

**SCHOOL DISTRICT OF
LUMBERTON TOWNSHIP**

LUMBERTON BOARD OF EDUCATION
Lumberton, New Jersey
County of Burlington

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LUMBERTON TOWNSHIP BOARD OF EDUCATION

LUMBERTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Lumberton Township Board of Education
Finance Department**

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INTRODUCTORY SECTION

**Lumberton Township Board of Education
33 Municipal Drive
Lumberton, NJ 08048**

**Terrence Healey
Superintendent**

**Thomas J. Fanuka
Business Administrator**

October 18, 2012

Honorable President and
Members of the Board of Education
Lumberton Township School District
Burlington County, New Jersey
33 Municipal Drive
Lumberton, NJ 08048

Dear Board Members:

The comprehensive annual financial report of the Lumberton Township School District for the fiscal year ended June 30, 2012 is submitted herewith. The report was prepared by the District's Board Office. The responsibility for the financial and other data lies with the Superintendent and the Business Administrator. We believe all the data presented is accurate in all material respects. This information is presented in a manner that fairly represents the fiscal soundness of the Lumberton Township School District. All disclosures needed to maximize user comprehension of the contents have been included in this document.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principle officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid".

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for handicapped children. The District completed the 2011-2012 fiscal year with an enrollment of students, which represents students below the previous year's enrollment. These numbers include only in-district students. Those students placed out-of-district are not included in these totals. The following details the changes in the student enrollment of the District over the last seven years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	1,642	(2.55%)
2010-11	1,685	(0.12%)
2009-10	1,687	(1.17%)
2008-09	1,707	(1.61%)
2007-08	1,735	(0.86%)
2006-07	1,750	(0.34%)
2005-06	1,756	(0.23%)

2) ECONOMIC CONDITION AND OUTLOOK: The Lumberton Township has experienced an end to the development and expansion of the township. The downward turn of the national, state and local economies has hit Lumberton Township as well as the rest of the country. There has been little to no new business development in Lumberton Township. With the previous additions of Wal-Mart, Lowe's and a large Technology Center, Lumberton Township is continuing to attempt to attract additional businesses to its previously rural and residential town. In fact, Wal-Mart is continuing to seek an expansion to their current store to a Super Wal-Mart to include food sales. To attract the businesses in the town, the officials have agreed to abate taxes for a period. We are currently in the end of that period for some businesses. The existing residential developments are built out. There are no more foreseeable major developments planned in the immediate future. The larger homes have brought much younger children than the norm dictates. Lumberton Township has completed a township-wide reassessment process and has resulted in increasing property values. This process was completed four years ago. The assessed values are significantly increased over the previous assessment value totals due to the reassessment. Due to the economic conditions, many homeowners are appealing their assessed valued to lower them periodically.

There are some very small parcels of land in this township that may be utilized for residential developments. The township committee along with the township's economic development members is attempting to find other uses of the land, including open space and outright purchase.

3) MAJOR INITIATIVES: To meet the needs of a continuously growing community. In the fall of 2006, the District contracted The Design Collaborative architectural firm to update the Long-Range Facility Plan required by the state of New Jersey every five (5) years from the state adoption date. The State of New Jersey approved our Long-Range Facility Plan on July 11, 2008. Therefore, we do not need to file an updated Long-Range Facility Plan until July 11, 2013.

The public supported a \$9,499,000 March 9, 2010 referendum by more than a 2.5 to 1 margin for the installation of solar panels on all four (4) of the district facilities. The expected completion date was

originally scheduled for September 2010. However, A.R.R.A. funds have placed a large demand on solar panels and, as a result, our vendors had some difficulties acquiring the solar panels within the original timelines. The completion date for this project was during the summer of 2011 up through January 2012. The first attempt in December 2009 was defeated by the public, in part, as a response to the tough economic conditions just commencing. The project has actually come in so much lower than expected that the district only had to borrow \$7,000,000 in bonds.

The public supported the September 25, 2001 referendum overwhelmingly and a fourth school has been operating in its fifth year now. The completion date for the new Ashbrook Elementary School housing students in grades 2 and 3 was September 1, 2003. The Ashbrook Elementary School opened on time.

Curriculum has been a continued focus with an emphasis on meeting or exceeding state standards and incorporating research regarding best practices. This year, a large number of curricula were revised. Curricula that were aligned with the most current state standards include Social Studies, Visual Arts, Instrumental Music (Band and Strings), Technology, and Family and Consumer Science (aligned to the 21st Century Life and Career Standards). Math in grades three through five and Language Arts were aligned with the New Jersey Common Core State Standards. Grades 6-8 Math will be revised for September 1, 2013 to align with the Common Core. Several curricular documents that were completed during the prior year were reviewed and enhanced as well, based on teachers' experiences through the first year of implementation. Benchmarks were also added to the reviewed curricula. The curricula reviewed included Gifted and Talented, Health, Physical Education, Vocal Music, and World Language.

The district maintained its commitment to optimizing the quality of instruction for Lumberton students by continuing to build the expertise of their teachers. School goals focused on strengthening Tier I instruction of our RTI model by expanding teachers' understanding and utilization of targeted, differentiated instruction and goal setting for and with students. Professional development activities were offered through faculty meetings, Professional Learning Community dialogue, district in-services, coaching by the reading specialists and an outside literacy consultant, and out-of-district workshops. In response to the unique challenges our special education teachers face in delivering curriculum to their students in a manner appropriate to their needs, the Supervisor of Pupil Personnel Services and the Supervisor of Curriculum worked jointly to provide professional development opportunities specific to this population through district in-services and presentation by a consultant. In each school, a Professional Development Committee conducted a needs analysis and formulated a building level professional development plan for the following year. These plans were then passed on to the District Professional Development Committee, which worked with the Supervisor of Curriculum and Instruction to provide a variety of opportunities directly linked to teachers' professional growth goals as well as school and district goals.

Our district is fortunate to house a high degree of expertise among our own teaching staff. We strive to capitalize on these "homegrown" resources as much as possible. Members of our teaching staff who attended the Columbia University Reading and Writing Project August Institute in 2011 turn-keyed their learning with their colleagues throughout the school year. A team attended the August Institute once again in 2012 and will provide continued support to their colleagues. Likewise, a team of Lumberton Middle School teachers who have been educating themselves on the achievement gap were asked to share their knowledge with colleagues in other district schools. In-district courses, facilitated by Lumberton staff members, are made available to the staff throughout the year as well.

Student achievement is directly related to quality classroom instruction. The Lumberton School District recognizes this fact and focuses on continual improvement through curriculum design and a comprehensive, job-embedded approach to staff development. Our efforts are directed by carefully

crafted short and long term goals, which are furthered through reflective leadership and meaningful structures.

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

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

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

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

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

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibilities for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2012.

<u>Revenue</u>	<u>Amount</u>	<u>% of Total</u>
Local Sources	\$13,877,628	54.00%
State Sources	10,882,973	42.35%
Federal Sources	<u>937,549</u>	<u>3.65%</u>

Totals	<u>\$25,698,150</u>	<u>100.00%</u>
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The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2012 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Current Expense:		
Instruction	\$8,213,867	32.28%
Undistributed Expense	12,217,930	48.02%
Capital Outlay	860,597	3.38%
Special Revenue	600,087	2.36%
Debt Service	<u>3,550,588</u>	<u>13.96%</u>
Totals	<u>\$25,443,069</u>	<u>100.00%</u>

8) DEBT ADMINISTRATION: On February 28, 2003, the Lumberton Township Board of Education issued \$11,255,000 in General Obligation Bonds to diffuse a prior Lease/Purchase agreement and two (2) previous refunding issues. The voters approved this refinancing in April 2002 even though this refinancing exceeded the school's borrowing capacity and required Local Finance Board approval. This issue saved the District approximately \$1,000,000 over the life of the loan from its current debt.

In June 1995, the District passed a successful bond referendum of \$12,650,000 by a two to one margin. These funds will be used for additional classrooms at the middle school, to build a new intermediate school (grades 3-5) and various elementary school renovations. The elementary school renovations included a new boiler, renovations to an existing bathroom and other various maintenance projects.

In March 1999, the District also passed a bond referendum in the amount of \$3,100,000 for eight (8) additional classrooms at the Bobby's Run School, installation of terrazzo at the Lumberton Middle School and various renovation projects at the Florence L. Walther School. Some of the renovation projects at the Florence L. Walther School included the installation of terrazzo in the main entrance, new carpeting, new ceilings, new HVAC units and various health and safety issues.

In September 2001, the District again passed a bond referendum in the amount of \$5,160,000 for a fourth school, two (2) additional classrooms at the Bobby's Run School, two (2) additional classrooms at the Lumberton Middle School, renovations to the Florence L. Walther School and extensive renovations and rehabilitations to the Lumberton Middle School. The Ashbrook Elementary School has been open for five years and the other projects have been completed as well.

In March 2010, the District passed another bond referendum in the amount of \$9,499,000 to install solar panels on the four (4) school facilities. In August 2010, the district issued \$7,000,000 in General Obligation Bonds because the bids for these projects came in significantly lower than the estimates. The district is also able to install additional panels on the school buildings due to the bid results.

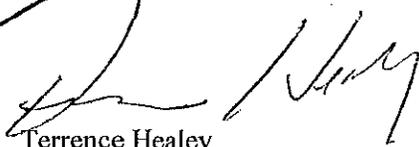
9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the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

10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is also part of a partially self-funded insurance program for all non-medical lines of coverage. The name of the fund is the Burlington County Insurance Pool Joint Insurance Fund. This pool is made up of over 25 local School Districts in an effort to maximize the insurance coverage at the best possible price. This JIF also provides many mandated training programs as part of the membership and without additional costs to the member districts.

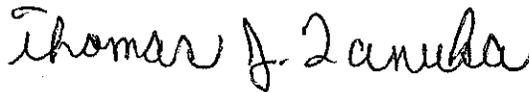
11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman and Frenia, P.C. was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic 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) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Lumberton Township School Board for their concern in providing fiscal responsibility to the citizens and taxpayers of the School District and thereby contributing their full support to the developments and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



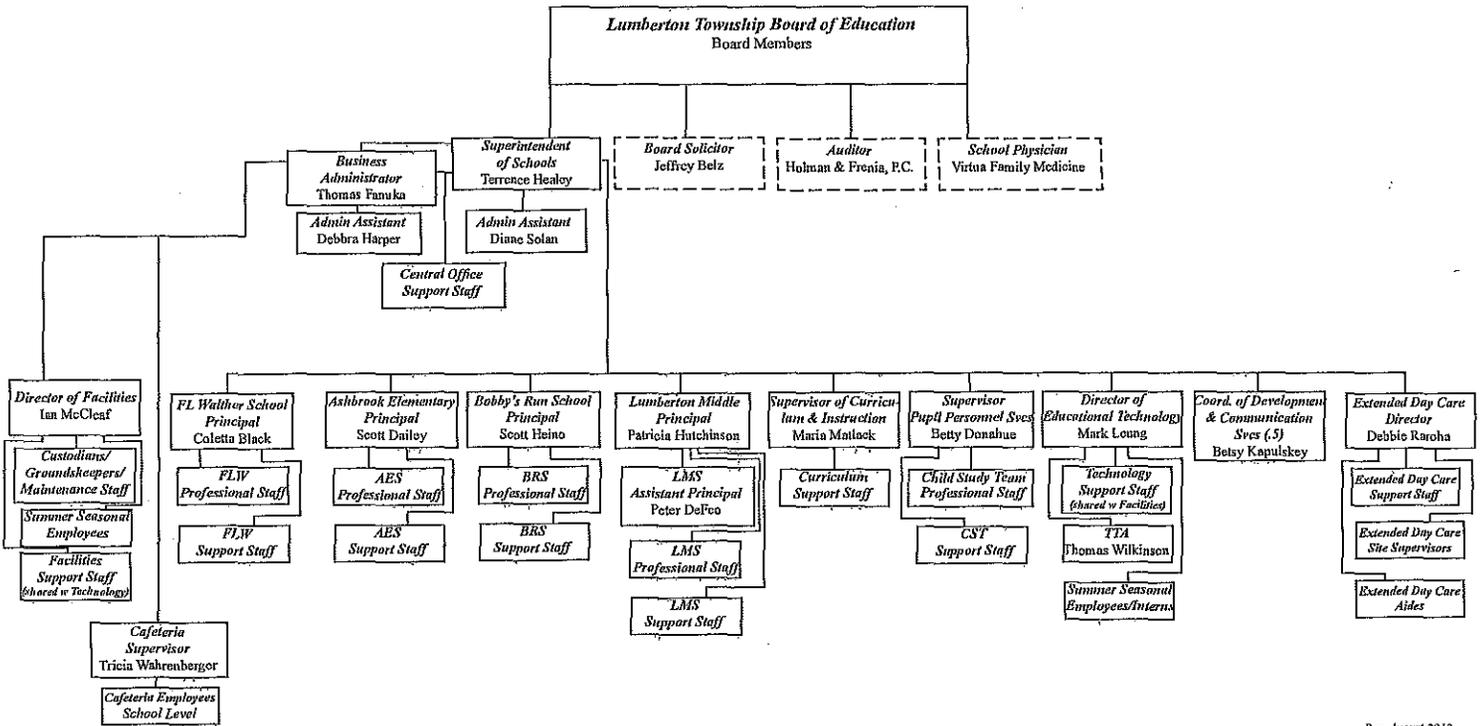
Terrence Healey
School Superintendent



Thomas J. Fanuka
Board Sec./Business Administrator

Lumberton Township Board of Education

33 Municipal Drive
Lumberton, NJ 08048
(609) 267-1406



Rev August 2012



LUMBERTON TOWNSHIP BOARD OF EDUCATION
33 Municipal Drive
Lumberton, New Jersey 08048

ROSTER OF OFFICIALS
JUNE 30, 2012

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert Morton, President	2014
Mario Tommasi, Vice President	2012
Jesse Adams, Jr.	2013
Sheila Ellis	2013
Tabitha Nicodemus	2013
Rachel Paulin	2012
Chris Stridiron	2012
Mary Beth Tubbs	2013
Daryl Minus-Vincent	2014

OTHER OFFICIALS

Terrence Healey, Superintendent

Thomas J. Fanuka, Board Secretary/Business Administrator

Jeffrey Belz, Solicitor

LUMBERTON TOWNSHIP BOARD OF EDUCATION
33 Municipal Drive
Lumberton, New Jersey 08048

CONSULTANTS AND ADVISORS

INSURANCE AGENT

Burlington County Insurance Pool
Marlton, New Jersey

AUDIT FIRM

Holman & Frenia, P. C.
Kevin P. Frenia, CPA, PSA
Medford, New Jersey

ATTORNEY

Jeffrey Belz
Cherry Hill, New Jersey

OFFICIAL DEPOSITORY

Beneficial Bank
Cherry Hill, New Jersey

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Lumberton Township Board of Education
County of Burlington
Lumberton, New Jersey 08048

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Lumberton Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2012, on our consideration of the Lumberton Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12 through 20 and 56 through 68 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 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 Lumberton Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
October 10, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

LUMBERTON TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2012

UNAUDITED

The discussion and analysis of Lumberton Township BOE annual 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 statement to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an 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 (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-2012 fiscal year include the following:

- The undesignated General Fund balance (budgetary basis) increased \$1,197,786 from \$1,440,182 to \$2,637,968 in 2012. The balance at June 30, 2012 included an amount of \$2,235,189 in excess of the 2% allowable per state mandate.
- General revenues accounted for 25,105,664 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for 766,272 of total revenues of \$25,871,936.
- Total net assets of governmental activities were \$14,020,561. Net Assets increase by \$3,006,462 from July 1, 2011 to June 30, 2012.
- The General Fund fund balance at June 30, 2012 is \$4,308,648, an increase of \$996,634 when compared with the beginning balance at July 1, 2011 of \$3,312,014.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Lumberton Township BOE as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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 Lumberton Township BOE.

- ◆ The first two statements are district-wide financial statements that provide both short-term and long-term information about the Lumberton Township BOE overall financial status.

- ◆ The remaining statements are fund financial statements that focus on individual parts of the Lumberton Township BOE, reporting the Lumberton Township BOE '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 Lumberton Township BOE 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.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Lumberton Township BOE, the General Fund is by far the most significant fund.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 summarizes the major features of the Lumberton Township BOE financial statements, including the portion of the District 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.

Figure 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 are not proprietary or fiduciary, such as special education, building maintenance and food service	Activities the district operates similar to private businesses: Food service fund
Required financial statements	Statement of net assets	Balance sheet	Statement of net assets
	Statement of activities	Statement of revenue, expenditures and changes in fund balance	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 account and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets excepted to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011-2012?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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 positions 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 property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, administration and community education. Aids from the State of New Jersey and from the Federal government along with local Property taxes finances most of these activities.
- ◆ Business-type activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major funds are the General fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- ◆ Some funds are required by State law and by bond covenants.

- ◆ The District use other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

Governmental funds

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

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

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

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

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

Proprietary funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The extended day care fund provides for the operation of a before and after school day care service for school-age children. The proprietary funds have been included within business-type activities in the district-wide financial statements.

The food services and extended day care fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary funds

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

The District uses trust and agency funds to account for resources held for student activities and group, for

payroll transactions and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

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

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

Financial Analysis of the Lumberton School District

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position.

The following table provides a summary of net assets:

The District's largest net asset is the restricted portion of the net assets shown above. Restricted assets represent resources that are subject to external restrictions on how they may be used.

The District's investment in capital assets within the net assets above; less any related debt used to acquire those assets that is still outstanding, shows a balance of \$9,319,583.

The unrestricted net assets may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net assets include the amount of long-term obligations that are not invested in capital assets, such as compensated absences.

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

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

FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2012	JUNE 30, 2011
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes, Including Debt Service	13,711,091		13,711,091	13,711,091
Federal & State Aid Not Restricted	11,220,435		11,220,435	10,125,014
Tuition Received	27,449		27,449	10,408
Investment Earnings	27,328	2,437	29,765	64,746
Miscellaneous Income	111,760		111,760	29,628
Reduction in Compensated Absences	7,601		7,601	
Total General Revenues, Special Items, Extraordinary Items & Transfers	25,105,664	2,437	25,108,101	23,940,887

FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2012	JUNE 30, 2011
Governmental Activities:				
Instruction:				
Regular	(5,337,156)		(5,337,156)	(5,511,184)
Special Education	(2,423,682)		(2,423,682)	(2,319,584)
Other Special Instruction	(365,872)		(365,872)	(333,295)
Other Instruction	(87,157)		(87,157)	(74,268)
Support Services & Undistributed Costs:				
Tuition	(551,302)		(551,302)	(498,833)
Health Services	(226,704)		(226,704)	(189,020)
School Library	(828,055)		(828,055)	(804,597)
School Administrative Services	(1,077,637)		(1,077,637)	(995,151)
Other Administrative Services	(1,843,832)		(1,843,832)	(2,067,268)
Plant Operations & Maintenance	(874,561)		(874,561)	(813,623)
Pupil Transportation	(5,069,778)		(5,069,778)	(4,782,545)
Employee Benefits	(8,304)		(8,304)	
Transfers to Charters Schools	(623,908)		(623,908)	(706,341)
Interest on Long-Term Debt	(34,567)		(34,567)	(34,567)
Amortization of Debt Costs				(190,779)
Adjustment to Fixed Assets				332,956
Unallocated Depreciation	(1,000,626)		(1,000,626)	(1,859,382)
Total Governmental Activities	(22,099,202)		(22,099,202)	(22,524,458)
Business-Type Activities:				
Food Service		1,379	1,379	21,014
Extended Day Care		37,915	37,915	(2,020)
Total Business-Type Activities		39,294	39,294	18,994
Change In Net Assets	3,006,462	41,731	3,048,193	1,435,423
Net Assets - Beginning	11,014,099	623,486	11,637,585	10,202,162
Net Assets - Ending	\$14,020,561	665,217	14,685,778	11,637,585

Financial Analysis of the District's Funds

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

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

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, debt service fund and permanent fund revenues for the fiscal year ended June 30, 2012 and the amount and percentage of increases and (decreases) in relation to prior year revenues. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2011-2012 Revenue	Increase (Decrease)	Percent of Increase (Decrease)
Revenue:			
Local Sources:			
Local Tax Levy	\$13,711,091	\$ -	0%
Tuition	27,449	17,041	163.73%
Interest	26,443	(30,191)	-53.31%
Interest on Capital Reserve	885	(3,274)	-78.72%
Miscellaneous	111,760	82,132	277.21%
Total Revenue - Local Sources	<u>\$13,811,920</u>	<u>65,708</u>	<u>0.48%</u>
State Sources	10,088,973	785,600	7.78%
Federal Sources	937,549	175,341	23%
Total Revenues	<u>\$25,698,150</u>	<u>\$1,026,649</u>	<u>4.16%</u>

The increase in State sources is mainly attributable to an increase in the on-behalf TPAF pension contribution and additional state aid. Federal sources increased mainly because of the new federal program Education Jobs Fund. The increase in miscellaneous revenues is due in large part to solar panel credits received in the 2011-12 year.

The following schedule presents a summary of general fund, special revenue fund, debt service fund and permanent fund expenditures for the fiscal year ended June 30, 2012 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2011-2012 Expenditures	Increase (Decrease)	Percent of Increase (Decrease)
Expenses:			
Current Expense:			
Instruction	\$8,716,006	(\$173,144)	-1.95%
Undistributed Expenditures	12,315,878	404,116	3.39%
Capital Outlay	447,044	(4,631,328)	-84.33%
Debt Service	3,550,588	601,142	20.38%
Total Expenditures	<u>\$25,443,069</u>	<u>(3,799,214)</u>	<u>-12.99%</u>

Capital Outlay costs decreased due to the completion of the solar panel project. Undistributed expenditures increased due to decreases in tuition, transportation and health benefit costs. The increase in debt service was due to the District's repayment schedule.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$34,238. This difference is comprised entirely of the June 30, 2011 encumbrances and from encumbrance's rollover into the subsequent year's budget (2011-2012) and is added to the original budget appropriations.

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2011-2012 budget. Due to lower than anticipated costs for salaries, maintenance and benefits, the District was able to make budget transfers to fund costs related to energy costs, health insurance, property and liability insurance, compensated absences and capital improvements (paving, electrical, etc).

Based on the financial results of 2011-2012, unrestricted fund balance increase by \$34,122 to \$402,779.

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

The Food Services Enterprise Fund's change in net assets decreased by \$19,829 over the change in nets assets in 2010-11, from \$21,728 to \$1,899. The unrestricted net assets of the food service program were \$48,225 at June 30, 2012. The food services program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget.

The Extended Day Care Enterprise Fund's change in net assets increased by \$38,613 over the change in nets assets in 2010-11, from \$1,219 to \$39,832. The unrestricted net assets of the food service program were \$616,160 at June 30, 2012. The extended day care program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget. In fact, they are able to donate goods/services to the district for overall student benefit on a regular basis.

Capital Assets

At June 30, 2012, the District has capital assets of \$26,969,571 million, net of depreciation, which includes land, land improvements, buildings/construction machinery and equipment and vehicles.

The following provide a summary of the capital assets held by the District:

	June 30, 2011	Additions	Deletions	Adjustments	June 30, 2012
Land	\$ 120,485			\$ -	\$ 120,485
Land Improvements	713,300				713,300
Buildings	38,120,995	\$ 447,044			38,568,039
Machinery & Equipment	2,050,216	319,452	\$(258,719)		2,110,949
Subtotal	41,004,996	766,496	(258,719)		41,512,773
Accumulated Depreciation	(13,801,295)	(1,000,625)	258,719		(14,543,202)
Total	\$27,203,701	\$(234,130)	\$ -	\$ -	\$26,969,571

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

Debt Administration and Other Obligations

At June 30, 2012, the District's outstanding debt issues included \$17,455,000 of General Obligation bonds (1998 refunding bonds, 1999 bonds, 2002 refunding bonds, 2005 refunding bonds and 2010 bonds) and Capital Leases of 194,988 for the lease of various computer equipment.

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

Economic Factors and Next Year's Budget

- The District anticipates that the approved 2012-2013 budget will be adequate to satisfy all 2012-2013 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Lumberton School District's finances for all those with an interest in the District's finances. Questions concerning and of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Lumberton Township Board of Education, 33 Municipal Drive, Lumberton NJ 08048.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents	\$5,052,680	571,645	5,624,325	5,171,799
Receivables, Net	255,924	6,553	262,477	230,971
Inventory		9,313	9,313	6,940
Capital Assets, Net (Note 6)	26,969,571	110,586	27,080,157	27,329,043
Bond Issuance Costs - (Net of Amortization)	106,927		106,927	128,145
Loss on Bond Refunding - (Net of Amortization)	135,923		135,923	163,106
Restricted Cash & Cash Equivalents	607,752		607,752	556,617
Total Assets	33,128,777	698,097	33,826,874	33,586,621
LIABILITIES				
Accounts Payable	473,509	24,680	498,189	513,050
Accrued Interest	194,515	8,200	202,715	328,825
Payable to State Government	293		293	815
Bond Premium (Net of Amortization)	67,949		67,949	81,783
Noncurrent Liabilities (Note 7):				
Due Within One Year	3,092,194		3,092,194	2,840,000
Due Beyond One Year	15,279,756		15,279,756	18,184,563
Total Liabilities	19,108,216	32,880	19,141,096	21,949,036
NET ASSETS				
Invested in Capital Assets, Net of Related	9,319,583		9,319,583	6,912,701
Restricted For:				
Debt Service	(194,515)		(194,515)	(267,471)
Other Purposes	4,308,648		4,308,648	1,714,694
Capital Projects	1,133,906		1,133,906	1,580,950
Unrestricted	(547,061)	665,217	118,156	1,696,711
Total Net Assets	\$14,020,561	665,217	14,685,778	11,637,585

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2012	JUNE 30, 2011
Governmental Activities:							
Instruction:							
Regular	\$5,337,156			(5,337,156)		(5,337,156)	(5,511,184)
Special Education	2,925,821		502,139	(2,423,682)		(2,423,682)	(2,319,584)
Other Special Instruction	365,872			(365,872)		(365,872)	(333,295)
Other Instruction	87,157			(87,157)		(87,157)	(74,268)
Support Services & Undistributed Costs:							
Tuition	551,302			(551,302)		(551,302)	(498,833)
Health Services	226,704			(226,704)		(226,704)	(189,020)
Student & Instruction Related Services	1,548,778			(1,548,778)		(1,548,778)	(1,473,423)
Educational Media Services/School Library	197,283			(197,283)		(197,283)	(203,554)
School Administrative Services	926,003		97,948	(828,055)		(828,055)	(804,597)
Other Administrative Services	1,077,637			(1,077,637)		(1,077,637)	(995,151)
Plant Operations & Maintenance	1,843,832			(1,843,832)		(1,843,832)	(2,067,268)
Pupil Transportation	874,561			(874,561)		(874,561)	(813,623)
Employee Benefits	5,069,778			(5,069,778)		(5,069,778)	(4,782,545)
Transfers to Charter Schools	8,304			(8,304)		(8,304)	
Interest on Long-Term Debt	623,908			(623,908)		(623,908)	(706,341)
Unallocated Amortization	34,567			(34,567)		(34,567)	(34,567)
Increase in Compensated Absences							(190,779)
Adjustment to Fixed Assets							332,956
Unallocated Depreciation	1,000,626			(1,000,626)		(1,000,626)	(1,859,382)
Total Governmental Activities	22,699,289		600,087	(22,099,202)		(22,099,202)	(22,524,458)

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2012	(Memorandum Only) JUNE 30, 2011
Business-Type Activities:							
Food Service	564,696	399,890	166,185		1,379	1,379	21,014
Extended Day Care	413,671	451,586			37,915	37,915	(2,020)
Total Business-Type Activities	978,367	851,476	166,185		39,294	39,294	18,994
Total Primary Government	\$23,677,656	851,476	766,272	(22,099,202)	39,294	(22,059,908)	(22,505,464)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Including Debt Service				13,711,091		13,711,091	13,711,091
Federal & State Aid Not Restricted				11,220,435		11,220,435	10,125,014
Tuition Received				27,449		27,449	10,408
Investment Earnings				27,328	2,437	29,765	64,746
Miscellaneous Income				111,760		111,760	29,628
Reduction in Compensated Absences				7,601		7,601	
Total General Revenues, Special Items, Extraordinary Items & Transfers				25,105,664	2,437	25,108,101	23,940,887
Change In Net Assets				3,006,462	41,731	3,048,193	1,435,423
Net Assets - Beginning				11,014,099	623,486	11,637,585	10,202,162
Net Assets - Ending				\$14,020,561	665,217	14,685,778	11,637,585

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



B. Fund Financial Statements



Governmental Funds



**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

(With Comparative Totals for June 30, 2011)

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
ASSETS & OTHER DEBITS						
Assets:						
Cash & Cash Equivalents	\$4,003,839		1,133,906	25,377	5,163,122	4,585,656
Accounts Receivable:						
State Aid	112,097				112,097	80,703
Federal Aid	8,237	122,390			130,627	132,409
Interfunds	38,577	15,945			54,522	62,099
Restricted Cash & Cash Equivalents	607,752				607,752	556,617
Total Assets	\$4,770,502	138,335	1,133,906	25,377	6,068,120	5,417,484
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Deficit		110,442			110,442	
Accounts Payable	\$445,909	27,600			473,509	417,310
Intergovernmental Payable		293			293	815
Interfund Payables	15,945			25,377	41,322	53,570
Total Liabilities	461,854	138,335		25,377	625,566	471,695
Fund Balances:						
Restricted for:						
Capital Reserve Account	607,752				607,752	556,617
Excess Surplus	2,235,189				2,235,189	1,040,703
Excess Surplus Designated for Subsequent Year's Expenditures	1,040,703				1,040,703	302,103
Capital Projects Fund			763,735		763,735	736,017
Debt Service Fund						52,825
Committed to:						
Other Purposes	6,982		370,171		377,153	879,171
Assigned to:						
Designated for Subsequent Year's Expenditures	418,021				418,021	1,378,353
Total Fund Balances	4,308,648		1,133,906		5,442,554	4,945,789
Total Liabilities & Fund Balances	\$4,770,502	138,335	1,133,906	25,377		

Amounts reported for *governmental activities* in the statement of net assets (A-2) 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 \$41,512,773 and the accumulated depreciation is \$14,543,202.	26,969,571	27,203,701
Interest on Long-Term debt is accrued on the Statement of Net Assets regardless when due	(194,515)	(320,296)
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 difference in the treatment of long-term debt related items.	174,901	209,468
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(18,371,950)	(21,024,563)
Net assets of Governmental Activities	\$14,020,561	11,014,099

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
Revenues:						
Local Sources:						
Local Tax Levy	\$11,692,738			2,018,353	13,711,091	13,711,091
Tuition	27,449				27,449	10,408
Interest	26,443				26,443	56,634
Interest on Capital Reserve	885				885	4,159
Miscellaneous	111,760				111,760	29,628
Total Local Sources	11,859,275			2,018,353	13,877,628	13,811,920
State Sources	9,751,588	1,725		1,129,660	10,882,973	10,097,373
Federal Sources	339,187	598,362			937,549	762,208
Total Revenues	21,950,050	600,087		3,148,013	25,698,150	24,671,501
Expenditures:						
Current Expense:						
Regular Instruction	5,337,156				5,337,156	5,511,184
Special Education Instruction	2,423,682	502,139			2,925,821	2,970,403
Other Special Instruction	365,872				365,872	333,295
Other Instruction	87,157				87,157	74,268
Support Services:						
Tuition	551,302				551,302	498,833
Health Services	226,704				226,704	189,020
Student & Instruction Related Services	1,548,778				1,548,778	1,473,423
Educational Media Services/ School Library	197,283				197,283	203,554
School Administrative Services	828,055	97,948			926,003	888,345
Other Administrative Services	1,077,637				1,077,637	995,151
Plant Operations & Maintenance	1,843,832				1,843,832	2,067,268
Pupil Transportation	874,561				874,561	813,623
Employee Benefits	5,069,778				5,069,778	4,782,545
Capital Outlay	413,553		447,044		860,597	5,491,925
Debt Service:						
Principal				2,840,000	2,840,000	2,430,000
Interest & Other Charges				710,588	710,588	519,446
Total Expenditures	20,845,350	600,087	447,044	3,550,588	25,443,069	29,242,283
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,104,700		(447,044)	(402,575)	255,081	(4,570,782)
Other Financing Sources/(Uses):						
Bond Proceeds						7,000,000
Operating Transfers In/(Out); Transfer to Charter Schools	(349,750)			349,750		
Assets Acquired Under Capital Leases	(8,304)				(8,304)	
	249,988				249,988	
Total Other Financing Sources/(Uses)	(108,066)			349,750	241,684	7,000,000
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	996,634		(447,044)	(52,825)	496,765	2,429,218
Fund Balance - July 1	3,312,014		1,580,950	52,825	4,945,789	2,516,571
Fund Balance - June 30	\$4,308,648	-	1,133,906	-	5,442,554	4,945,789

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Total Net Change in Fund Balances - Governmental Funds \$496,765

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	(\$1,000,626)	
Capital Outlays	<u>766,496</u>	(234,130)

Repayment of 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.

Bond Principal		2,840,000
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Government funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the Treatment of long-term debt and related activities.

Cost of Issuance	(21,218)	
Loss on Refunding	(27,183)	
Original Issue Premium	<u>13,834</u>	(34,567)

In the statement of activities, the reduction for Capital Leases should not be an expenditure. Thus the change in net assets will differ from the change in fund balance by the cost of the asset removed (-).

Original Lease Purchase	(249,988)	
Retirement of Lease	<u>55,000</u>	(194,988)

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 accrued interest is an addition in the reconciliation (+).

Prior Year	320,296	
Current Year	<u>(194,515)</u>	125,781

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 a reduction in the reconciliation (-), when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year	729,563	
Current Year	<u>(721,962)</u>	7,601

Change in Net Assets of Governmental Activities		<u><u>\$3,006,462</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

Proprietary Funds

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	EXTENDED DAY CARE	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
Current Assets:				
Cash & Cash Equivalents	\$506,642	65,003	571,645	586,143
Accounts Receivable:				
State		281	281	485
Federal		6,272	6,272	8,845
Inventories		9,313	9,313	6,940
Total Current Assets	506,642	80,869	587,511	602,413
Noncurrent Assets:				
Equipment	268,908	86,507	355,415	355,415
Less: Accumulated Depreciation	(158,322)	(86,507)	(244,829)	(230,073)
Total Noncurrent Assets	110,586		110,586	125,342
Total Assets	617,228	80,869	698,097	727,755
LIABILITIES				
Interfund Payables		8,200	8,200	8,529
Accounts Payable	236	24,444	24,680	95,740
Total Liabilities	236	32,644	32,880	104,269
NET ASSETS				
Investment in Capital Assets Net of Related Debt	110,586		110,586	125,342
Unreserved Retained Earnings	506,406	48,225	554,631	498,144
Total Net Assets	\$616,992	48,225	665,217	623,486

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	EXTENDED DAY CARE	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
	Operating Revenues:			
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program		258,605	258,605	263,616
Total - Daily Sales - Reimbursable Programs		258,605	258,605	263,616
Daily Sales Nonreimbursable Programs		128,424	128,424	143,200
Special Functions		12,861	12,861	6,069
Enrollment Fees	\$451,586		451,586	440,920
Total Operating Revenue	451,586	399,890	851,476	853,805
Operating Expenses:				
Salaries	324,863	213,764	538,627	527,472
Payroll Taxes & Benefits	50,221	33,218	83,439	93,870
Supplies and Materials	21,612	38,013	59,625	53,268
Management Fee		27,751	27,751	29,504
Miscellaneous	6,219	33,271	39,490	31,129
Cost of Sales		214,679	214,679	215,802
Depreciation	10,756	4,000	14,756	42,899
Total Operating Expenses	413,671	564,696	978,367	993,944
Operating Income/(Loss)	37,915	(164,806)	(126,891)	(140,139)
Nonoperating Revenues:				
State Sources:				
State School Lunch Program		5,870	5,870	6,176
Federal Sources:				
National School Lunch Program		126,950	126,950	120,618
Special Milk Program		4,358	4,358	3,468
Food Distribution Program		29,007	29,007	28,871
Interest Revenue	1,917	520	2,437	3,953
Total Nonoperating Revenues/(Expenses)	1,917	166,705	168,622	163,086
Change in Net Assets	39,832	1,899	41,731	22,947
Total Net Assets - Beginning	577,160	46,326	623,486	600,539
Total Net Assets - Ending	\$616,992	48,225	665,217	623,486

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	EXTENDED DAY CARE	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
Cash Flows From Operating Activities:				
Receipts from Customers	\$451,586	399,890	851,476	882,676
Payments to Employees	(324,863)	(213,764)	(538,627)	(527,472)
Payment to Employee Benefits	(50,221)	(33,218)	(83,439)	(93,870)
Payments to Suppliers	(27,595)	(387,712)	(415,307)	(304,092)
Net Cash Provided/(Used) by Operating Activities	48,907	(234,804)	(185,897)	(42,758)
Cash Flows From Noncapital Financing Activities:				
State Sources		6,074	6,074	
Federal Sources		162,888	162,888	135,440
Net Cash Provided by Noncapital Financing Activities		168,962	168,962	135,440
Cash Flows From Investing Activities:				
Interest on Investments	1,917	520	2,437	3,953
Net Cash Provided by Investing Activities	1,917	520	2,437	3,953
Net Increase/(Decrease) in Cash & Cash Equivalents	50,824	(65,322)	(14,498)	96,635
Cash & Cash Equivalents, July 1	455,818	130,325	586,143	489,508
Cash & Cash Equivalents, June 30	\$506,642	65,003	571,645	586,143

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

Operating Income/(Loss)	\$37,915	(164,806)	(126,891)	(140,139)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	10,756	4,000	14,756	42,899
Food Distribution Program				28,871
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory		(2,373)	(2,373)	168
(Decrease)/Increase in Accounts Payable		(329)	(329)	
(Decrease)/Increase in Accounts Payable	236	(71,296)	(71,060)	25,443
Net Cash Provided/(Used) by Operating Activities	\$48,907	(234,804)	(185,897)	(42,758)

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

Fiduciary Fund

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	PRIVATE PURPOSE		AGENCY	TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents	\$3,048	89,178	64,101	156,327	197,728
Total Assets	3,048	89,178	64,101	156,327	197,728
LIABILITIES					
Claims Payable		7,258		7,258	
Due to Student Groups			64,101	64,101	65,512
Total Liabilities		7,258	64,101	71,359	65,512
NET ASSETS					
Reserved for Unemployment Claims		81,920		81,920	129,081
Reserved for Scholarships	\$3,048			3,048	3,135
Total Net Assets	\$3,048	81,920	-	84,968	132,216

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PUPOSE		TOTALS	
	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP FUND	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
ADDITIONS				
Contributions:				
Deductions from Employees' Salaries	\$12,868		12,868	21,518
Contribution from General Fund				49,362
Total Contributions	12,868		12,868	70,880
Investment Earnings:				
Interest	431	13	444	1,412
Net Investment Earnings	431	13	444	1,412
Total Additions	13,299	13	13,312	72,292
DEDUCTIONS				
Miscellaneous	60,460	100	60,560	167,698
Total Deductions	60,460	100	60,560	167,698
Change in Net Assets	(47,161)	(87)	(47,248)	(95,406)
Net Assets - Beginning of the Year	129,081	3,135	132,216	227,622
Net Assets - End of the Year	\$81,920	3,048	84,968	132,216

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

**LUMBERTON TOWNSHIP
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**



LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

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

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

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section*. Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2012 and for the year then ended with comparative totals as of and for the year ended June 30, 2011 (Memorandum Only).

A. Reporting Entity:

The Lumberton Township Board of Education 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 operation of the District includes four (4) elementary schools located in Lumberton Township. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped students. The Lumberton Township Board of Education has an approximate enrollment at June 30, 2012 of 1,641 students.

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2012

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

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

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

B. District-Wide and Fund Financial Statements

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

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

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

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

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

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

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

D. Fund Accounting:

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

Governmental Funds

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2012

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

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

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

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

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

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

Proprietary Fund

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and Extended Day Care Program.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

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

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

Machinery and Equipment 7-20 years

Fiduciary Fund

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

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

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

E. Basis of Accounting:

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

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

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

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

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, 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. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

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

The accounting records of the general fund and special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

F. Budgets/Budgetary Control (continued):

revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$21,997,999	\$569,371
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		30,716
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	719,023	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(766,972)	_____
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$21,950,050</u>	<u>\$600,087</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$20,845,350	\$569,371

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	_____	<u>30,716</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$20,845,350</u>	<u>\$600,087</u>

G. Encumbrances

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

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

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

H. Cash and Cash Equivalents

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

I. Tuition Receivable/Payable

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the year 2009-2010 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories & Prepaid Expenses

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditures during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

K. Short-Term Interfund Receivables/Payables

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

L. Fixed Assets:

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

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

Infrastructure	50 Years
Machinery & Equipment	5 – 20 Years
Building & Other Improvements	40 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2012 for such salaries.

N. Compensated Absences

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

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

O. Deferred Revenue

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

P. Long-term Obligations

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

Q. Fund Equity

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

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

R. Subsequent Events

The Lumberton Township Board of Education has evaluated subsequent events occurring after June 30, 2012 through the date of October 10, 2012, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2012 and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$6,388,404</u>
Total Deposits & Investments	<u>\$6,388,404</u>
Reconciliation to Cash and Cash Equivalents:	
Governmental Activities	\$5,660,432
Business-Type Activities	571,645
Fiduciary Funds	<u>156,327</u>
Total Cash and Cash Equivalents	<u>\$6,388,404</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, the District's bank balance of \$7,462,105 was insured or collateralized as follows:

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 2. Cash and Cash Equivalents (continued):

Insured	\$ 500,000
Collateralized in the District's Name Under GUDPA (See Note 3)	<u>6,962,105</u>
Total	<u>\$7,462,105</u>

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

The District has deposited cash in 2012 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

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

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

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

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

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

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

Note 4. Capital Reserve Account

The Lumberton Township Board of Education created their capital reserve account for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.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:

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 4. Capital Reserve Account (continued):

Beginning Balance, July 1, 2011	\$556,617
Transfer to Debt Service	(349,750)
Transfer by Board Resolution	400,000
Interest Earnings	<u>885</u>
 Ending Balance, June 30, 2012	 <u>\$607,752</u>

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2012, the District transferred \$ -0- to the capital outlay accounts.

Note 6. Capital Assets

The following schedule is a summarization of the capital fixed assets by source for the fiscal year ended June 30, 2012:

Governmental Activities	June 30, 2011	Additions	Transfers/ Deletions	Adjustments	June 30, 2012
Land	\$ 120,485			\$ -	\$ 120,485
Land Improvements	713,300				713,300
Buildings	38,120,995	\$ 447,044			38,568,039
Machinery & Equipment	2,050,216	319,452	\$ (258,719)		2,110,949
 Subtotal	 41,004,996	 766,496	 (258,719)		 41,512,773
Accumulated Depreciation	(13,801,295)	(1,000,625)	258,719		(14,543,202)
 Total	 <u>\$27,203,701</u>	 <u>\$ (234,130)</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$26,969,571</u>

The following is a summary of proprietary fund type fixed assets at June 30, 2012:

Business-Type Activities	Balance as of June 30, 2011	Additions	Deletions	Balance as of June 30, 2012
Machinery & Equipment	\$355,415		\$ -	\$355,415
Less: Accumulated Depreciation	(230,073)	\$(14,756)		(244,829)
 Total	 <u>\$125,342</u>	 <u>\$(14,756)</u>	 <u>\$ -</u>	 <u>\$110,586</u>

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 7. Long-Term Debt

During the fiscal year-ended June 30, 2012 the following changes occurred in liabilities:

	Balance 6/30/11	Issued	Refunded/ Retired	Balance 6/30/12	Amount Due Within One Year
Capital Lease Payable		\$249,988	\$ (55,000)	\$ 194,988	\$ 52,194
Compensated Absences Payable	\$ 729,563		(7,601)	721,962	
Bonds Payable	<u>20,295,000</u>		<u>(2,840,000)</u>	<u>17,455,000</u>	<u>3,040,000</u>
 Total	 <u>\$21,024,563</u>	 <u>\$249,988</u>	 <u>\$(2,902,601)</u>	 <u>\$18,371,950</u>	 <u>\$3,092,194</u>

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Principal and interest due on serial bonds outstanding is as follows:

Year-ending June 30,	Principal	Interest	Total
2013	\$ 3,040,000	\$ 1,980,375	\$ 5,020,375
2014	2,510,000	1,693,206	4,203,206
2015	1,665,000	1,447,738	3,112,738
2016	1,725,000	1,223,506	2,958,506
2017	1,255,000	1,038,325	2,293,325
2018-2026	<u>7,260,000</u>	<u>3,087,532</u>	<u>10,347,532</u>
 Total	 <u>\$17,455,000</u>	 <u>\$10,480,682</u>	 <u>\$27,935,682</u>

B. Bond Issuances

On August 15, 2002, \$11,255,000 of Bonds were issued to refund the remaining balance of the 1995 Bonds and the 1993 Refunding Certificates of participation.

On November 30, 2006, \$9,685,000 of Bonds were issued to refund the remaining balance of the 1998 Bonds. This refunding was undertaken to reduce the total debt service payments over the next 15 years by \$410,259, with a net present value savings of \$368,214.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 7. Long-Term Debt (continued):

On February 17, 2010, \$3,535,000 of Bonds were issued to refund the remaining balance of the 1999 and 2001 Bonds. The purpose of the Bonds is to (i) currently refund all of the outstanding callable principal amount of the originally issued \$3,100,000 School Bonds of the Board dated March 1, 1999 and maturing on or after March 1, 2010 at par plus any unpaid accrued interest to March 29, 2010; (ii) advance refund all or part of the outstanding callable principal amount of the originally issued \$5,160,000 School Bonds of the Board dated December 15, 2001 and maturing on or after December 15, 2011 at par plus any unpaid accrued interest to December 15, 2010; and (iii) pay the costs of issuance with respect to the Bonds. This refunding was undertaken to reduce the total debt service payments over the next 6 years by \$192,583, with a net present value savings of 182,609.

On August 4, 2010, \$7,000,000 of Bonds, with interest rates varying from 2.250% to 3.375%, were issued to undertake the acquisition and installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby's Run Elementary School.

C. Capital Leases Payable

The school district is leasing computer equipment totaling purchase price of \$249,988 with a lease term of 5 years and 2.79% annual rate. The following is a schedule of future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2012 are:

Year-ending June 30,	
2013	\$ 52,194
2014	52,194
2015	52,194
2016	<u>52,194</u>
Total Minimum Lease Payments	208,776
Less: Amount Representing Interest	<u>(13,788)</u>
Present Value of Net Minimum Lease Payments	<u>\$194,988</u>

Note 8. Pension Plans

Plan Descriptions - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 8. Pension Plans (continued):

report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

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

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

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

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:6C* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 8. Pension Plans (continued):

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

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Significant Legislation below.

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

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

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5%, effective October 1,

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 8. Pension Plans (continued):

2011, of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$288,448	100%	\$ -0-
6/30/11	264,815	100%	-0-
6/30/10	202,158	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$982,591	100%	\$ -0-
6/30/11	699,203	100%	-0-
6/30/10	665,249	100%	-0-

During the year ended June 30, 2012 the State of New Jersey contributed \$982,591 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A. 18A:66-66* the State of New Jersey reimbursed the District \$708,789 for the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 9. Post-Retirement Benefits (continued):

service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

Note 10. Risk Management

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

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

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

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2011-2012	\$12,868	\$ 431	\$ 60,460	\$ 81,920
2010-2011	70,880	1,389	167,648	129,081
2009-2010	79,867	781	37,844	224,460

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 12. Economic Dependency

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

Note 13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2012:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$38,577	\$15,945
Special Revenue Fund	15,945	
Food Service Fund		8,200
Agency Fund		5,000
Debt Service Fund	<u> </u>	<u>25,377</u>
Total	<u>\$54,522</u>	<u>\$54,522</u>

Note 14. GASB #54 – Fund Balance Disclosures

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Lumberton Township School District classifies governmental fund balances as follows:

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 14. GASB #54 – Fund Balance Disclosures (continued):

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.

Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund (Exhibit B-1) – Of the \$4,308,648 General Fund balance at June 30, 2012; \$6,982 has been committed to year-end encumbrances; \$1,040,703 has been restricted as excess surplus and has been appropriated and included as anticipated revenue for year ending June 30, 2013; \$607,752 has been restricted for the Capital Reserve Account; \$2,235,189 has been restricted for excess surplus; \$418,021 has been appropriated and also included as anticipated revenue for the year ending June 30, 2013 and \$ - is unassigned.

Capital Projects Fund (Exhibit B-1) – Of the \$1,133,906 Capital Projects Fund fund balance at June 30, 2012; \$370,171 has been committed to year-end encumbrances, and \$763,735 is restricted for Capital Projects.

Note 15. Deferred Compensation

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

AXA Equitable
Lincoln Investments
The Vanguard Group

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 16. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2012 is \$721,962.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary fund types.

Note 17. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$2,235,189.

Note 18. Joint Insurance Fund

The District participates in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime and school board legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies.

No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2012 for the joint insurance pool.

Limits of coverage (including excess insurance coverage), per occurrence, are as follows:

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 18. Joint Insurance Fund (continued):

	Deductible	Coverage
Property, Inland Marine & Automobile		
Physical Damages	\$ 500	\$150,000,000
Boiler & Machinery	1,000	125,000,000
Crime	500	500,000
General & Automobile Liability	-0-	10,000,000
Workers' Compensation	-0-	Statutory
Educator's Legal Liability	-0-	10,000,000
Pollution Legal Liability	25,000	3,000,000

REQUIRED SUPPLEMENTARY INFORMATION – PART II



C. Budgetary Comparison Schedules

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Revenues:											
Local Sources:											
Local Tax Levy	10-1210-000-000	\$11,692,738		11,692,738	11,692,738		11,692,738		11,692,738	11,692,738	
Tuition	10-1300-000-000				27,449	27,449				10,408	10,408
Interest	10-1000-000-000				26,443	26,443				56,634	56,634
Interest on Capital Reserve	10-1000-000-000	4,000		4,000	885	(3,115)	1,000		1,000	4,159	3,159
Miscellaneous	10-1000-000-000	30,000		30,000	111,760	81,760	30,000		30,000	29,628	(372)
Total Local Sources		11,726,738		11,726,738	11,859,275	132,537	11,723,738		11,723,738	11,793,567	69,829
State Sources:											
Categorical Transportation Aid	10-3121-000-000				160,751	160,751					
Categorical Special Education Aid	10-3132-000-000	855,267		855,267	855,267		705,481	149,786	855,267	855,267	
Equalization Aid	10-3176-000-000	6,881,830		6,881,830	6,881,830		6,881,830	(149,786)	6,732,044	6,732,044	
Categorical Security Aid	10-3177-000-000	72,631		72,631	134,297	61,666					
Other State Aid											
Homeless Reimbursement	10-3000-000-000				51,313	51,313				33,574	33,574
Nonpublic School Transportation					14,616	14,616					
Extraordinary Aid	10-3131-000-000				10,083	10,083				8,048	8,048
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					982,591	982,591				699,203	699,203
Reimbursed TPAF Social Security					708,789	708,789				722,478	722,478
Total State Sources		7,809,728		7,809,728	9,799,537	1,989,809	7,587,311		7,587,311	9,050,614	1,463,303
Federal Sources:											
Medicaid Reimbursement	10-4200-000-000	20,213		20,213	41,895	21,682	22,969		22,969	30,001	7,032
Education Jobs Fund	18-4522-000-000	288,261	9,031	297,292	297,292						
Total Federal Sources		308,474	9,031	317,505	339,187	21,682	22,969		22,969	30,001	7,032
Total Revenues		19,844,940	9,031	19,853,971	21,997,999	2,144,028	19,334,018		19,334,018	20,874,182	1,540,164
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool/Kindergarten	11-110-100-101	268,193		268,193	228,287	39,906	256,225	7,000	263,225	262,962	263
Grades 1 - 5	11-120-100-101	2,934,275		2,934,275	2,789,163	145,112	2,847,873	10,000	2,857,873	2,817,819	40,054
Grades 6 - 8	11-130-100-101	2,031,952		2,031,952	1,907,944	124,008	1,994,372	8,000	2,002,372	1,994,053	8,319

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Home Instruction - Regular Programs:											
Salaries of Teachers	11-150-100-101	6,000	18,520	24,520	23,650	870	6,000	5,000	11,000	9,935	1,065
Purchased Professional - Educational Services	11-150-100-320	2,000	(2,000)				2,000		2,000	585	1,415
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	204,030	(7,500)	196,530	153,420	43,110	218,844	(7,000)	211,844	144,292	67,552
Purchased Professional - Educational Services	11-190-100-320	39,500	(9,020)	30,480	15,582	14,898	50,000	1,480	51,480	15,478	36,002
Purchased Technical Services	11-190-100-340	7,220		7,220	2,405	4,815	6,700		6,700	3,633	3,067
General Supplies	11-190-100-610	238,923	1,228	240,151	205,649	34,502	302,259		302,259	251,402	50,857
Textbooks	11-190-100-640	12,885	(500)	12,385	10,185	2,200	17,353		17,353	10,302	7,051
Other Objects	11-190-100-890	951		951	871	80	975		975	723	252
Total Regular Programs		5,745,929	728	5,746,657	5,337,156	409,501	5,702,601	24,480	5,727,081	5,511,184	215,897
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	377,211		377,211	365,028	12,183	313,125	57,000	370,125	369,855	270
Other Salaries for Instruction	11-204-100-106	249,661		249,661	221,995	27,666	108,190	125,800	233,990	228,228	5,762
General Supplies	11-204-100-610	6,720		6,720	6,032	688	7,500		7,500	7,099	401
Textbooks	11-204-100-640	425		425	247	178	425		425	425	425
Total Learning &/or Language Disabilities		634,017		634,017	593,302	40,715	429,240	182,800	612,040	605,182	6,858
Resource Room / Resource Center:											
Salaries of Teachers	11-213-100-101	1,392,221	(7,000)	1,385,221	1,265,445	119,776	1,232,225	(73,900)	1,158,325	1,131,933	26,392
Other Salaries for Instruction	11-213-100-106	298,208	14,126	312,334	307,803	4,531	306,058	(25,800)	280,258	276,810	3,448
General Supplies	11-213-100-610	9,689	(578)	9,111	7,785	1,326	10,500		10,500	9,623	877
Textbooks	11-213-100-640	500		500	260	240	1,206		1,206	1,206	1,206
Total Resource Room/Resource Center		1,700,618	6,548	1,707,166	1,581,293	125,873	1,549,989	(99,700)	1,450,289	1,418,366	31,923
Autism:											
Salaries of Teachers	11-214-100-101	63,076		63,076	37,453	25,623	74,800	(3,600)	71,200	67,384	3,816
Other Salaries for Instruction	11-214-100-106	23,711	(5,737)	17,974	8,161	9,813	44,442	(19,150)	25,292	24,492	800
General Supplies	11-214-100-610	1,200	(26)	1,174	700	474	1,200		1,200	518	682

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Autism	87,987	(5,763)	82,224	46,314	35,910	120,442	(22,750)	97,692	92,394	5,298
Preschool Disabilities - Part-Time:										
Salaries of Teachers 11-215-100-101	154,972		154,972	151,950	3,022	151,950		151,950	151,950	
Other Salaries for Instruction 11-215-100-106	55,539	(100)	55,439	49,078	6,361	20,231	29,750	49,981	48,745	1,236
General Supplies 11-215-100-610	1,657	126	1,783	1,745	38	2,200	1,144	3,344	2,947	397
Total Preschool Disabilities - Part-Time	212,168	26	212,194	202,773	9,421	174,381	30,894	205,275	203,642	1,633
Total Special Education	2,634,790	811	2,635,601	2,423,682	211,919	2,274,052	91,244	2,365,296	2,319,584	45,712
Basic Skills/Remedial - Instruction:										
Salaries of Teachers 11-230-100-101	153,734		153,734	150,272	3,462	182,800	(23,600)	159,200	141,589	17,611
Other Salaries for Instruction 11-230-100-106	118,071	7,000	125,071	121,070	4,001	133,197	(20,000)	113,197	101,497	11,700
General Supplies 11-230-100-610	16,015	(200)	15,815	14,770	1,045	16,417		16,417	10,973	5,444
Total Basic Skills/Remedial - Instruction	287,820	6,800	294,620	286,112	8,508	332,414	(43,600)	288,814	254,059	34,755
Bilingual Education - Instruction:										
Salaries of Teachers 11-240-100-101	81,999		81,999	77,283	4,716	80,400		80,400	77,100	3,300
General Supplies 11-240-100-610	1,600		1,600	1,492	108	1,577		1,577	852	725
Textbooks 11-240-100-640	1,300		1,300	985	315	1,286		1,286	1,284	2
Total Bilingual Education - Instruction	84,899		84,899	79,760	5,139	83,263		83,263	79,236	4,027
School Sponsored Cocurricular Activities:										
Salaries 11-401-100-100	68,911	(2,778)	66,133	50,930	15,203	66,943	(4,722)	62,221	40,151	22,070
Supplies and Materials 11-401-100-600	5,267		5,267	1,723	3,544	5,300		5,300	1,491	3,809
Total School Sponsored Cocurricular - Activities	74,178	(2,778)	71,400	52,653	18,747	72,243	(4,722)	67,521	41,642	25,879

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	33,946		33,946	29,090	4,856	41,012		41,012	28,718	12,294
Supplies and Materials	11-402-100-600	3,199		3,199	2,237	962	2,355		2,355	1,372	983
Other Objects	11-402-100-800	4,235		4,235	3,177	1,058	7,400		7,400	2,536	4,864
Total School Sponsored Athletics - Instruction		41,380		41,380	34,504	6,876	50,767		50,767	32,626	18,141
Total - Instruction		8,868,996	5,561	8,874,557	8,213,867	660,690	8,515,340	67,402	8,582,742	8,238,331	344,411
Undistributed Expenditures											
Instruction:											
Tuition to Other LEAs Within State											
Special	11-000-100-562	147,050	(65,164)	81,886	74,086	7,800	90,000	56,000	146,000	112,560	33,440
Tuition to CSSD & Regional Day School	11-000-100-565	308,650	56,698	365,348	357,392	7,956	429,000		429,000	307,828	121,172
Tuition to Private Schools for Disabled Within the State	11-000-100-566	451,872	(1,225)	450,647	116,424	334,223	470,000	(87,600)	382,400	73,345	309,055
Tuition Other	11-000-100-569	5,500		5,500	3,400	2,100	3,500	1,600	5,100	5,100	
Total Undistributed Expenditures - Instruction		913,072	(9,691)	903,381	551,302	352,079	992,500	(30,000)	962,500	498,833	463,667
Health Services:											
Salaries	11-000-213-100	218,125		218,125	213,375	4,750	163,375	12,744	176,119	173,554	2,565
Purchased Professional & Technical Services	11-000-213-300	18,500		18,500	8,450	10,050	17,750		17,750	10,488	7,262
Supplies and Materials	11-000-213-600	6,286		6,286	4,879	1,407	6,012		6,012	4,978	1,034
Total Health Services		242,911		242,911	226,704	16,207	187,137	12,744	199,881	189,020	10,861
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	332,922	(8,500)	324,422	291,929	32,493	358,400	(16,500)	341,900	302,596	39,304
Purchased Professional - Educational Services	11-000-216-320	5,000	8,500	13,500		13,500	10,000		10,000		10,000
Supplies and Materials	11-000-216-600	4,164		4,164	3,568	596	4,745		4,745	3,962	783

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total Other Support Services - Students - Related Services	342,086		342,086	295,497	46,589	373,145	(16,500)	356,645	306,558	50,087
Other Support Services - Students - Extraordinary Services:										
Salaries 11-000-217-100	105,879	(1,700)	104,179	98,312	5,867	103,480		103,480	99,000	4,480
Purchased Professional & Educational Services 11-000-217-320	39,461	1,700	41,161	15,278	25,883	50,000	(1,466)	48,534	15,629	32,905
Supplies and Materials 11-000-217-600	1,200	(1,200)				1,200	1,150	2,350	2,296	54
Total Other Support Services - Students - Extraordinary Services	146,540	(1,200)	145,340	113,590	31,750	154,680	(316)	154,364	116,925	37,439
Other Support Services - Students - Regular:										
Salaries of Other Professional Staff 11-000-218-104	328,231	(100)	328,131	317,740	10,391	350,334	(39,205)	311,129	296,494	14,635
Salaries of Secretarial & Clerical Assistants 11-000-218-105	22,703	100	22,803	22,709	94	22,041		22,041	22,041	
Total Other Support Services - Students - Regular	350,934		350,934	340,449	10,485	372,375	(39,205)	333,170	318,535	14,635
Other Support Services - Students - Special Services:										
Salaries of Other Professional Staff 11-000-219-104	614,203		614,203	566,789	47,414	584,910	(21,000)	563,910	539,930	23,980
Salaries of Secretarial & Clerical Assistants 11-000-219-105	48,923		48,923	48,919	4	49,498		49,498	47,497	2,001
Purchased Professional - Educational Services 11-000-219-320	16,000		16,000	7,388	8,612	16,000		16,000	3,544	12,456
Supplies and Materials 11-000-219-600	7,000	(1,000)	6,000	4,689	1,311	7,000		7,000	6,899	101
Other Objects 11-000-219-800	1,019		1,019	878	141	850		850	800	50
Total Other Support Services - Students - Special Services	687,145	(1,000)	686,145	628,663	57,482	658,258	(21,000)	637,258	598,670	38,588

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Improvement of Instruction Services:											
Salaries of Supervisors of Instruction	11-000-221-102	96,425		96,425	96,425		44,006	26,463	70,469	68,491	1,978
Total Improvement of Instruction Services		96,425		96,425	96,425		44,006	26,463	70,469	68,491	1,978
Educational Media Services/School Library:											
Salaries	11-000-222-100	154,310		154,310	151,300	3,010	126,886	25,000	151,886	151,300	586
Purchased Professional & Technical Services	11-000-222-300	17,739		17,739	11,662	6,077	15,454		15,454	12,478	2,976
Supplies and Materials	11-000-222-600	38,389	(1,000)	37,389	32,921	4,468	43,222	350	43,572	29,198	14,374
Other Objects	11-000-222-800	10,616		10,616	1,400	9,216	10,900		10,900	10,578	322
Total Educational Media Services/School Library		221,054	(1,000)	220,054	197,283	22,771	196,462	25,350	221,812	203,554	18,258
Instructional Staff Training Services:											
Salaries of Supervisors of Instruction	11-000-223-102	21,835		21,835	21,835		21,512		21,512	21,512	
Salaries of Other Professional Staff	11-000-223-104	5,000	2,778	7,778	2,577	5,201	10,000		10,000		10,000
Salaries of Secretarial & Clerical Assistants	11-000-223-105	41,503		41,503	40,203	1,300	42,721	(200)	42,521	38,921	3,600
Purchased Professional - Educational Services	11-000-223-320	1,000		1,000	729	271	1,000		1,000		1,000
Other Purchased Professional & Technical Services	11-000-223-390	1,500		1,500	1,300	200	5,000		5,000		5,000
Other Purchased Services	11-000-223-500	5,000	22	5,022	4,587	435	4,000		4,000	1,815	2,185
Supplies and Materials	11-000-223-600	1,500	287	1,787	1,499	288	2,500		2,500	793	1,707
Other Objects	11-000-223-800	2,350		2,350	1,424	926	2,360		2,360	1,203	1,157
Total Instructional Staff Training Services		79,688	3,087	82,775	74,154	8,621	89,093	(200)	88,893	64,244	24,649
Support Services General Administration:											
Salaries	11-000-230-100	212,460		212,460	211,459	1,001	248,926	(21,763)	227,163	203,327	23,836

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services General Administration (continued):											
Salaries of Attorneys	11-000-230-108	44,457		44,457	41,024	3,433	41,880		41,880	34,611	7,269
Legal Services	11-000-230-331	35,500	(3,500)	32,000	26,865	5,135	35,000		35,000	25,700	9,300
Audit Services	11-000-230-332	22,000		22,000	20,200	1,800	25,000		25,000	22,900	2,100
Other Purchased Professional Services	11-000-230-339	6,000		6,000	2,695	3,305	6,000		6,000	2,730	3,270
Purchased Technical Services	11-000-230-340	14,500	10,000	24,500	15,644	8,856	14,600	8,300	22,900	8,367	14,533
Communications/Telephone	11-000-230-530	40,740	(4,000)	36,740	28,506	8,234	40,280	(8,300)	31,980	19,621	12,359
BOE Other Purchased Services	11-000-230-585	25,000	(15,000)	10,000	5,155	4,845	19,500	(9,500)	10,000	341	9,659
Other Purchased Services (400-500S)	11-000-230-590		15,091	15,091	5,518	9,573		9,500	9,500	3,826	5,674
General Supplies	11-000-230-610	24,200		24,200	8,026	16,174	30,400		30,400	26,550	3,850
Miscellaneous Expenditures	11-000-230-890	2,380		2,380	2,116	264	2,300		2,300	2,106	194
BOE Membership Dues & Fees	11-000-230-895	18,495		18,495	16,984	1,511	19,250		19,250	16,692	2,558
Total Support Services General Administration		445,732	2,591	448,323	384,192	64,131	483,136	(21,763)	461,373	366,771	94,602
Support Services School Administration:											
Salaries of Principals & Assistant Principals											
Principals	11-000-240-103	535,097	12,000	547,097	542,039	5,058	527,191		527,191	526,188	1,003
Salaries of Secretarial & Clerical Assistants											
Assistants	11-000-240-105	266,874		266,874	264,319	2,555	263,215		263,215	256,396	6,819
Other Salaries	11-000-240-110	7,238		7,238	7,198	40	7,027		7,027	7,027	
Supplies and Materials	11-000-240-600	10,963	300	11,263	9,334	1,929	10,075	(400)	9,675	9,208	467
Other Objects	11-000-240-800	5,760		5,760	5,165	595	5,740	400	6,140	5,778	362
Total Support Services School Administration		825,932	12,300	838,232	828,055	10,177	813,248		813,248	804,597	8,651
Central Services:											
Salaries	11-000-251-100	384,939		384,939	383,692	1,247	374,975		374,975	372,776	2,199
Purchased Professional Services	11-000-251-330	18,000	1,200	19,200	15,648	3,552	18,000		18,000	15,392	2,608
Other Purchased Services	11-000-251-592	5,000		5,000	2,222	2,778	5,000		5,000	2,053	2,947
Supplies and Materials	11-000-251-600	4,500		4,500	608	3,892	4,500		4,500	3,181	1,319
Interest for Lease Purchase Agreement											
Agreement	11-000-251-832	10,500	(6,200)	4,300	500	3,800	6,500		6,500		6,500
Miscellaneous Expenditures	11-000-251-890	2,025		2,025	1,964	61	2,100		2,100	1,305	795

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total Central Services	424,964	(5,000)	419,964	404,634	15,330	411,075		411,075	394,707	16,368
Administration Information Technology:										
Salaries	11-000-252-100	109,416	1,698	111,114	111,112	2	103,147	4,722	107,869	107,869
Purchased Technical Services	11-000-252-340	40,000	(1,200)	38,800	38,795	5	40,000		40,000	18,779
Supplies and Materials	11-000-252-600	140,000	(498)	139,502	138,104	1,398	120,000		120,000	106,225
Miscellaneous Expenditures	11-000-252-800	1,100		1,100	800	300	1,050		1,050	800
Total Administration Information Technology		290,516		290,516	288,811	1,705	264,197	4,722	268,919	233,673
Allowable Maintenance for School Facilities:										
Salaries	11-000-261-100	3,500		3,500	3,312	188	3,315	292	3,607	3,606
Cleaning, Repair & Maintenance Services	11-000-261-420	77,750	52,000	129,750	126,183	3,567	74,491	41,500	115,991	115,763
General Supplies	11-000-261-610	70,650	(2,000)	68,650	66,631	2,019	67,728	(29,800)	37,928	37,557
Other Objects	11-000-261-800	12,090		12,090	3,474	8,616	12,090	(3,700)	8,390	3,449
Total Allowable Maintenance for School Facilities		163,990	50,000	213,990	199,600	14,390	157,624	8,292	165,916	160,375
Other Operation & Maintenance of Plant:										
Salaries	11-000-262-100	761,971		761,971	689,220	72,751	803,802	(292)	803,510	682,014
Purchased Professional & Technical Services	11-000-262-300	10,000	(2,000)	8,000	7,468	532	11,500	(5,000)	6,500	4,663
Cleaning, Repair & Maintenance Services	11-000-262-420	210,550	(14,000)	196,550	190,979	5,571	187,698	(350)	187,348	172,855
Rental of Land & Building	11-000-262-441	2,000	(1,500)	500	500	500	2,000	(1,000)	1,000	766
Other Purchased Property Services	11-000-262-490	82,500	6,500	89,000	87,641	1,359	82,500	2,500	85,000	84,977
Insurance	11-000-262-520	69,550		69,550	56,330	13,220	68,000	(2,500)	65,500	54,489
General Supplies	11-000-262-610	80,000	(15,000)	65,000	63,228	1,772	84,687	640	85,327	84,535
Energy (Electricity)	11-000-262-622	552,000	(16,500)	535,500	398,154	137,346	645,000	13,100	658,100	642,685
Energy (Natural Gas)	11-000-262-621	195,000	(14,500)	180,500	58,033	122,467	185,000	(13,100)	171,900	98,602
Energy (Gasoline)	11-000-262-626	6,000	4,500	10,500	10,459	41				
Other Objects	11-000-262-800	3,500	(2,000)	1,500	1,385	115	3,500	(2,000)	1,500	1,315

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Other Operation & Maintenance of Plant	1,973,071	(54,500)	1,918,571	1,562,897	355,674	2,073,687	(8,002)	2,065,685	1,826,901	238,784	
Care & Upkeep of Grounds:											
Other Purchased Professional											
Salaries	11-000-263-100	63,076		63,076	61,845	1,231	61,846		61,846	61,845	1
Technical Services	11-000-263-300	11,000	(1,000)	10,000	9,930	70	11,000		11,000	10,888	112
General Supplies	11-000-263-610	4,500	5,500	10,000	9,560	440	4,500	2,760	7,260	7,259	1
Total Care & Upkeep of Grounds		78,576	4,500	83,076	81,335	1,741	77,346	2,760	80,106	79,992	114
Student Transportation Services:											
Contracted Services (Between Home & School) - Vendors	11-000-270-511	465,000	(11,000)	454,000	425,635	28,365	443,205		443,205	423,592	19,613
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	8,445		8,445	6,460	1,985	12,490		12,490	6,684	5,806
Contracted Services (Between Home & School) - Joint	11-000-270-513		1,000	1,000	357	643					
Contracted Services (Special Education Students) - Vendors	11-000-270-514	56,770	16,000	72,770	72,744	26	56,900		56,900	55,879	1,021
Contracted Services (Special Education Students) - Joint	11-000-270-515	40,000	(10,000)	30,000		30,000	40,000		40,000		40,000
Contracted Services (Regular Students) - ESC's	11-000-270-517	80,000	10,000	90,000	84,732	5,268	80,000		80,000	65,304	14,696
Contracted Services (Special Education Students) - ESC's	11-000-270-518	350,000	(6,000)	344,000	228,805	115,195	365,000		365,000	209,937	155,063
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	90,000		90,000	55,828	34,172	95,000		95,000	52,227	42,773
Total Student Transportation Services		1,090,215		1,090,215	874,561	215,654	1,092,595		1,092,595	813,623	278,972
Unallocated Benefits - Employee Benefits:											
Social Security	11-000-291-220	332,652	14,243	346,895	230,736	116,159	275,000	5,066	280,066	209,060	71,006
Other Retirement Contributions - Regular	11-000-291-241	300,174		300,174	288,448	11,726	230,000	40,000	270,000	264,815	5,185
Unemployment Compensation	11-000-291-250	320,000		320,000	626	319,374	50,000		50,000	50,000	

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL	
Unallocated Benefits - Employee Benefits (continued):											
Workmen's Compensation	11-000-291-260	70,000		70,000	67,583	2,417	70,000		70,000	65,615	4,385
Health Benefits	11-000-291-270	3,273,403		3,273,403	2,727,043	546,360	3,528,742	(44,500)	3,484,242	2,668,708	815,534
Tuition Reimbursements	11-000-291-280	35,000		35,000	2,509	32,491	35,000	(2,620)	32,380	4,050	28,330
Other Employee Benefits	11-000-291-290	99,000		99,000	61,453	37,547	96,000	2,620	98,620	98,616	4
Total Unallocated Benefits		4,430,229	14,243	4,444,472	3,378,398	1,066,074	4,284,742	566	4,285,308	3,360,864	924,444
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					982,591	(982,591)				699,203	(699,203)
Reimbursed TPAF Social Security					708,789	(708,789)				722,478	(722,478)
Total Undistributed Expenditures		12,803,080	14,330	12,817,410	12,217,930	599,480	12,725,306	(56,089)	12,669,217	11,828,014	841,203
Total Expenditures - Current Expense		21,672,076	19,891	21,691,967	20,431,797	1,260,170	21,240,646	11,313	21,251,959	20,066,345	1,185,614
Capital Outlay:											
Interest Deposit to Capital Reserve	10-604-000-000	4,000		4,000		4,000	1,000		1,000		1,000
Total Increase in Capital Reserve		4,000		4,000		4,000	1,000		1,000		1,000
Equipment:											
Regular Programs - Instruction:											
Grades 6 - 8	12-130-100-730	6,000		6,000	5,995	5	4,000		4,000	3,072	928
Support Services Students -											
Special Services	12-000-219-730		2,950	2,950	2,950						
Administrative Info Technology	12-000-252-730	22,000		22,000	20,243	1,757	6,000		6,000	5,348	652
Custodial Services	12-000-262-730	25,000		25,000	23,940	1,060	25,000	(9,000)	16,000	8,625	7,375
Care and Upkeep of Grounds	12-000-263-730	17,500		17,500	13,836	3,664		5,600	5,600	4,195	1,405
Security	12-000-266-730	5,000		5,000	2,500	2,500					
Non-Instructional Services	12-000-300-730	10,000		10,000		10,000					
Total Equipment		85,500	2,950	88,450	69,464	18,986	35,000	(3,400)	31,600	21,240	10,360
Facilities Acquisition & Construction Services:											
Lease Purchase Agreement	12-000-400-721	50,000	5,000	55,000	55,000						
Other Objects	12-000-400-800	33,364	5,737	39,101	39,101		57,372		57,372	51,635	5,737
Total Facilities Acquisition & Construction Services		83,364	10,737	94,101	94,101		57,372		57,372	51,635	5,737

LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL
Assets Acquired Under Capital Leases (Nonbudgeted):										
Undistributed Expenditures:										
Instructional Equipment				249,988	(249,988)					
Total Assets Acquired Under Capital Leases (Nonbudgeted)				249,988	(249,988)					
Total Capital Outlay	172,864	13,687	186,551	413,553	(227,002)	93,372	(3,400)	89,972	72,875	17,097
Total Expenditures	21,844,940	33,578	21,878,518	20,845,350	1,033,168	21,334,018	7,913	21,341,931	20,139,220	1,202,711
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures Before Other Financing Sources/(Uses)	(2,000,000)	(24,547)	(2,024,547)	1,152,649	3,177,196	(2,000,000)	(7,913)	(2,007,913)	734,962	2,742,875
Other Financing Sources/(Uses):										
Operating Transfers In/(Out):										
Capital Reserve - Transfer to Debt Service	(349,750)		(349,750)	(349,750)						
Transfer to Charter Schools		(9,691)	(9,691)	(8,304)	1,387					
Capital Leases (Nonbudgeted)				249,988	249,988					
Total Other Financing Uses	(349,750)	(9,691)	(359,441)	(108,066)	251,375					
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures After Other Financing Sources/(Uses)	(2,349,750)	(34,238)	(2,383,988)	1,044,583	3,428,571	(2,000,000)	(7,913)	(2,007,913)	734,962	2,742,875
Fund Balances, July 1	4,031,037		4,031,037	4,031,037		3,296,075		3,296,075	3,296,075	
Fund Balances, June 30	\$1,681,287	(34,238)	1,647,049	5,075,620	3,428,571	1,296,075	(7,913)	1,288,162	4,031,037	2,742,875

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	\$1,040,703
Capital Reserve	607,752
Excess Surplus	2,235,189
Committed Fund Balance:	
Year-End Encumbrances	6,982
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	782,215
Unassigned Fund Balance	402,779
Subtotal	5,075,620
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(766,972)
Total Fund Balance per Governmental Funds (GAAP)	\$4,308,648

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
EDUCATION JOBS FUND PROGRAM-
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Federal Sources:						
Education Jobs Fund	18-xxx	\$288,261	9,031	297,292	297,292	
Total Federal Sources		288,261	9,031	297,292	297,292	
Total Revenues		288,261	9,031	297,292	297,292	
Expenditures:						
Special Education:						
Learning and/or Language Disabilities:						
Other Salaries for Instruction	18-204-190-106	89,705		89,705	89,705	
Total Learning and/or Language Disabilities		89,705		89,705	89,705	
Resource Room / Resource Center:						
Other Salaries for Instruction	18-213-100-106	112,205	9,031	121,236	121,236	
Total Resource Room / Resource Center		112,205	9,031	121,236	121,236	
Autism:						
Other Salaries for Instruction	18-214-100-106	2,832		2,832	2,832	
Total Autism		2,832		2,832	2,832	
Preschool Disabilities - Part-Time:						
Other Salaries for Instruction	18-215-100-106	20,083		20,083	20,083	
Total Preschool Disabilities - Part-Time		20,083		20,083	20,083	
Total Special Education		224,825	9,031	233,856	233,856	
Basic Skills/Remedial - Instruction:						
Other Salaries for Instruction	18-230-100-106	42,309		42,309	42,309	
Total Basic Skills/Remedial - Instruction		42,309		42,309	42,309	
Unallocated Benefits - Employee Benefits:						
Social Security	18-000-291-220	21,127		21,127	21,127	
Total Unallocated Benefits		21,127		21,127	21,127	
Total Expenditures		288,261	9,031	297,292	297,292	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		-	-	-	-	-

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
State Sources	\$2,000	(275)	1,725	1,725		2,135	225	2,360	2,360	
Federal Sources	454,000	163,213	617,213	567,646	(49,567)	858,500	(52,682)	805,818	758,793	(47,025)
Total Revenues	456,000	162,938	618,938	569,371	(49,567)	860,635	(52,457)	808,178	761,153	(47,025)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	56,000		56,000	43,000	13,000	200,000	3,539	203,539	190,539	13,000
Other Salaries for Instruction						111,000	(68,807)	42,193	42,193	
Tuition	287,000	88,707	375,707	375,707		375,000	9,711	384,711	384,711	
General Supplies	10,000	36,366	46,366	46,366		27,500	32,337	59,837	59,837	
Other Objects	6,000	350	6,350	6,350		5,000	(4,875)	125	125	
Total Instruction	359,000	125,423	484,423	471,423	13,000	718,500	(28,095)	690,405	677,405	13,000
Support Services:										
Salaries	65,000	1,979	66,979	39,697	27,282	45,000	408	45,408	14,725	30,683
Personal Services - Employee Benefits	10,000	3,111	13,111	6,326	6,785	40,000	160	40,160	36,818	3,342
Purchased Professional Services	10,000	9,615	19,615	17,115	2,500	30,000	(7,644)	22,356	24,564	(2,208)
Other Purchased Services	10,000	4,750	14,750	14,750		25,000	(22,792)	2,208		2,208
Supplies & Materials	2,000	18,060	20,060	20,060		2,135	5,506	7,641	7,641	
Total Support Services	97,000	37,515	134,515	97,948	36,567	142,135	(24,362)	117,773	83,748	34,025
Total Expenditures	456,000	162,938	618,938	569,371	49,567	860,635	(52,457)	808,178	761,153	47,025
Total Outflows	456,000	162,938	618,938	569,371	49,567	860,635	(52,457)	808,178	761,153	47,025
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	-	-	-	-	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$21,997,999	569,371
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
	Prior Year	33,845
	Current Year	(3,129)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	719,023	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	<u>(766,972)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	<u>\$21,950,050</u>	<u>600,087</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$20,845,350	569,371
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		<u>30,716</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)		
	<u>\$20,845,350</u>	<u>600,087</u>

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund



**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	<u>NO CHILD LEFT BEHIND</u>		I.D.E.A. PART B BASIC	I.D.E.A. PART B PRESCHOOL
	TITLE I	TITLE II - PART A		
Revenues:				
State Sources				
Federal Source	\$120,321	38,090	379,429	29,806
Total Revenues	<u>\$120,321</u>	<u>38,090</u>	<u>379,429</u>	<u>29,806</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$30,000		13,000	
Other Salaries for Instruction				
Tuition			363,329	12,378
Supplies	39,774			6,592
Other Objects	6,350			
Total Instruction	<u>76,124</u>		<u>376,329</u>	<u>18,970</u>
Support Services:				
Salaries	6,172	33,525		
Employee Benefits	2,767	2,565	994	
Other Purchased Professional Services	14,296		2,106	713
Other Purchased Services	12,750	2,000		
Supplies	8,212			10,123
Total Support Services	<u>44,197</u>	<u>38,090</u>	<u>3,100</u>	<u>10,836</u>
Total Expenditures	<u>\$120,321</u>	<u>38,090</u>	<u>379,429</u>	<u>29,806</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	NONPUBLIC NURSING AID	NONPUBLIC TEXTBOOK AID	2012	2011
Revenues:				
State Sources	\$1,079	646	1,725	2,360
Federal Sources			567,646	758,793
Total Revenues	\$1,079	646	569,371	761,153
Expenditures:				
Instruction:				
Salaries of Teachers			43,000	190,539
Other Salaries for Instruction				42,193
Tuition			375,707	384,711
Supplies			46,366	59,837
Other Objects			6,350	125
Total Instruction			471,423	677,405
Support Services:				
Salaries			39,697	14,725
Employee Benefits			6,326	36,818
Other Purchased Professional Services			17,115	24,564
Other Purchased Services			14,750	
Supplies	\$1,079	646	20,060	7,641
Total Support Services	1,079	646	97,948	83,748
Total Expenditures	\$1,079	646	569,371	761,153

F. Capital Projects Fund

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

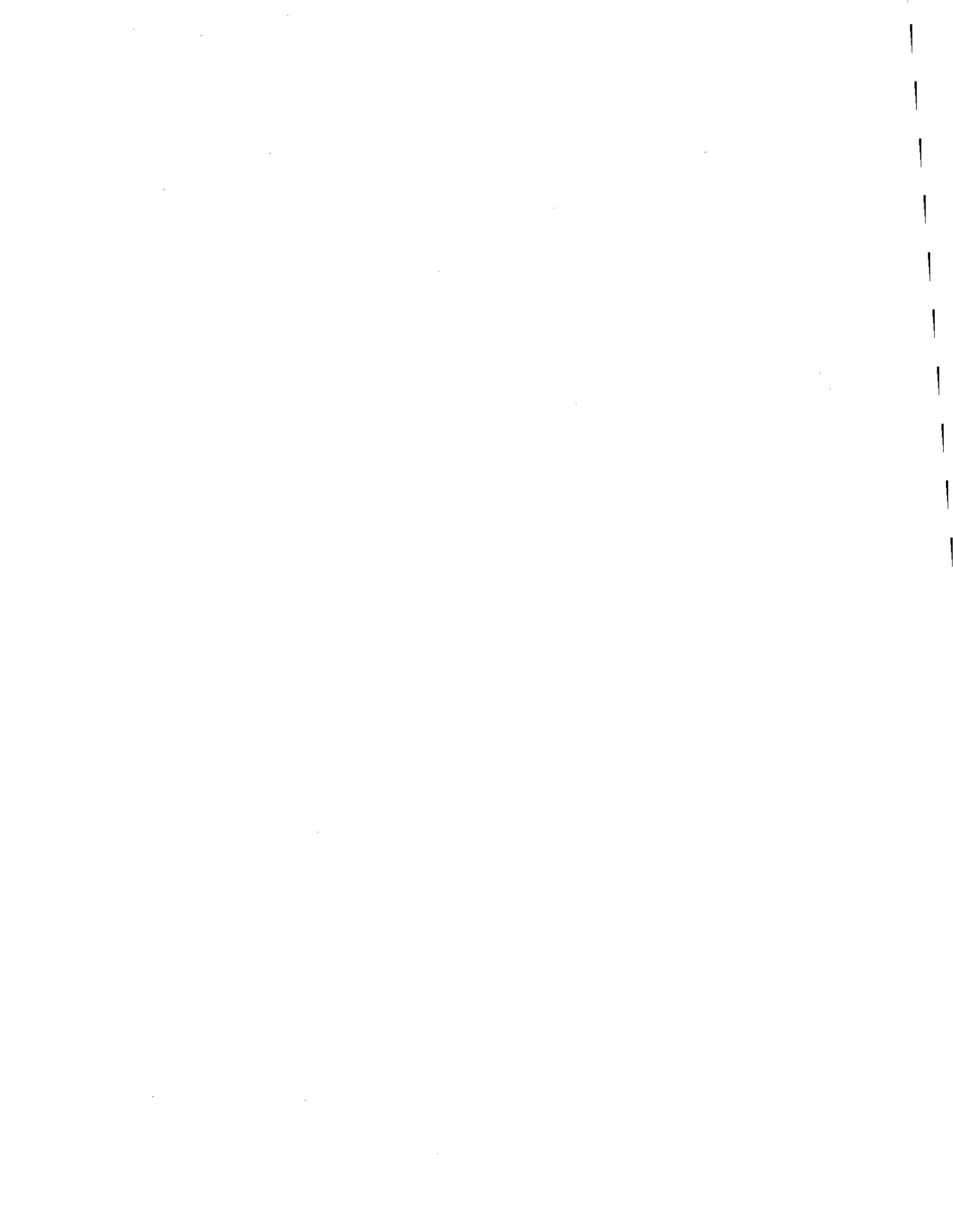
PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		REDUCTION FROM SCC -PRIOR YEARS	TRANSFER FROM CAPITAL RESERVE	UNEXPENDED BALANCE JUNE 30, 2012
			PRIOR YEARS	CURRENT YEAR			
To undertake the acquisition & installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby's Run Elementary School as well as related work for acquisition and installation of the panels.	8/4/2011	\$7,000,000	5,419,050	447,044			1,133,906
Total		\$7,000,000	5,419,050	447,044	-	-	1,133,906

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	\$124
Construction Services	<u>446,920</u>
Total Expenditures	<u>447,044</u>
Excess/(Deficiency) of Revenues & Other Financing Sources	
Over/(Under) Expenditures & Other Financing Sources	(447,044)
Fund Balances, July 1	<u>1,580,950</u>
Fund Balances, June 30	<u><u>\$1,133,906</u></u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
LUMBERTON - SOLAR PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant - Current Year Reductions				
Bond Proceeds & Transfers	\$7,000,000		7,000,000	7,000,000
Total Revenues	7,000,000		7,000,000	7,000,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Technical Services	469,656	124	469,780	469,780
Construction Services	4,945,777	446,920	5,392,697	6,526,603
Other Objects	3,617		3,617	3,617
Total Expenditures	5,419,050	447,044	5,866,094	7,000,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$1,580,950	(447,044)	1,133,906	-



G. Proprietary Funds



Enterprise Funds



LUMBERTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	EXTENDED DAY CARE	FOOD SERVICE FUND	2012	2011
Current Assets:				
Cash & Cash Equivalents	\$506,642	65,003	571,645	586,143
Accounts Receivable:				
State		281	281	485
Federal		6,272	6,272	8,845
Inventories		9,313	9,313	6,940
Total Current Assets	506,642	80,869	587,511	602,413
Fixed Assets:				
Equipment	268,908	86,507	355,415	355,415
Accumulated Depreciation	(158,322)	(86,507)	(244,829)	(230,073)
Total Fixed Assets	110,586		110,586	125,342
Total Assets	617,228	80,869	698,097	727,755
 LIABILITIES				
Current Liabilities:				
Interfund Payable		8,200	8,200	8,529
Accounts Payable	236	24,444	24,680	95,740
Total Current Liabilities	236	32,644	32,880	104,269
 NET ASSETS				
Investment in Fixed Assets	110,586		110,586	125,342
Unreserved Retained Earnings	506,406	48,225	554,631	498,144
Total Net Assets	\$616,992	48,225	665,217	623,486

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	EXTENDED DAY CARE	FOOD SERVICE FUND	2012	2011
Operating Revenues:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program		258,605	258,605	263,616
<hr/>				
Total - Daily Sales - Reimbursable Programs		258,605	258,605	263,616
<hr/>				
Daily Sales Nonreimbursable Programs		128,424	128,424	143,200
Special Functions		12,861	12,861	6,069
Enrollment Fees	\$451,586		451,586	440,920
<hr/>				
Total Operating Revenue	451,586	399,890	851,476	853,805
<hr/>				
Operating Expenses:				
Salaries	324,863	213,764	538,627	527,472
Payroll Taxes & Benefits	50,221	33,218	83,439	93,870
Supplies and Materials	21,612	38,013	59,625	53,268
Management Fee		27,751	27,751	29,504
Depreciation	10,756	4,000	14,756	42,899
Miscellaneous	6,219	33,271	39,490	31,129
Cost of Sales		214,679	214,679	215,802
<hr/>				
Total Operating Expenses	413,671	564,696	978,367	993,944
<hr/>				
Operating Income/(Loss)	37,915	(164,806)	(126,891)	(140,139)
<hr/>				
Nonoperating Revenues:				
State Sources:				
State School Lunch Program		5,870	5,870	6,176
Federal Sources:				
National School Lunch Program		126,950	126,950	120,618
Special Milk Program		4,358	4,358	3,468
Food Distribution Program		29,007	29,007	28,871
Interest Revenue	1,917	520	2,437	3,953
<hr/>				
Total Nonoperating Revenues/ (Expenses)	1,917	166,705	168,622	163,086
<hr/>				
Change in Net Assets	39,832	1,899	41,731	22,947
Total Net Assets - Beginning	577,160	46,326	623,486	600,539
<hr/>				
Total Net Assets - Ending	\$616,992	48,225	665,217	623,486
<hr/>				

LUMBERTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	EXTENDED DAY CARE	FOOD SERVICE FUND	2012	2011
Cash Flows From Operating Activities:				
Receipts from Customers	\$451,586	399,890	851,476	882,676
Payments to Employees	(324,863)	(213,764)	(538,627)	(527,472)
Payment to Employee Benefits	(50,221)	(33,218)	(83,439)	(93,870)
Payments to Suppliers	(27,595)	(387,712)	(415,307)	(304,092)
Net Cash Provided/(Used) by Operating Activities	48,907	(234,804)	(185,897)	(42,758)
Cash Flows From Noncapital Financing				
State Sources		6,074	6,074	
Federal Sources		162,888	162,888	135,440
Net Cash Provided by Noncapital Financing Activities		168,962	168,962	135,440
Cash Flows From Investing Activities:				
Interest on Investments	1,917	520	2,437	3,953
Net Cash Provided by Investing Activities	1,917	520	2,437	3,953
Net Increase/(Decrease) in Cash & Cash Equivalents				
Cash and Cash Equivalents, July 1	50,824	(65,322)	(14,498)	96,635
Cash and Cash Equivalents, June 30	455,818	130,325	586,143	489,508
Cash and Cash Equivalents, June 30	\$506,642	65,003	571,645	586,143

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

Operating Income/(Loss)	\$37,915	(164,806)	(126,891)	(140,139)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	10,756	4,000	14,756	42,899
Food Distribution Program				28,871
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory		(2,373)	(2,373)	168
(Decrease)/Increase in Interfund		(329)	(329)	
(Decrease)/Increase in Accounts Payable	236	(71,296)	(71,060)	25,443
Net Cash Provided/(Used) by Operating Activities	\$48,907	(234,804)	(185,897)	(42,758)

Internal Service Fund

Not Applicable

H. Fiduciary Fund

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	AGENCY	PRIVATE PURPOSE		2012	2011
	STUDENT ACTIVITY	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION		
Cash & Cash Equivalents	\$64,101	3,048	89,178	156,327	286,840
Total Assets	64,101	3,048	89,178	156,327	286,840
LIABILITIES					
Due to Student Groups Claims Payable	64,101		7,258	64,101	65,512
Total Liabilities	64,101		7,258	71,359	65,512
NET ASSETS					
Unreserved		3,048	81,920	84,968	132,216
Total Net Assets	\$ -	3,048	81,920	84,968	132,216

**COMPARATIVE COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		2012	2011
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION		
Operating Revenues:				
Local Sources:				
Deductions from Employees' Salaries		12,868	12,868	21,518
Contribution from General Fund				49,362
Interest on Investments	\$13	431	444	1,412
Total Operating Revenues	13	13,299	13,312	72,292
Operating Expenditures:				
Miscellaneous Expense	100	60,460	60,560	167,698
Total Operating Expenses	100	60,460	60,560	167,698
Excess/(Deficit) of Revenues Over Expenditures	(87)	(47,161)	(47,248)	(95,406)
Fund Balances, July 1	3,135	129,081	132,216	227,622
Fund Balances, June 30	\$3,048	81,920	84,968	132,216

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ASSETS	BALANCE JULY 1, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	\$65,512	78,605	80,016	64,101
Total Assets	\$65,512	78,605	80,016	64,101
LIABILITIES				
Due to Student Groups	\$65,512	78,605	80,016	64,101
Total Liabilities	\$65,512	78,605	80,016	64,101

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ASSETS	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	\$ -	22,973,752	22,968,606	5,146
Total Assets	\$ -	22,973,752	22,968,606	5,146
LIABILITIES				
Due to General Fund	\$ -	5,000		5,000
Payroll Deductions & Withholdings		14,862,962	14,862,816	146
Net Payroll		8,105,790	8,105,790	
Total Liabilities	\$ -	22,973,752	22,968,606	\$5,146

I. Long-Term Debt



**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2012**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2011	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2012	
			DATE	AMOUNT							
Refunding of 1995 Bonds & Capital Lease	08-15-2002	\$11,255,000	8-15-12	\$1,175,000	3.400%	\$2,910,000			1,135,000	1,775,000	
			8-15-13	600,000	3.500%						
Refunding of 1998 Bonds	11-30-2005	9,685,000	2-15-13	700,000	3.750%	7,130,000			670,000	6,460,000	
			2-15-14	725,000	4.000%						
			2-15-15	755,000	4.000%						
			2-15-16	790,000	4.000%						
			2-15-17	820,000	4.000%						
			Term Bonds	2-15-18	855,000						4.000%
			Term Bonds	2-15-19	890,000						4.000%
			Term Bonds	2-15-20	925,000						4.250%
Refunding of 1999 & 2001 Bonds	02-17-2010	3,535,000	12-15-12	755,000	2.000%	3,255,000			735,000	2,520,000	
			12-15-13	770,000	2.000%						
			12-15-14	490,000	2.000%						
			12-15-15	505,000	2.000%						
2010 School Bonds	08-04-2010	7,000,000	2-15-13	410,000	2.250%	7,000,000			300,000	6,700,000	
			2-15-14	415,000	2.250%						
			2-15-15	420,000	2.500%						
			2-15-16	430,000	2.500%						
			2-15-17	435,000	2.500%						
			2-15-18	450,000	2.500%						
			2-15-19	460,000	2.500%						
			2-15-20	475,000	2.750%						
			2-15-21	490,000	3.000%						
			2-15-22	505,000	3.000%						
			2-15-23	525,000	3.000%						
			2-15-24	540,000	3.250%						
			2-15-25	560,000	3.250%						
			2-15-26	585,000	3.375%						
Total						\$20,295,000	-	-	2,840,000	17,455,000	

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2012**

SERIES	INTEREST RATE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2011	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2012
			PRINCIPAL	INTEREST					
Computer Equipment	2.79%	5 Years	\$249,988	\$13,788	2.790%	\$ -	249,988	55,000	194,988
Total						\$ -	249,988	55,000	194,988

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$2,018,353		2,018,353	2,018,353		2,018,353		2,018,353	2,018,353	
State Sources:										
Debt Service Aid Type II	1,129,660		1,129,660	1,129,660		931,091		931,091	931,091	
Total Revenues	3,148,013		3,148,013	3,148,013		2,949,444		2,949,444	2,949,444	
Expenditures										
Regular Debt Service:										
Interest	710,588		710,588	710,588		519,446		519,446	519,446	
Redemption of Principal	2,840,000		2,840,000	2,840,000		2,430,000		2,430,000	2,430,000	
Total Expenditures	3,550,588		3,550,588	3,550,588		2,949,446		2,949,446	2,949,446	
Excess/(Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources(Uses)	(402,575)		(402,575)	(402,575)		(2)		(2)	(2)	
Other Financing Sources/(Uses):										
Operating Transfers In/(Out):										
Transfer from Capital Reserve	349,750		349,750	349,750						
Total Other Financing Uses	349,750		349,750	349,750						
Excess/(Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources/(Uses)	(52,825)		(52,825)	(52,825)		(2)		(2)	(2)	
Fund Balance, July 1	52,825		52,825	52,825		52,827		52,827	52,827	
Fund Balance, June 30	\$ -		-	-		\$52,825		\$52,825	\$52,825	

STATISTICAL SECTION (Unaudited)

LUMBERTON TOWNSHIP BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$9,319,583	6,908,701	7,564,837	6,039,226	4,361,242	3,077,610	3,672,511	2,414,698	876,761	(3,386,917)
Restricted	5,248,039	3,028,173	2,915,301	3,753,402	3,024,755	3,062,170	3,468,776	3,332,793	2,252,881	5,445,572
Unrestricted	(547,061)	1,077,225	(878,515)	(1,291,399)	(719,918)	(829,513)	(854,838)	820,445	(605,228)	508,665
Total Governmental Activities Net Assets	\$14,020,561	11,014,099	9,601,623	8,501,229	6,666,079	5,310,267	6,286,448	6,567,936	2,524,414	2,567,320
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt		4,000	8,723	13,601	19,538	8,763	16,103	24,552	30,245	31,082
Unrestricted	\$665,217	619,486	591,816	581,739	600,846	507,606	430,135	274,126	202,824	230,795
Total Business-Type Activities Net Assets	\$665,217	623,486	600,539	595,340	620,384	516,369	446,238	298,678	233,069	261,877
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$9,319,583	6,912,701	7,573,560	6,052,827	4,380,780	3,086,373	3,688,614	2,439,250	907,006	(3,355,835)
Restricted	5,248,039	3,028,173	2,915,301	3,753,402	3,024,755	3,062,170	3,468,776	3,332,793	2,252,881	5,445,572
Unrestricted	118,156	1,696,711	(286,699)	(709,660)	(119,072)	(321,907)	(424,703)	1,094,571	(402,404)	739,460
Total District Net Assets	\$14,685,778	11,637,585	10,202,162	9,096,569	7,286,463	5,826,636	6,732,686	6,866,614	2,757,483	2,829,197

LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

FISCAL YEAR ENDING JUNE 30,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$5,337,156	5,511,184	5,856,255	5,785,756	5,650,403	5,643,556	6,160,513	5,696,426	5,538,390	4,857,122
Special Education	2,925,821	2,970,403	3,030,581	2,848,107	2,645,347	2,615,714	2,178,876	2,009,399	1,842,197	1,622,618
Other Special Instruction	365,872	333,295	404,705	399,033	362,752	338,939	308,660	322,905	276,640	239,890
Other Instruction	87,157	74,268	121,527	114,943	101,736	100,094	95,673	95,296	87,609	85,556
Support Services & Undistributed Costs:										
Tuition	551,302	498,833	550,545	852,065	815,738	835,688	520,701	359,359	339,010	312,929
Health Services	226,704	189,020	249,763	239,601	241,727	228,614	222,847	211,255	229,046	164,713
Student & Instruction Related Services	1,548,778	1,473,423	1,631,718	1,430,890	1,471,481	1,383,614	1,280,610	1,275,778	1,264,094	1,121,279
Educational Media Services/School Library	197,283	203,554	263,063	254,759	243,400	256,486	251,526	236,931	296,027	200,821
School Administrative Services	926,003	888,345	897,360	955,857	941,835	923,291	893,488	722,155	701,347	582,783
Other Administrative Services	1,077,637	995,151	1,230,613	1,159,844	1,157,774	1,119,740	1,051,215	965,580	731,082	633,532
Plant Operations & Maintenance	1,843,832	2,067,268	2,121,507	2,114,781	2,060,916	1,840,068	1,817,682	1,679,241	1,579,954	1,301,624
Pupil Transportation	874,561	813,623	881,514	986,017	886,463	1,090,043	1,005,439	954,741	864,102	717,389
Employee Benefits	5,069,778	4,782,545	4,625,828	4,348,266	4,849,653	5,051,477	4,281,581	3,624,930	3,410,920	2,808,723
Transfers to Charter Schools	8,304									
Interest on Long-Term Debt	623,908	706,341	587,058	712,661	778,495	836,558	792,389	1,004,113	1,053,393	1,429,575
Reduction of Capital Leases					(48,312)	(46,732)	22,755	21,333	21,613	
Amortization of Debt Costs	34,567	34,567	20,834	12,594	12,595	12,595	7,347			222,822
Increase in Compensated Absences - Unallocated		190,779	(291,299)	209,942	(64,704)	63,805	78,312	73,586	77,239	152,653
Reduction in Fixed Assets Unallocated		(332,956)		(291,385)	(10,117)	2,090,720				
Unallocated Depreciation	1,000,626	1,859,382	766,064	752,805	763,681	802,479	819,125	826,988	710,369	697,994
Total Governmental Activities Expenses	22,699,289	23,259,025	22,947,636	22,886,536	22,860,863	25,186,749	21,788,739	20,080,016	19,023,032	17,152,023
Business-Type Activities:										
Food Service	564,696	551,004	544,820	588,419	583,602	583,894	505,810	459,867	469,705	496,823
Extended Day Care	413,671	442,940	495,785	555,646	434,681	416,805	344,549	342,950	390,663	319,066

LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Total Business-Type Activities Expense	978,367	993,944	1,040,605	1,144,065	1,018,283	1,000,699	850,359	802,817	860,368	815,889
Total District Expenses	<u>\$23,677,656</u>	<u>24,252,969</u>	<u>23,988,241</u>	<u>24,030,601</u>	<u>23,879,146</u>	<u>26,187,448</u>	<u>22,639,098</u>	<u>20,882,833</u>	<u>19,883,400</u>	<u>17,967,912</u>
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	600,087	734,567	650,800	537,505	556,080	589,920	599,291	561,853	504,415	521,118
Total Governmental Activities Program Revenues	<u>600,087</u>	<u>734,567</u>	<u>650,800</u>	<u>537,505</u>	<u>556,080</u>	<u>589,920</u>	<u>599,291</u>	<u>561,853</u>	<u>504,415</u>	<u>521,118</u>
Business-Type Activities:										
Charges for Services:										
Food Service	399,890	412,885	417,580	421,107	408,904	393,379	381,091	344,794	326,278	424,465
Extended Day Care	451,586	440,920	479,676	556,238	566,794	515,932	492,890	417,920	392,757	338,352
Operating Grants & Contributions	166,185	159,133	146,738	138,404	134,239	140,503	109,629	101,114	110,986	97,120
Total Business Type Activities Program Revenues	<u>1,017,661</u>	<u>1,012,938</u>	<u>1,043,994</u>	<u>1,115,749</u>	<u>1,109,937</u>	<u>1,049,814</u>	<u>983,610</u>	<u>863,828</u>	<u>830,021</u>	<u>859,937</u>
Total District Program Revenues	<u>\$1,617,748</u>	<u>1,747,505</u>	<u>1,694,794</u>	<u>1,653,254</u>	<u>1,666,017</u>	<u>1,639,734</u>	<u>1,582,901</u>	<u>1,425,681</u>	<u>1,334,436</u>	<u>1,381,055</u>

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net/(Expense)/Revenue:										
Governmental Activities	(\$22,099,202)	(22,524,458)	(22,296,836)	(22,349,031)	(22,304,783)	(24,596,829)	(21,189,448)	(19,518,163)	(18,518,617)	(16,630,905)
Business-Type Activities	39,294	18,994	3,389	(28,316)	91,654	49,115	133,251	61,011	(30,347)	44,048
Total District-Wide Net Expense	(\$22,059,908)	(22,505,464)	(22,293,447)	(22,377,347)	(22,213,129)	(24,547,714)	(21,056,197)	(19,457,152)	(18,548,964)	(16,586,857)
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General										
General Purposes, Net	\$11,692,738	11,692,738	11,663,728	11,640,334	11,742,567	11,730,134	11,105,202	11,079,226	9,684,186	6,953,168
Taxes Levied for Debt Service	2,018,353	2,018,353	1,839,260	1,800,667	1,841,871	1,724,154	1,769,495	2,412,372	65,699	1,671,258
Unrestricted Grants & Contributions	11,220,435	10,125,014	9,817,447	10,687,221	9,905,597	9,923,983	9,225,587	8,322,130	8,635,135	7,935,205
Tuition Received	27,449	10,408	7,039	7,891	10,024	3,347	4,892	4,052	46,776	9,579
Investment Earnings	27,328	60,793	29,984	36,052	138,141	235,938	205,540	97,893		87,817
Miscellaneous Income	111,760	29,628	39,772	12,016	22,395	3,092	21,626	5,123	43,915	24,491
Reduction in Compensated Absences	7,601									
Total Governmental Activities	25,105,664	23,936,934	23,397,230	24,184,181	23,660,595	23,620,648	22,332,342	21,920,796	18,475,711	16,681,518
Business-Type Activities:										
Investment Earnings	2,437	3,953	1,810	3,272	12,361	21,016	14,309	4,598	1,539	2,397
Total Business-Type Activities	2,437	3,953	1,810	3,272	12,361	21,016	14,309	4,598	1,539	2,397
Total District-Wide	\$25,108,101	23,940,887	23,399,040	24,187,453	23,672,956	23,641,664	22,346,651	21,925,394	18,477,250	16,683,915
Change in Net Assets:										
Governmental Activities	\$3,006,462	1,412,476	1,100,394	1,835,150	1,355,812	(976,181)	1,142,894	2,402,633	(42,906)	50,613
Business-Type Activities	41,731	22,947	5,199	(25,044)	104,015	70,131	147,560	65,609	(28,808)	46,445
Total District	\$3,048,193	1,435,423	1,105,593	1,810,106	1,459,827	(906,050)	1,290,454	2,468,242	(71,714)	97,058

LUMBERTON TOWNSHIP BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved	\$3,890,627	1,933,662	2,355,443	3,525,013	2,982,259	2,888,519	3,374,320	2,319,507	1,219,660	833,624
Unreserved	418,021	1,378,353	108,301	(136,782)	97,567	237,229	52,400	919,489	623,314	926,135
Total General Fund	\$4,308,648	3,312,014	2,463,744	3,388,231	3,079,826	3,125,748	3,426,720	3,238,996	1,842,974	1,759,759
All Other Governmental Funds:										
Reserved							90,523		383,890	3,859,739
Unreserved, Reported in:										
Special Revenue Fund					(1,995)	(1,995)				(5,429)
Capital Projects Fund	\$1,133,906	1,580,950				28,384	3,095	48,319	137,080	306,503
Debt Service Fund		52,825	52,827	28,389	28,387	838	838	67,370	67,370	354,672
Total All Other Governmental Funds	\$1,133,906	1,633,775	52,827	28,389	26,392	27,227	94,456	115,689	588,340	4,515,485

LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Local Tax Levy	\$13,711,091	13,711,091	13,502,988	13,441,001	13,584,438	13,454,288	12,874,697	13,491,598	9,749,885	8,624,426
Tuition	27,449	10,408	7,039	7,891	10,024	3,347	4,892	4,052	46,776	9,579
Interest	26,443	56,634	28,332	36,033	138,119	235,905	205,515	97,712		84,855
Interest on Capital Reserve	885	4,159	1,652	19	22	33	25	181		2,962
Miscellaneous	111,760	29,628	39,772	12,016	22,395	3,092	21,626	5,123	43,915	24,491
State Sources	10,882,973	10,097,373	8,510,467	10,692,036	9,948,457	9,969,905	9,281,430	8,377,102	8,676,544	8,054,939
Federal Sources	937,549	762,208	1,957,780	532,690	513,220	543,998	543,448	506,881	463,006	401,384
Total Revenue	25,698,150	24,671,501	24,048,030	24,721,686	24,216,675	24,210,568	22,931,633	22,482,649	18,980,126	17,202,636
Expenditures:										
Instruction	8,716,006	8,889,150	9,413,068	9,147,839	8,760,238	8,743,722	8,124,026	7,744,836	6,805,186	6,516,127
Undistributed Instruction	12,315,878	11,911,762	12,451,911	12,342,080	12,668,987	11,325,089	10,029,970	9,415,583	7,843,793	6,927,194
Capital Outlay	860,597	5,491,925	183,308	89,349	17,196	268,071	531,258	3,728,758	6,590,536	576,021
Debt Service:	3,550,588	2,949,446	2,899,792	2,832,016	2,817,011	2,894,767	2,874,024	1,934,880	2,451,237	2,447,703
Total Expenditures	25,443,069	29,242,283	24,948,079	24,411,284	24,263,432	23,231,649	21,559,278	22,824,057	23,690,752	16,467,045
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	255,081	(4,570,782)	(900,049)	310,402	(46,757)	978,919	1,372,355	(341,408)	(4,710,626)	735,591
Other Financing Sources/(Uses):										
Proceeds from Borrowing		7,000,000								5,160,000
Escrow Reserve Redemption										(39,694)
Capital Lease Proceeds	249,988					250,000				
Transfers to Charter Schools	(8,304)									
Transfers in	349,750				28,384			483,222		
Transfers Out	(349,750)				(28,384)			(483,222)		
Total Other Financing Sources/										
(Uses)	241,684	7,000,000				250,000				5,120,306
Net Change in Fund Balances	\$496,765	2,429,218	(900,049)	310,402	(46,757)	1,228,919	1,372,355	(341,408)	(4,710,626)	5,855,897
Debt Service as a Percentage of										
Noncapital Expenditures	14.0%	10.1%	11.6%	11.6%	11.6%	12.5%	13.3%	8.5%	10.3%	14.9%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

LUMBERTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDED JUNE 30,	TRANSPORTATION	INTEREST ON INVESTMENTS	MISCELLANEOUS	TUITION	TOTAL
2012	-	\$27,328	111,760	27,449	166,537
2011	-	60,793	29,628	10,408	100,829
2010	-	29,984	39,772	7,039	76,795
2009	-	36,052	12,016	7,891	55,959
2008	-	138,141	22,395	10,024	170,560
2007	-	235,938	3,092	3,347	242,377
2006	-	205,540	21,626	4,892	232,058
2005	-	97,893	5,123	4,052	107,068
2004	-	-	43,392	46,776	90,168
2003	-	84,855	18,525	9,579	112,959

Source: District Records

LUMBERTON TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2012	\$10,631,900	\$1,168,180,400	20,715,800	2,446,300	134,628,400	63,115,823	29,352,400	1,429,071,023	1,838,276	1,430,909,299	1.364	1,539,364,038
2011	11,087,100	1,180,483,600	20,403,100	2,002,800	132,617,800	63,115,823	28,954,400	1,438,664,623	2,001,088	1,436,663,535	1.309	1,445,922,334
2010	11,698,400	1,187,781,700	20,484,200	1,902,800	131,564,300	64,304,600	28,954,400	1,446,690,400	2,285,933	1,444,404,467	1.301	1,523,480,241
2009	11,597,000	1,190,946,000	20,915,300	1,923,700	127,543,600	64,941,400	28,954,400	1,446,821,400	2,245,784	1,444,575,616	1.251	1,566,514,606
2008	11,963,500	1,191,093,800	20,850,000	1,997,980	143,617,300	57,756,100	28,954,400	1,456,233,080	2,213,653	1,454,019,427	1.255	1,433,155,780
2007	12,793,600	1,194,523,300	19,555,800	1,980,100	115,446,100	57,422,000	30,929,800	1,432,650,700	2,115,070	1,430,535,630	1.269	1,301,375,968
2006	5,357,300	601,863,900	10,190,000	1,112,600	71,115,200	29,051,100	21,610,300	740,300,400	1,197,965	739,102,435	2.384	1,272,162,007
2005	10,342,300	57,690,010	9,314,100	1,199,500	63,004,800	29,140,800	21,610,300	192,301,810	1,448,392	190,853,418	2.305	1,058,709,552
2004	19,280,800	549,153,800	9,800,900	1,546,300	64,873,100	29,129,000	21,703,300	695,487,200	1,599,204	693,887,996	2.394	914,325,994
2003	17,124,900	519,517,900	10,271,300	1,622,500	62,063,600	29,129,000	21,703,300	661,432,500	1,837,735	659,594,765	1.867	790,915,385

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

LUMBERTON TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	MUNICIPAL			
				LUMBERTON TOWNSHIP	OPEN SPACE	BURLINGTON COUNTY	
2012	0.974	0.390	1.364	0.365	0.010	0.406	2.145
2011	0.951	0.358	1.309	0.348	0.010	0.381	2.048
2010	0.947	0.354	1.301	0.331	0.009	0.400	2.041
2009	0.932	0.319	1.251	0.314	0.009	0.411	1.985
2008	0.937	0.318	1.255	0.298	0.010	0.408	1.971
2007	0.948	0.321	1.269	0.258	0.010	0.383	1.920
2006	1.815	0.569	2.384	0.400	0.010	0.757	3.551
2005	1.806	0.499	2.305	0.406	0.030	0.677	3.418
2004	1.935	0.459	2.394	0.405	0.030	0.616	3.445
2003	1.470	0.397	1.867	0.346	0.010	0.607	2.830

Source: Municipal Tax Collector

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2012		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
CVS New York	\$31,950,000	1	2.24%
The Estaugh	29,812,800	2	2.09%
BF Saul Holdings LTD Partnership	14,172,600	3	0.99%
Whitehall Apartments Association	12,900,000	4	0.90%
541 Associates, LLC	11,821,200	5	0.83%
Mt. Holly By-Pass LLC	10,791,700	6	0.76%
Newman Development Group of Hainesport	10,354,400	7	0.72%
Wal-Mart	10,116,600	8	0.71%
Evergreen I Associates, LLC	8,573,300	9	0.60%
East Coast Lumberton Apartments, LLC	8,400,000	10	0.59%
Total	<u>\$148,892,600</u>		<u>10.42%</u>

TAXPAYER	2003		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
CVS New York	\$25,200,100	1	4.47%
The Estaugh	10,785,000	2	1.91%
BP Saul Reit	10,500,000	3	1.86%
Whithall Apartments Association	8,500,000	4	1.51%
Lumberton Associates, LP	7,680,000	5	1.36%
Mt. Holly Associates, LLC	3,854,800	6	0.68%
Dorado Garden Apartments, LLC	3,800,000	7	0.67%
Aviation Industrial Realty	2,461,800	8	0.44%
Wal Mart	2,436,000	9	0.43%
Carlson Craft of New Jersey	2,400,000	10	0.43%
Total	<u>\$77,617,700</u>		<u>13.76%</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2012	\$13,711,091	13,711,091	100.00%
2011	13,711,091	13,711,091	100.00%
2010	13,502,988	13,502,988	100.00%
2009	13,441,001	13,441,001	100.00%
2008	13,584,438	13,584,438	100.00%
2007	13,454,288	13,454,288	100.00%
2006	12,874,697	12,874,697	100.00%
2005	13,491,598	13,491,598	100.00%
2004	9,749,885	9,749,885	100.00%
2003	8,624,426	8,624,426	100.00%

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES			
2012	\$17,455,000	-	194,988		17,649,988	N/A
2011	20,295,000	-			20,295,000	1,612.89
2010	15,725,000	-			15,725,000	1,250.89
2009	17,885,000	-	51,633		17,936,633	1,500.09
2008	19,985,000	-	101,578		20,086,578	1,673.88
2007	22,005,000	-	149,890		22,154,890	1,831.13
2006	23,935,000	-	196,622		24,131,622	1,970.57
2005	25,820,000	-	-		25,820,000	2,078.24
2004	27,675,000	-	-		27,675,000	2,250.55
2003	28,550,000	-	-		28,550,000	2,371.07

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2012	\$17,455,000		17,455,000	1.21%	N/A
2011	20,295,000		20,295,000	1.40%	1,612.89
2010	15,725,000		15,725,000	1.09%	1,250.89
2009	17,885,000		17,885,000	1.23%	1,495.78
2008	19,985,000		19,985,000	1.37%	1,665.42
2007	22,005,000		22,005,000	1.53%	1,796.91
2006	23,935,000		23,935,000	3.23%	1,954.52
2005	25,820,000		25,820,000	13.33%	2,078.24
2004	27,675,000		27,675,000	3.97%	2,250.55
2003	28,550,000		28,550,000	4.30%	2,371.07

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	7,216,638	100.000%	\$7,216,638
Burlington County	365,784,648	2.980%	10,900,383
Rancocas Valley Regional High School	20,773,000	31.380%	6,518,567
Subtotal, Overlapping Debt Lumberton Township Board of Education			24,635,588 <u>17,455,000</u>
Total Direct & Overlapping Debt			<u><u>\$42,090,588</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$44,084,444	45,071,339	45,678,901	44,348,648	41,078,998	36,302,100	36,308,471	28,642,790	25,752,504	20,885,699
Total Net Debt Applicable to Limit	<u>17,455,000</u>	<u>20,295,000</u>	<u>15,725,000</u>	<u>17,885,000</u>	<u>19,985,000</u>	<u>22,005,000</u>	<u>23,935,000</u>	<u>25,820,000</u>	<u>27,675,000</u>	<u>28,550,000</u>
Legal Debt Margin	<u>\$26,629,444</u>	<u>24,776,339</u>	<u>29,953,901</u>	<u>26,463,648</u>	<u>21,093,998</u>	<u>14,297,100</u>	<u>12,373,471</u>	<u>2,822,790</u>	<u>(1,922,496)</u>	<u>(7,664,301)</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	39.59%	45.03%	34.43%	40.33%	48.65%	60.62%	65.92%	90.14%	107.47%	136.70%

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis
	2011 \$1,445,992,334
	2010 1,446,979,796
	2009 <u>1,515,472,295</u>
	<u>\$4,408,444,425</u>
Average Equalized Valuation of Taxable Property	<u>\$1,469,481,475</u>
Debt Limit (3 % of Average Equalization Value)	\$44,084,444
Net Bonded School Debt	<u>17,455,000</u>
Legal Debt Margin	<u>\$26,629,444</u>

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	BURLINGTON COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE
2012	N/A	N/A	N/A
2011	12,583	N/A	8.50%
*2010	12,571	47,391	9.20%
2009	11,957	46,496	8.50%
2008	11,989	47,673	4.70%
2007	12,070	45,420	3.50%
2006	12,216	43,365	3.80%
2005	12,289	40,686	3.50%
2004	12,186	39,516	3.80%
2003	11,995	37,958	4.20%

Source: NJ Dept of Labor and Workforce Development
2010 Census

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2012	2003
	EMPLOYEES	EMPLOYEES
CVS Corporation	1,200	N/A
Celebration	210	N/A
Lumberton Board of Education	253	N/A
Total	1,663	N/A

2002 Information was not available

Source: Burlington County Economic Development

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

INFORMATION CURRENTLY UNAVAILABLE

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	JUNE 30, 2012 ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2012	1,641	\$21,031,884	12,817	2.65%	142	11.55/1	1,641	1,588	-1.44%	96.77%
2011	1,666	20,800,912	12,486	-3.67%	131	12.72/1	1,665	1,596	-1.36%	95.86%
2010	1,687	21,864,979	12,961	2.95%	155	10.88/1	1,688	1,617	-1.06%	95.79%
2009	1,707	21,489,919	12,589	0.69%	163	10.47/1	1,706	1,642	-0.70%	96.25%
2008	1,714	21,429,225	12,502	2.05%	163	10.52/1	1,718	1,653	-1.83%	96.22%
2007	1,749	21,427,324	12,251	7.07%	163	10.73/1	1,750	1,680	-0.34%	96.00%
2006	1,754	20,068,811	11,442	10.93%	164	10.66/1	1,756	1,686	-0.23%	96.01%
2005	1,760	18,153,996	10,315	5.67%	164	10.73/1	1,760	1,690	0.11%	96.02%
2004	1,758	17,160,419	9,761	11.15%	162	10.85/1	1,758	1,691	5.40%	96.19%
2003	1,668	14,648,979	8,782	1.26%	163	10.23/1	1,668	1,594	7.61%	95.56%

Sources: District records

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Elementary Schools:										
Bobby's Run School:										
Square Feet	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	361	386	358	387	388	379	386	369	382	567
Florence L. Walther School:										
Square Feet	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment	359	350	380	370	370	395	402	418	388	567
Ashbrook School:										
Square Feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity (Students)	402	402	402	402	402	402	402	402	402	402
Enrollment	349	350	364	372	385	393	388	365	388	N/A
Middle School:										
Lumberton Middle School:										
Square Feet	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	89,210
Capacity (Students)	634	634	634	634	634	634	634	634	634	514
Enrollment	572	580	585	578	571	582	578	589	583	542

Number of Schools at June 30, 2012:
 Elementary = 3
 Middle School = 1

Source: District Facilities Office

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

SCHOOL FACILITIES	PROJECT #	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Bobby's Run School	Required Maintenance	\$52,417	26,053	34,324	45,114	39,747	36,122	28,225	17,477	31,526	16,648
Lumberton Middle School	Required Maintenance	64,410	40,847	48,016	63,687	56,969	50,501	41,391	26,056	48,216	28,621
Florence L. Walther School	Required Maintenance	38,786	35,267	32,828	44,014	38,104	28,341	46,296	15,714	23,298	23,667
Ashbrook School	Required Maintenance	37,024	23,366	27,619	36,022	29,951	28,765	23,137	26,056	12,554	
District-Wide Items	Required Maintenance	6,963								62,376	38,766
Total		\$199,600	125,533	142,787	188,837	164,771	143,729	139,049	85,303	177,970	107,702

* 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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2012**

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	\$250,000	500
General Liability / Auto Liability	250,000	
Educators Legal Liability	100,000	
Workers Compensation	250,000	
Crime	250,000	500
Boiler and Machinery	NONE	
Pollution Liability	NONE	
School Pool For Excess Liability Limits		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	150,000,000	
Crime	500,000	
Workers Compensation	Statutory	
General Liability / Auto Liability	10,000,000	
Educators' Legal Liability	10,000,000	
Boiler and Machinery	125,000,000	1,000
Pollution Liability	3,000,000	25,000
Western Surety:		

SINGLE AUDIT SECTION



Certified Public Accountants & Consultants

Administrative Office:
10 Allen Street, Ste. 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
holmanfrenia.com

EXHIBIT K-1

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

Honorable President and Members
of the Lumberton Township Board of Education
County of Burlington
Lumberton, New Jersey 08048

We have audited the financial statements of the Board of Education of the Lumberton Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated October 10, 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Medford Township Board of Education is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered the Lumberton Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lumberton Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a

direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin Frenia", written in a cursive style.

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

Medford, New Jersey
October 10, 2012

EXHIBIT K-2
REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Lumberton Township Board of Education
County of Burlington
Lumberton, New Jersey 08048

Compliance

We have audited the compliance of Board of Education of the Lumberton Township School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. The Board of Education of the Lumberton Township 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 Board of Education of the Lumberton Township School District's management. Our responsibility is to express an opinion on Board of Education of the Lumberton Township School District's compliance based on our audit.

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

In our opinion, the Board of Education of the Lumberton Township School District, County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

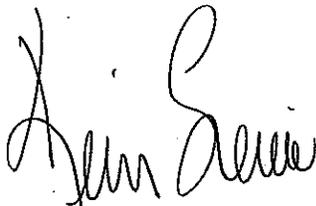
A deficiency in a District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
October 10, 2012

LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE			JUNE 30, 2012	
				AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:								
Food Distribution Program	10.550	\$29,007	7/1/11-6/30/12		29,007	(29,007)		
National School Lunch Program	10.555	126,950	7/1/11-6/30/12		120,903	(126,950)		(6,047)
National School Lunch Program	10.555	120,618	7/1/10-6/30/11	(8,622)	8,622			
Special Milk Program	10.556	4,358	7/1/11-6/30/12		4,133	(4,358)		(225)
Special Milk Program	10.556	3,563	7/1/10-6/30/11	(223)	223			
Total U.S. Department of Agriculture				(8,845)	162,888	(160,315)		(6,272)
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:								
Education Jobs Fund	84.410	297,292	9/1/11-8/31/12		297,292	(297,292)		
Medical Assistance Program (SEMI)	93.778	41,895	9/1/11-8/31/12		41,895	(41,895)		
Title I	84.010A	126,524	9/1/11-8/30/12		59,005	(120,321)		(61,316)
Title I	84.010A	113,136	9/1/10-8/30/11	(60,462)	72,142		(11,680)	
Title I - A.R.R.A.	84.389	15,927	9/1/10-8/30/11	(1,591)	1,591			
Title IIA	84.281A	34,428	9/1/11-8/30/12		3,227	(5,059)		(1,832)
Title IIA, Carryover	84.281A	59,938	9/1/10-8/30/11	(20,487)	53,518	(33,031)		
I.D.E.A. Basic	84.027	379,429	9/1/11-8/30/12		328,334	(365,435)		(37,101)
I.D.E.A. Basic, Carryover	84.027	371,209	9/1/10-8/30/11	(47,502)	50,237	(13,994)	(2,735)	(13,994)
I.D.E.A. Basic - A.R.R.A.	84.391	200,886	9/1/10-8/30/11	(32,536)	32,536			
I.D.E.A. Preschool	84.173	29,805	9/1/11-8/30/12		18,529	(29,806)		(11,277)
I.D.E.A. Preschool - A.R.R.A.	84.392	927	9/1/09-8/30/10	927			(927)	
Total U.S. Department of Education				(161,651)	958,306	(906,833)	(15,342)	(125,520)
Total Federal Financial Assistance				(\$170,496)	1,121,194	(1,067,148)	(15,342)	(131,792)

LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		BUDGETARY EXPENDITURES	ADJUSTMENTS	JUNE 30, 2012		MEMO		
				JUNE 30, 2011	CASH RECEIVED			(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:												
General Fund:												
Equalization Aid	12-495-034-5120-078	\$6,881,830	7/1/11-6/30/12		6,881,830	(6,881,830)				(657,131)	6,881,830	
Special Education Aid	12-495-034-5120-089	855,267	7/1/11-6/30/12		855,267	(855,267)				(81,667)	855,267	
Transportation Aid	12-495-034-5120-014	160,751	7/1/11-6/30/12		160,751	(160,751)				(15,350)	160,751	
Security Aid	12-495-034-5120-084	134,297	7/1/11-6/30/12		134,297	(134,297)				(12,824)	134,297	
Non Public Transportation Aid	11-103190	15,281	7/1/10-6/30/11	(\$15,281)	15,281							
Non Public Transportation Aid	12-103190	14,616	7/1/11-6/30/12			(14,616)		(14,616)			14,616	
Extraordinary Aid	11-100-034-5120-473	8,048	7/1/10-6/30/11	(8,048)	8,048							
Extraordinary Aid	12-495-034-5120-473	10,083	7/1/11-6/30/12			(10,083)		(10,083)			10,083	
Homeless Tuition Reimbursement	N/A	16,494	7/1/10-6/30/11	(16,494)	16,494							
Homeless Tuition Reimbursement	N/A	51,313	7/1/11-6/30/12			(51,313)		(51,313)			51,313	
TPAF Wage Freeze Grant	11-495-034-5095-002	1,799	7/1/10-6/30/11	(899)	899							
On-Behalf TPAF Pension Contribution	12-495-034-5095-001	982,591	7/1/11-6/30/12		982,591	(982,591)					982,591	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	708,789	7/1/11-6/30/12		708,789	(708,789)		(36,086)			708,789	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	657,865	7/1/10-6/30/11	(34,244)	34,244							
Total General Fund				(74,966)	9,762,405	(9,799,537)		(112,098)		(766,972)	9,799,537	
Special Revenue Fund:												
Nonpublic Textbook	11-100-034-5120-064	815	7/1/10-6/30/11	815			(815)					
Nonpublic Textbook	12-100-034-5120-064	831	7/1/11-6/30/12		831	(646)			185		646	
Nonpublic Nursing Services	12-100-034-5120-070	1,187	7/1/11-6/30/12		1,187	(1,079)			108		1,079	
Total Special Revenue Fund Assistance				815	2,018	(1,725)		(815)	293		1,725	
Debt Service Fund:												
Debt Service Aid Type II	12-100-034-5120-125	1,129,660	7/1/11-6/30/12		1,129,660	(1,129,660)					1,129,660	
Total Debt Service Fund Assistance					1,129,660	(1,129,660)					1,129,660	
Enterprise Fund:												
National School Lunch Program (State Share)	12-100-010-3360-067	5,870	7/1/11-6/30/12		5,588	(5,870)		(282)			5,870	
National School Lunch Program (State Share)	11-100-010-3360-067	6,176	7/1/10-6/30/11	(485)	485							
Total Enterprise Fund				(485)	6,073	(5,870)		(282)			5,870	
Total State Financial Assistance				(\$74,636)	10,900,156	(10,936,792)		(112,380)	293	(766,972)	10,936,792	

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
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 Board of Education, Lumberton Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Basis of Accounting

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

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$47,949) for the general fund and \$30,716 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2012**

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

	State	Federal	Total
General Fund	\$ 9,751,588	\$ 339,187	\$21,950,050
Special Revenue Fund	1,725	598,362	600,087
Debt Service Fund	1,129,660		1,129,660
Enterprise Fund	<u>5,870</u>	<u>160,315</u>	<u>166,185</u>
Total Financial Assistance	<u>\$10,888,843</u>	<u>\$1,097,864</u>	<u>\$11,986,707</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

Note 6. Federal and State Loans Outstanding

Lumberton Township Board of Education had no loan balances outstanding at June 30, 2012.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. Part B - Basic Regular
84.410	Education Jobs Fund
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

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

State Awards

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

Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5095-078	Equalization Aid
12-495-034-5095-002	TPAF Social Security Contributions

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

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

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

No Current Year Findings

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET
For the Fiscal Year Ended June 30, 2012**

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

No Prior Year Findings

