (64,112,657)	\$ (60,525,258)	\$ (59,974,910)	\$ (54,936,474)	\$ (51,575,286)
<b>General Revenues and Other Changes in Net Assets:</b>										
<u>Governmental Activities:</u>										
Property Taxes Levied for General Purposes, Net	\$ 50,852,659	\$ 51,186,102	\$ 51,045,922	\$ 50,309,043	\$ 48,374,080	\$ 46,746,887	\$ 44,840,162	\$ 42,318,027	\$ 39,766,554	\$ 36,504,104
Taxes Levied for Debt Service	4,200,762	4,183,457	4,039,586	3,444,164	2,360,596	5,296,095	3,564,598	3,464,402	2,647,080	3,367,929
Restricted and Unrestricted Grants and Contributions	14,651,565	13,552,226	13,687,341	15,211,862	15,952,006	14,735,500	15,358,724	15,360,690	14,803,361	14,035,701
Miscellaneous	1,060,961	1,000,173	360,864	340,695	763,765	2,275,701	855,949	369,070	232,704	253,405
Other	(95,751)	1,261	5,818	20,494	18,861	115,193		26,477	27,307	(1,521,556)
Donation (Disposal) of Assets		1,088	28,536	147,500	(78,352)	15,944	(257,401)	(3,381)	(190,555)	(26,411)
Transfers										
Total Governmental Activities	70,670,197	69,924,307	69,168,067	69,473,758	67,390,956	69,185,320	64,362,032	61,535,285	57,286,451	52,613,172
<u>Business-type Activities:</u>										
Investment Earnings	11,801	9,223	7,082	5,004	24,351	37,386	30,040	13,380	4,665	6,281
Other		5,500		(20,494)						
Transfers				(14,246)						
Total Business-type Activities	11,801	14,723	7,082	(29,736)	24,351	37,386	30,040	13,380	4,665	6,281
Total District-wide	\$ 70,681,998	\$ 69,939,030	\$ 69,175,149	\$ 69,444,022	\$ 67,415,307	\$ 69,222,706	\$ 64,392,072	\$ 61,548,665	\$ 57,291,116	\$ 52,619,453
<b>Change in Net Assets:</b>										
Governmental Activities	\$ 3,749,269	\$ 1,136,799	\$ (2,293,200)	\$ (430,406)	\$ 1,563,058	\$ 5,162,619	\$ 3,766,760	\$ 1,582,415	\$ 2,363,406	\$ 1,044,648
Business-type Activities	175,118	29,632	(22,310)	(68,434)	(113,323)	(52,570)	100,054	(8,660)	(8,764)	(481)
Total District	\$ 3,924,387	\$ 1,166,431	\$ (2,315,510)	\$ (498,841)	\$ 1,449,735	\$ 5,110,049	\$ 3,866,814	\$ 1,573,755	\$ 2,354,642	\$ 1,044,167

Source: Exhibit A-2

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Fund:</b>										
Restricted	\$ 4,225,367.53	\$ 2,455,345.94	\$ 5,107,539.53	\$ 8,120,940.49	\$ 9,520,488.76	\$ 7,936,117.93	\$ 6,398,940.00	\$ 3,479,833.34	\$ 4,673,642.28	\$ 2,762,032.93
Assigned	1,478,364.80	1,178,061.76								
Unassigned	388,076.86	514,161.32	(168,473.78)	1,553,961.66	1,559,695.13	1,523,982.82	1,543,449.00	1,890,305.35	3,260,947.27	2,839,053.34
<b>Total General Fund</b>	<u>\$ 6,091,809.19</u>	<u>\$ 4,147,569.02</u>	<u>\$ 4,939,065.75</u>	<u>\$ 9,674,902.15</u>	<u>\$ 11,080,183.89</u>	<u>\$ 9,460,100.75</u>	<u>\$ 7,942,389.00</u>	<u>\$ 5,370,138.69</u>	<u>\$ 7,934,589.55</u>	<u>\$ 5,601,086.27</u>
<b>All Other Governmental Funds:</b>										
Restricted	\$ 551,019.86	\$ 1,440,560.09			\$ 110,815.98	\$ 1,156,960.88	\$ 8,714,099.00	\$ 424,646.70	\$ 11,970.00	\$ 289,190.83
Unassigned, Reported in:										
Capital Projects Fund			\$ 425,435.00		85,732.74	302,937.36	(2,962,711.00)	54,110.08	966,070.89	1,726,123.34
Special Revenue Fund										(11,968.20)
Debt Service Fund			0.25	0.03	630,792.03	1,851,752.03	94,544.00	1.10	2.36	1.62
<b>Total All Other Governmental Funds</b>	<u>\$ 551,019.86</u>	<u>\$ 1,440,560.09</u>	<u>\$ 425,435.25</u>	<u>\$ 0.03</u>	<u>\$ 827,340.75</u>	<u>\$ 3,311,650.27</u>	<u>\$ 5,845,932.00</u>	<u>\$ 11,219,035.26</u>	<u>\$ 978,043.25</u>	<u>\$ 2,003,347.99</u>
<b>Total District</b>	<u>\$ 6,642,829.05</u>	<u>\$ 5,588,119.11</u>	<u>\$ 5,364,501.00</u>	<u>\$ 9,674,902.18</u>	<u>\$ 11,907,524.64</u>	<u>\$ 12,771,751.02</u>	<u>\$ 13,788,321.00</u>	<u>\$ 16,589,173.95</u>	<u>\$ 8,912,632.80</u>	<u>\$ 7,604,433.86</u>

Source: Exhibit B-1

(1) In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund Balance was changed. See the notes to the financial statements.

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues:</b>										
Tax Levy	\$ 55,053,421.00	\$ 55,369,559.00	\$ 55,085,508.00	\$ 53,753,207.00	\$ 50,734,676.00	\$ 52,042,982.00	\$ 48,404,760.00	\$ 45,782,429.00	\$ 42,413,634.00	\$ 39,872,033.00
Other Local Revenue	1,174,661.84	1,182,565.09	422,747.30	391,902.30	813,230.12	2,345,598.92	888,280.00	384,070.23	269,068.55	268,028.42
State Sources	19,939,819.19	18,429,360.63	16,912,640.62	20,186,288.17	22,590,402.22	21,190,994.36	19,617,329.00	19,055,045.32	18,326,999.47	17,114,523.52
Federal Sources	2,143,010.99	1,704,337.59	3,873,825.74	1,613,023.72	1,545,190.96	1,476,271.31	1,477,341.00	1,528,065.97	1,375,565.69	1,203,357.37
<b>Total Revenue</b>	<b>78,310,913.02</b>	<b>76,685,822.31</b>	<b>76,394,721.66</b>	<b>75,944,421.19</b>	<b>75,643,499.30</b>	<b>77,055,846.59</b>	<b>70,387,710.00</b>	<b>66,749,610.52</b>	<b>62,385,267.71</b>	<b>58,457,942.31</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	19,189,894.34	19,433,794.26	19,833,993.37	19,847,851.95	19,471,714.39	19,614,238.26	19,189,722.00	19,076,224.12	18,291,390.21	17,785,153.87
Special Education Instruction	9,269,667.76	8,056,847.38	9,664,989.47	8,879,405.67	8,376,869.80	7,842,189.94	7,520,800.00	6,930,996.95	5,986,118.71	4,413,692.75
Other Special Instruction	1,675,521.76	1,849,119.02	2,077,025.91	1,961,817.53	547,934.78	534,053.84	505,359.00	473,904.43	517,292.66	484,830.55
Other Instruction	282,478.75	2,959,218.68	1,419,733.05	1,966,460.98	2,648,367.77	1,224,826.10	424,006.00	442,321.54	429,118.56	433,651.68
Community Services										
Support Services:										
Tuition	1,866,945.09	2,062,624.09	1,414,733.11	1,951,365.98	2,224,794.00	2,105,592.38	2,057,362.00	1,987,257.00	2,138,322.26	2,500,766.82
Student and Instruction Related Services	6,571,339.67	4,929,828.32	6,376,988.75	5,431,787.66	4,617,933.96	5,818,168.73	6,383,003.00	6,303,356.77	5,778,437.47	5,535,892.34
School Administrative Services	2,335,908.92	2,347,017.87	2,361,111.37	2,233,492.52	2,389,905.63	2,385,230.82	2,353,589.00	2,341,283.62	2,245,690.71	2,129,877.56
Other Administrative Services	2,176,874.81	2,336,649.33	2,465,317.07	2,535,710.04	2,233,169.67	2,976,403.92	2,310,557.00	2,318,778.89	1,907,174.21	1,661,747.26
Plant Operations and Maintenance	5,544,766.62	5,801,154.19	6,146,948.26	6,419,456.27	6,427,915.49	6,404,612.54	5,533,182.00	5,372,079.11	4,848,261.78	4,698,036.17
Pupil Transportation	3,978,540.98	3,764,803.65	3,833,932.69	3,617,153.24	3,759,150.82	3,583,161.10	3,476,844.00	3,263,556.35	3,146,578.28	3,038,998.19
Unallocated Benefits	17,998,681.65	17,025,451.73	17,209,679.64	16,244,374.40	16,809,159.33	15,227,445.36	12,399,111.00	11,611,105.69	10,078,239.48	8,460,531.64
Debt Service:										
Principal	4,025,000.00	3,720,000.00	3,665,000.00	3,565,000.00	2,630,000.00	3,815,000.00	3,105,000.00	2,585,000.00	2,315,000.00	3,057,000.00
Interest and Other Charges	1,515,296.26	1,665,183.76	1,813,108.78	1,972,171.00	2,233,126.00	2,140,638.78	1,518,877.00	1,992,141.26	2,181,791.26	2,237,867.26
Capital Outlay	729,535.92	670,355.87	2,998,781.22	1,743,466.81	2,059,331.37	11,286,048.18	5,497,935.00	5,120,022.02	1,023,096.72	2,887,032.16
<b>Total Expenditures</b>	<b>77,160,452.53</b>	<b>76,622,028.15</b>	<b>81,281,342.69</b>	<b>78,349,534.05</b>	<b>76,429,373.11</b>	<b>84,957,607.95</b>	<b>72,275,347.00</b>	<b>69,818,027.75</b>	<b>60,886,513.31</b>	<b>59,325,078.25</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,150,460.49	63,794.16	(4,886,621.03)	(2,405,112.86)	(785,873.81)	(7,901,761.36)	(1,887,637.00)	(3,068,417.23)	1,498,754.40	(867,135.94)
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)										
Sale of Bonds										
Premium on Sale of Bonds		157,475.12	547,683.46	24,990.25		17,533.30	392,700.00	22,485,000.00		
Payment to Escrow Agent						6,066,000.00	9,419,000.00	2,067,845.20		
Costs Associated with Sale of Bonds								(24,304,439.68)		
Cancellation of Grant Balances	(73,200.36)	1,088.15						(248,405.52)		
Accounts Receivable/Payable Canceled	(41,254.00)		(282.00)	28,602.03	(78,352.57)	89,217.29	4,361.00	8,062.53	(188,463.97)	(70,373.35)
Change in Year-end Inventory	18,703.81	1,260.68	28,818.39	118,909.05				2,100,000.00	853,647.54	702,866.47
Transfers In				(10.93)				(2,103,381.53)	(855,739.03)	(729,277.18)
Transfers Out										
<b>Total Other Financing Sources (Uses)</b>	<b>(95,750.55)</b>	<b>159,823.95</b>	<b>576,219.85</b>	<b>172,490.40</b>	<b>(78,352.57)</b>	<b>6,172,750.59</b>	<b>9,816,081.00</b>	<b>4,681.00</b>	<b>(190,555.46)</b>	<b>(96,784.06)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,054,709.94</b>	<b>\$ 223,618.11</b>	<b>\$ (4,310,401.18)</b>	<b>\$ (2,232,622.46)</b>	<b>\$ (864,226.38)</b>	<b>\$ (1,729,010.77)</b>	<b>\$ 7,928,424.00</b>	<b>\$ (3,063,736.23)</b>	<b>\$ 1,308,198.94</b>	<b>\$ (963,920.00)</b>
Debt Service as a Percentage of Noncapital Expenditures	7.2%	7.1%	7.0%	7.2%	6.5%	8.1%	6.9%	7.1%	7.5%	9.4%

Source: Exhibit B-2

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Various Refunds	\$ 71,777.58	\$ 61,076.59	\$ 64,158.92	\$ 63,320.14	\$ 80,460.11	\$ 50,188.80		\$ 61,226.44	\$ 52,037.29	\$ 68,245.85
Book Fines	46.28	561.43	181.45	471.29	928.23	432.35		17.00		8.35
Photocopy Fees (OPRA)	144.00	264.00	211.00	160.00	288.00	368.00		266.83		104.77
Badge Replacement	2,990.00	940.00	14,953.00	13,431.00	15,665.00	13,674.00	\$ 481.50		407.50	
Curriculum Workshop Fees	3,500.00	300,000.00								
Joint Insurance Fund Refund	10,143.22									
Shared Service HVAC Reimbursements		400.00				150,000.00				
Settlement						39.51				
Vending Machines		13,500.00			31.08		43.77	108.19	124.24	130.89
Sale of Assets/Textbooks	3,881.05		19,500.00	22,139.98	3,754.66		14,619.91	761.64		
Outstanding Checks Canceled	218,468.37	115,505.98	47,948.75	73,284.46	107,512.09	81,279.75	73,964.00	27,203.98	75,000.00	37.08
Rental of School Facilities							28,330.38	25,665.80	18,099.58	50,000.00
Tuition										
Prior Year Tuition Adjustments	17,400.59	15,348.83	27,127.70							
Other	8,415.52	6,158.67	4,310.65							
Emergency Snow Removal--FEMA		45,818.16				695.00				3,184.75
Saturday Enrichment	9,325.25	11,643.16	13,555.00			4,361.38		18,204.78	5,803.75	11,538.00
Clubs and Activities	202,465.50	193,301.48								
Registration Fees	341,913.00	73,025.00								
Interest Earned on Deposits	170,490.71	163,029.62	168,917.45	126,577.74	432,451.19	526,966.18	683,964.85	235,615.57	86,503.03	67,288.88
<b>Total Miscellaneous Revenues</b>	<b>\$ 1,060,961.07</b>	<b>\$ 1,000,172.92</b>	<b>\$ 360,863.92</b>	<b>\$ 299,801.29</b>	<b>\$ 641,090.36</b>	<b>\$ 828,004.97</b>	<b>\$ 878,765.34</b>	<b>\$ 369,070.23</b>	<b>\$ 250,803.11</b>	<b>\$ 200,538.57</b>

Source: District Records

## Revenue Capacity Information

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

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2012	\$ 32,883,500.00	\$ 4,114,634,100.00	\$ 13,377,900.00	\$ 790,110,275.00	\$ 31,554,000.00	\$ 246,282,200.00	\$ 5,228,841,975.00	\$ 16,311,542.00	\$ 5,245,153,517.00	\$ 475,475,300.00	\$ 5,402,918,744.00	\$ 1,044
2011	34,118,500.00	4,180,753,900.00	13,813,500.00	799,749,775.00	33,167,800.00	249,273,600.00	5,310,877,075.00	19,076,962.00	5,329,954,057.00	466,626,400.00	5,571,768,624.00	1,036
2010	38,668,000.00	4,156,491,310.00	14,825,100.00	864,582,575.00	39,217,600.00	265,891,400.00	5,379,675,985.00	20,439,291.00	5,400,115,276.00	467,215,300.00	5,776,142,129.00	1,023
2009	35,663,400.00	4,205,267,000.00	15,186,500.00	852,716,400.00	46,450,600.00	285,261,300.00	5,440,545,200.00	22,503,815.00	5,463,049,015.00	346,183,300.00	5,957,426,218.00	0,996
2008	17,059,400.00	2,239,682,300.00	7,947,200.00	448,607,200.00	18,546,600.00	93,335,700.00	2,825,178,400.00	8,034,965.00	2,833,213,365.00	237,617,100.00	5,890,256,476.00	1,836
2007	18,227,500.00	2,230,968,600.00	7,971,800.00	433,279,600.00	18,546,600.00	106,365,100.00	2,815,359,200.00	8,310,626.00	2,823,669,826.00	236,972,500.00	5,342,800,049.00	1,827
2006	20,136,700.00	2,220,078,600.00	6,670,300.00	426,241,400.00	20,048,300.00	106,365,100.00	2,799,540,400.00	8,780,369.00	2,808,320,769.00	236,200,900.00	4,738,982,060.00	1,790
2005	26,635,200.00	2,191,515,000.00	6,768,500.00	408,684,000.00	20,048,300.00	106,365,100.00	2,760,016,100.00	10,618,023.00	2,770,634,123.00	236,220,500.00	4,247,604,249.00	1,700
2004	32,363,300.00	2,138,871,200.00	6,547,800.00	408,337,300.00	20,803,800.00	105,910,100.00	2,712,833,500.00	11,463,649.00	2,724,297,149.00	207,704,800.00	3,879,473,360.00	1,619
2003	45,355,200.00	2,066,844,400.00	6,947,900.00	395,755,400.00	20,803,800.00	100,263,100.00	2,627,969,600.00	1,366,196.00	2,629,335,956.00	204,704,000.00	3,240,593,643.00	1,558

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

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

(3) Revaluation

Source: Burlington County Board of Taxation

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

Year Ended Dec. 31	District Direct Rate				Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Regional High School District	Township of Evesham	Township of Evesham Fire District	Burlington County			
2012	\$ 0.964	\$ 0.080	\$ 1.044	\$ 0.621	\$ 0.427	\$ 0.132	\$ 0.391	\$	2.615	
2011	0.958	0.078	1.036	0.610	0.421	0.130	0.396		2.593	
2010	0.948	0.075	1.023	0.598	0.403	0.128	0.407		2.559	
2009	0.932	0.064	0.996	0.561	0.403	0.122	0.416		2.498	
2008	1.751	0.085	1.836	1.108	0.727	0.225	0.809		4.705	
2007	1.641	0.186	1.827	1.109	0.578	0.210	0.796		4.520	
2006	1.660	0.013	1.790	1.036	0.703	0.188	0.621		4.338	
2005	1.573	0.127	1.700	0.973	0.511	0.187	0.701		4.072	
2004	1.507	0.112	1.619	0.928	0.511	0.187	0.667		3.912	
2003	1.444	0.114	1.558	0.812	0.443	0.176	0.626		3.615	

(1) Revaluation

Source: Municipal Tax Collector

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Davis & Associates LLC	\$ 91,980,300.00	1	1.75%	\$ 32,317,200.00	1	1.23%
Hunter Chase Assoc. LLC % Scully Co.	39,747,500.00	2	0.76%			
Davis Enterprises	37,372,300.00	3	0.71%	9,200,000.00	8	0.35%
East Coast Woodview at Marlton	32,000,000.00	4	0.61%			
Davis & Associates LLC	30,067,700.00	5	0.57%			
WRV Apartments Assoc LLC % Westover	22,000,000.00	6	0.42%			
Marlton VF LLC	21,574,400.00	7	0.41%	9,700,000.00	6	0.37%
Marlton Plaza Associates II	19,925,900.00	8	0.38%	11,305,000.00	4	0.43%
Marlton Plaza Associates	18,183,100.00	9	0.35%	10,805,000.00	5	0.41%
Paramount Square at Marlton LLC	18,079,900.00	10	0.34%			
Midwest Holdings				16,500,000.00	2	0.63%
Marlton Building Associates II				13,029,400.00	3	0.50%
McCandless Joint Venture Inc				9,500,000.00	7	0.36%
Wiley Mission, Inc.				8,407,800.00	9	0.32%
Greentree Square Affiliates				8,305,000.00	10	0.32%
<b>Total</b>	<b>\$ 330,931,100.00</b>		<b>6.31%</b>	<b>\$ 129,069,400.00</b>		<b>4.91%</b>

Source: Municipal Tax Assessor

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

---

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2012	\$ 55,053,421.00	\$ 55,053,421.00	100.00%	-
2011	55,369,559.00	55,369,559.00	100.00%	-
2010	55,085,508.00	55,085,508.00	100.00%	-
2009	53,753,207.00	53,753,207.00	100.00%	-
2008	50,734,676.00	50,734,676.00	100.00%	-
2007	52,042,982.00	52,042,982.00	100.00%	-
2006	48,404,760.00	48,404,760.00	100.00%	-
2005	45,782,429.00	45,782,429.00	100.00%	-
2004	42,413,634.00	42,413,634.00	100.00%	-
2003	39,872,033.00	39,872,033.00	100.00%	-

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

Source: District Records

## Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2012	\$ 30,720,000.00	-	\$ 102,919.93	-	-	\$ 30,822,919.93	Unavailable	Unavailable
2011	34,745,000.00	-	338,806.88	-	-	35,083,806.88	Unavailable	Unavailable
2010	38,465,000.00	-	431,764.86	-	-	38,896,764.86	1.80%	\$ 47,391.00
2009	42,130,000.00	-	29,533.65	-	-	42,159,533.65	2.00%	46,516.00
2008	45,685,000.00	-	39,784.58	-	-	45,724,784.58	2.17%	46,564.00
2007	48,315,000.00	-	164,102.38	-	-	48,479,102.38	2.34%	45,463.00
2006	46,049,000.00	-	261,762.02	-	-	46,310,762.02	2.30%	43,551.00
2005	39,735,000.00	-	-	-	-	39,735,000.00	2.10%	40,795.00
2004	43,045,000.00	-	-	-	-	43,045,000.00	2.34%	39,606.00
2003	45,360,000.00	-	93,508.79	-	-	45,453,508.79	2.60%	37,982.00

Sources:

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2012	\$ 30,720,000.00	-	\$ 30,720,000.00	0.59%	Unavailable
2011	34,745,000.00	-	34,745,000.00	0.65%	\$ 761.55
2010	38,465,000.00	-	38,465,000.00	0.71%	844.68
2009	42,130,000.00	-	42,130,000.00	0.77% (4)	928.59
2008	45,685,000.00	-	45,685,000.00	1.61%	1,009.06
2007	48,315,000.00	-	48,315,000.00	1.71%	1,061.33
2006	46,049,000.00	-	46,049,000.00	1.64%	995.07
2005	39,735,000.00	-	39,735,000.00	1.43%	855.33
2004	43,045,000.00	-	43,045,000.00	1.58%	926.78
2003	45,360,000.00	-	45,360,000.00	1.72%	986.58

**Sources:**

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2011  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Evesham Township</u>
Municipal Debt: (1)				
Evesham Township School District	\$ 32,720,000.00	\$ 32,720,000.00		
Regional High School District	27,017,793.00	27,017,793.00		
Evesham Township	49,769,056.00	9,555,498.00	\$ 40,213,558.00	\$ 40,213,558.00
	<u>109,506,849.00</u>	<u>69,293,291.00</u>	<u>40,213,558.00</u>	<u>40,213,558.00</u>
Overlapping Debt Apportioned to the Municipality:				
Evesham Township Fire District	4,910,000.00		4,910,000.00	4,910,000.00
Evesham Township Municipal Utility Authority	36,539,470.00		36,539,470.00	36,539,470.00
County of Burlington: (2)				
Solid Waste Utility	67,854,161.00	67,854,161.00		
Bonds				
General:				
Bonds	263,481,291.00	27,904,516.00 (3)	235,576,775.00	26,356,669.57 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>278,555,000.00</u>	<u>278,555,000.00 (4)</u>		
	<u>651,339,922.00</u>	<u>374,313,677.00</u>	<u>277,026,245.00</u>	<u>67,806,139.57</u>
	<u>\$ 760,846,771.00</u>	<u>\$ 443,606,968.00</u>	<u>\$ 317,239,803.00</u>	<u>\$ 108,019,697.57</u>

Sources:

- (1) 2011 Annual Debt Statement
  - (2) County's 2011 Audit Report
  - (3) Includes Cash on Hand, Accounts Receivable and County College Bonds paid with State Aid.
  - (4) Deductible in accordance with N.J.S. 40:37A-80.
  - (5) Such debt is allocated as a proportion of the Township's share of the total 2011 Equalized Value, which is 11.19%.
- The source for this computation was the 2011 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.



## Demographic and Economic Information

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

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

---

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	45,624	Unavailable	Unavailable	7.3%
2010	45,577	\$ 2,159,939,607.00	\$ 47,391.00	7.0%
2009	45,370	2,109,523,520.00	46,496.00	6.9%
2008	45,275	2,158,395,075.00	47,673.00	4.0%
2007	45,523	2,067,654,660.00	45,420.00	2.9%
2006	46,277	2,006,802,105.00	43,365.00	3.0%
2005	46,456	1,890,108,816.00	40,686.00	2.7%
2004	46,446	1,835,360,136.00	39,516.00	2.4%
2003	45,977	1,745,194,966.00	37,958.00	2.6%
2002	44,477	1,655,878,710.00	37,230.00	2.6%

## Sources:

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

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

	2012			2003		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Virtua Health System	964	1	3.62%	850	1	3.44%
Care One	275	2	1.03%			
Whole Foods	265	3	0.99%			
Shop Rite	235	4	0.99%	200	5	0.81%
Wal-Mart	200	5	0.88%	350	3	1.42%
Target	166	6	0.75%			
Burns Hyundai	153	7	0.62%			
Burns Honda	147	8	0.57%			
Kohl's	130	9	0.55%	128	7	0.52%
PF Changs	130	10	0.49%			
Champps				220	4	0.89%
Computer Science				400	2	1.62%
Parker, McCay & Criscuolo, P.A.				147	6	0.60%
Burlington Coat Factory				101	8	0.41%
TGI Friday's				100	9	0.40%
800 West				100	10	0.40%
	<u>2,665</u>		<u>10.50%</u>	<u>2,596</u>		<u>10.51%</u>

Source: Individual Employers

## Operating Information

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

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

Function/Program	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	258	285	323	331	338	458	458	443	427	395
Regular	111	114	127	125	122	132	132	111	77	69
Other special education	18	15	16	15	15	15	15	15	13	12
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	104	143	225	227	223	147	147	28	27	27
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	78	50	49	50	50	20	20	20	20	20
General administrative services	6	7	7	7	7	7	7	4	6	5
School administrative services	37	45	45	47	47	40	40	33	33	22
Business administrative services	17	13	13	14	14	8	8	8	8	8
Plant operations and maintenance	115	117	134	141	141	139	139	67	66	65
Pupil transportation	59	59	61	62	62	62	62	33	31	26
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	18	18	18	12	12	12	13	15
Community Education and Recreation	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>802</b>	<b>848</b>	<b>1,018</b>	<b>1,037</b>	<b>1,037</b>	<b>1,040</b>	<b>1,040</b>	<b>774</b>	<b>721</b>	<b>664</b>

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

Source: District Records

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

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	4,691	\$ 70,890,620.35	\$ 15,112.05	2.49%	409	1/12	1/12.4	4,722	4,546	-0.08%	96.27%
2011	4,786	70,566,508.52	14,744.36	-1.19%	437	1/10.42	1/12.12	4,726	4,627	-2.44%	97.91%
2010	4,879	72,804,452.69	14,922.00	3.37%	456	1/11.5	1/10.3	4,844	4,782	-0.92%	98.72%
2009	4,924	71,078,876.24	14,435.19	3.36%	456	1/11.1	1/10.6	4,889	4,785	-1.03%	97.87%
2008	4,977	69,506,915.74	13,965.63	5.41%	469	1/10.7	1/10.6	4,940	4,838	-2.33%	97.94%
2007	5,111	67,715,922.99	13,249.06	11.15%	458	1/11.9	1/11.0	5,058	4,949	-2.19%	97.84%
2006	5,214	62,153,535.00	11,920.51	3.82%	466	1/12	1/11.5	5,171	5,064	-2.42%	97.93%
2005	5,236	60,120,865.00	11,482.21	10.56%	462	1/12	1/11.5	5,300	5,094	-0.99%	96.12%
2004	5,331	55,366,625.00	10,385.79	10.55%	461	1/12.5	1/12	5,352	5,156	-1.76%	96.34%
2003	5,444	51,143,179.00	9,394.41	7.40%	425	1/12.6	1/12.2	5,448	5,236	0.97%	96.11%

Sources: District Records

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>District Building</b>										
<b>Elementary</b>										
Frances DeMasi Elementary School										
Square Feet	33,872	33,872	33,872	33,872	33,872	33,872	33,872	33,872	33,872	33,872
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	319	238	234	264	267	289	291	291	285	312
Florence V. Evans School										
Square Feet	77,637	77,637	77,637	77,637	77,637	77,637	77,637	77,637	77,637	77,637
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	495	594	573	586	577	561	566	566	579	574
H.L. Beeler School										
Square Feet	63,971	63,971	63,971	63,971	63,971	63,971	63,971	63,971	63,971	63,971
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	421	431	462	457	461	480	491	491	487	508
J. Harold Van Zant School										
Square Feet	59,391	59,391	59,391	59,391	59,391	59,391	59,391	59,391	59,391	59,391
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	400	409	421	421	428	462	489	489	523	539
Marion Elementary School										
Square Feet	88,852	88,852	88,852	88,852	88,852	88,852	88,852	88,852	88,852	88,852
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	492	498	521	513	513	550	560	560	561	556
Richard L. Rice School										
Square Feet	71,657	71,657	71,657	71,657	71,657	71,657	71,657	71,657	71,657	71,657
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	477	467	453	449	474	459	411	411	485	396
Robert B. Jaggard School										
Square Feet	86,178	86,178	86,178	86,178	86,178	86,178	86,178	86,178	86,178	86,178
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	420	441	462	466	477	483	491	491	473	471
<b>Middle School</b>										
Frances DeMasi Middle School										
Square Feet	135,490	135,490	135,490	135,490	135,490	135,490	135,490	135,490	135,490	135,490
Capacity (students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	847	709	690	680	683	714	760	760	774	760
Marion Middle School										
Square Feet	126,220	126,220	126,220	126,220	126,220	126,220	126,220	126,220	126,220	126,220
Capacity (students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	815	963	1,011	1,088	1,097	1,067	1,059	1,059	1,108	1,177
<b>Other</b>										
District Admin. Building										
Square Feet	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200	26,200
District Bus Garage										
Square Feet	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257
District Maint./Trans. Building										
Square Feet	13,684	13,684	13,684	13,684	13,684	13,684	13,684	13,684	-	-
Number of Schools at June 30, 2012										
Elementary = 7										
Middle School = 2										
High School = 0										
Other = 3										

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

(1) Unavailable

Source: District records, ASSA

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

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Frances DeMasi Middle School	40	\$ 96,947.79	\$ 158,833.12	\$ 100,330.90	\$ 121,356.40	\$ 156,600.76	\$ 144,495.10	\$ 122,803.63	\$ 131,899.82	\$ 86,785.36	\$ 148,236.24
Florence V. Evans School	50	114,215.24	76,267.51	94,349.37	75,795.26	78,078.18	66,787.64	96,352.04	59,975.47	44,667.29	66,385.91
H.L. Beeler School	55	60,349.35	81,081.37	60,492.67	84,933.49	109,771.85	71,746.37	32,649.32	96,419.70	74,092.58	51,967.00
J. Harold Van Zant School	57	64,313.98	45,411.59	53,895.07	62,756.28	66,123.93	44,481.18	62,836.74	59,097.02	43,250.84	49,349.15
Marlton Elementary School	58	75,222.31	109,350.87	109,323.24	80,074.12	68,823.27	60,126.38	58,224.62	52,651.82	27,546.90	59,525.18
Marlton Middle School	60	161,251.05	94,137.45	127,630.65	173,327.16	137,339.50	84,338.55	80,980.59	86,813.73	93,302.59	111,357.30
Richard L. Rice	65	61,036.08	57,304.47	63,609.69	62,758.88	66,576.39	55,602.05	51,371.45	76,569.88	57,875.29	61,172.76
Robert B. Jaggard School	70	88,814.65	56,700.03	78,890.08	66,431.22	78,339.28	48,315.84	52,284.00	59,116.63	48,214.56	62,172.50
District Adm. Building	999	39,341.12	40,276.10	40,558.67	32,047.64	46,286.06	63,252.33	27,271.09	32,322.12	105,486.43	23,199.10
District Bus Garage	999	2,641.22	5,849.87	6,411.02	17,581.74	6,385.74	5,325.87	22,581.96	570.09	1,131.46	6,587.17
Operations (building and grounds)	999	16,857.05	16,806.21	53,956.62	26,392.74	50,497.18	17,362.10	23,890.29			
District Maint./Trans. Building	999	11,481.51	24,065.38	27,915.84	18,704.96	15,580.19	8,465.90	42,374.38	10,565.59	31,080.89	23,846.02
<b>Total School Facilities</b>		<b>792,471.35</b>	<b>766,083.97</b>	<b>817,363.82</b>	<b>822,159.89</b>	<b>880,402.33</b>	<b>670,299.31</b>	<b>673,620.11</b>	<b>666,001.87</b>	<b>613,434.19</b>	<b>663,798.33</b>
<b>Other Facilities</b>		-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>\$ 792,471.35</b>	<b>\$ 766,083.97</b>	<b>\$ 817,363.82</b>	<b>\$ 822,159.89</b>	<b>\$ 880,402.33</b>	<b>\$ 670,299.31</b>	<b>\$ 673,620.11</b>	<b>\$ 666,001.87</b>	<b>\$ 613,434.19</b>	<b>\$ 663,798.33</b>

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

Source: District Records

## TOWNSHIP OF EVESHAM SCHOOL DISTRICT

Insurance Schedule

June 30, 2012

Unaudited

---

		<u>Coverage</u>	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund			
Property, Inland Marine and Automobile Physical Damages	(A) \$	150,000,000.00	\$ 500.00
Boiler and Machinery	(A)	125,000,000.00	1,000.00
General and Automobile Liability	(A)	10,000,000.00	
Workers' Compensation		Statutory	
Crime Coverage	(A)	500,000.00	500.00
Educator's Legal Liability	(B)	10,000,000.00	
Pollution and Mold Legal Liability	(A)	3,000,000.00	25,000.00
Ohio Casualty Insurance Company			
Business Administrator/Board Secretary		100,000.00	

(A) Per Occurrence

(B) Aggregate

Source: District Records

SINGLE AUDIT SECTION

**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  
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

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

**Compliance**

We have audited the Township of Evesham School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2012. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Township of Evesham School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

**Internal Control Over Compliance**

Management of the Township of Evesham School District is responsible for establishing and maintaining effective internal control over compliance with the 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 State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M DiGangi*

Daniel M DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
October 26, 2012

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2012

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2011</u>
				<u>From</u>	<u>To</u>	
General Fund:						
U.S. Department of Education Passed-through						
State Department of Education:						
Education Job Fund	84.410A	N/A	\$ 516,060.00	8-10-10	9-30-12	-
Special Revenue Fund:						
U.S. Department of Education Passed-through						
State Department of Education:						
I.A.S.A.:						
Title I	84.010A	IASA169012	166,617.00	9-1-11	8-31-12	
Title I	84.010A	IASA169011	159,798.00	9-1-10	8-31-11	\$ (47,683.40)
Title II Part A	84.367A	IASA169012	101,564.00	9-1-11	8-31-12	
Title II Part A	84.367A	IASA169010	112,463.00	9-1-09	8-31-10	(4,196.00)
Title II Part A	84.367A	IASA169011	113,175.00	9-1-10	8-31-11	(18,353.41)
Title II Part D	84.318X	IASA169010	1,564.00	9-1-09	8-31-10	(14.00)
Title II Part D	84.318X	IASA169011	188.00	9-1-10	8-31-11	3.63
Title III	84.365A	IASA169012	15,401.00	9-1-11	8-31-12	
Title III	84.365A	IASA169010	16,222.00	9-1-09	8-31-10	(294.00)
Title III	84.365A	IASA169011	21,148.00	9-1-10	8-31-11	(6,113.17)
Title IV	84.186A	IASA169010	9,409.00	9-1-09	8-31-10	(6,582.00)
Title IV	84.186A	IASA169011	N/A	9-1-10	8-31-11	0.55
Ulysses S. Grant	84.215X	N/A	4,825.50	9-1-11	8-31-12	
Ulysses S. Grant	84.215X	N/A	3,497.00	9-1-10	8-31-11	(547.40)
I.D.E.I.A. Part B:						
Basic & Capacity	84.027	FT169012	1,123,173.00	9-1-11	8-31-12	
Basic & Capacity	84.027	FT169010	1,105,969.00	9-1-09	8-31-10	(2,394.00)
Basic & Capacity	84.027	FT169011	1,119,516.00	9-1-10	8-31-11	(142,729.08)
ARRA - Basic & Capacity	84.391	FT169010	1,128,658.00	7-1-09	8-31-11	(255,706.07)
Pre-School Carryover	84.173	PS169008	1,661.00	9-1-08	8-31-09	7.25
Pre-School	84.173	PS169012	73,352.00	9-1-11	8-31-12	
Pre-School	84.173	PS169011	73,232.00	9-1-10	8-31-11	(21,874.00)
ARRA - Pre-School	84.392A	PS169010	40,825.00	7-1-09	8-31-11	(5,514.31)
Total Special Revenue Fund						(511,989.41)
Enterprise Fund:						
U.S. Department of Agriculture:						
Food Distribution Program	10.555	Unavailable	74,046.00	7-1-11	6-30-12	
Food Distribution Program	10.555	Unavailable	59,902.22	7-1-10	6-30-11	8,579.54
Passed-through State Department of Education:						
National School Breakfast Program	10.553	Unavailable	6,227.48	7-1-11	6-30-12	
National School Lunch Program	10.555	Unavailable	206,374.85	7-1-11	6-30-12	
National School Lunch Program	10.555	Unavailable	183,258.42	7-1-10	6-30-11	(10,428.08)
Total Enterprise Fund						(1,848.54)
Total Federal Financial Assistance						\$ (513,837.95)

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

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2012		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor
-	\$ 456,747.83	\$ 516,060.00	-	-	\$ (59,312.17)	-	-
\$ 90.00	78,180.00	141,255.84			(88,437.00)	\$ 25,451.16	
(90.00)	65,573.00	17,799.60					
5,134.00	38,123.00	95,253.10	\$ 198.00		(63,243.00)	11,444.90	
	4,196.00						
(5,134.00)	87,154.00	63,468.59	(198.00)				
	14.00						
	176.00	179.63					
2,686.00	5,794.00	15,947.83			(9,607.00)	2,139.17	
	294.00						
(2,686.00)	11,089.00	2,289.83					
	6,582.00						
			(0.55)				
	4,825.50	4,825.50					
	368.61		178.79				
122,726.00	921,526.00	1,165,349.85	(0.08)		(201,647.00)	80,549.07	
	2,394.00						
(122,726.00)	265,455.00		0.08				
	296,578.00	40,871.93					
				\$ 7.25			
4,028.00	60,973.00	77,303.90			(12,379.00)	76.10	
(4,028.00)	25,902.00						
	10,088.00	4,573.69					
-	1,885,285.11	1,629,119.29	178.24	7.25	(375,313.00)	119,660.40	-
	74,046.00	57,889.11				16,156.89	
		8,579.54					
	5,218.03	6,227.48			(1,009.45)		
	199,277.32	206,374.85			(7,097.53)		
	10,428.08						
-	288,969.43	279,070.98	-	-	(8,106.98)	16,156.89	-
-	\$ 2,631,002.37	\$ 2,424,250.27	\$ 178.24	\$ 7.25	\$ (442,732.15)	\$ 135,817.29	-

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2012

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2011		Carryover / (Walkover) Amount
					Deferred Revenue / Accounts Receivable	Due to Grantor	
<b>General Fund:</b>							
Current Expense:							
Equalization Aid	12-495-034-5120-078	\$ 8,946,937.00	7-1-11	6-30-12			
Equalization Aid	11-495-034-5120-078	8,946,937.00	7-1-10	6-30-11	\$ (857,021.72)		
Transportation Aid	12-495-034-5120-014	1,228,841.00	7-1-11	6-30-12			
Special Education Aid	12-495-034-5120-089	2,432,277.00	7-1-11	6-30-12			
Special Education Aid	11-495-034-5120-089	2,432,277.00	7-1-10	6-30-11	(232,986.35)		
Security Aid	12-495-034-5120-084	340,571.00	7-1-11	6-30-12			
Security Aid	11-495-034-5120-084	133,156.00	7-1-10	6-30-11	(12,754.93)		
Extraordinary Aid	12-495-034-5120-473	313,232.00	7-1-11	6-30-12			
Extraordinary Aid	11-495-034-5120-473	240,100.00	7-1-10	6-30-11	(240,100.00)		
Nonpublic School Transportation Aid	12-495-034-5120-014	36,366.00	7-1-11	6-30-12			
Nonpublic School Transportation Aid	11-495-034-5120-014	37,228.45	7-1-10	6-30-11	(37,228.45)		
Homeless Aid	11-495-034-5120-005	41,254.00	7-1-10	6-30-11	(41,254.00)		
Anti Bullying Aid	Unknown	984.00	7-1-11	6-30-12			
T.P.A.F. Social Security Aid	12-495-034-5095-002	2,256,319.15	7-1-11	6-30-12			
T.P.A.F. Social Security Aid	11-495-034-5095-002	2,279,319.81	7-1-10	6-30-11	(113,824.20)		
<b>Total General Fund</b>					<b>(1,535,169.65)</b>	<b>-</b>	<b>-</b>
<b>Special Revenue Fund:</b>							
Nonpublic Aid:							
Textbook Aid (Ch. 194)	12-100-034-5120-064	26,347.00	7-1-11	6-30-12			
Textbook Aid (Ch. 194)	11-100-034-5120-064	31,262.00	7-1-10	6-30-11	\$ 3,373.47		
Nursing Services	12-100-034-5120-070	37,633.00	7-1-11	6-30-12			
Auxiliary Services (Ch. 192)							
Compensatory Education	12-100-034-5120-067	72,698.00	7-1-11	6-30-12			
Compensatory Education	11-100-034-5120-067	54,088.00	7-1-10	6-30-11			
ESL	11-100-034-5120-067	2,561.00	7-1-10	6-30-11	2,561.00		
ESL	12-100-034-5120-067	862.00	7-1-11	6-30-12			
Handicapped Services (Ch. 193)							
Corrective Speech	12-100-034-5120-068	35,543.00	7-1-11	6-30-12			
Corrective Speech	11-100-034-5120-068	30,980.00	7-1-10	6-30-11	861.00		
Examination and Classification	12-100-034-5120-068	31,728.00	7-1-11	6-30-12			
Examination and Classification	11-100-034-5120-068	34,615.00	7-1-10	6-30-11	1,279.00		
Supplementary Instruction	12-100-034-5120-068	24,693.00	7-1-11	6-30-12			
Supplementary Instruction	11-100-034-5120-068	22,652.00	7-1-10	6-30-11	140.00		
<b>Total Special Revenue Fund</b>					<b>-</b>	<b>8,214.47</b>	<b>-</b>
<b>Capital Projects Fund:</b>							
School Development Authority	1420-060-09-1004	202,324.00	7-1-09	Completion	526,597.00		
School Development Authority	1420-050-09-1003	52,890.00	7-1-10	Completion	79,335.00		
School Development Authority	1420-065-09-1005	108,416.00	7-1-10	Completion	93,289.00		
School Development Authority	1420-070-09-1006	255,281.60	7-1-10	Completion	122,417.00		
<b>Total Capital Projects Fund</b>					<b>821,638.00</b>	<b>-</b>	<b>-</b>
<b>Debt Service Fund:</b>							
School Construction Debt Service Aid	12-100-034-5120-075	1,339,535.00	7-1-11	6-30-12	-	-	-
<b>Enterprise Fund:</b>							
State School Lunch Aid	12-100-010-3350-023	11,739.20	7-1-11	6-30-12			
State School Lunch Aid	11-100-010-3350-023	12,420.63	7-1-10	6-30-11	(1,355.36)		
<b>Total Enterprise Fund</b>					<b>(1,355.36)</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance</b>					<b>\$ (714,887.01)</b>	<b>\$ 8,214.47</b>	<b>-</b>

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

Cash <u>Received</u>	Budgetary <u>Expenditures</u>	<u>Adjustments</u>	Repayment of Prior Years' <u>Balances</u>	Balance June 30, 2012			Memo	
				(Accounts <u>Receivable</u> )	Deferred Revenue / Interfund <u>Payable</u>	Due to <u>Grantor</u>	Budgetary Receivable <u>June 30, 2012</u>	Cumulative Total <u>Expenditures</u>
\$ 8,090,405.24	\$ 8,946,937.00			\$ (856,531.76)			\$ (856,531.76)	\$ 8,946,937.00
857,021.72								
1,111,198.35	510,713.00			(117,642.65)	\$ 718,128.00		(117,642.65)	510,713.00
2,199,423.85	2,432,277.00			(232,853.15)			(232,853.15)	2,432,277.00
232,986.35								
307,966.56	340,571.00			(32,604.44)			(32,604.44)	340,571.00
12,754.93								
	313,232.00			(313,232.00)				313,232.00
240,100.00								
	36,366.00			(36,366.00)				36,366.00
37,228.45								
41,254.00								
984.00	984.00							984.00
2,145,734.13	2,256,319.15			(110,585.02)				2,256,319.15
113,824.20								
<u>15,390,881.78</u>	<u>14,837,399.15</u>	<u>-</u>	<u>-</u>	<u>(1,699,815.02)</u>	<u>718,128.00</u>	<u>-</u>	<u>(1,239,632.00)</u>	<u>14,837,399.15</u>
26,347.00	21,337.31	\$ 0.31	\$ 3,373.00			\$ 5,010.00		21,337.31
	(0.47)							
37,633.00	37,423.00					210.00		37,423.00
64,321.00	72,188.62	(0.38)		(8,377.00)		509.00		72,188.62
			2,561.00					
763.00	344.80	(0.20)		(99.00)		517.00		344.80
31,448.00	30,569.13	0.13		(4,095.00)		4,974.00		30,569.13
			861.00					
28,072.00	23,843.20	0.20		(3,656.00)		7,885.00		23,843.20
			1,279.00					
21,848.00	24,692.80	(0.20)		(2,845.00)		0.00		24,692.80
			140.00					
<u>210,432.00</u>	<u>210,398.86</u>	<u>(0.61)</u>	<u>8,214.00</u>	<u>(19,072.00)</u>	<u>-</u>	<u>19,105.00</u>	<u>-</u>	<u>210,398.86</u>
	233,521.95			(202,324.00)	495,399.05			233,521.95
	76,605.42			(52,890.00)	55,619.58			76,605.42
104,851.91	180,462.00	(17,678.91)						249,797.00
185,473.77	180,377.00	(127,513.77)						440,882.00
<u>290,325.68</u>	<u>670,966.37</u>	<u>(145,192.68)</u>	<u>-</u>	<u>(255,214.00)</u>	<u>551,018.63</u>	<u>-</u>	<u>-</u>	<u>1,000,806.37</u>
<u>1,339,535.00</u>	<u>1,339,535.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,339,535.00</u>
11,350.10	11,739.20			(389.10)				11,739.20
1,355.36								
<u>12,705.46</u>	<u>11,739.20</u>	<u>-</u>	<u>-</u>	<u>(389.10)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,739.20</u>
<u>\$ 17,243,879.92</u>	<u>\$ 17,070,038.58</u>	<u>\$ (145,193.29)</u>	<u>\$ 8,214.00</u>	<u>\$ (1,974,490.12)</u>	<u>\$ 1,269,146.63</u>	<u>\$ 19,105.00</u>	<u>\$ (1,239,632.00)</u>	<u>\$ 17,399,878.58</u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2012

---

**Note 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Evesham School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2: BASIS OF ACCOUNTING**

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

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$136,869.00 for the general fund and \$5,399.56 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$5,399.56 for the special revenue fund. There is no required adjustment for the general fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 516,060.00	\$ 18,389,577.15	\$ 18,905,637.15
Special Revenue	1,626,950.99	210,707.04	1,837,658.03
Capital Projects		670,966.37	670,966.37
Debt Service		1,339,535.00	1,339,535.00
Food Service	<u>279,070.98</u>	<u>11,739.20</u>	<u>290,810.18</u>
	<u>\$ 2,422,081.97</u>	<u>\$ 20,622,524.76</u>	<u>\$ 23,044,606.73</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" on the Schedule of Expenditures of State Financial Assistance represent rounding differences and the cancellation of capital project balances. The "adjustments" on the Schedule of Expenditures of Federal Awards represent rounding differences and the cancellation of grant receivables.

**Note 6: OTHER**

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2012.

**Note 7: MAJOR PROGRAMS**

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2012**

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

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness(es) identified?        yes   x   no

Significant deficiency(ies) identified?        yes   x   none reported

Noncompliance material to financial statements noted?   x   yes        no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?        yes   x   no

Significant deficiency(ies) identified?        yes   x   none reported

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

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

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.027</u>	<u>IDEIA Part B -- Basic &amp; Capacity</u>
<u>84.173</u>	<u>IDEIA Part B -- Preschool</u>
<u>84.391</u>	<u>ARRA - IDEIA Part B -- Basic &amp; Capacity</u>
<u>84.392A</u>	<u>ARRA - IDEIA Part B -- Preschool</u>
<u>84.410A</u>	<u>Education Jobs Fund</u>
<u>      </u>	<u>      </u>

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

Auditee qualified as low-risk auditee?   x   yes        no

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012**

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

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes  x  no

Significant deficiency(ies) identified? \_\_\_ yes  x  none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
12-495-034-5120-078	State Aid Public -- Equalization Aid
12-495-034-5120-089	State Aid Public -- Special Education Aid
12-495-034-5120-084	State Aid Public -- Security Aid
12-495-034-5120-014	Transportation Aid
12-495-034-5095-002	Reimbursed TPAF Social Security Contributions
12-100-034-5120-075	School Construction Debt Service Aid
1420-060-09-1004	School Development Authority
1420-050-09-1003	School Development Authority
1420-065-09-1005	School Development Authority
1420-070-09-1006	School Development Authority

Dollar threshold used to determine Type A programs \$512,101.00

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

---

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

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

**Finding No. 2012-1**

**Criteria or Specific Requirement**

New Jersey Treasury Circular 04-04 OMB and the 2011-12 Food Service Management Contract requires that the Food Service Management Company (FSMC) shall have a Type 2 Service Organization Controls Report of their internal controls performed by an independent audit firm.

**Condition**

Our audit of the Food Service Management Company contract revealed that although a Service Organization Controls Report was performed on May 3, 2012 it did not meet the requirement of a "Type 2 Report".

**Context**

N/A

**Effect**

The designed internal control procedures so established by the FSMC may not be effective.

**Cause**

The FSMC was not aware of the new requirement to obtain a higher level Service Organization Controls Report.

**Recommendation**

That the District ensure the Food Service Management Company has a Type 2 Service Organization Controls Report of their internal controls performed by an independent audit firm as required by the contract and N.J. Treasury Circular 04-04 OMB.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

---

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

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

None.

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

---

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

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

None.

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

---

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

