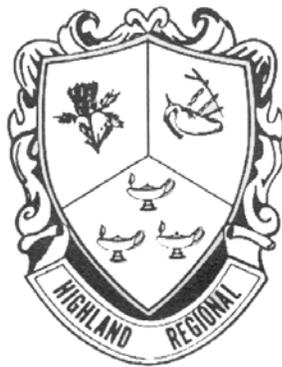


**BOARD OF EDUCATION
OF THE
BLACK HORSE PIKE REGIONAL
SCHOOL DISTRICT
BLACKWOOD, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
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INTRODUCTORY SECTION

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

580 Erial Road, Blackwood, New Jersey 08012-4550

(856) 227-4106 • Fax (856) 227-6835

www.bhprsd.org

Engaging Students, Fostering Achievement, Inspiring Excellence

Brian Repici, Ed.D.

Superintendent

Matthew Szuchy

Director of Curriculum & Instruction

Julie A. Scully

Supervisor of Personnel Management

D. Jean Grubb

Board Secretary

Business Administrator

David C. Cappuccio, Jr.

Director of Special Services & Special Education

November 26, 2013

Honorable President and
Members of the Board of Education
Black Horse Pike Regional School District
580 Erial Road
Blackwood, NJ 08012

Dear Board Members:

The comprehensive annual financial report of the Black Horse Pike Regional School District for the fiscal year ending June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, and the U.S. Office of Management and Budget Circular A-133, and New Jersey OMB Circular 04-04.

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:** Black Horse Pike Regional 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 Black Horse Pike Regional Board of Education and all its schools constitute the Districts reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational as well as special education for handicapped youngsters.

TRITON REGIONAL HIGH SCHOOL

250 Schubert Avenue

Runnemede, NJ 08078-1796

(856) 939-4500 • Fax (856) 939-4724

Melissa Sheppard, Principal

HIGHLAND REGIONAL HIGH SCHOOL

450 Erial Road

Blackwood, NJ 08012-4599

(856) 227-4100 • Fax (856) 227-3619

Elizabeth G. Petite, Principal

TIMBER CREEK REGIONAL HIGH SCHOOL

501 Jarvis Road

Erial, NJ 08081-2169

(856) 232-9703 • Fax (856) 232-5267

Mae F. Robinson, Principal

The District completed the 2013 fiscal year with an enrollment of 4254 students, which is 226 students less than the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last ten years.

| FISCAL YEAR | STUDENT ENROLLMENT | PERCENT OF CHANGE |
|-------------|--------------------|-------------------|
| 2013 | 4254 | (5.61%) |
| 2012 | 4028 | (1.83%) |
| 2011 | 4103 | (.024%) |
| 2010 | 4104 | (1.11%) |
| 2009 | 4150 | .095% |
| 2008 | 4146 | .509% |
| 2007 | 4125 | (1.528%) |
| 2006 | 4189 | 3.177% |
| 2005 | 4060 | 1.525% |
| 2004 | 3999 | 6.131% |

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The School District is comprised of the Township of Gloucester and the Boroughs of Bellmawr and Runnemede. The District services pupils in grades nine through twelve in three high school facilities, Triton Regional High School, Highland Regional High School and Timber Creek High School.

Triton Regional High School, which was constructed in 1956, has received several additions, the latest taking place in 2000. The weight room addition was completed during the 1999-2000 school year. The school, which is located in the Borough of Runnemede, receives students residing in the communities of Runnemede, Bellmawr and the Glendora, Timberbirch, Broadmoor, Chews Landing, Hilltop, Pine Run and Catalina Hills sections of the Township of Gloucester. The functional capacity of Triton Regional High School is 1219; current enrollment is 1495.

Highland Regional High School, which was constructed in 1967, has received several additions, the latest taking place in 2000. The weight room addition was completed during the 1999-2000 school year. The school, which is located in the Township of Gloucester, receives students residing in Blenheim, Millbridge, Blackwood, and Cherrywood, Glen Oaks, Laurel Springs Gardens and Laurel Hills sections of the Township of Gloucester. The functional capacity of Highland Regional High School is 1285; current enrollment is 1264.

Timber Creek High School was constructed in 2001. The school, which is located in the Township of Gloucester, receives students residing in the Erial and Lambs Terrace sections of the Township of Gloucester. The functional capacity of Timber Creek High School is 1655; current enrollment is 1495.

The voters of the Regional District approved a 44.8 million dollar bond referendum in 1998, which provided one million dollars for Highland Regional High School and one million dollars for Triton High School for the installation of a fiber optic backbone and wiring of all classrooms for internet access as well as the purchase of additional computer hardware. The referendum also provided \$845,000 at Highland Regional High School for the construction of a weight room and field improvements. \$885,000 was provided for Triton Regional High School for the construction of a weight room and field improvement. The remaining balance of the \$44.8 million dollars was for the acquisition of additional land and the construction of Timber Creek High School. The initial facility was designed to house 1,500 students with core facilities designed to house 1,800 students. The new school opened to students September 2001.

The future outlook for District financing continues to depend primarily upon the ability and willingness of the Governor and State Legislature to provide funding and the availability of tax revenues to the State. State revenue is extremely sensitive to economic conditions, which in turn affects property taxes. Retail sale and use taxes, personal income taxes, bank and corporation taxes comprise more than 90% of the State's General Fund income.

The State implemented a new funding formula for the 2008-2009 school year which increased aid by 20%. The Board utilized \$3,000,000 to reduce the local property tax impact. During the 2009-2010 budget year, the Federal Government provided \$5,339,890 under the American Recovery and Reinvestment Act to stabilize local budgets during the economic downturn. These funds were also utilized during the 2010-2011 budget year. The State, in an effort to correct its own fiscal crisis, reduced local aid dollar for dollar of ARRA money received by the District. In 2011-2012, the District utilized federal funding from the Ed Jobs program in the amount of \$1,145,881.00 to maintain the budget. In 2012-2013, revenue was supported by a state aid increase of approximately \$1,800,000.00 and it was also the first year teachers participated in making health benefit contributions. However, the state aid increase was offset by the loss of federal Ed Jobs funding which had been provided during 2011-2012. For the 2013-2014 school year, we expect to receive SDA/ROD grant funds to assist in completing the planned capital projects. In looking forward toward 2014-2015, we are unsure whether state aid revenue will be maintained or altered in any way. This type of uncertainty causes us to carefully plan any additional capital projects that may be needed.

- 3) **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 is 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 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 part of the Districts 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.

- 4) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The object of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the General Fund, Special Revenue Fund and the Debt Service Fund. Project length budgets for capital improvements are accounted for in the Capital Projects Fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013.

- 5) **ACCOUNT SYSTEM AND REPORTS:** The Districts accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of fund and account groups. These funds and account groups are explained in Notes to the Financial Statements.
- 6) **CASH MANAGEMENT:** The funds, which the Board receives, are held in deposit with Beneficial Bank. State Aid is wired directly into the account twice a month. Other sources of revenue are deposited by the district on a daily basis. Interest is received on the funds residing in the District account.
- 7) **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, property, and contents and fidelity bonds.
- 8) **OTHER INFORMATION:**

INDEPENDENT AUDIT: State Statutes require an annual audit by an independent, certified public accountant or registered municipal accountant. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report of the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

9) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Black Horse Pike Regional School Board for their concern in providing fiscal information to the citizens and taxpayers of the school district and thereby secure their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and educational staff.

Respectfully submitted,



Dr. Brian Repici
Superintendent



Mrs. Jean Grubb
Board Secretary/Business Administrator

**ROSTER OF OFFICIALS
JUNE 30, 2013**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

| | | |
|------------------------|----------------|------|
| Mr. Kevin Bucceroni | President | 2014 |
| Mrs. Patricia Wilson | Vice-President | 2013 |
| Ms. Joyce W. Ellis | | 2014 |
| Mr. Louis Johnston | | 2013 |
| Mrs. Dawn Leary | | 2015 |
| Mr. Jay McMullin | | 2015 |
| Mr. Mark Schmitz | | 2013 |
| Mrs. Jennifer Storer | | 2015 |
| Mr. Benjamin L. Zanghi | | 2014 |

OTHER OFFICIALS

John F. Golden, Superintendent

Mrs. Jean Grubb, Board Secretary/Business Administrator

Dr. Brian Repici, Director of Curriculum

David C. Cappuccio Jr., Director of Special Services

Mrs. Janet Glover, Custodian of School Funds

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Architect

Garrison Architects
1400 F Commerce Parkway
Mt. Laurel, NJ 08054

Audit Firm

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

Attorney

John D. Wade
1250 Chews Landing Road
Laurel Springs, NJ 08021

Official Depository

Beneficial Bank
Cross Keys Road
Sicklerville, NJ 08081

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Black Horse Pike Regional School District
Blackwood, New Jersey

Report on the Financial Statements

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 Black Horse Pike Regional School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Black Horse Pike Regional School District in the County of Camden, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Black Horse Pike Regional School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2013 on our consideration of the Black Horse Pike Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Black Horse Pike Regional School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Michael D. Cesaro

Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
November 26, 2013

**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**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Black Horse Pike Regional School District
Blackwood, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Black Horse Pike Regional School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Black Horse Pike Regional School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Black Horse Pike Regional School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Black Horse Pike Regional School District's financial statements are free from 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 Administration and Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
November 26, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Black Horse Pike Regional School District

Management's Discussion and Analysis

Year Ended June 30, 2013

This section of the Black Horse Pike Regional School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. 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 transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) was a new element initiated as of June 30, 2003 as part of the 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 (2012-13) and the prior year (2011-12) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-13 fiscal year include the following:

- Net Position at June 30, 2013 for Governmental and Business-Type activities were \$42,073,090 and \$11,399 respectively.
- Net Position for both activities increased by \$6,853,984 from July 1, 2012 to June 30, 2013.
- The General Fund fund balance as of June 30, 2013 was \$10,606,837, an increase of \$1,209,768 when compared with the beginning balance as of July 1, 2012 of \$9,397,069.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

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

Table A-1

MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

| | Fund Financial Statements | | |
|---|--|---|---|
| | District-wide Statements | Governmental Funds | Proprietary Funds |
| Scope | Entire district (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation | Activities the district operates similar to private businesses: Food Service Fund |
| Required Financial Statements | Statements of net position | Balance sheet | Statement of net position |
| | Statement of activities | Statement of revenue, expenditures and changes in fund balances | Statement of revenue, expenses and changes in fund net assets |
| | | | Statement of cash flows |
| Accounting Basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, both financial and capital, and short-term and long-term |
| Type of inflow/outflow 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 revenue and expenses during the year, regardless of when cash is received or paid |

District-wide Statements

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

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

District-wide Statements (Cont'd)

The two district-wide statements report the Black Horse Pike Regional School District's net position and how they have changed. Net position – the difference between the district's assets and liabilities – are a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the district you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the district's activities are shown in two categories:

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or “major” funds – not the District as a whole. 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 uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, 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** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

**FINANCIAL ANALYSIS OF THE BLACK HORSE PIKE
REGIONAL SCHOOL DISTRICT AS A WHOLE**

Net Position. The District's net position for **governmental and business-type activities** were \$42,073,090 and \$11,399, respectively, as of June 30, 2013.
(See Table A-2).

| Table A-2 | | | | | | |
|---|--------------------------------|----------------------|---------------------------------|-----------------|----------------------|----------------------|
| Black Horse Pike Regional School District's Net Position | | | | | | |
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current and Other Assets | \$ 10,757,324 | \$ 10,061,642 | \$ 96,333 | \$ 76,148 | \$ 10,853,656 | \$ 10,137,790 |
| Capital Assets | <u>53,050,735</u> | <u>50,411,848</u> | | | <u>53,050,735</u> | <u>50,411,848</u> |
| Total Assets | <u>63,808,059</u> | <u>60,473,490</u> | <u>96,333</u> | <u>76,148</u> | <u>63,904,391</u> | <u>60,549,638</u> |
| Deferred Loss on Defeasance of Debt | <u>716,579</u> | | | | <u>716,579</u> | |
| Long-term Liabilities | 19,163,918 | 21,481,774 | 32,563 | 35,820 | 19,196,480 | 21,517,594 |
| Other Liabilities | <u>3,287,630</u> | <u>3,598,392</u> | <u>52,370</u> | <u>32,139</u> | <u>3,340,001</u> | <u>3,630,531</u> |
| Total Liabilities | <u>22,451,548</u> | <u>25,080,166</u> | <u>84,933</u> | <u>67,959</u> | <u>22,536,481</u> | <u>25,148,125</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 32,340,757 | 26,946,444 | | | 32,340,757 | 26,946,444 |
| Restricted | 9,661,778 | 8,035,900 | | | 9,661,778 | 8,035,900 |
| Unrestricted | <u>70,555</u> | <u>410,980</u> | <u>11,399</u> | <u>8,189</u> | <u>81,954</u> | <u>419,169</u> |
| Total Net Position | <u>\$ 42,073,090</u> | <u>\$ 35,393,324</u> | <u>\$ 11,399</u> | <u>\$ 8,189</u> | <u>\$ 42,084,490</u> | <u>\$ 35,401,513</u> |

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$8,005,864:
 - ✓ Charges for Services--\$812,213
 - ✓ Operating Grants & Contributions--\$7,193,651
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$65,762,569.
- Net Expenditures were \$58,908,585.
- Total District revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$42,084,490 as of June 30, 2013.
- General Revenues \$65,762,569 + Beginning assets \$35,401,513 – Net expenditures (\$58,908,585) – Cumulative Effects of Changes in Accounting Principles (\$171,007) = Net Position of \$42,084,490.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

Change in Net Position. Net position for **governmental and business-type activities** increased by \$6,853,984 from July 1, 2012 to June 30, 2013. (See Table A-3).

| Table A-3 | | | |
|--|----------------------|----------------------|-------------------------|
| Black Horse Pike Regional School District's Changes in Net Position | | | |
| | 2013 | 2012 | Increase/ (Decrease) |
| Revenues | | | |
| Program Revenues: | | | |
| Charges for services | \$ 812,213 | \$ 870,226 | \$ (58,013) |
| Operating grants and contributions | 7,193,651 | 6,385,280 | 808,371 |
| General Revenues: | | | |
| Property taxes | 30,132,072 | 30,147,597 | (15,525) |
| State and Federal Aid | 34,248,852 | 34,212,152 | 36,700 |
| Other | 1,381,644 | 1,278,195 | 103,449 |
| Total Revenues | 73,768,433 | 72,893,450 | 874,983 |
| Expenses | | | |
| Governmental Activities: | | | |
| Instruction: | | | |
| Regular | 17,872,092 | 17,270,110 | 601,982 |
| Special Education | 3,935,878 | 4,210,011 | (274,133) |
| Other Special Instruction | 519,390 | 490,868 | 28,522 |
| Other Instruction | 2,152,191 | 1,907,903 | 244,288 |
| Support Services: | | | |
| Tuition | 4,125,976 | 3,962,762 | 163,214 |
| Student & Instruction Related Services | 6,771,601 | 6,597,713 | 173,888 |
| School Administrative Services | 2,532,236 | 2,446,231 | 86,005 |
| General & Business Administrative Services | 1,898,881 | 1,711,805 | 187,076 |
| Plant Operations and Maintenance | 5,627,922 | 5,732,930 | (105,008) |
| Pupil Transportation | 3,376,356 | 3,182,707 | 193,649 |
| Unallocated Benefits | 9,989,584 | 11,002,796 | (1,013,212) |
| Reimbursed TPAF and Social Security | 4,873,562 | 4,074,074 | 799,488 |
| Special Schools | 155,696 | 160,144 | (4,448) |
| Transfer to Charter Schools | 47,865 | | 47,865 |
| Interest on Long-term Debt | 994,208 | 1,085,726 | (91,518) |
| Amortization of Bond Issuance Costs | | 21,376 | (21,376) |
| Unallocated Depreciation | 652,428 | 611,737 | 40,691 |
| Total Expenses - Governmental Activities | 65,525,865 | 64,468,893 | 1,056,972 |
| Business-Type Activities: | | | |
| Food Service | 1,388,584 | 1,429,538 | (40,954) |
| Total Expenses - Business-Type Activities | 1,388,584 | 1,429,538 | (40,954) |
| Total Expenses | 66,914,450 | 65,898,431 | 1,016,019 |
| Increase/(Decrease) in Net Position | 6,853,984 | 6,995,019 | (141,035) |
| Net Position, 7/1 | 35,401,513 | 28,406,494 | 6,995,019 |
| Prior Period | | | |
| Adjustment (Note 20) | (171,007) | | (171,007) |
| Net Position, 7/1 (Restated) | 35,230,506 | 28,406,494 | 6,824,012 |
| Net Position, 6/30 | \$ 42,084,490 | \$ 35,401,513 | \$ 6,682,977 |

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

Total revenues for the District were \$73,768,433. Government funding was the source of 46.43% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$30,132,072 provided 40.85% of revenues, a decrease from 41.36% in 2012.

Other miscellaneous revenues of \$1,381,644 represent 1.87% of the district revenues. The largest source is transportation billings with \$571,000 earned in 2012-13.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$28,605,527 (43.66%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$10,147,956 (15.49%) of total expenditures. (See Table A-3).

Total revenues exceeded expenditures for governmental activities, increasing net position \$6,850,773 from the beginning balance as of July 1, 2012.

The District's net cost of services for governmental activities was \$58,910,380 for the year ended June 30, 2013. (See Table A-4).

| Table A-4 | | |
|---|-----------------------------------|---------------------------------|
| Black Horse Pike Regional School District's Net Cost of Governmental Activities For the Year Ended June 30, 2013 | | |
| | Total Cost of Services | Net Cost of Services |
| Governmental Activities: | | |
| Instruction: | | |
| Regular | \$ 17,872,092 | \$ 16,918,063 |
| Special Education | 3,935,878 | 3,935,878 |
| Other Special Instruction | 519,390 | 519,390 |
| Other Instruction | 2,152,191 | 2,152,191 |
| Support Services: | | |
| Tuition | 4,125,976 | 4,125,976 |
| Student & Instruction Related Services | 6,771,601 | 6,366,543 |
| School Administrative Services | 2,532,236 | 2,532,236 |
| General & Business Administrative Services | 1,898,881 | 1,898,881 |
| Plant Operations and Maintenance | 5,627,922 | 5,627,922 |
| Pupil Transportation | 3,736,356 | 3,376,356 |
| Unallocated Benefits | 9,989,584 | 9,989,584 |
| Reimbursed TPAF and Social Security | 4,873,562 | |
| Special Schools | 155,696 | 155,696 |
| Transfer to Charter Schools | 47,865 | 47,865 |
| Interest on Long-term Debt | 994,208 | 611,372 |
| Unallocated Depreciation | 652,428 | 652,428 |
| | \$ 65,885,865 | \$ 58,910,380 |
| Total Governmental Activities | \$ 65,885,865 | \$ 58,910,380 |

Activity Descriptions

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from student activities as provided by State law and Board Policy.

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt and amortization of bond issuance costs involve the transactions associated with the payment of interest and other related charges to the debt of the District.

Unallocated depreciation is used to report the depreciation expense on capital assets whose use cannot be specifically identified to one particular function.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Black Horse Pike Regional School District as a whole is also reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$10,614,409. As of June 30, 2012, the fund balance was \$9,404,638.

All governmental funds had total revenues of \$72,376,638 and total expenditures of \$71,166,867.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the District in providing educational services to students at the three high schools and includes pupil transportation activities and capital outlay projects.

The following schedule (Table A-5) presents a summary of General Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

| Table A-5 | | | | |
|--|-------------------------------------|-------------------------------------|--|--|
| Black Horse Pike Regional School District | | | | |
| Summary of General Fund Revenues | | | | |
| | Year Ended June 30, 2013 | Year Ended June 30, 2012 | Amount of Increase (Decrease) | Percent Increase (Decrease) |
| Local Sources: | | | | |
| Local Tax Levy | \$ 27,985,704 | \$ 27,985,704 | | |
| Tuition | 314,309.77 | 167,376 | \$ 146,934 | 87.8% |
| Transportation | 571,000 | 571,000 | | |
| Miscellaneous | 494,919 | 537,092 | (42,173) | -7.9% |
| Total - Local Sources | <u>29,365,933</u> | <u>29,261,172</u> | <u>104,761</u> | <u>0.36%</u> |
| State Sources | 37,855,465 | 36,063,237 | 1,792,228 | 5.0% |
| Federal Sources | 49,756 | 1,199,346 | (1,149,590) | -95.9% |
| Total - Govt Sources | <u>37,905,221</u> | <u>37,262,583</u> | <u>642,638</u> | <u>1.7%</u> |
| Total Revenues | <u>\$ 67,271,154</u> | <u>\$ 66,523,755</u> | <u>\$ 747,399</u> | <u>1.1%</u> |

A significant source of funding for the district is received from local property taxes that accounted for 41.60% of total revenues. State aid is the primary source of funding for the district and accounted for 56.27% of total revenues.

Total General Fund revenues increased by \$747,399 or 1.1% from the previous year due in large part to an increase in state aid provided during 2012-2013. The increase in state aid was offset by the loss of Federal Education Jobs funding which had been provided during 2011-2012.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

The following schedule (Table A-6) presents a summary of General Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

| Table A-6 | | | | |
|--|---|---|--|--|
| Black Horse Pike Regional School District | | | | |
| Summary of General Fund Expenditures | | | | |
| | <u>Year Ended</u> <u>June 30, 2013</u> | <u>Year Ended</u> <u>June 30, 2012</u> | <u>Amount of</u> <u>Increase</u> <u>(Decrease)</u> | <u>Percent</u> <u>Increase</u> <u>(Decrease)</u> |
| Current: | | | | |
| Regular Instruction | \$ 16,103,028 | \$ 15,853,687 | \$ 249,341 | 1.6% |
| Special Education Instruction | 3,935,878 | 4,210,011 | (274,133) | -6.5% |
| Other Special Instruction | 519,390 | 490,868 | 28,522 | 5.8% |
| Other Instruction | 2,070,433 | 1,832,017 | 238,416 | 13.0% |
| Support Services and Undistributed Costs: | | | | |
| Tuition | 4,125,976 | 3,962,762 | 163,214 | 4.1% |
| Student & Instruction Related Services | 6,366,543 | 5,941,879 | 424,664 | 7.1% |
| School Administrative Services | 2,532,236 | 2,446,231 | 86,005 | 3.5% |
| Other Administrative Services | 1,541,061 | 1,420,256 | 120,805 | 8.5% |
| Plant Operations and Maintenance | 5,606,147 | 5,712,547 | (106,400) | -1.9% |
| Pupil Transportation | 3,376,356 | 3,182,707 | 193,649 | 6.1% |
| Unallocated Employee Benefits | 10,228,198 | 11,037,206 | (809,008) | -7.3% |
| Reimbursed TPAF Pension & SS | 4,873,562 | 4,074,074 | 799,488 | 19.6% |
| Special Schools | 155,696 | 160,144 | (4,448) | -2.8% |
| Transfer to Charter School | 47,865 | | 47,865 | |
| Capital Outlay | 4,379,017 | 892,572 | 3,486,445 | 390.6% |
| Total Expenditures | <u><u>\$ 65,861,386</u></u> | <u><u>\$ 61,216,961</u></u> | <u><u>\$ 4,644,425</u></u> | <u><u>7.6%</u></u> |

Total General Fund expenditures increased \$4,644,425 or 7.6% from the previous year. This increase was due primarily to an increase in Capital Outlay expenditures during the 2012-2013 school year.

The Black Horse Pike Regional School District utilizes its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets and provide tax relief were \$4,074,840 for the 2012-13 school year and \$3,850,618 for the 2013-14 school year.

The District has continued the practice of returning surplus funds to taxpayers in the subsequent budget years. However, in June of 2004 the State of New Jersey passed legislation (SR1701) that weakened the financial position of all school districts. The legislation immediately reduced fund balance to a maximum of 3% as of June 30, 2004 and a maximum of 2% as of June 30, 2005 and each year thereafter. The District is left with a fund balance that could result in a negative cash flow during summer months if local taxes, federal and state aid are not received in a timely manner.

During the course of fiscal year 2013 the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$3,746,397, of which \$2,146,368 in funding was provided by the local tax levy and \$1,600,029 was received as aid from the State.

FOOD SERVICE FUND

The Food Service Fund had net position of \$11,399 as of June 30, 2013. This reflects an increase of \$3,211 from June 30, 2012.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of fiscal year 2013, the District had capital assets with a book value of \$53,053,735. This consists of a broad range of capital assets, including land, school buildings, computer and audio-visual equipment, administrative offices, and construction in progress for renovations at various schools within the District. (See Table A-7). Total depreciation expense for the year was \$1,925,816.

| Table A-7 | | | | | | |
|---|-------------------------|----------------------|--------------------------|----------------|----------------------|----------------------|
| Black Horse Pike Regional School District's Capital Assets | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Land | \$ 1,252,903 | \$ 1,252,903 | | | \$ 1,252,903 | \$ 1,252,903 |
| Construction in Progress | 3,711,024 | 3,711,024 | | | 3,711,024 | 3,711,024 |
| Buildings & Improvements | 66,325,375 | 62,688,114 | | | 66,325,375 | 62,688,114 |
| Equipment | 13,348,475 | 12,418,033 | \$ 595,333 | \$ 595,333 | 13,943,807 | 13,013,366 |
| Total Capital Assets | 84,637,777 | 80,070,074 | 595,333 | 595,333 | 85,233,109 | 80,665,407 |
| Less: Accumulated Depreciation | (31,584,042) | (29,658,226) | (595,333) | (595,333) | (32,179,375) | (30,253,559) |
| Net Capital Assets | \$ 53,053,735 | \$ 50,411,848 | \$ - | \$ - | \$ 53,053,735 | \$ 50,411,848 |

Long-term Obligations

At year-end, the District had \$21,372,000 in general obligation bonds outstanding, a decrease of \$2,850,000 from last year. (See Table A-8).

There were no obligations under Capital Leases as of June 30, 2013. The District also had a \$811,414 general liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement. The liability for Compensated Absences was calculated utilizing an expected retirement age of 55, which is the minimum retirement age with 25 years of service. In the future, this calculation will be revised as new pension laws are enacted, effecting minimum retirement age.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2013

| Black Horse Pike Regional School District Long Term Debt Schedule | | | | |
|--|-------------------------------------|-------------------------------------|--|--|
| Governmental Activity | Year Ended June 30, 2013 | Year Ended June 30, 2012 | Amount of Increase (Decrease) | Percent Increase (Decrease) |
| General Obligation Bonds Payable | \$ 21,372,000 | \$ 24,222,000 | \$ (2,850,000) | -11.8% |
| Compensated Absences | 811,414 | 1,050,028 | (238,614) | -22.7% |
| Total | \$ 22,183,414 | \$ 25,272,028 | \$ (3,088,614) | -12.2% |

THE FUTURE OUTLOOK

For the 2013-2014 budget year, the Governor has implemented financial measures to cope with the State of New Jersey's growing budget deficit. The result of these measures allowed State Aid for the Black Horse Pike Regional School District to increase slightly for the 2013-2014 budget year. We were able to financially stabilize the District through the appropriation of District reserves and a freeze in District spending during the 2012-2013 school year.

The District now must function within a 2% cap on the tax levy, with limited exceptions.

In order to meet this challenge, we must implement a comprehensive solution which will have a significant impact on the way in which our District will function in the future. With input from the community, we must clearly establish the core services the District must provide to our students to ensure a superior education. We must challenge the community to define the overall educational environment they desire for their children.

Notwithstanding the adoption of the fiscal plan for 2014-2015, the 2015-2016 budget will require continued fiscal austerity, especially in the area of negotiations and discretionary spending. The actions required to move the District into compliance with the new economic parameters and maintain a quality education are significant, but achievable.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Jean Grubb, Board Secretary/Business Administrator at: Black Horse Pike Regional School District, 580 Erial Road, Blackwood, New Jersey 08012.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2013

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------------|----------------------------|-----------------------------|-------------------------|
| ASSETS: | | | |
| Cash and Cash Equivalents | \$ 3,502,445.77 | \$ 39,870.69 | \$ 3,542,316.46 |
| Receivables, net | 3,642,853.68 | 40,529.81 | 3,683,383.49 |
| Inventory | | 15,932.01 | 15,932.01 |
| Restricted Assets: | | | |
| Restricted Cash and Cash Equivalents | 68,625.83 | | 68,625.83 |
| Capital Reserve Account - Cash | 3,543,398.61 | | 3,543,398.61 |
| Capital Assets, net (Note 6) | <u>53,050,734.89</u> | | <u>53,050,734.89</u> |
| Total Assets | <u>63,808,058.78</u> | <u>96,332.51</u> | <u>63,904,391.29</u> |
| DEFERRED OUTFLOW OF RESOURCES: | | | |
| Deferred Loss on Defeasance of Debt | <u>716,579.36</u> | | <u>716,579.36</u> |
| LIABILITIES: | | | |
| Accounts Payable | 108,693.38 | | 108,693.38 |
| Interfunds Payable | 1,883.84 | 52,370.41 | 54,254.25 |
| Accrued Interest | 70,661.99 | | 70,661.99 |
| Unearned Revenue | 32,337.44 | | 32,337.44 |
| Noncurrent Liabilities (Note 7): | | | |
| Due within One Year | 3,074,053.77 | | 3,074,053.77 |
| Due beyond One Year | <u>19,163,917.53</u> | <u>32,562.73</u> | <u>19,196,480.26</u> |
| Total Liabilities | <u>22,451,547.95</u> | <u>84,933.14</u> | <u>22,536,481.09</u> |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 32,340,756.81 | | 32,340,756.81 |
| Restricted for: | | | |
| Debt Service | 6.37 | | 6.37 |
| Capital Projects | 3,550,964.61 | | 3,550,964.61 |
| Other Purposes | 6,110,807.41 | | 6,110,807.41 |
| Unrestricted | <u>70,554.99</u> | <u>11,399.37</u> | <u>81,954.36</u> |
| Total Net Position | <u>\$ 42,073,090.19</u> | <u>\$ 11,399.37</u> | <u>\$ 42,084,489.56</u> |

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

| Functions / Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|-------------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 17,872,091.73 | | \$ 954,029.07 | | \$ (16,918,062.66) | | \$ (16,918,062.66) |
| Special Education | 3,935,878.26 | | | | (3,935,878.26) | | (3,935,878.26) |
| Other Special Instruction | 519,389.96 | | | | (519,389.96) | | (519,389.96) |
| Other Instruction | 2,152,190.75 | | | | (2,152,190.75) | | (2,152,190.75) |
| Support Services: | | | | | | | |
| Tuition | 4,125,976.02 | | | | (4,125,976.02) | | (4,125,976.02) |
| Student and Instruction Related Services | 6,771,600.52 | | 405,057.74 | | (6,366,542.78) | | (6,366,542.78) |
| School Administrative Services | 2,532,236.45 | | | | (2,532,236.45) | | (2,532,236.45) |
| General and Business Administrative Services | 1,898,880.64 | | | | (1,898,880.64) | | (1,898,880.64) |
| Plant Operations and Maintenance | 5,627,922.11 | | | | (5,627,922.11) | | (5,627,922.11) |
| Pupil Transportation | 3,376,355.77 | | | | (3,376,355.77) | | (3,376,355.77) |
| Unallocated Benefits | 9,989,584.25 | | | | (9,989,584.25) | | (9,989,584.25) |
| Reimbursed TPAF and Social Security | 4,873,561.53 | | 4,873,561.53 | | | | |
| Special Schools | 155,695.84 | | | | (155,695.84) | | (155,695.84) |
| Transfer to Charter Schools | 47,865.00 | | | | (47,865.00) | | (47,865.00) |
| Interest on Long-Term Debt | 994,208.31 | | 382,836.43 | | (611,371.88) | | (611,371.88) |
| Unallocated Depreciation | 652,428.06 | | | | (652,428.06) | | (652,428.06) |
| Total Governmental Activities | 65,525,865.20 | | 6,615,484.77 | | (58,910,380.43) | | (58,910,380.43) |
| Business-Type Activities: | | | | | | | |
| Food Service | 1,388,584.43 | \$ 812,213.43 | 578,166.19 | | | \$ 1,795.19 | 1,795.19 |
| Total Business-Type Activities | 1,388,584.43 | 812,213.43 | 578,166.19 | | | 1,795.19 | 1,795.19 |
| Total Primary Government | \$ 66,914,449.63 | \$ 812,213.43 | \$ 7,193,650.96 | - | (58,910,380.43) | 1,795.19 | (58,908,585.24) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes, Levied for General Purposes, net | | | | | 27,985,704.00 | | 27,985,704.00 |
| Taxes Levied for Debt Service | | | | | 2,146,368.00 | | 2,146,368.00 |
| Federal and State Aid not Restricted | | | | | 33,031,659.91 | | 33,031,659.91 |
| Federal and State Aid Restricted | | | | | 1,217,192.57 | | 1,217,192.57 |
| Tuition Received | | | | | 314,309.77 | | 314,309.77 |
| Transportation | | | | | 571,000.00 | | 571,000.00 |
| Miscellaneous Income | | | | | 494,918.92 | 1,415.60 | 496,334.52 |
| Total General Revenues, Special Items, Extraordinary Items and Transfers | | | | | 65,761,153.17 | 1,415.60 | 65,762,568.77 |
| Change in Net Position | | | | | 6,850,772.74 | 3,210.79 | 6,853,983.53 |
| Net Position -- July 1 | | | | | 35,393,324.17 | 8,188.58 | 35,401,512.75 |
| Cumulative Effects of Changes in Accounting Principles (See Note #18) | | | | | (171,006.72) | | (171,006.72) |
| Net Position -- July 1 (Restated) | | | | | 35,222,317.45 | 8,188.58 | 35,230,506.03 |
| Net Position -- June 30 | | | | | \$ 42,073,090.19 | \$ 11,399.37 | \$ 42,084,489.56 |

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

FUND FINANCIAL STATEMENTS

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|-------------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| ASSETS: | | | | | |
| Cash and Cash Equivalents | \$ 3,502,445.77 | \$ 63,902.64 | \$ 4,716.82 | \$ 6.37 | \$ 3,571,071.60 |
| Capital Reserve Account - Cash | 3,543,398.61 | | | | 3,543,398.61 |
| Receivables, net: | | | | | |
| Interfund Receivable: | | | | | |
| Special Revenue Fund | 310,104.78 | | | | 310,104.78 |
| Enterprise Fund | 52,370.41 | | | | 52,370.41 |
| Capital Projects Fund | 75,657.55 | | | | 75,657.55 |
| Receivables from Other Governments: | | | | | |
| Federal Government | 2,860.00 | 298,720.16 | | | 301,580.16 |
| State of New Jersey | 437,459.76 | | 125,554.23 | | 563,013.99 |
| Local Governments - Tax Levy | 2,261,529.00 | | | | 2,261,529.00 |
| Local Governments - Transportation | 398,121.01 | | | | 398,121.01 |
| Other LEAs - Tuition | 66,239.11 | | | | 66,239.11 |
| Total Assets | \$ 10,650,186.00 | \$ 362,622.80 | \$ 130,271.05 | \$ 6.37 | \$ 11,143,086.22 |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 41,465.30 | \$ 20,180.58 | \$ 47,047.50 | | \$ 108,693.38 |
| Interfund Payable: | | | | | |
| General Fund | | 310,104.78 | 75,657.55 | | 385,762.33 |
| Unemployment Fund | 1,883.84 | | | | 1,883.84 |
| Unearned Revenue | | 32,337.44 | | | 32,337.44 |
| Total Liabilities | 43,349.14 | 362,622.80 | 122,705.05 | | 528,676.99 |
| Fund Balances: | | | | | |
| Restricted: | | | | | |
| Debt Service | | | | \$ 6.37 | 6.37 |
| Capital Projects | | | 7,566.00 | | 7,566.00 |
| Capital Reserve | 3,543,398.61 | | | | 3,543,398.61 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 3,850,617.99 | | | | 3,850,617.99 |
| Assigned: | | | | | |
| Reserve for Encumbrances | 2,260,189.41 | | | | 2,260,189.41 |
| Subsequent Year's Expenditure | 0.01 | | | | 0.01 |
| Unassigned | 952,630.84 | | | | 952,630.84 |
| Total Fund Balances (Deficit) | 10,606,836.86 | | 7,566.00 | 6.37 | 10,614,409.23 |
| Total Liabilities and Fund Balances | \$ 10,650,186.00 | \$ 362,622.80 | \$ 130,271.05 | \$ 6.37 | |

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$84,637,776.89 and the accumulated depreciation is \$31,587,041.80. 53,050,734.89

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. (22,237,971.30)

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds. 716,579.36

Interest on long term debt is accrued on the Statement of Net Assets regardless when due. (70,661.99)

Net position of governmental activities \$ 42,073,090.19

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES: | | | | | |
| Local Tax Levy | \$ 27,985,704.00 | | | \$ 2,146,368.00 | \$ 30,132,072.00 |
| Tuition Charges | 314,309.77 | | | | 314,309.77 |
| Transportation | 571,000.00 | | | | 571,000.00 |
| Miscellaneous | 494,918.92 | \$ 7,243.05 | | | 502,161.97 |
| State Sources | 37,855,465.09 | | | 1,600,029.00 | 39,455,494.09 |
| Federal Sources | 49,756.35 | 1,351,843.76 | | | 1,401,600.11 |
| | <u>67,271,154.13</u> | <u>1,359,086.81</u> | | <u>3,746,397.00</u> | <u>72,376,637.94</u> |
| Total Revenues | | | | | |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Regular Instruction | 16,103,027.66 | 954,029.07 | | | 17,057,056.73 |
| Special Education Instruction | 3,935,878.26 | | | | 3,935,878.26 |
| Other Special Instruction | 519,389.96 | | | | 519,389.96 |
| Other Instruction | 2,070,433.25 | | | | 2,070,433.25 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 4,125,976.02 | | | | 4,125,976.02 |
| Student and Instruction Related Services | 6,366,542.78 | 405,057.74 | | | 6,771,600.52 |
| School Administrative Services | 2,532,236.45 | | | | 2,532,236.45 |
| Other Administrative Services | 1,541,061.13 | | | | 1,541,061.13 |
| Plant Operations and Maintenance | 5,606,146.80 | | | | 5,606,146.80 |
| Pupil Transportation | 3,376,355.77 | | | | 3,376,355.77 |
| Unallocated Benefits | 10,228,198.39 | | | | 10,228,198.39 |
| Reimbursed TPAF Pension and Social Security | 4,873,561.53 | | | | 4,873,561.53 |
| Special Schools | 155,695.84 | | | | 155,695.84 |
| Transfer to Charter School | 47,865.00 | | | | 47,865.00 |
| Debt Service: | | | | | |
| Principal | | | | 2,850,000.00 | 2,850,000.00 |
| Interest and Other Charges | | | | 896,393.76 | 896,393.76 |
| Capital Outlay | 4,379,017.46 | | \$ 200,000.00 | | 4,579,017.46 |
| | <u>65,861,386.30</u> | <u>1,359,086.81</u> | <u>200,000.00</u> | <u>3,746,393.76</u> | <u>71,166,866.87</u> |
| Total Expenditures | | | | | |
| Excess (Deficiency) of Revenues over Expenditures | <u>1,409,767.83</u> | | <u>(200,000.00)</u> | <u>3.24</u> | <u>1,209,771.07</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| OTHER FINANCING SOURCES (USES): | | | | | |
| Operating Transfers: | | | | | |
| Capital Projects Fund/Capital Reserve | (200,000.00) | | 200,000.00 | | |
| Total Other Financing Sources and Uses | (200,000.00) | | 200,000.00 | | |
| Net Change in Fund Balances | \$ 1,209,767.83 | | | \$ 3.24 | \$ 1,209,771.07 |
| Fund Balance -- July 1 | 9,397,069.03 | | 7,566.00 | 3.13 | 9,404,638.16 |
| Fund Balance -- June 30 | <u>\$ 10,606,836.86</u> | <u>\$ -</u> | <u>\$ 7,566.00</u> | <u>\$ 6.37</u> | <u>\$ 10,614,409.23</u> |

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2013

| | | |
|---|--------------------|------------------------|
| Total Net Change in Fund Balances - Governmental Funds | | \$ 1,209,771.07 |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> | | |
| <p>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.</p> | | |
| Depreciation Expense | \$ (1,928,815.38) | |
| Capital Outlays | 4,579,017.46 | |
| Debt Service Assessment Charged to Capital Outlay | <u>(11,315.00)</u> | |
| | | 2,638,887.08 |
| <p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p> | | |
| | | 2,850,000.00 |
| <p>The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> | | |
| | | (94,574.55) |
| <p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)</p> | | |
| | | 8,075.00 |
| <p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p> | | |
| | | 238,614.14 |
| | | <u>6,850,772.74</u> |
| Change in Net Position of Governmental Activities | | <u>\$ 6,850,772.74</u> |

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2013

| | <u>Business-Type Activities - Enterprise Funds</u> |
|------------------------------------|--|
| | <u>Food Service</u> |
| ASSETS: | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 39,870.69 |
| Accounts Receivable: | |
| State | 840.19 |
| Federal | 39,689.62 |
| Inventories | <u>15,932.01</u> |
| Total Current Assets | <u>96,332.51</u> |
| Noncurrent Assets: | |
| Furniture, Machinery and Equipment | 595,332.74 |
| Less Accumulated Depreciation | <u>(595,332.74)</u> |
| Total Noncurrent Assets | <u> </u> |
| Total Assets | <u>96,332.51</u> |
| LIABILITIES : | |
| Current Liabilities: | |
| Interfund Accounts Payable: | |
| Due General Fund | <u>52,370.41</u> |
| Total Current Liabilities | <u>52,370.41</u> |
| Noncurrent Liabilities: | |
| Compensated absences | <u>32,562.73</u> |
| Total Noncurrent Liabilities | <u>32,562.73</u> |
| Total Liabilities | <u>84,933.14</u> |
| NET POSITION: | |
| Unrestricted | <u>11,399.37</u> |
| Total Net Position | <u>\$ 11,399.37</u> |

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

| | Business-Type Activities - Enterprise Funds |
|---|---|
| | <u>Food Service</u> |
| OPERATING REVENUES: | |
| Charges for Services: | |
| Daily Sales - Reimbursable Programs | \$ 334,335.70 |
| Daily Sales - Non-Reimbursable Programs | 419,959.40 |
| Special Functions | 57,918.33 |
| Total Operating Revenues | 812,213.43 |
| OPERATING EXPENSES: | |
| Salaries | 597,324.55 |
| Employee Benefits | 227,017.58 |
| Miscellaneous | 7,500.00 |
| Cost of Sales | 556,742.30 |
| Total Operating Expenses | 1,388,584.43 |
| Operating Income (Loss) | (576,371.00) |
| NONOPERATING REVENUES: | |
| State Sources: | |
| State School Lunch Program | 15,974.95 |
| Federal Sources: | |
| National School Lunch Program | 408,754.35 |
| National School Breakfast Program | 88,025.49 |
| Food Distribution Program | 65,411.40 |
| Interest and Investment Revenue | 1,415.60 |
| Total Nonoperating Revenues | 579,581.79 |
| Change in Net Position | 3,210.79 |
| Total Net Position -- July 1 | 8,188.58 |
| Total Net Position -- June 30 | \$ 11,399.37 |

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

| | <u>Business-Type Activities - Enterprise Funds</u> |
|--|--|
| | <u>Food Service</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from Customers | \$ 812,213.43 |
| Payments to Employees | (576,060.72) |
| Payments for Employee Benefits | (230,274.85) |
| Payments to Vendors | <u>(501,221.95)</u> |
| Net Cash Provided by (used for) Operating Activities | <u>(495,344.09)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | |
| State Sources | 15,701.18 |
| Federal Sources | <u>482,095.66</u> |
| Net Cash Provided by (used for) Non-Capital Financing Activities | <u>497,796.84</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest and Dividends | <u>1,415.60</u> |
| Net Cash Provided by (used for) Investing Activities | <u>1,415.60</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 3,868.35 |
| Balances -- July 1 | <u>36,002.34</u> |
| Balances -- June 30 | <u><u>\$ 39,870.69</u></u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) | |
| by Operating Activities: | |
| Operating Income (Loss) | \$ (576,371.00) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash | |
| Provided by (used for) Operating Activities: | |
| Food Distribution Program | 65,411.40 |
| (Increase) Decrease in Other Accounts Receivable | (1,358.45) |
| (Increase) Decrease in Inventories | (1,358.45) |
| (Increase) Decrease in Refund Receivable | 20,231.23 |
| Increase (Decrease) in Accounts Payable | (3,257.27) |
| Increase (Decrease) in Other Current Liabilities | <u>(3,257.27)</u> |
| Total Adjustments | <u>81,026.91</u> |
| Net Cash Provided by (used for) Operating Activities | <u><u>\$ (495,344.09)</u></u> |

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2013

| | <u>Trust Funds</u> | <u>Agency Funds</u> | |
|--|--|----------------------|--------------------|
| | Unemployment Compensation <u>Trust</u> | Student Activity | <u>Payroll</u> |
| ASSETS: | | | |
| Cash and Cash Equivalents | \$ 678,639.97 | \$ 562,874.95 | \$ 2,787.18 |
| Interfund Accounts Receivable: | | | |
| Due from General Fund | 1,883.84 | | |
| Total Assets | <u>680,523.81</u> | <u>\$ 562,874.95</u> | <u>\$ 2,787.18</u> |
| LIABILITIES: | | | |
| Accounts Payable | \$ 9,654.17 | | |
| Payable to Student Groups | | \$ 562,874.95 | |
| Payroll Deductions and Withholdings | | | \$ 2,787.18 |
| Total Liabilities | <u>9,654.17</u> | <u>\$ 562,874.95</u> | <u>\$ 2,787.18</u> |
| NET POSITION: | | | |
| Held in Trust for Unemployment Claims | <u>\$ 670,869.64</u> | | |

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

| | Unemployment Compensation <u>Trust</u> |
|-------------------------|--|
| ADDITIONS: | |
| Board Contributions | \$ - |
| Payroll Deductions | 43,281.13 |
| Total Contributions | <u>43,281.13</u> |
| Investment earnings: | |
| Interest | <u>1,659.37</u> |
| Net Investment Earnings | <u>1,659.37</u> |
| Total Additions | <u>44,940.50</u> |
| DEDUCTIONS: | |
| Unemployment Claims | <u>54,572.83</u> |
| Total Deductions | <u>54,572.83</u> |
| Change in Net Position | (9,632.33) |
| Net Position -- July 1 | <u>680,501.97</u> |
| Net Position -- June 30 | <u><u>\$ 670,869.64</u></u> |

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Black Horse Pike Regional School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades 9 through 12 at its three high schools. The School District has an approximate enrollment at June 30, 2013 of 4,254.

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

Component Units

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented (discretely presented, blended, or included in the fiduciary fund financial statements).

Based on the aforementioned, the School District has determined that no component units exist for the fiscal year ended June 30, 2013.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - The School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

The governmental funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The proprietary fund is accounted for on an "economic resources" measurement focus. Accordingly, statement of revenues, expenses and changes in fund net position for the proprietary fund reports increases and decreases in total economic worth. The private-purpose trust fund is reported using the economic resources measurement focus.

Governmental Funds - Governmental funds are those through which most School District functions are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities, except those accounted for in the proprietary fund and fiduciary funds, are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the School District's major governmental funds:

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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

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

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2013 is considered to be attributable to Ed Jobs. Ed Jobs expenditures during the fiscal year ended June 30, 2013 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

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

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

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District maintains the following enterprise fund:

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Fund Financial Statements (Cont'd)****Fiduciary Funds**

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e. both available and measurable. "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. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The School District considers all revenues, with the exception of the expenditure-driven grants, as available if they are collected within sixty (60) days after fiscal year-end. The expenditure driven grants are considered available if received within one fiscal year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at fiscal year end when revenue is recognized for taxes received by the School District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due / paid.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Basis of Accounting (Cont'd)**

Modified Accrual (Cont'd) - In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the School District will receive any amounts; therefore, revenues are recognized based on the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In cases where monies are received and all eligibility requirements, including timing, have been satisfied, but the occurrence of expenditure has yet to happen, amounts are reported as unearned revenue. Conversely, where monies are received but eligibility requirements, including timing, have yet to be satisfied, such amounts are reported as deferred inflows of resources.

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Revenue Recognition

Property Taxes - Ad valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

Formal budgetary integration into the accounting system is employed as a management control device during the 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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments**

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

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

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

Inventories

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 20__.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

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

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. An expenditure is recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

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

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011. The School District does not have any SCAs and therefore the adoption of GASBS 60 does not have any impact on the School District's financial statements.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The School District elected to early implement GASBS 61 effective for fiscal year 2013. The adoption of GASBS 61, however, does not have any impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)**

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011. The adoption of GASBS 62 does not have any impact on the School District's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This Statement is effective for financial statements for periods beginning after December 15, 2011. The adoption of GASBS 63, however, does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65 materially affected the classification of several balances on the statement of net position. (See Note #19)

Recently Issued Accounting Pronouncements

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2013, the School District's bank balances of \$12,435,060.40 were exposed to custodial credit risk as follows:

| | |
|--|--------------------------------|
| Uninsured and uncollateralized | \$ 1,453,501.48 |
| Collateralized by securities held by the pledging financial institution | 250,000.00 |
| Collateralized by securities held by the pledging financial institution's trust department or agent but not in the depositor- government's name | <u>10,731,558.92</u> |
| Total | <u><u>\$ 12,435,060.40</u></u> |

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

| | | |
|----------------------------------|-----------------|-------------------------------|
| Beginning Balance July 1, 2012 | | \$ 742,317.16 |
| Increased by: | | |
| FY 13 Deposits: | | |
| Board Resolution {6/27/13} | \$ 3,000,000.00 | |
| Interest Earnings | <u>1,081.45</u> | |
| | | 3,001,081.45 |
| Decreased by: | | |
| Withdrawals: | | |
| Transfer to Capital Project Fund | | <u>200,000.00</u> |
| Ending Balance June 30, 2013 | | <u><u>\$ 3,543,398.61</u></u> |

The June 30, 2013 LRFP balance of local support costs of uncompleted projects at June 30, 2013 is \$58,320,639.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Proprietary Fund</u> | <u>Total</u> |
|-------------------|-------------------------|-------------------------------------|--------------------------------------|-----------------------------|------------------------|
| Intergovernmental | \$ 3,166,208.88 | \$ 298,720.16 | \$ 125,554.23 | \$ 40,529.81 | \$ 3,631,013.08 |
| Other | | | | | - |
| Total | <u>\$ 3,166,208.88</u> | <u>\$ 298,720.16</u> | <u>\$ 125,554.23</u> | <u>\$ 40,529.81</u> | <u>\$ 3,631,013.08</u> |

Note 5: INVENTORY

Inventory recorded at June 30, 2013 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

| | |
|----------|----------------------------|
| Food | \$ 14,831.95 |
| Supplies | <u>1,100.06</u> |
| | <u><u>\$ 15,932.01</u></u> |

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

| | <u>Balance July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2013</u> |
|--|---------------------------------|-------------------------|------------------|----------------------------------|
| Government Activities: | | | | |
| Capital Assets that are not being Depreciated: | | | | |
| Land | \$ 1,252,903.00 | | | \$ 1,252,903.00 |
| Construction in Progress | 3,711,023.85 | | | 3,711,023.85 |
| Total Capital Assets not being Depreciated | <u>4,963,926.85</u> | | | <u>4,963,926.85</u> |
| Capital Assets being Depreciated: | | | | |
| Land Improvements | 5,841,958.00 | | | 5,841,958.00 |
| Building and Improvements | 56,846,156.61 | \$ 3,637,260.53 | | 60,483,417.14 |
| Equipment | 12,418,032.77 | 930,441.93 | | 13,348,474.70 |
| Total Capital Assets being Depreciated | <u>75,106,147.38</u> | <u>4,567,702.46</u> | | <u>79,673,849.84</u> |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (3,685,103.00) | (156,038.00) | | (3,841,141.00) |
| Building and Improvements | (16,436,287.28) | (1,288,619.78) | | (17,724,907.06) |
| Equipment | (9,536,836.14) | (484,157.60) | | (10,020,993.74) |
| Total Accumulated Depreciation | <u>(29,658,226.42)</u> | <u>(1,928,815.38) *</u> | | <u>(31,587,041.80)</u> |
| Total Capital Assets, being Depreciated, Net | <u>45,447,920.96</u> | <u>2,638,887.08</u> | | <u>48,086,808.04</u> |
| Government Activities Capital Assets, net | <u>\$ 50,411,847.81</u> | <u>\$ 2,638,887.08</u> | | <u>\$ 53,050,734.89</u> |
| Business-Type Activities: | | | | |
| Total Capital Assets, being Depreciated | | | | |
| Equipment | \$ 595,332.74 | | | \$ 595,332.74 |
| Less Accumulated Depreciation | <u>(595,332.74)</u> | | | <u>(595,332.74)</u> |
| Business-Type Activities Capital Assets, net | <u>\$ -</u> | | | <u>\$ -</u> |

Depreciation expense was charged to functions / programs of the School District as follows:

| | |
|----------------------------|-----------------------|
| Instructional | \$815,035.00 |
| Other Instructional | 81,757.50 |
| Admin/General | 357,819.51 |
| Plant | 21,775.31 |
| Unallocated | <u>652,428.06</u> |
| Total Depreciation Expense | <u>\$1,928,815.38</u> |

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

| | <u>Principal Outstanding July 1, 2012</u> | <u>Additions</u> | <u>Reductions</u> | <u>Principal Outstanding June 30, 2013</u> | <u>Due Within One Year</u> |
|--|---|------------------|--------------------------|--|--------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 24,222,000.00 | | \$ (2,850,000.00) | \$ 21,372,000.00 | \$ 2,875,000.00 |
| Compensated Absences | 1,050,028.00 | | (238,614.14) | 811,413.86 | 199,053.77 |
| Governmental Activity Long-term Liabilities | <u>\$ 25,272,028.00</u> | <u>-</u> | <u>\$ (3,088,614.14)</u> | <u>\$ 22,183,413.86</u> | <u>\$ 3,074,053.77</u> |
| Business-Type Activities: | | | | | |
| Compensated Absences | <u>\$ 35,820.00</u> | | <u>\$ (3,257.27)</u> | <u>\$ 32,562.73</u> | |

The bonds payable are generally liquidated by the debt service fund, while compensated absences are liquidated by the general fund.

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

Principal and interest due on bonds outstanding is as follows:

Bonds Payable Note:

| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|-------------------------|------------------------|-------------------------|
| 2014 | \$ 2,875,000.00 | \$ 791,243.76 | \$ 3,666,243.76 |
| 2015 | 2,950,000.00 | 679,968.76 | 3,629,968.76 |
| 2016 | 3,020,000.00 | 568,768.76 | 3,588,768.76 |
| 2017 | 3,095,000.00 | 450,243.76 | 3,545,243.76 |
| 2018 | 3,170,000.00 | 324,943.76 | 3,494,943.76 |
| 2019-2020 | 6,262,000.00 | 258,459.38 | 6,520,459.38 |
| | <u>\$ 21,372,000.00</u> | <u>\$ 3,073,628.18</u> | <u>\$ 24,445,628.18</u> |
| Add/(Less): | | | |
| Discount on Bonds | (21,300.29) | | |
| Premium on Bonds | 75,857.73 | | |
| | 21,426,557.44 | | |
| Due Within One Year | <u>(2,875,000.00)</u> | | |
| Long Term Portion | 18,551,557.44 | | |
| Long Term Portion | <u>612,360.09</u> | | |
| Noncurrent Liabilities - Due Beyond One Year | <u>\$ 19,163,917.53</u> | | |

Note 7: LONG-TERM LIABILITIES (CONT'D)

Bonds Authorized but not Issued - As of June 30, 2013, the School District had no authorizations to issue additional bonded debt.

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

Note 8: OPERATING LEASES

At June 30, 2013, the School District had an operating lease agreement in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Amount</u> |
|--|----------------------|
| 2014 | \$ 54,970.00 |
| | <u>\$ 54,970.00</u> |

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$158,390.70.

Note 9: PENSION PLANS

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

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

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

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

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

Note 9: PENSION PLANS (CONT'D)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

| <u>Fiscal Year</u> | <u>Normal Contribution</u> | <u>Accrued Liability</u> | <u>Total Liability</u> | <u>Funded by Excess Pension Asset Credit</u> | <u>Paid by School District</u> |
|--------------------|----------------------------|--------------------------|------------------------|--|--------------------------------|
| 2013 | \$251,644.00 | \$ 500,645.00 | \$752,289.00 | - | \$ 752,289.00 |
| 2012 | 298,203.00 | 500,704.00 | 798,907.00 | - | 798,907.00 |
| 2011 | 335,691.00 | 446,880.00 | 782,571.00 | - | 782,571.00 |

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

| <u>Fiscal Year</u> | <u>Total Liability</u> | <u>Paid by School District</u> |
|--------------------|------------------------|--------------------------------|
| 2013 | \$ 4,974.79 | \$ 4,974.79 |
| 2012 | 754.69 | 754.69 |

Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$1,487,679.00 and \$1,682,189.00, respectively.

Note 12: RISK MANAGEMENT

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

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

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

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

| <u>Fiscal Year</u> <u>Ended June 30,</u> | <u>School</u> <u>District</u> <u>Contributions</u> | <u>Employee</u> <u>Contributions</u> | <u>Amount</u> <u>Reimbursed</u> | <u>Ending</u> <u>Balance</u> |
|---|--|---|------------------------------------|---------------------------------|
| 2013 | | \$ 43,281.13 | \$ 54,572.83 | \$ 670,869.64 |
| 2012 | | 36,143.50 | 119,710.10 | 680,501.97 |
| 2011 | \$ 895,111.55 | 43,343.46 | 203,757.88 | 762,210.01 |

Note 13: DEFERRED COMPENSATION

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

First Investors; Franklin Templeton/Morgan Stanley; AXA Equitable; Lincoln Investments/Planning;
Met Life; Midland National; Siracusa Benefits; Vanguard

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2013, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$811,413.86 and \$32,562.73, respectively.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2013 is as follows:

| <u>Fund</u> | <u>Interfunds Receivable</u> | <u>Interfunds Payable</u> |
|------------------|----------------------------------|-------------------------------|
| General | \$ 438,132.74 | \$ 1,883.84 |
| Special Revenue | | 310,104.78 |
| Capital Projects | | 75,657.55 |
| Proprietary | | 52,370.41 |
| Fiduciary | 1,883.84 | |
| | <u>\$ 440,016.58</u> | <u>\$ 440,016.58</u> |

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2014, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)

Interfund Transfers:

| <u>Transfer Out:</u> | <u>Transfer In</u> |
|----------------------|--------------------------------------|
| | <u>Capital Projects Fund</u> |
| General | <u>\$ 200,000.00</u> |

Note 16: FUND BALANCES**RESTRICTED**

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$-0-. Additionally, \$3,850,617.99 of excess fund balance generated during 2011-2012 has been restricted and designated for utilization in the 2013-2014 budget.

For Capital Reserve Account - As of June 30, 2013, the balance in the capital reserve account is \$3,543,398.61. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund - As of June 30, 2013, the restricted fund balance amount was \$7,566.00.

Debt Service Fund - As of June 30, 2013, \$6.37 of debt service fund balance is restricted for future debt service expenditures.

Note 16: FUND BALANCES (CONT'D)**ASSIGNED**

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014 \$.01 of general fund balance at June 30, 2013.

Other Purposes - As of June 30, 2013, the School District had \$2,260,189.41 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2013, \$952,630.84 of general fund balance was unassigned.

Note 17: LITIGATION

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

Note 18: CUMULATIVE EFFECT OF ADOPTION OF NEWLY ISSUED ACCOUNTING PRINCIPLES

As a result of the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the June 30, 2012 net position of the government-wide financial statements has been restated as of as follows:

| | |
|---|-------------------------|
| Net Position, June 30, 2012 | \$ 35,393,324.17 |
| Expense of Bond Issuance Costs ^a | <u>(171,006.72)</u> |
| Net Position, June 30, 2012 (Restated) | <u>\$ 35,222,317.45</u> |

^a formerly reported as a deferred asset and amortized over the life of the related debt.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|---------------------------------|-------------------------|----------------------|--|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 27,985,704.00 | | \$ 27,985,704.00 | \$ 27,985,704.00 | |
| Tuition | 40,000.00 | | 40,000.00 | 314,309.77 | \$ 274,309.77 |
| Transportation | 571,000.00 | | 571,000.00 | 571,000.00 | |
| Interest Earned on Capital Reserve Funds | | | | 1,081.45 | 1,081.45 |
| Unrestricted Miscellaneous Revenues | 182,000.00 | | 182,000.00 | 493,837.47 | 311,837.47 |
| Total - Local Sources | 28,778,704.00 | | 28,778,704.00 | 29,365,932.69 | 587,228.69 |
| State Sources: | | | | | |
| Extraordinary Aid | 75,000.00 | | 75,000.00 | 305,199.00 | 230,199.00 |
| Categorical Special Education Aid | 2,378,308.00 | | 2,378,308.00 | 2,378,308.00 | |
| Equalization Aid | 30,040,736.00 | | 30,040,736.00 | 30,040,736.00 | |
| Categorical Security Aid | 108,067.00 | | 108,067.00 | 108,067.00 | |
| Categorical Transportation Aid | 207,578.00 | | 207,578.00 | 207,578.00 | |
| Other State Aid - Nonpublic Transportation Aid | | | | 48,468.56 | 48,468.56 |
| On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted) | | | | 1,682,189.00 | 1,682,189.00 |
| On-Behalf T.P.A.F. Pension Contributions (non-budgeted) | | | | 1,487,679.00 | 1,487,679.00 |
| Reimbursed T.P.A.F. Social Security Contributions (non-budgeted) | | | | 1,703,693.53 | 1,703,693.53 |
| Total - State Sources | 32,809,689.00 | | 32,809,689.00 | 37,961,918.09 | 5,152,229.09 |
| Federal Sources: | | | | | |
| Education Jobs Fund | | \$ 2,860.00 | 2,860.00 | 2,860.00 | |
| SEMI -- Medicaid Initiative | 55,412.00 | | 55,412.00 | 46,896.35 | (8,515.65) |
| Total - Federal Sources | 55,412.00 | 2,860.00 | 58,272.00 | 49,756.35 | (8,515.65) |
| Total Revenues | 61,643,805.00 | 2,860.00 | 61,646,665.00 | 67,377,607.13 | 5,730,942.13 |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Grades 9-12 | 14,751,588.00 | (552,100.00) | 14,199,488.00 | 13,905,327.12 | 294,160.88 |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable/ (Unfavorable)</u> |
|---|----------------------------|---------------------------------|-------------------------|----------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | \$ 284,000.00 | \$ (35,000.00) | \$ 249,000.00 | \$ 197,937.11 | \$ 51,062.89 |
| Purchased Professional - Educational Services | 213,000.00 | | 213,000.00 | 197,372.67 | 15,627.33 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Purchased Professional - Educational Services | 750,000.00 | (53,000.00) | 697,000.00 | 695,922.77 | 1,077.23 |
| Purchased Technical Services | 65,000.00 | (45,000.00) | 20,000.00 | 16,950.00 | 3,050.00 |
| Other Purchased Services (400-500 Series) | 190,390.00 | 500.00 | 190,890.00 | 165,732.72 | 25,157.28 |
| General Supplies | 615,236.74 | 18,632.60 | 633,869.34 | 623,400.84 | 10,468.50 |
| Textbooks | 414,791.70 | (14,282.60) | 400,509.10 | 300,384.43 | 100,124.67 |
| Total Regular Programs | <u>17,284,006.44</u> | <u>(680,250.00)</u> | <u>16,603,756.44</u> | <u>16,103,027.66</u> | <u>500,728.78</u> |
| Special Education - Instruction: | | | | | |
| Behavioral Disabilities: | | | | | |
| Salaries of Teachers | 427,153.00 | (234,000.00) | 193,153.00 | 192,310.14 | 842.86 |
| Other Salaries for Instruction | 196,298.00 | | 196,298.00 | 154,894.65 | 41,403.35 |
| General Supplies | 11,248.00 | | 11,248.00 | 9,112.71 | 2,135.29 |
| Total Behavioral Disabilities | <u>634,699.00</u> | <u>(234,000.00)</u> | <u>400,699.00</u> | <u>356,317.50</u> | <u>44,381.50</u> |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 309,381.00 | | 309,381.00 | 300,510.08 | 8,870.92 |
| Other Salaries for Instruction | 223,761.00 | (122,000.00) | 101,761.00 | 93,459.50 | 8,301.50 |
| General Supplies | 16,086.00 | | 16,086.00 | 16,060.29 | 25.71 |
| Total Multiple Disabilities | <u>549,228.00</u> | <u>(122,000.00)</u> | <u>427,228.00</u> | <u>410,029.87</u> | <u>17,198.13</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable/ (Unfavorable)</u> |
|--|----------------------------|---------------------------------|-------------------------|---------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Special Education - Instruction (Cont'd): | | | | | |
| Resource Room / Resource Center: | | | | | |
| Salaries of Teachers | \$ 2,437,033.00 | \$ 183,000.00 | \$ 2,620,033.00 | \$ 2,619,635.76 | \$ 397.24 |
| Other Salaries for Instruction | 464,843.00 | 115,100.00 | 579,943.00 | 543,520.31 | 36,422.69 |
| General Supplies | 6,718.46 | | 6,718.46 | 6,374.82 | 343.64 |
| Total Resource Room / Resource Center | <u>2,908,594.46</u> | <u>298,100.00</u> | <u>3,206,694.46</u> | <u>3,169,530.89</u> | <u>37,163.57</u> |
| Total Special Education - Instruction | <u>4,092,521.46</u> | <u>(57,900.00)</u> | <u>4,034,621.46</u> | <u>3,935,878.26</u> | <u>98,743.20</u> |
| Basic Skills / Remedial - Instruction: | | | | | |
| Salaries of Teachers | 58,448.00 | 381,000.00 | 439,448.00 | 439,317.55 | 130.45 |
| Other Salaries for Instruction | 10,000.00 | | 10,000.00 | 99.76 | 9,900.24 |
| General Supplies | 18,880.00 | | 18,880.00 | 18,816.68 | 63.32 |
| Textbooks | 7,500.00 | | 7,500.00 | 7,485.97 | 14.03 |
| Total Basic Skills / Remedial - Instruction | <u>94,828.00</u> | <u>381,000.00</u> | <u>475,828.00</u> | <u>465,719.96</u> | <u>10,108.04</u> |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 53,208.00 | 500.00 | 53,708.00 | 53,670.00 | 38.00 |
| Purchased Professional - Educational Services | 4,500.00 | (4,000.00) | 500.00 | | 500.00 |
| General Supplies | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Total Bilingual Education - Instruction | <u>58,708.00</u> | <u>(3,500.00)</u> | <u>55,208.00</u> | <u>53,670.00</u> | <u>1,538.00</u> |
| School Sponsored Cocurricular Activities - Instruction: | | | | | |
| Salaries | 292,195.00 | 190,974.00 | 483,169.00 | 337,827.40 | 145,341.60 |
| Purchased Services | 56,542.00 | (6,000.00) | 50,542.00 | 41,810.96 | 8,731.04 |
| Supplies and Materials | 25,730.00 | | 25,730.00 | 23,589.16 | 2,140.84 |
| Other Objects | 18,050.00 | 6,500.00 | 24,550.00 | 16,264.17 | 8,285.83 |
| Total School Sponsored Cocurricular Activities - Instruction | <u>392,517.00</u> | <u>191,474.00</u> | <u>583,991.00</u> | <u>419,491.69</u> | <u>164,499.31</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|---------------------------------|-------------------------|----------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | \$ 1,092,316.00 | \$ 16,126.00 | \$ 1,108,442.00 | \$ 1,043,201.02 | \$ 65,240.98 |
| Purchased Services | 240,375.69 | (14,927.00) | 225,448.69 | 189,593.70 | 35,854.99 |
| Supplies and Materials | 120,131.04 | 9,800.00 | 129,931.04 | 123,459.87 | 6,471.17 |
| Other Objects | 74,033.50 | 15,000.00 | 89,033.50 | 75,286.26 | 13,747.24 |
| Total School Sponsored Athletics - Instruction | 1,526,856.23 | 25,999.00 | 1,552,855.23 | 1,431,540.85 | 121,314.38 |
| Other Instructional Programs - Instruction: | | | | | |
| Salaries | 231,588.00 | | 231,588.00 | 205,727.47 | 25,860.53 |
| Purchased Services | 20,400.00 | | 20,400.00 | 11,998.00 | 8,402.00 |
| Supplies and Materials | 2,652.65 | | 2,652.65 | 1,675.24 | 977.41 |
| Total Other Instructional Programs - Instruction | 254,640.65 | | 254,640.65 | 219,400.71 | 35,239.94 |
| Total Instruction | 23,704,077.78 | (143,177.00) | 23,560,900.78 | 22,628,729.13 | 932,171.65 |
| Undistributed Expenditures - Instruction: | | | | | |
| Tuition to Other LEA's Within State - Regular | 42,000.00 | 11,000.00 | 53,000.00 | 36,831.66 | 16,168.34 |
| Tuition to Other LEA's Within State - Special | 30,000.00 | 28,000.00 | 58,000.00 | 47,355.36 | 10,644.64 |
| Tuition to County Voc. School District - Regular | 680,400.00 | | 680,400.00 | 668,894.00 | 11,506.00 |
| Tuition to CSSD and Regional Day Schools | 1,680,400.00 | 20,000.00 | 1,700,400.00 | 1,580,890.37 | 119,509.63 |
| Tuition to Private Schools for the Disabled - Within State | 1,933,000.00 | (541,000.00) | 1,392,000.00 | 1,295,691.77 | 96,308.23 |
| Tuition to Private Schools for the Disabled and Other LEA's Outside State | 45,000.00 | 40,000.00 | 85,000.00 | 67,044.00 | 17,956.00 |
| Tuition - State Facilities | 370,288.00 | | 370,288.00 | 370,288.00 | |
| Tuition - Other | 75,000.00 | (5,000.00) | 70,000.00 | 58,980.86 | 11,019.14 |
| Total Undistributed Expenditures - Instruction | 4,856,088.00 | (447,000.00) | 4,409,088.00 | 4,125,976.02 | 283,111.98 |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable/ (Unfavorable)</u> |
|---|----------------------------|---------------------------------|-------------------------|---------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Attendance and Social Work: | | | | | |
| Salaries | \$ 133,526.00 | \$ 1,500.00 | \$ 135,026.00 | \$ 134,687.04 | \$ 338.96 |
| Other Purchased Services (400-500 series) | 3,000.00 | | 3,000.00 | 945.40 | 2,054.60 |
| Supplies and Materials | 75.00 | | 75.00 | 63.95 | 11.05 |
| Total Undistributed Expenditures - Attendance and Social Work | <u>136,601.00</u> | <u>1,500.00</u> | <u>138,101.00</u> | <u>135,696.39</u> | <u>2,404.61</u> |
| Undistributed Expenditures - Health Services: | | | | | |
| Salaries | 324,438.00 | 8,000.00 | 332,438.00 | 272,465.06 | 59,972.94 |
| Purchased Professional and Technical Services | 6,000.00 | 7,000.00 | 13,000.00 | 8,214.52 | 4,785.48 |
| Other Purchased Services (400-500 series) | 300.00 | | 300.00 | | 300.00 |
| Supplies and Materials | 5,500.00 | 2,100.00 | 7,600.00 | 3,902.65 | 3,697.35 |
| Other Objects | 12,000.00 | | 12,000.00 | 2,624.10 | 9,375.90 |
| Total Undistributed Expenditures - Health Services | <u>348,238.00</u> | <u>17,100.00</u> | <u>365,338.00</u> | <u>287,206.33</u> | <u>78,131.67</u> |
| Undistributed Expenditures - Other Support Services - Students - Related Services: | | | | | |
| Purchased Professional - Educational Services | 267,884.32 | 182,000.00 | 449,884.32 | 447,943.45 | 1,940.87 |
| Undistributed Expenditures - Other Support Services - Students - Extra Services: | | | | | |
| Salaries | 337,125.00 | (16,600.00) | 320,525.00 | 315,508.50 | 5,016.50 |
| Undistributed Expenditures - Other Support Services - Students - Regular: | | | | | |
| Salaries of Other Professional Staff | 1,600,126.00 | 15,000.00 | 1,615,126.00 | 1,531,015.46 | 84,110.54 |
| Salaries of Secretarial and Clerical Assistants | 282,750.00 | | 282,750.00 | 279,497.20 | 3,252.80 |
| Other Salaries | 41,936.00 | | 41,936.00 | 39,917.00 | 2,019.00 |
| Purchased Professional and Technical Services | 69,297.00 | (15,240.00) | 54,057.00 | 45,207.59 | 8,849.41 |
| Other Purchased Services | 250.00 | | 250.00 | | 250.00 |
| Supplies and Materials | 11,900.00 | 1,990.00 | 13,890.00 | 13,088.26 | 801.74 |
| Total Undistributed Expenditures - Other Support Services - Students - Regular | <u>2,006,259.00</u> | <u>1,750.00</u> | <u>2,008,009.00</u> | <u>1,908,725.51</u> | <u>99,283.49</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable/ (Unfavorable)</u> |
|---|----------------------------|---------------------------------|-------------------------|---------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Other Support Services - | | | | | |
| Students - Special: | | | | | |
| Salaries of Other Professional Staff | \$ 754,213.00 | \$ (21,000.00) | \$ 733,213.00 | \$ 732,371.41 | \$ 841.59 |
| Salaries of Secretarial and Clerical Assistants | 186,101.00 | | 186,101.00 | 175,389.31 | 10,711.69 |
| Purchased Professional - Educational Services | 13,365.68 | 50,000.00 | 63,365.68 | 63,365.11 | 0.57 |
| Other Purchased Services | 14,500.00 | (3,000.00) | 11,500.00 | 7,580.53 | 3,919.47 |
| Supplies and Materials | 8,183.14 | | 8,183.14 | 4,910.60 | 3,272.54 |
| Total Undistributed Expenditures - Other Support Services - | | | | | |
| Students - Special: | <u>976,362.82</u> | <u>26,000.00</u> | <u>1,002,362.82</u> | <u>983,616.96</u> | <u>18,745.86</u> |
| Undistributed Expenditures - Improvement of Instruction Services: | | | | | |
| Salaries of Supervisors of Instruction | 1,071,043.00 | (6,000.00) | 1,065,043.00 | 1,036,689.48 | 28,353.52 |
| Salaries of Secretarial and Clerical Assistants | 51,007.00 | 6,000.00 | 57,007.00 | 54,139.55 | 2,867.45 |
| Other Purchased Services | 36,000.00 | | 36,000.00 | 29,223.19 | 6,776.81 |
| Supplies and Materials | 12,500.00 | (100.00) | 12,400.00 | 4,302.64 | 8,097.36 |
| Other Objects | 9,500.00 | 100.00 | 9,600.00 | 9,600.00 | |
| Total Undistributed Expenditures - Improvement of Instruction Services | <u>1,180,050.00</u> | | <u>1,180,050.00</u> | <u>1,133,954.86</u> | <u>46,095.14</u> |
| Undistributed Expenditures - Educational Media Services / School | | | | | |
| Library: | | | | | |
| Salaries | 590,826.00 | | 590,826.00 | 486,017.11 | 104,808.89 |
| Salaries of Technology Coordinators | 104,022.00 | | 104,022.00 | 104,010.96 | 11.04 |
| Purchased Professional and Technical Services | 271,014.00 | 5,700.00 | 276,714.00 | 255,681.40 | 21,032.60 |
| Other Purchased Services (400-500 series) | 115,315.00 | 10,000.00 | 125,315.00 | 119,504.61 | 5,810.39 |
| Supplies and Materials | 102,814.00 | 30,070.00 | 132,884.00 | 117,268.05 | 15,615.95 |
| Total Undistributed Expenditures - Educational Media Services / | | | | | |
| School Library | <u>1,183,991.00</u> | <u>45,770.00</u> | <u>1,229,761.00</u> | <u>1,082,482.13</u> | <u>147,278.87</u> |
| Undistributed Expenditures - Instructional Staff Training Services: | | | | | |
| Salaries of Other Professional Staff | 55,000.00 | 500.00 | 55,500.00 | 33,734.00 | 21,766.00 |
| Purchased Professional - Educational Services | 41,379.61 | (2,000.00) | 39,379.61 | 35,956.67 | 3,422.94 |
| Supplies and Materials | 8,000.00 | (3,250.00) | 4,750.00 | 1,717.98 | 3,032.02 |
| Total Undistributed Expenditures - Instructional Staff Training Services: | <u>104,379.61</u> | <u>(4,750.00)</u> | <u>99,629.61</u> | <u>71,408.65</u> | <u>28,220.96</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable/ (Unfavorable)</u> |
|---|----------------------------|---------------------------------|-------------------------|---------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Support Services - General Administration: | | | | | |
| Salaries | \$ 254,328.00 | | \$ 254,328.00 | \$ 214,364.08 | \$ 39,963.92 |
| Legal Services | 193,614.80 | \$ (56,620.00) | 136,994.80 | 135,243.84 | 1,750.96 |
| Audit Fees | 93,000.00 | (10,000.00) | 83,000.00 | 80,000.00 | 3,000.00 |
| Architectural/Engineering Services | 52,476.25 | 15,000.00 | 67,476.25 | 60,946.00 | 6,530.25 |
| Other Purchased Professional Services | 40,200.00 | 10,000.00 | 50,200.00 | 48,631.55 | 1,568.45 |
| Purchased Technical Services | 71,500.00 | (15,000.00) | 56,500.00 | 22,757.18 | 33,742.82 |
| Communications / Telephone | 177,100.00 | (21,000.00) | 156,100.00 | 104,713.73 | 51,386.27 |
| BOE Other Purchased Services | 4,000.00 | | 4,000.00 | 703.00 | 3,297.00 |
| Miscellaneous Purchased Services | 139,850.00 | | 139,850.00 | 137,231.19 | 2,618.81 |
| Supplies and Materials | 29,963.00 | 2,200.00 | 32,163.00 | 27,731.58 | 4,431.42 |
| Judgments Against School District | 45,000.00 | 88,550.00 | 133,550.00 | | 133,550.00 |
| Miscellaneous Expenditures | 16,310.00 | 4,000.00 | 20,310.00 | 14,323.53 | 5,986.47 |
| BOE Membership Dues and Fees | 35,004.50 | (2,200.00) | 32,804.50 | 28,217.20 | 4,587.30 |
| Total Undistributed Expenditures - Support Services - General Administration | 1,152,346.55 | 14,930.00 | 1,167,276.55 | 874,862.88 | 292,413.67 |
| Undistributed Expenditures - Support Services - School Administration: | | | | | |
| Salaries of Principals / Assistant Principals | 1,646,274.00 | (15,000.00) | 1,631,274.00 | 1,520,512.33 | 110,761.67 |
| Salaries of Secretarial and Clerical Assistants | 924,318.00 | (15,680.00) | 908,638.00 | 872,451.71 | 36,186.29 |
| Other Purchased Services | 12,350.00 | (2,400.00) | 9,950.00 | 3,156.67 | 6,793.33 |
| Supplies and Materials | 66,152.40 | 54,000.00 | 120,152.40 | 89,503.47 | 30,648.93 |
| Other Objects | 22,350.00 | 27,400.00 | 49,750.00 | 46,612.27 | 3,137.73 |
| Total Undistributed Expenditures - Support Services - School Administration | 2,671,444.40 | 48,320.00 | 2,719,764.40 | 2,532,236.45 | 187,527.95 |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|---------------------------------|-------------------------|---------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Support Services - Central Services: | | | | | |
| Salaries | \$ 387,107.00 | \$ 20,000.00 | \$ 407,107.00 | \$ 402,443.97 | \$ 4,663.03 |
| Purchased Technical Services | 59,000.00 | (25,000.00) | 34,000.00 | 22,271.00 | 11,729.00 |
| Miscellaneous Purchased Services | 3,000.00 | | 3,000.00 | 2,631.52 | 368.48 |
| Supplies and Materials | 18,249.11 | 12,050.00 | 30,299.11 | 18,904.99 | 11,394.12 |
| Miscellaneous Expenditures | 5,038.84 | | 5,038.84 | 2,503.84 | 2,535.00 |
| Total Undistributed Expenditures - Support Services - Central Services | 472,394.95 | 7,050.00 | 479,444.95 | 448,755.32 | 30,689.63 |
| Undistributed Expenditures - Support Services - Administrative Information Technology: | | | | | |
| Salaries | 221,660.00 | | 221,660.00 | 202,435.88 | 19,224.12 |
| Other Purchased Services | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Supplies and Materials | 4,900.00 | | 4,900.00 | 900.00 | 4,000.00 |
| Other Objects | 9,000.00 | 10,000.00 | 19,000.00 | 14,107.05 | 4,892.95 |
| Total Undistributed Expenditures - Support Services - Administrative Information Technology | 236,560.00 | 10,000.00 | 246,560.00 | 217,442.93 | 29,117.07 |
| Undistributed Expenditures - Required Maintenance for School Facilities: | | | | | |
| Salaries | 557,143.00 | 445,000.00 | 1,002,143.00 | 962,333.23 | 39,809.77 |
| Cleaning, Repair and Maintenance Services | 249,668.45 | (16,900.00) | 232,768.45 | 162,532.71 | 70,235.74 |
| General Supplies | 196,165.31 | | 196,165.31 | 165,799.50 | 30,365.81 |
| Total Undistributed Expenditures - Required Maintenance for School Facilities | 1,002,976.76 | 428,100.00 | 1,431,076.76 | 1,290,665.44 | 140,411.32 |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|---------------------------------|-------------------------|---------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Operation and Maintenance of Plant Services: | | | | | |
| Energy (Gasoline) | \$ 21,000.00 | \$ (21,000.00) | | | |
| Salaries | 1,870,167.00 | (405,000.00) | \$ 1,465,167.00 | \$ 1,406,728.54 | \$ 58,438.46 |
| Purchased Professional and Technical Services | 155,151.94 | (5,000.00) | 150,151.94 | 106,611.01 | 43,540.93 |
| Cleaning, Repair and Maintenance Services | 171,574.42 | | 171,574.42 | 137,714.02 | 33,860.40 |
| Rental of Land and Building Other than Lease Purchase | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Other Purchased Property Services | 309,900.00 | (25,300.00) | 284,600.00 | 223,826.58 | 60,773.42 |
| Insurance | 184,450.00 | 300.00 | 184,750.00 | 184,713.00 | 37.00 |
| Miscellaneous Purchased Services | 5,350.00 | 2,000.00 | 7,350.00 | 4,855.00 | 2,495.00 |
| General Supplies | 259,800.81 | (96,500.00) | 163,300.81 | 131,733.01 | 31,567.80 |
| Energy (Electricity) | 1,263,710.00 | (380,000.00) | 883,710.00 | 867,412.42 | 16,297.58 |
| Energy (Natural Gas) | 492,000.00 | (150,000.00) | 342,000.00 | 248,887.82 | 93,112.18 |
| Energy (Oil) | 4,000.00 | | 4,000.00 | 1,361.37 | 2,638.63 |
| Total Undistributed Expenditures - Operation and Maintenance of Plant Services | <u>4,738,104.17</u> | <u>(1,080,500.00)</u> | <u>3,657,604.17</u> | <u>3,313,842.77</u> | <u>343,761.40</u> |
| Undistributed Expenditures - Care & Upkeep of Grounds | | | | | |
| Salaries | 548,557.00 | | 548,557.00 | 517,958.64 | 30,598.36 |
| Cleaning, Repair and Maintenance Services | 78,107.82 | | 78,107.82 | 54,502.74 | 23,605.08 |
| General Supplies | 105,452.00 | 3,000.00 | 108,452.00 | 98,821.04 | 9,630.96 |
| Total Undistributed Expenditures - Care & Upkeep of Grounds | <u>732,116.82</u> | <u>3,000.00</u> | <u>735,116.82</u> | <u>671,282.42</u> | <u>63,834.40</u> |
| Undistributed Expenditures - Security | | | | | |
| Salaries | 66,500.00 | (50,000.00) | 16,500.00 | 12,684.38 | 3,815.62 |
| Purchased Professional and Technical Services | 365,900.00 | (4,000.00) | 361,900.00 | 306,857.84 | 55,042.16 |
| Cleaning, Repair and Maintenance Services | 20,917.00 | 4,000.00 | 24,917.00 | 4,157.00 | 20,760.00 |
| General Supplies | 8,000.00 | | 8,000.00 | 6,656.95 | 1,343.05 |
| Total Undistributed Expenditures - Security | <u>461,317.00</u> | <u>(50,000.00)</u> | <u>411,317.00</u> | <u>330,356.17</u> | <u>80,960.83</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable/ (Unfavorable)</u> |
|---|----------------------------|---------------------------------|-------------------------|----------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Student Transportation Services: | | | | | |
| Salaries of Non-Instructional Aides | \$ 7,050.00 | \$ 21,500.00 | \$ 28,550.00 | \$ 28,228.05 | \$ 321.95 |
| Salaries for Pupil Transportation (Bet. Home & Sch) - Spec. Ed. | 48,400.00 | 22,500.00 | 70,900.00 | 67,243.69 | 3,656.31 |
| Lease Purchase Payments - School Buses | | | | | |
| Contracted Services (Between Home & School) - Vendors | 242,305.00 | | 242,305.00 | 216,408.92 | 25,896.08 |
| Contracted Services - (Other than Between Home and School) - Vendors | 284,800.00 | | 284,800.00 | 262,411.20 | 22,388.80 |
| Contracted Services (Bet.Home & School)-Joint Agreements | 1,861,000.00 | (450,007.00) | 1,410,993.00 | 1,343,536.59 | 67,456.41 |
| Contracted Services (Special Education Students) - Vendors | 60,000.00 | | 60,000.00 | 1,750.00 | 58,250.00 |
| Contracted Services (Special Education Students) - Jt. Agrmnts | 1,450,000.00 | (343,000.00) | 1,107,000.00 | 820,486.72 | 286,513.28 |
| Contracted Services (Reg. Students) ESC's & CTSA's | 571,000.00 | | 571,000.00 | 484,362.00 | 86,638.00 |
| Contracted Services - Aid in Lieu of Payments | 280,884.00 | (45,000.01) | 235,883.99 | 136,975.80 | 98,908.19 |
| Misc Purchased Services - Transportation | 6,000.00 | 14,500.00 | 20,500.00 | 14,737.80 | 5,762.20 |
| Other Objects | 5,000.00 | | 5,000.00 | 215.00 | 4,785.00 |
| Total Undistributed Expenditures - Student Transportation Services | 4,816,439.00 | (779,507.01) | 4,036,931.99 | 3,376,355.77 | 660,576.22 |
| Unallocated Benefits - Employee Benefits: | | | | | |
| Social Security Contributions | 990,000.00 | (30,000.00) | 960,000.00 | 677,832.38 | 282,167.62 |
| Other Retirement Contributions - PERS | 897,567.00 | (109,600.00) | 787,967.00 | 752,289.00 | 35,678.00 |
| Workers Compensation | 379,100.00 | (87,400.00) | 291,700.00 | 290,974.14 | 725.86 |
| Health Benefits | 9,911,716.00 | (1,634,000.00) | 8,277,716.00 | 8,273,580.47 | 4,135.53 |
| Tuition Reimbursement | 121,000.00 | | 121,000.00 | 51,063.70 | 69,936.30 |
| Other Employee Benefits | 400,725.00 | (200,000.00) | 200,725.00 | 182,458.70 | 18,266.30 |
| Total Unallocated Benefits | 12,700,108.00 | (2,061,000.00) | 10,639,108.00 | 10,228,198.39 | 410,909.61 |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|---------------------------------|-------------------------|----------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted) | | | | \$ 1,682,189.00 | \$ (1,682,189.00) |
| On-behalf T.P.A.F. Pension Contributions (non-budgeted) | | | | 1,487,679.00 | (1,487,679.00) |
| Reimbursed T.P.A.F. Social Security Contributions (non-budgeted) | | | | 1,703,693.53 | (1,703,693.53) |
| Total On-behalf Contributions | | | | 4,873,561.53 | (4,873,561.53) |
| Total Undistributed Expenditures | \$ 40,380,786.40 | \$ (3,653,837.01) | \$ 36,726,949.39 | 38,650,078.87 | (1,923,129.48) |
| Total Current Expense | 64,084,864.18 | (3,797,014.01) | 60,287,850.17 | 61,278,808.00 | (990,957.83) |
| Capital Outlay: | | | | | |
| Equipment: | | | | | |
| Grades 9-12 | 492,644.62 | 1,262,500.00 | 1,755,144.62 | 750,279.34 | 1,004,865.28 |
| Special Education - Behavioral Disabilities | | | | | |
| Special Education - Multiple Disabilities | | 8,050.00 | 8,050.00 | 8,044.65 | 5.35 |
| Undistributed Expenditures: | | | | | |
| School Administration | 44,015.00 | | 44,015.00 | 44,015.00 | |
| Admin Information Technology | 201,572.51 | (128,200.00) | 73,372.51 | 73,304.76 | 67.75 |
| Custodial Services | 97,594.78 | 14,975.00 | 112,569.78 | 54,798.18 | 57,771.60 |
| Total Equipment | 835,826.91 | 1,157,325.00 | 1,993,151.91 | 930,441.93 | 1,062,709.98 |
| Capital Outlay: | | | | | |
| Facilities Acquisition and Construction Services: | | | | | |
| Construction Services | 2,407,353.96 | 1,823,869.01 | 4,231,222.97 | 2,481,405.28 | 1,749,817.69 |
| Other Objects | 229,000.00 | 789,820.00 | 1,018,820.00 | 955,855.25 | 62,964.75 |
| Assessment for Debt Service on SDA Funding | 11,315.00 | | 11,315.00 | 11,315.00 | |
| Total Facilities Acquisition and Construction Services | 2,647,668.96 | 2,613,689.01 | 5,261,357.97 | 3,448,575.53 | 1,812,782.44 |
| Total Capital Outlay | 3,483,495.87 | 3,771,014.01 | 7,254,509.88 | 4,379,017.46 | 2,875,492.42 |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable/ (Unfavorable)</u> |
|--|----------------------------|---------------------------------|-------------------------|---------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| Special Schools: | | | | | |
| Summer School - Instruction: | | | | | |
| Salaries of Teachers | | \$ 25,500.00 | \$ 25,500.00 | \$ 4,878.00 | \$ 20,622.00 |
| Total Summer School - Instruction | | 25,500.00 | 25,500.00 | 4,878.00 | 20,622.00 |
| Special Education - Behavioral Disabilities | | | | | |
| Salaries of Teachers | \$ 105,511.00 | (10,000.00) | 95,511.00 | 91,539.91 | 3,971.09 |
| Purchased Professional Services | | 10,000.00 | 10,000.00 | 400.95 | 9,599.05 |
| Other Salaries for Instruction | 65,900.00 | | 65,900.00 | 57,722.80 | 8,177.20 |
| General Supplies | 1,125.00 | | 1,125.00 | 1,039.18 | 85.82 |
| Total Special Education - Behavioral Disabilities | 172,536.00 | | 172,536.00 | 150,702.84 | 21,833.16 |
| Accredited Evening/Adult High School - Instruction: | | | | | |
| General Supplies | | 500.00 | 500.00 | 115.00 | 385.00 |
| Total Accredited Evening / Adult High School - Instruction | | 500.00 | 500.00 | 115.00 | 385.00 |
| Total Adult Education - Local | | 500.00 | 500.00 | 115.00 | 385.00 |
| Total Special Schools | 172,536.00 | 26,000.00 | 198,536.00 | 155,695.84 | 42,840.16 |
| Transfer of Funds to Charter Schools | 137,000.00 | | 137,000.00 | 47,865.00 | 89,135.00 |
| Total Expenditures | 67,877,896.05 | - | 67,877,896.05 | 65,861,386.30 | 2,016,509.75 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (6,234,091.05) | 2,860.00 | (6,231,231.05) | 1,516,220.83 | 7,747,451.88 |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers: | | | | | |
| Transfer to Food Service Fund - Board Contribution | (50,000.00) | | (50,000.00) | | 50,000.00 |
| Transfer to Capital Projects Fund - Capital Reserve Contribution | | | | (200,000.00) | (200,000.00) |
| Total Other Financing Sources (Uses) | (50,000.00) | | (50,000.00) | (200,000.00) | (150,000.00) |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|---------------------------------|-------------------------|-------------------------|--|
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$ (6,284,091.05) | \$ 2,860.00 | \$ (6,281,231.05) | \$ 1,316,220.83 | \$ 7,597,451.88 |
| Fund Balances, July 1 | <u>12,416,771.03</u> | | <u>12,416,771.03</u> | <u>12,416,771.03</u> | |
| Fund Balances, June 30 | <u>\$ 6,132,679.98</u> | <u>\$ 2,860.00</u> | <u>\$ 6,135,539.98</u> | <u>\$ 13,732,991.86</u> | <u>\$ 7,597,451.88</u> |
| Recapitulation: | | | | | |
| Restricted Fund Balances: | | | | | |
| Capital Reserve | | | | \$ 3,543,398.61 | |
| Excess Surplus - Current Year | | | | 2,576,361.78 | |
| Excess Surplus - Designated for Subsequent Year's Expenditures | | | | 3,850,617.99 | |
| Assigned Fund Balance: | | | | | |
| Year-End Encumbrances | | | | 2,260,189.41 | |
| Designated for Subsequent Year's Expenditures | | | | 0.01 | |
| Unassigned Fund Balance | | | | <u>1,502,424.06</u> | |
| | | | | 13,732,991.86 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment not Recognized on GAAP Basis | | | | <u>(3,126,155.00)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$ 10,606,836.86</u> | |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule -- Education Jobs Fund
 General Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|---------------------------------|-------------------------|---------------|--|
| REVENUES: | | | | | |
| Federal Sources: | | | | | |
| Education Jobs Fund | _____ | \$ 2,860.00 | \$ 2,860.00 | \$ 2,860.00 | _____ |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Unallocated Benefits - Employee Benefits: | | | | | |
| Health Benefits | _____ | 2,860.00 | 2,860.00 | 2,860.00 | _____ |
| Total Unallocated Benefits | _____ | 2,860.00 | 2,860.00 | 2,860.00 | _____ |
| Total Current Expense | _____ | 2,860.00 | 2,860.00 | 2,860.00 | _____ |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | - | - | - | - | - |
| Fund Balances, July 1 | _____ | _____ | _____ | _____ | _____ |
| Fund Balances, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Positive (Negative) <u>Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Revenue from Local Sources | \$ 9,510.00 | _____ | \$ 9,510.00 | \$ 9,163.05 | \$ (346.95) |
| Total - Local Sources | <u>9,510.00</u> | <u>_____</u> | <u>9,510.00</u> | <u>9,163.05</u> | <u>(346.95)</u> |
| Federal Sources: | | | | | |
| No Child Left Behind | | | | | |
| Title I | 436,548.00 | \$ 37,514.26 | 474,062.26 | 410,983.89 | (63,078.37) |
| Title II - Part A | 60,628.00 | 7,329.00 | 67,957.00 | 67,957.00 | |
| I.D.E.I.A., Part B | 858,156.00 | 258,911.93 | 1,117,067.93 | 810,273.24 | (306,794.69) |
| Race to the Top | 25,876.00 | | 25,876.00 | 25,876.00 | |
| Carl D. Perkins Vocational and Technical Education Act | 26,169.00 | | 26,169.00 | 26,169.00 | |
| Total - Federal Sources | <u>1,407,377.00</u> | <u>303,755.19</u> | <u>1,711,132.19</u> | <u>1,341,259.13</u> | <u>(369,873.06)</u> |
| Total Revenues | <u>1,416,887.00</u> | <u>303,755.19</u> | <u>1,720,642.19</u> | <u>1,350,422.18</u> | <u>(370,220.01)</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 227,840.00 | 72,249.69 | 300,089.69 | 220,343.69 | 79,746.00 |
| Purchased Professional and Technical Services | 13,020.01 | | 13,020.01 | 12,202.01 | 818.00 |
| Other Purchased Services (400-500 series) | 500,000.00 | 201,811.35 | 701,811.35 | 625,552.66 | 76,258.69 |
| General Supplies | 82,460.40 | | 82,460.40 | 81,974.42 | 485.98 |
| Other Objects | 20,000.00 | | 20,000.00 | 17,175.85 | 2,824.15 |
| Total Instruction | <u>843,320.41</u> | <u>274,061.04</u> | <u>1,117,381.45</u> | <u>957,248.63</u> | <u>160,132.82</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Special Revenue Fund

For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Positive (Negative) <u>Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------------|---|
| EXPENDITURES: | | | | | |
| Support Services: | | | | | |
| Other Salaries | \$ 230,606.00 | \$ 22,979.26 | \$ 253,585.26 | \$ 155,053.26 | \$ 98,532.00 |
| Personal Services - Employee Benefits | 57,110.00 | (14,455.81) | 42,654.19 | 37,879.25 | 4,774.94 |
| Purchased Professional - Educational/Tech Services | 159,621.00 | 14,124.00 | 173,745.00 | 112,436.37 | 61,308.63 |
| Other Purchased Services | 43,624.00 | | 43,624.00 | 6,305.50 | 37,318.50 |
| Supplies and Materials | 82,605.59 | 7,046.70 | 89,652.29 | 81,499.17 | 8,153.12 |
| Total Support Services | <u>573,566.59</u> | <u>29,694.15</u> | <u>603,260.74</u> | <u>393,173.55</u> | <u>210,087.19</u> |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | | | | | |
| Total Facilities Acquisition and Construction Services | | - | | | |
| Total Expenditures | <u>1,416,887.00</u> | <u>303,755.19</u> | <u>1,720,642.19</u> | <u>1,350,422.18</u> | <u>370,220.01</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2013

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|-------------------------|-------------------------------------|
| Sources / Inflows of Resources: | | |
| Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules | \$ 67,377,607.13 | \$ 1,350,422.18 |
| Differences - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | 8,664.63 |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes | 3,019,702.00 | |
| The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) | <u>(3,126,155.00)</u> | |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | <u>\$ 67,271,154.13</u> | <u>\$ 1,359,086.81</u> |
| Uses / Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule | \$ 65,861,386.30 | \$ 1,350,422.18 |
| Differences - Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | 8,664.63 |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 65,861,386.30</u> | <u>\$ 1,359,086.81</u> |

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

| | No Child Left Behind | | | | Total Brought Forward |
|---|-------------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|
| | Total | Title I | Title II Part A | Race to the Top | |
| REVENUES: | | | | | |
| Federal Sources | \$ 1,341,259.13 | \$ 410,983.89 | \$ 67,957.00 | \$ 25,876.00 | \$ 836,442.24 |
| Local Sources | 9,163.05 | | | | 9,163.05 |
| Total Revenues | <u>\$ 1,350,422.18</u> | <u>\$ 410,983.89</u> | <u>\$ 67,957.00</u> | <u>\$ 25,876.00</u> | <u>\$ 845,605.29</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | \$ 220,343.69 | \$ 167,678.50 | | | \$ 52,665.19 |
| Purchased Professional and Technical Services | 12,202.01 | 9,182.00 | | | 3,020.01 |
| Other Purchased Services | 625,552.66 | | | | 625,552.66 |
| General Supplies | 81,974.42 | 80,708.02 | | | 1,266.40 |
| Other Objects | 17,175.85 | 17,175.85 | | | |
| Total Instruction | <u>957,248.63</u> | <u>274,744.37</u> | | | <u>682,504.26</u> |
| Support Services: | | | | | |
| Other Salaries | 155,053.26 | 33,199.76 | \$ 46,389.00 | | 75,464.50 |
| Personal Services - Employee Benefits | 37,879.25 | 12,620.25 | 2,988.00 | | 22,271.00 |
| Purchased Professional Educ/Technical Services | 112,436.37 | 77,168.81 | 12,500.00 | \$ 20,000.00 | 2,767.56 |
| Other Purchased Services | 6,305.50 | | | | 6,305.50 |
| Supplies and Materials | 81,499.17 | 13,250.70 | 6,080.00 | 5,876.00 | 56,292.47 |
| Total Support Services | <u>393,173.55</u> | <u>136,239.52</u> | <u>67,957.00</u> | <u>25,876.00</u> | <u>163,101.03</u> |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | | | | | |
| Total Facilities Acquisition and Construction Services | | | | | |
| Total Expenditures | <u>\$ 1,350,422.18</u> | <u>\$ 410,983.89</u> | <u>\$ 67,957.00</u> | <u>\$ 25,876.00</u> | <u>\$ 845,605.29</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

| | Total Carried Forward | C.D. Perkins Vocational & Applied Technology | IDEA Part B Basic | Local Public Safety Award |
|--|-----------------------------|---|-------------------------|------------------------------------|
| REVENUES: | | | | |
| Federal Sources | \$ 836,442.24 | \$ 26,169.00 | \$ 810,273.24 | |
| Local Sources | <u>9,163.05</u> | | | \$ 9,163.05 |
| Total Revenues | <u>\$ 845,605.29</u> | <u>\$ 26,169.00</u> | <u>\$ 810,273.24</u> | <u>\$ 9,163.05</u> |
| EXPENDITURES: | | | | |
| Instruction: | | | | |
| Salaries of Teachers | \$ 52,665.19 | | \$ 52,665.19 | |
| Purchased Professional and Technical Services | 3,020.01 | \$ 3,020.01 | | |
| Other Purchased Services | 625,552.66 | | 625,552.66 | |
| General Supplies | 1,266.40 | 1,266.40 | | |
| Other Objects | | | | |
| Total Instruction | <u>682,504.26</u> | <u>4,286.41</u> | <u>678,217.85</u> | |
| Support Services: | | | | |
| Other Salaries | 75,464.50 | 17,426.00 | 58,038.50 | |
| Personal Services - Employee Benefits | 22,271.00 | 1,333.00 | 20,938.00 | |
| Purchased Professional Educational/Technical Services | 2,767.56 | 1,611.00 | 1,156.56 | |
| Other Purchased Services | 6,305.50 | | 6,305.50 | |
| Supplies and Materials | <u>56,292.47</u> | <u>1,512.59</u> | <u>45,616.83</u> | \$ 9,163.05 |
| Total Support Services | <u>163,101.03</u> | <u>21,882.59</u> | <u>132,055.39</u> | <u>9,163.05</u> |
| Facilities Acquisition and Construction Services: | | | | |
| Instructional Equipment | | | | |
| Total Facilities Acquisition and Construction Services | | | | |
| Total Expenditures | <u>\$ 845,605.29</u> | <u>\$ 26,169.00</u> | <u>\$ 810,273.24</u> | <u>\$ 9,163.05</u> |

CAPITAL PROJECTS FUND

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2013

| <u>Project Title / Issue</u> | <u>Original Date</u> | <u>Appropriations</u> | <u>Expenditures to Date</u> | | <u>Unexpended Balance June 30, 2013</u> |
|--|----------------------|-----------------------|-----------------------------|----------------------|---|
| | | | <u>Prior Years</u> | <u>Current Year</u> | |
| Highland High School Baseball Fields | | \$ 620,000.00 | \$ 412,434.00 | \$ 200,000.00 | \$ 7,566.00 |
| Total | | <u>\$ 620,000.00</u> | <u>\$ 412,434.00</u> | <u>\$ 200,000.00</u> | <u>\$ 7,566.00</u> |
| Reserve for Encumbrances | | | | | \$ - |
| Designated for Subsequent Years Expenditures | | | | | <u>7,566.00</u> |
| | | | | | <u>\$ 7,566.00</u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Summary Statement of Revenues, Expenditures, and Changes in Fund Balance -- Budgetary Basis
For the Fiscal Year Ended June 30, 2013

Revenues and Other Financing Sources

| | | |
|-------------------------------|-------------------|-------------------|
| Other Local Sources | \$ - | |
| Transfer from Capital Reserve | <u>200,000.00</u> | |
| Total Revenues | | \$ 200,000.00 |

Expenditures and Other Financing Uses

| | | |
|---|-------------------|-----------------------|
| Expenditures: | | |
| Other Purchased Professional and Technical Services | | |
| Construction Services | <u>200,000.00</u> | |
| Total Expenditures | | <u>200,000.00</u> |
| Excess (Deficiency) Revenue over Expenditures | | - |

| | | |
|-------------------------|--|--------------------|
| Fund Balance -- July 1 | | <u>7,566.00</u> |
| Fund Balance -- June 30 | | <u>\$ 7,566.00</u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Highland High School Baseball Fields
 From Inception and for the Fiscal Year Ended June 30, 2013

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------|---------------------|--------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 420,000.00 | \$ 200,000.00 | \$ 620,000.00 | \$ 620,000.00 |
| Total Revenues | <u>420,000.00</u> | <u>200,000.00</u> | <u>620,000.00</u> | <u>620,000.00</u> |
| Expenditures and Other Financing Uses | | | | |
| Construction Services | <u>412,434.00</u> | <u>200,000.00</u> | <u>612,434.00</u> | <u>620,000.00</u> |
| Total Expenditures | <u>412,434.00</u> | <u>200,000.00</u> | <u>612,434.00</u> | <u>620,000.00</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 7,566.00</u> | <u>\$ -</u> | <u>\$ 7,566.00</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|---|---------------|
| Project Number | N/A |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 420,000.00 |
| Additional Authorized Cost | 200,000.00 |
| Revised Authorized Cost | 620,000.00 |
| Percentage Increase over Original Authorized Cost | 47.62% |
| Percentage Completion | 98.78% |
| Original Target Completion Date | 6/30/2012 |
| Revised Target Completion Date | 6/30/2014 |

PROPRIETARY FUNDS

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Enterprise Fund
 Combining Statement of Net Position
 June 30, 2013

| | <u>Food Service</u> |
|------------------------------------|-------------------------|
| ASSETS: | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 39,870.69 |
| Accounts Receivable: | |
| State | 840.19 |
| Federal | 39,689.62 |
| Inventories | 15,932.01 |
| | 96,332.51 |
| Total Current Assets | 96,332.51 |
| Noncurrent Assets: | |
| Furniture, Machinery and Equipment | 595,332.74 |
| Less Accumulated Depreciation | (595,332.74) |
| | - |
| Total Noncurrent Assets | - |
| Total Assets | 96,332.51 |
| LIABILITIES: | |
| Current Liabilities: | |
| Interfund Accounts Payable: | |
| Due General Fund | 52,370.41 |
| Accounts Payable | |
| | 52,370.41 |
| Total Current Liabilities | 52,370.41 |
| Noncurrent Liabilities: | |
| Compensated Absences Payable | 32,562.73 |
| | 32,562.73 |
| Total Liabilities | 84,933.14 |
| NET POSITION: | |
| Unrestricted | 11,399.37 |
| Total Net Position | \$ 11,399.37 |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Enterprise Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2013

| | <u>Food Service</u> |
|--|----------------------------|
| OPERATING REVENUES: | |
| Charges for Services: | |
| Daily Sales - Reimbursable Programs | \$ 334,335.70 |
| Daily Sales - Non-Reimbursable Programs | 419,959.40 |
| Special Functions | <u>57,918.33</u> |
| Total Operating Revenues | <u>812,213.43</u> |
| OPERATING EXPENSES: | |
| Salaries | 597,324.55 |
| Employee Benefits | 227,017.58 |
| Miscellaneous | 7,500.00 |
| Cost of Sales | <u>556,742.30</u> |
| Total Operating Expenses | <u>1,388,584.43</u> |
| Operating Income / (Loss) | <u>(576,371.00)</u> |
| NONOPERATING REVENUES: | |
| State Sources: | |
| State School Lunch Program | 15,974.95 |
| Federal Sources: | |
| National School Lunch Program | 408,754.35 |
| National School Breakfast Program | 88,025.49 |
| Food Distribution Program | 65,411.40 |
| Interest and Investment Revenue | <u>1,415.60</u> |
| Total Nonoperating Revenues | <u>579,581.79</u> |
| Income (Loss) before Contributions and Transfers | 3,210.79 |
| Operating Transfers In (Out) - General Fund | <u>-</u> |
| Change in Net Position | 3,210.79 |
| Net Position -- July 1 | <u>8,188.58</u> |
| Net Position -- June 30 | <u><u>\$ 11,399.37</u></u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

| | <u>Food Service</u> |
|--|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from Customers | \$ 812,213.43 |
| Payments to Employees | (576,060.72) |
| Payments for Employee Benefits | (230,274.85) |
| Payments to Vendors | <u>(501,221.95)</u> |
| Net Cash Provided by (used for) Operating Activities | <u>(495,344.09)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | |
| State Sources | 15,701.18 |
| Federal Sources | <u>482,095.66</u> |
| Net Cash Provided by (used for) Non-Capital Financing Activities | <u>497,796.84</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest Revenue | <u>1,415.60</u> |
| Net Cash Provided by (used for) Investing Activities | <u>1,415.60</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 3,868.35 |
| Cash and Cash Equivalents -- July 1 | <u>36,002.34</u> |
| Cash and Equivalents -- June 30 | <u><u>\$ 39,870.69</u></u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) | |
| by Operating Activities: | |
| Operating Income (Loss) | \$ (576,371.00) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash | |
| Provided by (used for) Operating Activities: | |
| Food Distribution Program | 65,411.40 |
| (Increase) Decrease in Inventories | (1,358.45) |
| Increase (Decrease) in Accounts Payable | 20,231.23 |
| Increase (Decrease) in Other Liabilities | <u>(3,257.27)</u> |
| Total Adjustments | <u>81,026.91</u> |
| Net Cash Provided by (used for) Operating Activities | <u><u>\$ (495,344.09)</u></u> |

FIDUCIARY FUNDS

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2013

| | <u>Trust Funds</u> | <u>Agency Funds</u> | | |
|---|--|----------------------------|--------------------|------------------------|
| | Unemployment Compensation <u>Trust</u> | Student <u>Activity</u> | <u>Payroll</u> | <u>Total</u> |
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 678,639.97 | \$ 562,874.95 | \$ 2,787.18 | \$ 1,244,302.10 |
| Interfund Accounts Receivable: Due from General Fund | <u>1,883.84</u> | | | <u>1,883.84</u> |
| Total Assets | <u>680,523.81</u> | <u>\$ 562,874.95</u> | <u>\$ 2,787.18</u> | <u>\$ 1,246,185.94</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$ 9,654.17 | | | \$ 9,654.17 |
| Payable to Student Groups | | \$ 562,874.95 | | 562,874.95 |
| Payroll Deductions and Withholdings | | | <u>\$ 2,787.18</u> | <u>2,787.18</u> |
| Total Liabilities | <u>9,654.17</u> | <u>\$ 562,874.95</u> | <u>\$ 2,787.18</u> | <u>575,316.30</u> |
| NET POSITION: | | | | |
| Held in Trust for Unemployment Claims | <u>670,869.64</u> | | | <u>670,869.64</u> |
| Total Net Position | <u>\$ 670,869.64</u> | | | <u>\$ 670,869.64</u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2013

| | Unemployment Compensation <u>Trust</u> | <u>Total</u> |
|-------------------------|--|-----------------------------|
| ADDITIONS: | | |
| Board Contributions | \$ - | \$ - |
| Payroll Deductions | 43,281.13 | 43,281.13 |
| Total Contributions | <u>43,281.13</u> | <u>43,281.13</u> |
| Investment Earnings: | | |
| Interest | 1,659.37 | 1,659.37 |
| Net Investment Earnings | <u>1,659.37</u> | <u>1,659.37</u> |
| Total Additions | <u>44,940.50</u> | <u>44,940.50</u> |
| DEDUCTIONS: | | |
| Unemployment Claims | <u>54,572.83</u> | <u>54,572.83</u> |
| Total Deductions | <u>54,572.83</u> | <u>54,572.83</u> |
| Change in Net Position | (9,632.33) | (9,632.33) |
| Net Position -- July 1 | <u>680,501.97</u> | <u>680,501.97</u> |
| Net Position -- June 30 | <u><u>\$ 670,869.64</u></u> | <u><u>\$ 670,869.64</u></u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

| | <u>Balance</u> <u>June 30, 2012</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Balance</u> <u>June 30, 2013</u> |
|-----------------------------|--|--------------------------------|-------------------------------------|--|
| SENIOR HIGH SCHOOLS: | | | | |
| Highland | \$ 140,405.29 | \$ 341,101.05 | \$ 342,757.15 | \$ 138,749.19 |
| Timber Creek | 198,609.87 | 435,596.98 | 428,098.17 | 206,108.68 |
| Triton | <u>247,322.38</u> | <u>508,087.63</u> | <u>537,392.93</u> | <u>218,017.08</u> |
| Total Senior High Schools | <u>586,337.54</u> | <u>1,284,785.66</u> | <u>1,308,248.25</u> | <u>562,874.95</u> |
| Total All Schools | <u><u>\$ 586,337.54</u></u> | <u><u>\$ 1,284,785.66</u></u> | <u><u>\$ 1,308,248.25</u></u> | <u><u>\$ 562,874.95</u></u> |

LONG-TERM DEBT

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2013

| | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance June 30, 2012 | Retired | Balance June 30, 2013 |
|------------------------------|---------------|------------------|-------------------|-----------------|---------------|-------------------------|------------------------|-------------------------|
| | | | Date | Amount | | | | |
| Refunding Bonds, Series 2004 | 08/12/04 | \$ 31,510,000.00 | 12/01/13 | \$ 1,775,000.00 | 3.600% | \$ 22,275,000.00 | \$ 2,850,000.00 | \$ 19,425,000.00 |
| | | | 12/01/13 | 1,100,000.00 | 4.500% | | | |
| | | | 12/01/14 | 2,950,000.00 | 3.700% | | | |
| | | | 12/01/15 | 3,020,000.00 | 3.750% | | | |
| | | | 12/01/16 | 3,095,000.00 | 4.000% | | | |
| | | | 12/01/17 | 3,170,000.00 | 4.000% | | | |
| | | | 12/01/18 | 3,245,000.00 | 4.125% | | | |
| | | | 12/01/19 | 1,070,000.00 | 4.200% | | | |
| Refunding Bonds, Series 2008 | 01/16/08 | 1,947,000.00 | 12/01/19 | 1,947,000.00 | 4.250% | 1,947,000.00 | | 1,947,000.00 |
| | | | | | | <u>\$ 24,222,000.00</u> | <u>\$ 2,850,000.00</u> | <u>\$ 21,372,000.00</u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative) Final to Actual</u> |
|---|----------------------------|---------------------------------|-------------------------|---------------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 2,146,368.00 | | \$ 2,146,368.00 | \$ 2,146,368.00 | |
| State Sources: | | | | | |
| Debt Service Aid Type II | <u>1,600,029.00</u> | | <u>1,600,029.00</u> | <u>1,600,029.00</u> | |
| Total Revenues | <u>3,746,397.00</u> | | <u>3,746,397.00</u> | <u>3,746,397.00</u> | |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 896,397.00 | | 896,397.00 | 896,393.76 | \$ 3.24 |
| Redemption of Principal | <u>2,850,000.00</u> | | <u>2,850,000.00</u> | <u>2,850,000.00</u> | |
| Total Regular Debt Service | <u>3,746,397.00</u> | | <u>3,746,397.00</u> | <u>3,746,393.76</u> | <u>3.24</u> |
| Total Expenditures | <u>3,746,397.00</u> | | <u>3,746,397.00</u> | <u>3,746,393.76</u> | <u>3.24</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | 3.24 | 3.24 |
| Fund Balance, July 1 | <u>3.13</u> | | <u>3.13</u> | <u>3.13</u> | |
| Fund Balance, June 30 | <u>\$ 3.13</u> | <u>\$ -</u> | <u>\$ 3.13</u> | <u>\$ 6.37</u> | <u>\$ 3.24</u> |

STATISTICAL SECTION

Financial Trends Information

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|
| | 2013 (1) | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Governmental Activities: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 32,340,756.81 | \$ 26,946,444.28 | \$ 23,872,226.95 | \$ 20,238,519.29 | \$ 17,687,351.73 | \$ 15,831,425.59 | \$ 13,510,121.73 | \$ 12,051,997.27 | \$ 11,682,035.28 | \$ 10,530,979.85 |
| Restricted | 9,661,778.39 | 8,035,900.05 | 4,322,150.95 | 6,279,909.52 | 5,065,491.31 | 4,160,761.79 | 2,813,705.47 | 4,251,973.78 | 4,170,136.86 | 784,205.45 |
| Unrestricted | 70,554.99 | 410,979.84 | 197,350.21 | (2,758,019.82) | (2,965,962.07) | (660,547.21) | 775,233.36 | (1,258,552.11) | (2,367,641.48) | (2,035,184.39) |
| Total Governmental Activities Net Position | <u>\$ 42,073,090.19</u> | <u>\$ 35,393,324.17</u> | <u>\$ 28,391,728.11</u> | <u>\$ 23,760,408.99</u> | <u>\$ 19,786,880.97</u> | <u>\$ 19,331,640.17</u> | <u>\$ 17,099,060.56</u> | <u>\$ 15,045,418.94</u> | <u>\$ 13,484,530.66</u> | <u>\$ 9,280,000.91</u> |
| Business-type Activities: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | | | | | | \$ 45,049.63 | \$ 91,924.41 | \$ 138,799.19 | \$ 185,673.97 | \$ 232,548.75 |
| Restricted | | | | | | | | | | |
| Unrestricted | \$ 11,399.37 | \$ 8,188.58 | \$ 14,765.84 | \$ 104,114.59 | \$ 89,306.95 | 122,997.40 | 90,603.02 | 64,684.70 | 48,440.09 | (266,707.92) |
| Total Business-type Activities Net Position | <u>\$ 11,399.37</u> | <u>\$ 8,188.58</u> | <u>\$ 14,765.84</u> | <u>\$ 104,114.59</u> | <u>\$ 89,306.95</u> | <u>\$ 168,047.03</u> | <u>\$ 182,527.43</u> | <u>\$ 203,483.89</u> | <u>\$ 234,114.06</u> | <u>\$ (34,159.17)</u> |
| District-wide: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 32,340,756.81 | \$ 26,946,444.28 | \$ 23,872,226.95 | \$ 20,238,519.29 | \$ 17,687,351.73 | \$ 15,876,475.22 | \$ 13,602,046.14 | \$ 12,190,796.46 | \$ 11,867,709.25 | \$ 10,763,528.60 |
| Restricted | 9,661,778.39 | 8,035,900.05 | 4,322,150.95 | 6,279,909.52 | 5,065,491.31 | 4,160,761.79 | 2,813,705.47 | 4,251,973.78 | 4,170,136.86 | 784,205.45 |
| Unrestricted | 81,954.36 | 419,168.42 | 212,116.05 | (2,653,905.23) | (2,876,655.12) | (537,549.81) | 865,836.38 | (1,193,867.41) | (2,319,201.39) | (2,301,892.31) |
| Total District-wide Net Position | <u>\$ 42,084,489.56</u> | <u>\$ 35,401,512.75</u> | <u>\$ 28,406,493.95</u> | <u>\$ 23,864,523.58</u> | <u>\$ 19,876,187.92</u> | <u>\$ 19,499,687.20</u> | <u>\$ 17,281,587.99</u> | <u>\$ 15,248,902.83</u> | <u>\$ 13,718,644.72</u> | <u>\$ 9,245,841.74</u> |

(1) In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed. See the notes to the financial statements.

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Changes in Net Assets
 Last Ten Fiscal Years (Accrual Basis of Accounting)
 Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 17,872,091.73 | \$ 17,270,112.94 | \$ 17,785,243.91 | \$ 18,698,619.61 | \$ 18,143,529.50 | \$ 17,890,088.31 | \$ 16,597,891.61 | \$ 17,237,910.55 | \$ 15,864,088.45 | \$ 14,758,951.61 |
| Special Education | 3,935,878.26 | 4,210,011.05 | 4,006,438.97 | 4,242,244.95 | 3,951,571.40 | 3,573,737.31 | 3,163,634.67 | 3,138,416.88 | 2,600,639.85 | 2,702,723.11 |
| Other Special Education | 519,389.96 | 490,867.53 | 92,654.32 | 129,099.74 | 427,046.45 | 344,615.29 | 299,508.49 | 119,802.37 | 105,347.00 | 256,777.41 |
| Other Instruction | 2,152,190.75 | 1,907,903.02 | 1,946,365.91 | 2,279,740.76 | 2,218,313.52 | 2,179,084.80 | 2,067,799.85 | 1,977,895.74 | 1,833,281.65 | 1,713,893.21 |
| Support Services: | | | | | | | | | | |
| Tuition | 4,125,976.02 | 3,962,762.13 | 4,060,956.40 | 5,005,769.18 | 5,372,217.67 | 4,669,037.78 | 3,668,247.49 | 3,668,256.83 | 3,825,586.41 | 4,116,494.91 |
| Student and Instruction Related Services | 6,771,600.52 | 6,597,712.79 | 6,685,172.11 | 7,184,973.51 | 6,577,503.83 | 6,352,081.34 | 6,461,586.65 | 5,916,392.45 | 5,354,808.99 | 4,686,192.58 |
| School Administrative Services | 2,532,236.45 | 2,446,231.09 | 2,444,145.58 | 2,560,210.88 | 2,485,190.42 | 2,392,834.31 | 2,419,925.67 | 2,347,854.37 | 2,263,166.72 | 2,824,219.81 |
| General and Business Administrative Services | 1,898,880.64 | 1,711,804.95 | 1,975,796.10 | 2,017,965.70 | 1,940,263.62 | 2,108,447.49 | 2,135,008.41 | 2,116,729.30 | 2,037,550.38 | 1,467,458.73 |
| Plant Operations and Maintenance | 5,627,922.11 | 5,732,929.60 | 5,610,405.98 | 5,588,556.48 | 5,655,562.77 | 5,863,444.48 | 5,513,502.77 | 5,174,954.94 | 4,298,784.86 | 4,108,083.77 |
| Pupil Transportation | 3,376,355.77 | 3,182,706.95 | 3,407,993.57 | 3,785,124.00 | 4,048,797.72 | 3,697,447.01 | 3,245,023.33 | 3,270,960.57 | 3,088,582.83 | 2,987,341.91 |
| Unallocated Benefits | 9,989,584.25 | 11,002,796.12 | 11,219,262.63 | 9,632,880.17 | 9,091,218.91 | 8,812,871.11 | 8,527,056.85 | 7,510,303.69 | 7,046,450.91 | 6,451,763.45 |
| Reimbursed TPAF and Social Security | 4,873,561.53 | 4,074,073.58 | 3,354,441.84 | 3,372,488.90 | 3,207,213.05 | 4,891,734.64 | 4,659,760.47 | 3,124,668.02 | 2,696,087.48 | 2,543,969.04 |
| Special Schools | 155,695.84 | 160,143.58 | 121,380.07 | 147,911.57 | 151,911.29 | 139,628.69 | 143,350.32 | 151,922.03 | 67,384.70 | 31,249.00 |
| Transfer to Charter Schools | 47,865.00 | | | | | | | | | |
| Interest on Long-term Debt | 994,208.31 | 1,085,725.98 | 1,191,256.28 | 1,273,800.99 | 1,362,678.76 | 1,472,892.21 | 1,603,298.38 | 1,706,479.80 | 1,572,771.95 | 2,006,261.69 |
| Amortization of Debt Issuance Costs | 21,375.84 | 21,375.84 | 21,375.84 | 21,375.83 | 21,375.83 | 21,902.08 | 19,925.14 | 19,925.13 | 18,854.38 | 13,500.64 |
| Unallocated Depreciation | 652,428.06 | 611,736.62 | 633,789.00 | 679,176.65 | 671,730.10 | 672,939.93 | 640,717.95 | 814,953.07 | 814,702.42 | 770,065.45 |
| Total Governmental Activities Expenses | 65,525,865.20 | 64,468,893.77 | 64,556,678.51 | 66,619,938.92 | 65,326,124.84 | 65,082,786.78 | 61,166,238.05 | 58,297,425.74 | 53,488,088.98 | 51,438,946.32 |
| Business-type Activities: | | | | | | | | | | |
| Food Service | 1,388,584.43 | 1,429,537.89 | 1,618,959.23 | 1,826,244.03 | 2,048,298.57 | 1,891,877.72 | 1,888,064.64 | 1,758,926.70 | 1,636,480.96 | 1,523,265.29 |
| Total Business-type Activities Expense | 1,388,584.43 | 1,429,537.89 | 1,618,959.23 | 1,826,244.03 | 2,048,298.57 | 1,891,877.72 | 1,888,064.64 | 1,758,926.70 | 1,636,480.96 | 1,523,265.29 |
| Total District Expenses | \$ 66,914,449.63 | \$ 65,898,431.66 | \$ 66,175,637.74 | \$ 68,446,182.95 | \$ 67,374,423.41 | \$ 66,974,664.50 | \$ 63,054,302.69 | \$ 60,056,352.44 | \$ 55,124,569.94 | \$ 52,962,211.61 |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Changes in Net Assets
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Operating Grants and Contributions | \$ 6,615,484.77 | \$ 5,835,273.04 | \$ 5,934,157.77 | \$ 5,803,114.27 | \$ 5,228,721.42 | \$ 6,735,198.43 | \$ 6,486,818.46 | \$ 5,041,119.69 | \$ 4,594,616.13 | \$ 4,570,071.05 |
| Capital Grants and Contributions | | | | | | | | | | |
| Total Governmental Activities Program Revenues | <u>6,615,484.77</u> | <u>5,835,273.04</u> | <u>5,934,157.77</u> | <u>5,803,114.27</u> | <u>5,228,721.42</u> | <u>6,735,198.43</u> | <u>6,486,818.46</u> | <u>5,041,119.69</u> | <u>4,594,616.13</u> | <u>4,570,071.05</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food service | 812,213.43 | 870,226.05 | 917,170.52 | 1,017,458.19 | 1,204,657.87 | 1,222,540.53 | 1,209,768.39 | 1,172,227.40 | 1,110,558.21 | 1,044,005.41 |
| Capital Grants and Contributions | | | | | | | | | | |
| Operating Grants and Contributions | 578,166.19 | 550,007.37 | 504,967.18 | 522,992.47 | 431,378.21 | 379,297.46 | 330,283.86 | 259,230.06 | 184,747.80 | 169,785.34 |
| Total Business-type Activities Program Revenues | <u>1,390,379.62</u> | <u>1,420,233.42</u> | <u>1,422,137.70</u> | <u>1,540,450.66</u> | <u>1,636,036.08</u> | <u>1,601,837.99</u> | <u>1,540,052.25</u> | <u>1,431,457.46</u> | <u>1,295,306.01</u> | <u>1,213,790.75</u> |
| Total District Program Revenues | <u>\$ 8,005,864.39</u> | <u>\$ 7,255,506.46</u> | <u>\$ 7,356,295.47</u> | <u>\$ 7,343,564.93</u> | <u>\$ 6,864,757.50</u> | <u>\$ 8,337,036.42</u> | <u>\$ 8,026,870.71</u> | <u>\$ 6,472,577.15</u> | <u>\$ 5,889,922.14</u> | <u>\$ 5,783,861.80</u> |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (58,910,380.43) | \$ (58,633,620.73) | \$ (58,622,520.74) | \$ (60,816,824.65) | \$ (60,097,403.42) | \$ (58,347,588.35) | \$ (54,679,419.59) | \$ (53,256,306.05) | \$ (48,893,472.85) | \$ (46,868,875.27) |
| Business-type Activities | <u>1,795.19</u> | <u>(9,304.47)</u> | <u>(196,821.53)</u> | <u>(285,793.37)</u> | <u>(412,262.49)</u> | <u>(290,039.73)</u> | <u>(348,012.39)</u> | <u>(327,469.24)</u> | <u>(341,174.95)</u> | <u>(309,474.54)</u> |
| Total District-wide Net Expense | <u>\$ (58,908,585.24)</u> | <u>\$ (58,642,925.20)</u> | <u>\$ (58,819,342.27)</u> | <u>\$ (61,102,618.02)</u> | <u>\$ (60,509,665.91)</u> | <u>\$ (58,637,628.08)</u> | <u>\$ (55,027,431.98)</u> | <u>\$ (53,583,775.29)</u> | <u>\$ (49,234,647.80)</u> | <u>\$ (47,178,349.81)</u> |

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Changes in Net Assets
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| General Revenues and Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 27,985,704.00 | \$ 27,985,704.00 | \$ 27,867,689.00 | \$ 26,795,855.00 | \$ 25,861,401.00 | \$ 29,655,998.00 | \$ 27,733,018.00 | \$ 25,966,061.00 | \$ 25,016,795.00 | \$ 18,572,612.00 |
| Taxes Levied for Debt Service | 2,146,368.00 | 2,161,893.00 | 2,174,868.00 | 1,879,116.00 | 1,916,716.00 | 1,915,304.00 | 1,806,378.00 | 1,931,520.00 | 1,415,631.00 | 1,787,437.00 |
| Federal and State Aid not Restricted | 33,031,659.91 | 33,188,508.97 | 31,197,401.23 | 33,120,045.29 | 30,468,456.66 | 26,152,323.00 | 25,461,036.80 | 25,306,675.00 | 25,153,896.00 | 24,422,715.00 |
| Federal and State Aid Restricted | 1,217,192.57 | 1,023,642.58 | 1,177,886.12 | 2,384,163.80 | 1,724,035.03 | 1,663,972.49 | 1,145,593.11 | 1,069,560.54 | 1,590,960.97 | 844,664.10 |
| Tuition Received | 314,309.77 | 167,376.00 | | | | | | | | |
| Transportation | 571,000.00 | 571,000.00 | 550,507.25 | 596,433.25 | 501,232.66 | 782,000.00 | 330,164.40 | 216,314.80 | 290,643.34 | 83,943.36 |
| Miscellaneous | 494,918.92 | 537,092.24 | 385,488.26 | 352,799.20 | 407,874.87 | 669,195.48 | 577,026.59 | 602,816.02 | 225,845.65 | 571,733.27 |
| Special Items | | | | (44,635.00) | | (0.01) | (18,709.00) | | 3,274.98 | (805,248.08) |
| Transfers | | | (100,000.00) | (293,424.87) | (327,072.00) | (258,625.00) | (301,446.69) | (275,753.03) | (599,044.34) | |
| Total Governmental Activities | 65,761,153.17 | 65,635,216.79 | 63,253,839.86 | 64,790,352.67 | 60,552,644.22 | 60,580,167.96 | 56,733,061.21 | 54,817,194.33 | 53,098,002.60 | 45,477,856.65 |
| Business-type Activities: | | | | | | | | | | |
| Miscellaneous Income | 1,415.60 | 2,727.21 | 7,472.78 | 7,176.14 | 6,450.41 | 16,934.33 | 25,609.24 | 21,086.04 | 10,403.84 | 3,353.54 |
| Transfers | | | 100,000.00 | 293,424.87 | 327,072.00 | 258,625.00 | 301,446.69 | 275,753.03 | 599,044.34 | |
| Total Business-type Activities | 1,415.60 | 2,727.21 | 107,472.78 | 300,601.01 | 333,522.41 | 275,559.33 | 327,055.93 | 296,839.07 | 609,448.18 | 3,353.54 |
| Total District-wide | \$ 65,762,568.77 | \$ 65,637,944.00 | \$ 63,361,312.64 | \$ 65,090,953.68 | \$ 60,886,166.63 | \$ 60,855,727.29 | \$ 57,060,117.14 | \$ 55,114,033.40 | \$ 53,707,450.78 | \$ 45,481,210.19 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 6,850,772.74 | \$ 7,001,596.06 | \$ 4,631,319.12 | \$ 3,973,528.02 | \$ 455,240.80 | \$ 2,232,579.61 | \$ 2,053,641.62 | \$ 1,560,888.28 | \$ 4,204,529.75 | \$ (1,391,018.62) |
| Business-type Activities | 3,210.79 | (6,577.26) | (89,348.75) | 14,807.64 | (78,740.08) | (14,480.40) | (20,956.46) | (30,630.17) | 268,273.23 | (306,121.00) |
| Total District | \$ 6,853,983.53 | \$ 6,995,018.80 | \$ 4,541,970.37 | \$ 3,988,335.66 | \$ 376,500.72 | \$ 2,218,099.21 | \$ 2,032,685.16 | \$ 1,530,258.11 | \$ 4,472,802.98 | \$ (1,697,139.62) |

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|
| | 2013 (1) | 2012 (1) | 2011 (1) | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 7,394,016.60 | \$ 4,251,147.45 | \$ 1,928,033.56 | | | | | | | |
| Assigned | 2,260,189.42 | 3,606,176.75 | 1,758,373.79 | | | | | | | |
| Unassigned | 952,630.84 | 1,539,744.83 | 1,368,633.82 | | | | | | | |
| Reserved | | | | \$ 1,455,735.78 | \$ 2,039,622.40 | \$ 3,303,588.37 | \$ 3,817,800.31 | \$ 3,011,713.22 | \$ 1,914,758.31 | \$ 397,622.91 |
| Unreserved | | | | 933,675.73 | 230,897.09 | 1,881,192.90 | 1,860,646.98 | 2,314,141.78 | 2,608,270.80 | (432,158.34) |
| Total General Fund | \$ 10,606,836.86 | \$ 9,397,069.03 | \$ 5,055,041.17 | \$ 2,389,411.51 | \$ 2,270,519.49 | \$ 5,184,781.27 | \$ 5,678,447.29 | \$ 5,325,855.00 | \$ 4,523,029.11 | \$ (34,535.43) |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted | \$ 7,572.37 | \$ 7,569.13 | \$ 443,361.04 | | | | | | | |
| Reserved | | | | \$ 2,457,057.72 | \$ 1,175,966.14 | | | | | |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Fund | | | | | | \$ (4,407.00) | \$ (4,407.00) | \$ (4,407.00) | \$ (4,407.00) | \$ (4,407.00) |
| Capital Projects Fund | | | | | | | | | | 783,033.97 |
| Debt Service Fund | | | | 0.62 | 18,786.38 | 18,785.89 | | 85,774.87 | 85,774.63 | (634.52) |
| Permanent Fund | | | | | | | | | | |
| Total All Other Governmental Funds | \$ 7,572.37 | \$ 7,569.13 | \$ 443,361.04 | \$ 2,457,058.34 | \$ 1,194,752.52 | \$ 14,378.89 | \$ (4,407.00) | \$ 81,367.87 | \$ 81,367.63 | \$ 777,992.45 |

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

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | Fiscal Year Ended June 30, | | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|------------------------|------------------------|----------------------|------------------------|----------------------------|------------------------|----------------------|----------------------|------------------------|--------------------------|
| | | | | | <u>2009</u> | <u>2008</u> | | | | |
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 30,132,072.00 | \$ 30,147,597.00 | \$ 30,042,557.00 | \$ 28,674,971.00 | \$ 27,778,117.00 | \$ 31,571,302.00 | \$ 29,539,396.00 | \$ 27,897,581.00 | \$ 26,432,426.00 | \$ 20,360,049.00 |
| Other Local Revenue | 1,387,471.74 | 1,286,196.24 | 954,899.51 | 968,239.45 | 1,006,501.13 | 1,451,195.48 | 907,190.99 | 819,130.82 | 516,488.99 | 655,676.63 |
| State Sources | 39,455,494.09 | 37,486,712.91 | 36,128,902.24 | 33,976,107.90 | 35,882,381.05 | 33,500,882.64 | 32,119,745.27 | 30,399,230.02 | 30,300,954.77 | 28,929,038.04 |
| Federal Sources | 1,401,600.11 | 2,549,983.68 | 2,161,638.88 | 7,312,208.46 | 1,441,438.46 | 1,050,611.28 | 973,703.10 | 1,018,125.21 | 1,038,518.33 | 908,412.11 |
| Total Revenue | 72,376,637.94 | 71,470,489.83 | 69,287,997.63 | 70,931,526.81 | 66,108,437.64 | 67,573,991.40 | 63,540,035.36 | 60,134,067.05 | 58,288,388.09 | 50,853,175.78 |
| Expenditures: | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 17,057,056.73 | 16,534,746.32 | 17,030,552.14 | 17,868,804.04 | 17,330,213.48 | 17,099,221.14 | 15,842,342.28 | 16,325,388.88 | 14,948,975.87 | 13,902,636.11 |
| Special Education Instruction | 3,935,878.26 | 4,210,011.05 | 4,006,438.97 | 4,242,244.95 | 3,951,571.40 | 3,573,737.31 | 3,163,634.67 | 3,138,416.88 | 2,600,639.85 | 2,702,723.11 |
| Other Special Instruction | 519,389.96 | 490,867.53 | 92,654.32 | 129,099.74 | 427,046.45 | 344,615.29 | 299,508.49 | 119,802.37 | 105,347.00 | 256,777.41 |
| Other Instruction | 2,070,433.25 | 1,832,016.85 | 1,868,047.63 | 2,195,171.74 | 2,135,057.15 | 2,096,230.64 | 1,989,017.20 | 1,879,501.85 | 1,734,660.62 | 1,621,266.35 |
| Support Services: | | | | | | | | | | |
| Tuition | 4,125,976.02 | 3,962,762.13 | 4,060,956.40 | 5,005,769.18 | 5,372,217.67 | 4,669,037.78 | 3,668,247.49 | 3,668,256.83 | 3,825,586.41 | 4,116,494.91 |
| Student and Instruction Related Services | 6,771,600.52 | 6,597,712.79 | 6,685,172.11 | 7,184,973.51 | 6,577,503.83 | 6,352,081.34 | 6,461,586.65 | 5,916,392.45 | 5,354,808.99 | 4,686,192.58 |
| School Administrative Services | 2,532,236.45 | 2,446,231.09 | 2,444,145.58 | 2,560,210.88 | 2,485,190.42 | 2,392,834.31 | 2,419,925.67 | 2,347,854.37 | 2,263,166.72 | 2,824,219.81 |
| Other Administrative Services | 1,541,061.13 | 1,420,256.12 | 1,702,966.90 | 1,979,322.59 | 2,144,719.68 | 2,258,501.16 | 2,264,356.63 | 1,983,553.37 | 1,871,308.93 | 1,284,953.43 |
| Plant Operations and Maintenance | 5,606,146.80 | 5,712,547.02 | 5,589,312.68 | 5,565,916.54 | 5,633,205.92 | 5,841,063.82 | 5,492,214.64 | 5,148,007.39 | 4,271,817.09 | 4,082,653.78 |
| Pupil Transportation | 3,376,355.77 | 3,182,706.95 | 3,407,993.57 | 3,785,124.00 | 4,048,797.72 | 3,697,447.01 | 3,245,023.33 | 3,270,960.57 | 3,088,582.83 | 2,987,341.91 |
| Unallocated Benefits | 10,228,198.39 | 11,037,206.41 | 11,577,317.57 | 9,550,232.10 | 9,051,331.63 | 13,757,293.54 | 13,218,280.05 | 10,742,565.83 | 9,908,030.84 | 8,702,241.72 |
| Reimbursed TPAF Pension and Social Security | 4,873,561.53 | 4,074,073.58 | 3,354,441.84 | 3,372,488.90 | 3,207,213.05 | | | | | |
| Special Schools | 155,695.84 | 160,143.58 | 121,380.07 | 147,911.57 | 151,911.29 | 139,628.69 | 143,350.32 | 151,922.03 | 67,384.70 | 31,249.00 |
| Transfer to Charter School | 47,865.00 | | | | | | | | | |
| Debt Service: | | | | | | | | | | |
| Principal | 2,850,000.00 | 2,780,000.00 | 2,700,000.00 | 2,625,000.00 | 2,545,000.00 | 2,435,000.00 | 2,280,000.00 | 2,175,000.00 | 1,295,000.00 | 1,665,000.00 |
| Interest and Other Charges | 896,393.76 | 993,493.76 | 1,096,143.73 | 1,189,518.76 | 1,288,362.51 | 1,395,706.11 | 1,522,963.76 | 1,625,348.76 | 1,469,280.23 | 2,027,750.00 |
| Capital Outlay | 4,579,017.46 | 2,129,478.70 | 2,798,541.76 | 1,810,480.60 | 1,165,911.59 | 1,737,848.39 | 942,611.07 | 342,616.71 | 2,118,356.47 | 1,479,902.52 |
| Total Expenditures | 71,166,866.87 | 67,564,253.88 | 68,536,065.27 | 69,212,269.10 | 67,515,253.79 | 67,790,246.53 | 62,953,062.25 | 58,835,588.29 | 54,922,946.55 | 52,371,402.64 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,209,771.07 | 3,906,235.95 | 751,932.36 | 1,719,257.71 | (1,406,816.15) | (216,255.13) | 586,973.11 | 1,298,478.76 | 3,365,441.54 | (1,518,226.86) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Capital Leases (Non-budgeted) | | | | | | | | | 1,150,000.00 | |
| Sale/Leaseback of Textbooks Reserve | | | | | | | | (219,899.60) | (58,732.46) | |
| Proceeds of Bonds | | | | | | | | | 31,510,000.00 | |
| Arbitrage Rebate | | | | | | | | | | (576,081.44) |
| Payment to Refunded Debt Escrow Agent | | | | | | | | | (31,198,494.25) | |
| Premium/(Discount) on Bonds | | | | | | | | | (48,179.15) | |
| Costs of Issuance | | | | | | | | | (263,326.60) | |
| Accounts Receivable/Payable Canceled | | | | | | | | | 3,274.98 | 120,833.36 |
| Refunds of Prior Year Funds Ineligible Costs | | | | (44,635.00) | | | (18,709.00) | | 1,464,867.28 | 9,742.65 |
| Transfers In | | | | | | | | | (2,063,911.62) | (9,742.65) |
| Transfers Out | | | (100,000.00) | (293,424.87) | (327,072.00) | (258,625.00) | (301,446.69) | (275,753.03) | | |
| Total Other Financing Sources (Uses) | - | - | (100,000.00) | (338,059.87) | (327,072.00) | (258,625.00) | (320,155.69) | (495,652.63) | 495,498.18 | (455,248.08) |
| Net Change in Fund Balances | \$ 1,209,771.07 | \$ 3,906,235.95 | \$ 651,932.36 | \$ 1,381,197.84 | \$ (1,733,888.15) | \$ (474,880.13) | \$ 266,817.42 | \$ 802,826.13 | \$ 3,860,939.72 | \$ (1,973,474.94) |
| Debt Service as a Percentage of Noncapital Expenditures | 5.6% | 5.8% | 5.8% | 5.7% | 5.8% | 5.8% | 6.1% | 6.5% | 5.2% | 7.3% |

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|-------------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
| Interest | 25,842.38 | \$ 25,951.60 | \$ 46,754.69 | \$ 27,290.44 | \$ 33,784.79 | \$ 192,648.11 | \$ 303,916.27 | \$ 252,878.81 | \$ 75,029.97 | \$ 14,473.37 |
| Gate Receipts | 50,631.00 | 34,393.00 | 37,215.00 | 28,946.00 | 37,437.00 | 39,306.00 | 36,650.00 | 37,079.72 | 37,404.00 | 38,826.00 |
| Tuition Students/Other LEAs | 33,439.50 | | 124,293.53 | 31,246.24 | 2,212.00 | | 11,053.20 | 12,702.00 | | |
| Fines | | | 8,304.16 | 11,495.54 | 12,132.87 | 10,107.72 | 9,188.10 | 15,101.36 | 16,922.71 | 11,347.80 |
| Refunds | 64,274.84 | 96,139.76 | 12,869.01 | 31,549.77 | 35,177.95 | | 68,124.73 | 58,585.54 | 33,264.11 | 26,008.61 |
| Federal/State Refunds | | | | 13,010.22 | | | | | | |
| Sale/Lease of Textbooks | | | | | | | | | | 350,000.00 |
| Use of Facilities Fees | 67,450.00 | 76,810.00 | 61,100.25 | 39,780.00 | 38,270.00 | 24,090.97 | 10,201.10 | 26,608.02 | 12,330.00 | 4,140.00 |
| Miscellaneous | 135,094.96 | 117,553.29 | 15,229.83 | 14,443.91 | 11,716.64 | 24,929.81 | 7,322.38 | 50,811.55 | 45,425.48 | 117,194.84 |
| E-Rate Refunds | 20,698.80 | 36,025.60 | 21,748.21 | 28,546.59 | | 17,660.53 | 26,029.96 | 86,697.74 | | |
| Insurance Reimbursements | 96,405.99 | 56,392.65 | 35,821.92 | 45,591.97 | 39,897.64 | 120,316.65 | 85,504.69 | 31,717.96 | | |
| Insurance Dividends | | | 5,242.29 | 44,109.88 | 76,289.00 | 34,317.58 | | | | |
| Health Benefit Contributions | | 92,561.01 | 12,158.48 | 20,914.19 | 23,312.53 | 26,161.10 | | | | |
| Prior Year Payables Canceled | | | | | | | | 26,783.32 | | |
| Copier Lease Buyout - Prior Year | | | | | | 161,440.41 | | | | |
| Copier Lease Buyout - Current Year | | | | | 91,995.35 | 15,000.00 | | | | |
| Copier Fees | | | | | | 1,176.60 | | | | |
| Mentoring Fees | | | | | 1,000.00 | | 9,669.00 | | | |
| GED Course Fees | | | | | | 2,040.00 | | 3,850.00 | | |
| Homeless Aid | | | | | | | 7,737.16 | | | |
| Total Miscellaneous Revenues | <u>\$ 493,837.47</u> | <u>\$ 535,826.91</u> | <u>\$ 380,737.37</u> | <u>\$ 336,924.75</u> | <u>\$ 403,225.77</u> | <u>\$ 669,195.48</u> | <u>\$ 577,026.59</u> | <u>\$ 602,816.02</u> | <u>\$ 220,376.27</u> | <u>\$ 561,990.62</u> |

Source: District Records

Revenue Capacity Information

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
Unaudited

| Year Ended Dec. 31 | Vacant Land | Residential | Farm | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities (1) | Net Valuation Taxable | Tax-Exempt Property | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate (2) |
|----------------------|------------------|---------------------|-----------------|-------------------|------------------|-------------------|----------------------|----------------------|-----------------------|---------------------|---|----------------------------------|
| Bellmawr Borough: | | | | | | | | | | | | |
| 2013 | \$ 8,622,900.00 | \$ 577,200,200.00 | None | \$ 74,789,900.00 | \$ 94,217,500.00 | \$ 58,655,700.00 | \$ 813,486,200.00 | \$ 983,907.00 | \$ 814,470,107.00 | \$ 126,992,600.00 | \$ 795,123,885.00 | \$ 0.529 |
| 2012 | 8,623,100.00 | 578,828,500.00 | None | 78,980,400.00 | 91,645,100.00 | 65,648,200.00 | 823,725,300.00 | 1,068,074.00 | 824,793,374.00 | 126,622,600.00 | 859,545,615.00 | \$ 0.509 |
| 2011 | 8,763,100.00 | 578,671,900.00 | None | 80,294,900.00 | 99,163,600.00 | 65,702,600.00 | 832,596,100.00 | 1,147,259.00 | 833,743,359.00 | 126,285,800.00 | 858,904,057.00 | \$ 0.491 |
| 2010 | 8,439,300.00 | 577,285,300.00 | None | 83,073,000.00 | 99,602,300.00 | 65,702,600.00 | 834,102,500.00 | 1,337,997.00 | 835,440,497.00 | 126,273,500.00 | 855,123,775.00 | \$ 0.464 |
| 2009 - R | 8,672,800.00 | 576,086,300.00 | None | 84,801,500.00 | 106,056,000.00 | 66,014,700.00 | 841,631,300.00 | 1,380,914.00 | 843,012,214.00 | 123,595,800.00 | 848,773,063.00 | \$ 0.433 |
| 2008 | 4,030,800.00 | 297,552,200.00 | None | 40,861,800.00 | 58,522,900.00 | 28,582,600.00 | 429,550,300.00 | 659,045.00 | 430,209,345.00 | 53,829,800.00 | 865,270,803.00 | \$ 0.877 |
| 2007 | 4,180,700.00 | 296,793,900.00 | None | 41,060,700.00 | 58,522,900.00 | 28,553,300.00 | 429,111,500.00 | 695,909.00 | 429,807,409.00 | 53,653,500.00 | 784,806,639.00 | \$ 0.885 |
| 2006 | 4,209,600.00 | 296,354,500.00 | None | 40,121,500.00 | 58,816,900.00 | 28,584,700.00 | 428,087,200.00 | 808,116.00 | 428,895,316.00 | 50,735,200.00 | 779,290,022.00 | \$ 0.858 |
| 2005 | 3,893,600.00 | 295,053,800.00 | None | 39,445,400.00 | 58,431,100.00 | 28,561,500.00 | 425,385,400.00 | 1,024,390.00 | 426,409,790.00 | 50,742,700.00 | 669,238,967.00 | \$ 0.842 |
| 2004 | 3,574,900.00 | 294,887,400.00 | None | 40,145,200.00 | 58,538,500.00 | 28,508,700.00 | 425,654,700.00 | 1,121,810.00 | 426,776,510.00 | 50,969,300.00 | 565,052,255.00 | \$ 0.775 |
| Gloucester Township: | | | | | | | | | | | | |
| 2013 | \$ 43,644,900.00 | \$ 3,860,376,200.00 | \$ 7,165,800.00 | \$ 340,996,300.00 | \$ 58,290,800.00 | \$ 161,685,100.00 | \$ 4,472,159,100.00 | \$ 8,504,800.00 | \$ 4,480,663,900.00 | \$ 740,427,900.00 | \$ 4,256,390,391.00 | \$ 0.518 |
| 2012 | 42,470,400.00 | 3,912,957,500.00 | 7,189,600.00 | 333,418,200.00 | 57,339,900.00 | 160,651,000.00 | 4,514,026,600.00 | 10,169,900.00 | 4,524,196,500.00 | 754,018,000.00 | 4,530,225,550.00 | \$ 0.509 |
| 2011 | 44,506,600.00 | 3,926,504,450.00 | 6,791,800.00 | 320,755,000.00 | 58,630,600.00 | 164,046,800.00 | 4,521,235,250.00 | 10,362,210.00 | 4,531,597,460.00 | 768,960,600.00 | 4,679,086,681.00 | \$ 0.511 |
| 2010 - R | 48,611,000.00 | 3,922,641,150.00 | 7,735,800.00 | 317,979,100.00 | 60,852,900.00 | 166,205,500.00 | 4,524,025,450.00 | 11,677,300.00 | 4,535,702,750.00 | 777,355,900.00 | 4,740,264,761.00 | \$ 0.499 |
| 2009 | 25,485,900.00 | 2,145,192,600.00 | 4,312,600.00 | 153,482,500.00 | 32,643,200.00 | 85,262,700.00 | 2,446,389,500.00 | 5,923,640.00 | 2,452,313,140.00 | 418,139,400.00 | 4,902,197,036.00 | \$ 0.888 |
| 2008 | 25,716,200.00 | 2,140,088,300.00 | 4,313,700.00 | 151,720,300.00 | 32,694,200.00 | 85,262,700.00 | 2,439,795,400.00 | 5,520,631.00 | 2,445,316,031.00 | 410,586,000.00 | 4,820,589,508.00 | \$ 0.939 |
| 2007 | 24,462,900.00 | 2,125,453,500.00 | 4,277,200.00 | 148,503,800.00 | 33,918,700.00 | 82,508,000.00 | 2,419,124,100.00 | 6,055,577.00 | 2,425,179,677.00 | 404,633,900.00 | 4,764,364,192.00 | \$ 0.981 |
| 2006 | 27,996,100.00 | 2,094,399,900.00 | 4,308,400.00 | 142,600,400.00 | 34,229,100.00 | 83,623,300.00 | 2,387,157,200.00 | 6,561,812.00 | 2,393,719,012.00 | 357,221,532.00 | 4,355,545,598.00 | \$ 0.924 |
| 2005 | 30,229,100.00 | 2,070,257,700.00 | 4,669,300.00 | 145,046,600.00 | 34,200,800.00 | 83,623,300.00 | 2,368,026,800.00 | 8,338,470.00 | 2,376,365,270.00 | 355,692,286.00 | 3,900,558,720.00 | \$ 0.867 |
| 2004 | 32,768,701.00 | 2,033,132,300.00 | 4,165,500.00 | 137,553,300.00 | 34,828,300.00 | 83,623,300.00 | 2,326,071,401.00 | 9,521,991.00 | 2,335,593,392.00 | 354,306,483.00 | 3,201,605,703.00 | \$ 0.745 |
| Runnemede Borough: | | | | | | | | | | | | |
| 2013 | \$ 4,788,500.00 | \$ 381,511,400.00 | None | \$ 73,710,800.00 | \$ 19,241,100.00 | \$ 27,118,900.00 | \$ 506,370,700.00 | \$ 1,242,127.00 | \$ 507,612,827.00 | \$ 74,040,800.00 | \$ 518,884,724.00 | \$ 0.565 |
| 2012 | 3,097,500.00 | 257,928,600.00 | None | 45,472,800.00 | 12,060,100.00 | 14,752,700.00 | 333,311,700.00 | 943,609.00 | 334,255,309.00 | 44,526,200.00 | 552,310,184.00 | \$ 0.869 |
| 2011 | 2,856,100.00 | 257,348,900.00 | None | 45,272,700.00 | 12,060,100.00 | 17,052,700.00 | 334,590,500.00 | 933,735.00 | 335,524,235.00 | 44,621,800.00 | 579,912,820.00 | \$ 0.835 |
| 2010 | 2,897,400.00 | 257,268,300.00 | None | 45,786,500.00 | 12,300,100.00 | 18,027,700.00 | 336,280,000.00 | 970,055.00 | 337,250,055.00 | 44,295,000.00 | 591,488,840.00 | \$ 0.835 |
| 2009 | 2,979,200.00 | 257,477,700.00 | None | 45,139,100.00 | 12,300,100.00 | 18,297,700.00 | 336,193,800.00 | 945,824.00 | 337,139,624.00 | 43,772,300.00 | 612,997,837.00 | \$ 0.838 |
| 2008 | 2,952,100.00 | 257,174,700.00 | None | 45,644,500.00 | 12,749,700.00 | 18,297,700.00 | 336,818,700.00 | 1,048,363.00 | 337,867,063.00 | 43,690,400.00 | 591,141,251.00 | \$ 0.866 |
| 2007 | 3,211,700.00 | 255,372,400.00 | None | 45,678,400.00 | 13,049,700.00 | 18,297,700.00 | 335,609,900.00 | 1,121,421.00 | 336,731,321.00 | 43,525,600.00 | 534,990,012.00 | \$ 0.876 |
| 2006 | 2,840,200.00 | 254,680,800.00 | None | 44,427,900.00 | 13,249,700.00 | 18,297,700.00 | 333,496,300.00 | 1,229,499.00 | 334,725,799.00 | 43,525,600.00 | 529,666,038.00 | \$ 0.866 |
| 2005 | 2,930,400.00 | 253,501,100.00 | None | 44,497,800.00 | 13,249,700.00 | 18,297,700.00 | 332,476,700.00 | 1,575,993.00 | 334,052,693.00 | 43,525,600.00 | 470,910,691.00 | \$ 0.884 |
| 2004 | 3,063,800.00 | 250,016,300.00 | None | 44,568,800.00 | 13,249,700.00 | 18,297,700.00 | 329,196,300.00 | 1,717,421.00 | 330,913,721.00 | 43,941,900.00 | 400,888,392.00 | \$ 0.806 |

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

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

R - Revaluation

Source: Camden County Board of Taxation

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
 Unaudited

| Year Ended Dec. 31 | District Direct Rate | | | Overlapping Rates | | | | Total Direct and Overlapping Tax Rate |
|-----------------------|----------------------|---------------------------------------|------------------------------------|--------------------------|-----------------------|-------------------|------------------|---|
| | Basic Rate | General Obligation Debt Service | Total Direct School Tax Rate | Local School District | Local Municipality | Other Entities | Camden County | |
| Bellmawr Borough: | | | | | | | | |
| 2013 | \$ 0.494 | \$ 0.035 | \$ 0.529 | \$ 0.992 | \$ 1.039 | | \$ 0.810 | \$ 3.370 |
| 2012 | 0.458 | 0.051 | 0.509 | 0.954 | 0.990 | | 0.799 | 3.252 |
| 2011 | 0.457 | 0.034 | 0.491 | 0.932 | 0.938 | | 0.734 | 3.095 |
| 2010 | 0.409 | 0.055 | 0.464 | 0.920 | 0.934 | | 0.665 | 2.983 |
| 2009 | 0.402 | 0.031 | 0.433 | 0.879 | 0.858 | | 0.563 | 2.733 |
| 2008 | 0.854 | 0.023 | 0.877 | 1.651 | 1.608 | | 1.280 | 5.416 |
| 2007 | 0.831 | 0.054 | 0.885 | 1.648 | 1.435 | | 1.283 | 5.251 |
| 2006 | 0.802 | 0.056 | 0.858 | 1.573 | 1.310 | | 1.278 | 5.019 |
| 2005 | 0.791 | 0.051 | 0.842 | 1.475 | 1.231 | | 1.103 | 4.651 |
| 2004 | 0.721 | 0.054 | 0.775 | 1.462 | 1.151 | | 1.037 | 4.425 |
| Gloucester Township: | | | | | | | | |
| 2013 | \$ 0.473 | \$ 0.045 | \$ 0.518 | \$ 0.973 | \$ 0.854 | \$ 0.778 | \$ 0.790 | \$ 3.913 |
| 2012 | 0.477 | 0.032 | 0.509 | 0.956 | 0.845 | 0.764 | 0.772 | 3.846 |
| 2011 | 0.474 | 0.037 | 0.511 | 0.947 | 0.843 | 0.734 | 0.736 | 3.771 |
| 2010 | 0.457 | 0.042 | 0.499 | 0.922 | 0.887 | 0.708 | 0.682 | 3.698 |
| 2009 | 0.810 | 0.078 | 0.888 | 1.667 | 1.448 | 1.294 | 1.239 | 6.536 |
| 2008 | 0.945 | (0.006) | 0.939 | 1.692 | 1.116 | 1.259 | 1.257 | 6.263 |
| 2007 | 0.922 | 0.059 | 0.981 | 1.727 | 1.040 | 1.211 | 1.287 | 6.246 |
| 2006 | 0.865 | 0.059 | 0.924 | 1.693 | 0.927 | 1.187 | 1.336 | 6.067 |
| 2005 | 0.814 | 0.053 | 0.867 | 1.643 | 1.009 | 1.085 | 1.139 | 5.743 |
| 2004 | 0.695 | 0.050 | 0.745 | 1.510 | 0.920 | 1.006 | 1.080 | 5.261 |
| Runnemede Borough: | | | | | | | | |
| 2013 | \$ 0.548 | \$ 0.017 | \$ 0.565 | \$ 1.294 | \$ 1.000 | | \$ 0.801 | \$ 3.660 |
| 2012 | 0.783 | 0.086 | 0.869 | 1.953 | 1.481 | | 1.199 | 5.502 |
| 2011 | 0.770 | 0.065 | 0.835 | 1.895 | 1.462 | | 1.159 | 5.351 |
| 2010 | 0.791 | 0.044 | 0.835 | 1.817 | 1.379 | | 1.073 | 5.104 |
| 2009 | 0.770 | 0.068 | 0.838 | 1.808 | 1.347 | | 1.017 | 5.010 |
| 2008 | 0.850 | 0.016 | 0.866 | 1.823 | 1.248 | | 1.041 | 4.978 |
| 2007 | 0.823 | 0.053 | 0.876 | 1.839 | 1.109 | | 1.046 | 4.870 |
| 2006 | 0.810 | 0.056 | 0.866 | 1.806 | 0.999 | | 1.071 | 4.742 |
| 2005 | 0.830 | 0.054 | 0.884 | 1.729 | 0.935 | | 0.943 | 4.491 |
| 2004 | 0.751 | 0.055 | 0.806 | 1.681 | 0.895 | | 0.923 | 4.305 |

Source: Municipal Tax Collectors

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

| Bellmawr Borough: Taxpayer | 2013 | | | 2004 | | |
|--|--------------------------|-----------------|--|-------------------------|-----------------|--|
| | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| Mutual Housing Corp. | \$ 27,721,100.00 | 1 | 3.40% | \$ 12,989,300.00 | 2 | 3.05% |
| The Korman Co. | 20,922,900.00 | 2 | 2.57% | 16,604,400.00 | 1 | 3.90% |
| East Coast Hyde Park Apts. LLC | 12,500,000.00 | 3 | 1.54% | 5,929,900.00 | 5 | 1.39% |
| Interstate Holding Corp. | 11,735,400.00 | 4 | 1.44% | 7,129,000.00 | 3 | 1.67% |
| South Penn Associates | 8,500,000.00 | 5 | 1.04% | | | |
| International Paper Company | 7,104,200.00 | 6 | 0.87% | | | |
| Houghton Mifflin Harcourt Publishing a | 6,250,000.00 | 7 | 0.77% | 6,762,800.00 | 4 | 1.59% |
| J&J Snack Foods Corp. of N.J. | 4,873,700.00 | 8 | 0.60% | | | |
| Spruce Manor Enterprises LLC | 4,687,500.00 | 9 | 0.58% | | | |
| Barnard Development Company | 4,548,300.00 | 10 | 0.56% | | | |
| Williamette Industries | | | | 4,679,000.00 | 6 | 1.10% |
| Bellmawr Manor LLC | | | | 4,269,700.00 | 7 | 1.00% |
| Browning Square Inc. | | | | 2,539,700.00 | 8 | 0.60% |
| 45 Heller Road LLC | | | | 2,350,000.00 | 9 | 0.55% |
| Walgreens | | | | 2,300,000.00 | 10 | 0.54% |
| Total | \$ 108,843,100.00 | | 13.37% | \$ 65,553,800.00 | | 15.39% |

a. Nine years ago, this property was owned by Holt, Reinhart & Winston

Source: Municipal Tax Assessor

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Principal Property Tax Payers
 Current Year and Nine Years Ago
Unaudited

| Gloucester Township: | 2013 | | | 2004 (1) | | |
|-------------------------------------|---------------------------------|------|---|-------------------------------|------|---|
| | <u>Taxable Assessed Value</u> | Rank | <u>% of Total District Net Assessed Value</u> | <u>Taxable Assessed Value</u> | Rank | <u>% of Total District Net Assessed Value</u> |
| HP Altman Autumn Ridge LLC | \$ 38,863,100.00 | 1 | 0.87% | N/A | N/A | N/A |
| SDK Millbridge Gardens LLC | 30,841,600.00 | 2 | 0.69% | N/A | N/A | N/A |
| Lakeview Reality Investment Assoc. | 24,166,700.00 | 3 | 0.54% | N/A | N/A | N/A |
| Korman Residential Prop Inc C/O T S | 19,872,000.00 | 4 | 0.44% | N/A | N/A | N/A |
| Inland Western Gloucester Cross Key | 18,144,900.00 | 5 | 0.40% | N/A | N/A | N/A |
| Paramount Realty Svcs, LLC | 16,209,900.00 | 6 | 0.36% | N/A | N/A | N/A |
| East Coast Fairways Apartments LLC | 16,145,500.00 | 7 | 0.36% | N/A | N/A | N/A |
| Benderson Nathan Ronald & Baldauf D | 13,976,600.00 | 8 | 0.31% | N/A | N/A | N/A |
| Clinton Blackwood LLC | 13,288,900.00 | 9 | 0.30% | N/A | N/A | N/A |
| Target Corporation | 2,252,300.00 | 10 | 0.05% | N/A | N/A | N/A |
| Total | <u><u>\$ 193,761,500.00</u></u> | | <u><u>4.32%</u></u> | <u><u>\$ -</u></u> | | |

(1) Information not available.

Source: Municipal Tax Assessor

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

| Runnemedede Borough: | 2013 | | | 2004 (1) | | | |
|--------------------------------------|-------------------------|-------------------------------|--------------|---|-------------------------------|-------------|---|
| | <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>% of Total District Net Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>% of Total District Net Assessed Value</u> |
| Runnemedede Lodging Investors Inc | \$ 3,250,000.00 | 1 | 0.64% | N/A | N/A | N/A | N/A |
| Hartford Plaza LTD LP | 3,115,000.00 | 2 | 0.61% | N/A | N/A | N/A | N/A |
| Sintara Corp | 2,450,000.00 | 3 | 0.48% | N/A | N/A | N/A | N/A |
| The Meadows At Runnemedede Investors | 2,200,000.00 | 4 | 0.43% | N/A | N/A | N/A | N/A |
| The Meadows At Runnemedede Investors | 2,200,000.00 | 5 | 0.43% | N/A | N/A | N/A | N/A |
| East Coast Enterprises Inc | 2,125,100.00 | 6 | 0.42% | N/A | N/A | N/A | N/A |
| Dpe 165 Runnemedede Associates LLP | 2,091,600.00 | 7 | 0.41% | N/A | N/A | N/A | N/A |
| Hartford Plaza LTD LP | 1,977,300.00 | 8 | 0.39% | N/A | N/A | N/A | N/A |
| Dpe 160 Runnemedede Assoc. LLC | 1,805,500.00 | 9 | 0.36% | N/A | N/A | N/A | N/A |
| Runnemedede Associates | 1,665,400.00 | 10 | 0.33% | N/A | N/A | N/A | N/A |
| Total | \$ 22,879,900.00 | | 4.51% | \$ - | | | |

(1) Information not available.

Source: Municipal Tax Office

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | School District Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy (1) | | Collections in Subsequent Years |
|-------------------------------|---|--|-----------------------|------------------------------------|
| | | Amount | Percentage of Levy | |
| 2013 | \$ 30,132,072.00 | \$ 27,870,543.00 | 92.49% | \$ 2,261,529.00 |
| 2012 | 30,147,597.00 | 27,870,117.02 | 92.45% | 2,277,479.98 |
| 2011 | 30,042,557.00 | 29,700,103.37 | 98.86% | 342,453.63 |
| 2010 | 28,674,971.00 | 28,370,367.13 | 98.94% | 304,603.87 |
| 2009 | 27,778,117.00 | 27,778,117.00 | 100.00% | N/A |
| 2008 | 31,571,302.00 | 29,339,274.72 | 92.93% | 1,925,883.67 |
| 2007 | 29,539,396.00 | 29,249,925.09 | 99.02% | 289,470.91 |
| 2006 | 27,897,581.00 | 27,592,518.48 | 98.91% | 305,062.52 |
| 2005 | 26,432,426.00 | 26,432,426.00 | 100.00% | N/A |
| 2004 | 20,360,049.00 | 20,360,049.00 | 100.00% | N/A |

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

Source: District Records

Debt Capacity Information

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended <u>June 30,</u> | Governmental Activities | | Business-Type Activities | | Total District | Percentage of Personal Income (2) | Per Capita (3) |
|---|------------------------------------|--------------------|-----------------------------|--|------------------|---|----------------|
| | General Obligation Bonds (1) | Textbook Leases | Capital Leases | | | | |
| Bellmawr Borough: | | | | | | | |
| 2013 | \$ 3,074,726.45 | \$ - | - | | \$ 3,074,726.45 | Unavailable | Unavailable |
| 2012 | 3,454,120.49 | - | - | | 3,454,120.49 | Unavailable | 299.14 |
| 2011 | 3,739,571.90 | - | - | | 3,739,571.90 | 0.75% | 323.18 |
| 2010 | 4,086,045.37 | - | - | | 4,086,045.37 | 0.83% | 352.76 |
| 2009 | 4,423,229.97 | 18,457.27 | - | | 4,441,687.24 | 0.96% | 396.23 |
| 2008 | 4,762,823.02 | 69,533.20 | - | | 4,832,356.22 | 1.03% | 431.92 |
| 2007 | 5,056,353.47 | 111,916.99 | - | | 5,168,270.46 | 1.15% | 461.54 |
| 2006 | 5,331,421.15 | 151,619.52 | - | | 5,483,040.67 | 1.27% | 489.95 |
| 2005 | 5,769,717.11 | 194,794.27 | - | | 5,964,511.38 | 1.48% | 536.47 |
| 2004 | 5,906,633.40 | 49,932.89 | - | | 5,956,566.29 | 1.53% | 534.84 |
| Gloucester Township: | | | | | | | |
| 2013 | \$ 16,277,135.52 | \$ - | - | | \$ 16,277,135.52 | Unavailable | Unavailable |
| 2012 | 18,463,387.67 | - | - | | 18,463,387.67 | Unavailable | 286.67 |
| 2011 | 20,658,382.30 | - | - | | 20,658,382.30 | 0.74% | 320.24 |
| 2010 | 22,766,546.49 | - | - | | 22,766,546.49 | 0.82% | 352.24 |
| 2009 | 24,827,794.26 | 103,601.49 | - | | 24,931,395.75 | 0.93% | 385.34 |
| 2008 | 26,839,805.36 | 391,838.55 | - | | 27,231,643.91 | 1.00% | 420.23 |
| 2007 | 28,752,596.20 | 636,408.06 | - | | 29,389,004.26 | 1.12% | 451.49 |
| 2006 | 30,457,922.27 | 866,188.48 | - | | 31,324,110.75 | 1.24% | 479.31 |
| 2005 | 31,853,709.51 | 1,075,428.83 | - | | 32,929,138.34 | 1.39% | 506.36 |
| 2004 | 31,309,306.22 | 264,679.42 | - | | 31,573,985.64 | 1.39% | 487.43 |
| Runnemede Borough: | | | | | | | |
| 2013 | \$ 2,020,138.03 | \$ - | - | | \$ 2,020,138.03 | Unavailable | Unavailable |
| 2012 | 2,304,491.84 | - | - | | 2,304,491.84 | Unavailable | 272.69 |
| 2011 | 2,604,045.80 | - | - | | 2,604,045.80 | 0.71% | 307.81 |
| 2010 | 2,849,408.14 | - | - | | 2,849,408.14 | 0.79% | 336.49 |
| 2009 | 3,075,975.77 | 12,835.44 | - | | 3,088,811.21 | 0.89% | 367.37 |
| 2008 | 3,269,371.62 | 47,730.07 | - | | 3,317,101.69 | 0.94% | 393.91 |
| 2007 | 3,513,050.33 | 77,757.62 | - | | 3,590,807.95 | 1.06% | 424.95 |
| 2006 | 3,812,656.58 | 108,427.59 | - | | 3,921,084.17 | 1.20% | 463.65 |
| 2005 | 4,153,573.38 | 140,230.84 | - | | 4,293,804.22 | 1.39% | 506.05 |
| 2004 | 4,186,060.39 | 35,387.69 | - | | 4,221,448.08 | 1.43% | 498.34 |

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | | Percentage of Net Assessed Valuation Taxable (2) | Per Capita (3) |
|-------------------------------|---------------------------------|------------|---|---|----------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding (1) | | |
| Bellmawr Borough: | | | | | |
| 2013 | \$ 3,074,726.45 | - | \$ 3,074,726.45 | 0.38% | Unavailable |
| 2012 | 3,454,120.49 | - | 3,454,120.49 | 0.42% | 299.14 |
| 2011 | 3,739,571.90 | - | 3,739,571.90 | 0.45% | 323.18 |
| 2010 | 4,086,045.37 | - | 4,086,045.37 | 0.49% | 352.76 |
| 2009 | 4,423,229.97 | - | 4,423,229.97 | 0.52% | 394.58 |
| 2008 | 4,762,823.02 | - | 4,762,823.02 | 1.11% | 425.71 |
| 2007 | 5,056,353.47 | - | 5,056,353.47 | 1.18% | 451.54 |
| 2006 | 5,331,421.15 | - | 5,331,421.15 | 1.24% | 476.40 |
| 2005 | 5,769,717.11 | - | 5,769,717.11 | 1.35% | 518.95 |
| 2004 | 5,906,633.40 | - | 5,906,633.40 | 1.38% | 530.36 |
| Gloucester Township: | | | | | |
| 2013 | 16,277,135.52 | - | 16,277,135.52 | 0.36% | Unavailable |
| 2012 | 18,463,387.67 | - | 18,463,387.67 | 0.41% | 286.67 |
| 2011 | 20,658,382.30 | - | 20,658,382.30 | 0.46% | 320.24 |
| 2010 | 22,766,546.49 | - | 22,766,546.49 | 0.50% | 352.24 |
| 2009 | 24,827,794.26 | - | 24,827,794.26 | 1.01% | 383.74 |
| 2008 | 26,839,805.36 | - | 26,839,805.36 | 1.10% | 414.19 |
| 2007 | 28,752,596.20 | - | 28,752,596.20 | 1.19% | 441.71 |
| 2006 | 30,457,922.27 | - | 30,457,922.27 | 1.27% | 466.05 |
| 2005 | 31,853,709.51 | - | 31,853,709.51 | 1.34% | 489.82 |
| 2004 | 31,309,306.22 | - | 31,309,306.22 | 1.34% | 483.34 |
| Runnemede Borough: | | | | | |
| 2013 | 2,020,138.03 | - | 2,020,138.03 | 0.40% | Unavailable |
| 2012 | 2,304,491.84 | - | 2,304,491.84 | 0.69% | 272.69 |
| 2011 | 2,604,045.80 | - | 2,604,045.80 | 0.78% | 307.81 |
| 2010 | 2,849,408.14 | - | 2,849,408.14 | 0.84% | 336.49 |
| 2009 | 3,075,975.77 | - | 3,075,975.77 | 0.91% | 365.84 |
| 2008 | 3,269,371.62 | - | 3,269,371.62 | 0.97% | 388.24 |
| 2007 | 3,513,050.33 | - | 3,513,050.33 | 1.04% | 415.75 |
| 2006 | 3,812,656.58 | - | 3,812,656.58 | 1.14% | 450.83 |
| 2005 | 4,153,573.38 | - | 4,153,573.38 | 1.24% | 489.52 |
| 2004 | 4,186,060.39 | - | 4,186,060.39 | 1.27% | 494.16 |
| 2003 | 4,375,968.27 | - | 4,375,968.27 | 1.33% | 514.21 |

Sources:

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012
Unaudited

| Runnemede Borough: | <u>Gross Debt</u> | <u>Deductions</u> | <u>Statutory Net Debt Outstanding</u> | <u>Net Debt Outstanding Allocated to Runnemede Borough</u> |
|---|--------------------------|---------------------------|---|--|
| Municipal Debt: (1) | | | | |
| Black Horse Pike Regional School District (2) | \$ 2,020,138.03 | \$ 2,020,138.03 | | |
| Runnemede Borough | 5,628,500.00 | | \$ 5,628,500.00 | \$ 5,628,500.00 |
| Runnemede Borough Sewer Utility | 2,882,175.94 | 2,882,175.94 | | |
| | <u>10,530,813.97</u> | <u>4,902,313.97</u> | <u>5,628,500.00</u> | <u>5,628,500.00</u> |
| Overlapping Debt Apportioned to the Municipality: | | | | |
| County of Camden: (1) | | | | |
| General: | | | | |
| Bonds | 44,081,645.00 | 10,684,251.00 (3) | 33,397,394.00 | 463,458.59 (5) |
| Loan Agreement | 147,285,000.00 | | 147,285,000.00 | 2,043,886.97 (5) |
| Bonds Issued by Other Public Bodies Guaranteed by the County | <u>681,777,740.00</u> | <u>681,777,740.00 (4)</u> | | |
| | <u>873,144,385.00</u> | <u>692,461,991.00</u> | <u>180,682,394.00</u> | <u>2,507,345.56</u> |
| | <u>\$ 883,675,198.97</u> | <u>\$ 697,364,304.97</u> | <u>\$ 186,310,894.00</u> | <u>\$ 8,135,845.56</u> |

Sources:

- (1) Entity's Audit Report
 - (2) Allocated based on percentage of average equalized valuations
 - (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
 - (4) Deductible in accordance with N.J.S. 40:37A-80.
 - (5) Such debt is allocated as a proportion of the Borough's share of the total 2013 Equalized Value, which is 1.39%.
- The source for this computation was the 2013 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2013

| | | |
|---|--------------|--------------------------|
| Average Equalized valuation basis (1) | | |
| Bellmawr Borough | \$ | 840,052,739 |
| Gloucester Township | | 4,447,111,798 |
| Runnemede Borough | | 551,926,330 |
| | | <u>5,839,090,867</u> |
| | [A] | \$ 5,839,090,867 |
| Debt limit (3% of average equalization value) (2) | [B] | 175,172,726.02 |
| Total Net Debt Applicable to Limit | [C] | <u>21,372,000.00</u> |
| Legal Debt Margin | [B-C] | <u>\$ 153,800,726.02</u> |

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Debt limit | \$ 175,172,726.02 | \$ 180,634,795.71 | \$ 184,373,499.51 | \$ 185,993,239.21 | \$ 181,275,939.52 | \$ 168,898,022.58 | \$ 148,408,568.85 | \$ 128,556,536.61 | \$ 111,925,410.57 | \$ 101,654,079.72 |
| Total net debt applicable to limit (3) | <u>21,372,000.00</u> | <u>24,222,000.00</u> | <u>27,002,000.00</u> | <u>29,702,000.00</u> | <u>32,327,000.00</u> | <u>34,872,000.00</u> | <u>37,322,000.00</u> | <u>39,602,000.00</u> | <u>41,777,000.00</u> | <u>41,402,000.00</u> |
| Legal debt margin | <u>\$ 153,800,726.02</u> | <u>\$ 156,412,795.71</u> | <u>\$ 157,371,499.51</u> | <u>\$ 148,948,939.52</u> | <u>\$ 148,948,939.52</u> | <u>\$ 134,026,022.58</u> | <u>\$ 111,086,568.85</u> | <u>\$ 88,954,536.61</u> | <u>\$ 70,148,410.57</u> | <u>\$ 60,252,079.72</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 12.20% | 13.41% | 14.65% | 17.83% | 17.83% | 20.65% | 25.15% | 30.81% | 37.33% | 40.73% |

Sources:
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
 (2) Limit set by NJSA 18A:24-19 for a Regional High School district.
 (3) District Records

Demographic and Economic Information

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

| <u>Year</u> | <u>Population (1)</u> | <u>Personal Income (2)</u> | <u>Per Capita Personal Income (3)</u> | <u>Unemployment Rate (4)</u> |
|-----------------------------|-----------------------|----------------------------|---------------------------------------|------------------------------|
| Bellmawr Borough: | | | | |
| 2013 | Unavailable | Unavailable | Unavailable | Unavailable |
| 2012 | 11,547 | Unavailable | Unavailable | 9.10% |
| 2011 | 11,571 | \$ 498,698,529.00 | \$ 43,099.00 | 9.00% |
| 2010 | 11,583 | 494,825,760.00 | 42,720.00 | 9.10% |
| 2009 | 11,210 | 464,161,260.00 | 41,406.00 R | 8.70% |
| 2008 | 11,188 | 469,806,496.00 | 41,992.00 R | 5.50% |
| 2007 | 11,198 | 450,831,480.00 | 40,260.00 R | 4.20% |
| 2006 | 11,191 | 432,767,161.00 | 38,671.00 R | 4.50% |
| 2005 | 11,118 | 403,572,282.00 | 36,299.00 R | 4.20% |
| 2004 | 11,137 | 389,293,835.00 | 34,955.00 R | 4.90% |
| Gloucester Township: | | | | |
| 2013 | Unavailable | Unavailable | Unavailable | Unavailable |
| 2012 | 64,406 | Unavailable | Unavailable | 9.40% |
| 2011 | 64,510 | \$ 2,780,316,490.00 | \$ 43,099.00 | 9.30% |
| 2010 | 64,634 | 2,761,164,480.00 | 42,720.00 | 9.60% |
| 2009 | 64,700 | 2,678,968,200.00 | 41,406.00 R | 8.70% |
| 2008 | 64,801 | 2,721,123,592.00 | 41,992.00 R | 3.20% |
| 2007 | 65,094 | 2,620,684,440.00 | 40,260.00 R | 2.70% |
| 2006 | 65,353 | 2,527,265,863.00 | 38,671.00 R | 2.70% |
| 2005 | 65,031 | 2,360,560,269.00 | 36,299.00 R | 2.40% |
| 2004 | 64,777 | 2,264,280,035.00 | 34,955.00 R | 4.80% |
| Runnemede Borough: | | | | |
| 2013 | Unavailable | Unavailable | Unavailable | Unavailable |
| 2012 | 8,451 | Unavailable | Unavailable | 12.80% |
| 2011 | 8,460 | \$ 364,617,540.00 | \$ 43,099.00 | 12.60% |
| 2010 | 8,468 | 361,752,960.00 | 42,720.00 | 12.80% |
| 2009 | 8,408 | 348,141,648.00 | 41,406.00 R | 12.20% |
| 2008 | 8,421 | 353,614,632.00 | 41,992.00 R | 7.90% |
| 2007 | 8,450 | 340,197,000.00 | 40,260.00 R | 6.00% |
| 2006 | 8,457 | 327,040,647.00 | 38,671.00 R | 6.50% |
| 2005 | 8,485 | 307,997,015.00 | 36,299.00 R | 6.00% |
| 2004 | 8,471 | 296,103,805.00 | 34,955.00 R | 4.50% |

Sources:

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

R- Revised

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

| | 2013 | | | 2004 (1) | | | |
|--|-----------------|------------------|---------------|---|------------------|-------------|---|
| | <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Municipal Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Municipal Employment</u> |
| Bellmawr Borough: | | | | | | | |
| Country Home Bakers, LLC | 250 | 1 | 4.41% | N/A | N/A | N/A | N/A |
| Vertis Mailing LLC | 160 | 2 | 2.82% | N/A | N/A | N/A | N/A |
| J&J Snack Foods Corp. | 150 | 3 | 2.65% | N/A | N/A | N/A | N/A |
| Green Force Media LLC (Evergreen Printing Co.) | 141 | 4 | 2.49% | N/A | N/A | N/A | N/A |
| International Paper Company | 137 | 5 | 2.42% | N/A | N/A | N/A | N/A |
| Houghton Mifflin Harcourt Publishing Co. | 125 | 6 | 2.21% | N/A | N/A | N/A | N/A |
| Red Line Officials | 124 | 7 | 2.19% | N/A | N/A | N/A | N/A |
| Senior Choice Inc. | 115 | 8 | 2.03% | N/A | N/A | N/A | N/A |
| U.S. Logistics, Inc | 105 | 9 | 1.84% | N/A | N/A | N/A | N/A |
| Albert E. Price Inc. | 70 | 10 | 1.24% | N/A | N/A | N/A | N/A |
| D'Orazio Foods Inc. | 70 | 11 | 1.24% | N/A | N/A | N/A | N/A |
| | <u>1,447</u> | | <u>25.54%</u> | | | | |

(1) Information not provided by Municipal entity.

Source: D&B Regional Business Directory published by Dun & Bradstreet, Inc.

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

| | 2013 | | | 2004 (1) | | | |
|-------------------------------|-----------------|------------------|--------------|---|------------------|-------------|---|
| | <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Municipal Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Municipal Employment</u> |
| Gloucester Township: | | | | | | | |
| Metrologic Corp. | 500 | 1 | 1.36% | N/A | N/A | N/A | N/A |
| U.S. Vision | 350 | 2 | 0.95% | N/A | N/A | N/A | N/A |
| Zallie Supermarkets | 300 | 3 | 0.82% | N/A | N/A | N/A | N/A |
| Freeland Associates | 255 | 4 | 0.69% | N/A | N/A | N/A | N/A |
| Super G | 225 | 5 | 0.61% | N/A | N/A | N/A | N/A |
| Blackwell North America | 180 | 6 | 0.49% | N/A | N/A | N/A | N/A |
| Wastequip/Accurate Industries | 150 | 7 | 0.41% | N/A | N/A | N/A | N/A |
| K-Mart | 100 | 8 | 0.27% | N/A | N/A | N/A | N/A |
| A.L. Hyde Company | 95 | 9 | 0.26% | N/A | N/A | N/A | N/A |
| Reliable Tire | 77 | 10 | 0.21% | N/A | N/A | N/A | N/A |
| | <u>2,232</u> | | <u>6.06%</u> | | | | |

(1) Information not available.

Source: Gloucester Township Finance Office

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

| | 2013 | | | 2004 (1) | | | |
|--|-----------------|------------------|-------------|---|------------------|-------------|---|
| | <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Municipal Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Municipal Employment</u> |
| Runnemedede Borough: | | | | | | | |
| Trinity Hospice Inc. | | 250 | 1 | 5.23% | N/A | N/A | N/A |
| Visiting Nurses Service System Inc. | | 150 | 2 | 3.14% | N/A | N/A | N/A |
| Acme Markets Inc. | | 102 | 3 | 2.13% | N/A | N/A | N/A |
| Family of Runnemedede Inc. | | 75 | 4 | 1.57% | N/A | N/A | N/A |
| Runnemedede Lodging Investors Inc. | | 70 | 5 | 1.47% | N/A | N/A | N/A |
| Bestwork Industries for the Blind Inc. | | 63 | 6 | 1.32% | N/A | N/A | N/A |
| Party Concepts | | 45 | 7 | 0.94% | N/A | N/A | N/A |
| COPD Services Inc. | | 40 | 8 | 0.84% | N/A | N/A | N/A |
| CVS Inc. | | 30 | 9 | 0.63% | N/A | N/A | N/A |
| Silvertop Associates Inc. | | 30 | 10 | 0.63% | N/A | N/A | N/A |
| | | <u>855</u> | | <u>17.89%</u> | | | |

(1) Information not available.

Source: D&B Regional Business Directory published by Dun & Bradstreet, Inc.

Operating Information

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

| <u>Function/Program</u> | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
| Instruction | | | | | | | | | | |
| Regular | 235 | 223 | 232 | 262 | 240 | 238 | 227.5 | 221 | 225 | 234 |
| Special education | 98 | 77 | 59 | 49 | 53 | 47 | 50 | 48 | 46 | 47 |
| Other special education | - | 1 | 32 | 45 | 44 | 42 | 42 | 35 | 22 | 21 |
| Vocational | - | - | - | - | - | - | - | - | - | - |
| Other instruction | - | - | - | - | - | - | - | - | - | - |
| Nonpublic school programs | - | - | - | - | - | - | - | - | - | - |
| Adult/continuing education programs | - | - | - | - | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Tuition | - | - | - | - | - | - | - | - | - | - |
| Student & instruction related services | 72 | 43 | 55 | 54 | 58 | 55.5 | 78.5 | 78.5 | 81 | 66 |
| General administrative services | 23 | - | 13 | 10 | 13 | 13 | 12.5 | 12.5 | 10.5 | 9 |
| School administrative services | 48 | 54 | 54 | 51 | 52 | 51 | 41 | 40 | 39 | 53 |
| Business administrative services | 6 | 9 | 9 | 6 | 6 | 6.5 | 6.5 | 6.5 | 7 | 7 |
| Plant operations and maintenance | 51 | 55 | 57 | 50 | 50 | 49 | 53 | 52 | 53.5 | 61 |
| Pupil transportation | 9 | - | - | - | - | - | - | - | - | - |
| Total | 542 | 462 | 511 | 527 | 516 | 502 | 511 | 494 | 484 | 497 |

N/A - Not available

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

| <u>Fiscal Year Ended June 30.</u> | <u>Enrollment</u> | <u>Operating Expenditures</u> | <u>Cost Per Pupil</u> | <u>Percentage Change</u> | <u>Teaching Staff</u> | <u>Pupil/Teacher Ratio District</u> | <u>Average Daily Enrollment (ADE)</u> | <u>Average Daily Attendance (ADA)</u> | <u>% Change in Average Daily Enrollment</u> | <u>Student Attendance Percentage</u> |
|-----------------------------------|-------------------|-------------------------------|-----------------------|--------------------------|-----------------------|-------------------------------------|---------------------------------------|---------------------------------------|---|--------------------------------------|
| 2013 | 4,254 | \$ 62,841,455.65 | \$ 14,772.32 | -3.50% | 333 | 1:13 | 3,941.15 | 3,671.93 | -1.66% | 93.17% |
| 2012 | 4,028 | 61,661,281.42 | 15,308.16 | 1.40% | 301 | 1:13 | 4,007.67 | 3,749.02 | -3.30% | 93.55% |
| 2011 | 4,103 | 61,941,379.78 | 15,096.61 | -2.56% | 323 | 1:13 | 4,144.27 | 3,876.80 | -0.95% | 93.55% |
| 2010 | 4,104 | 63,587,269.74 | 15,493.97 | 2.85% | 326 | 1:13 | 4,184.10 | 3,915.80 | 0.44% | 93.59% |
| 2009 | 4,150 | 62,515,979.69 | 15,064.09 | 0.38% | 333 | 1:13 | 4,165.80 | 3,896.30 | -3.08% | 93.53% |
| 2008 | 4,146 | 62,221,692.03 | 15,007.64 | 6.35% | 331 | 1:13 | 4,298.30 | 4,015.90 | 3.57% | 93.43% |
| 2007 | 4,125 | 58,207,487.42 | 14,110.91 | 8.08% | 320 | 1:13 | 4,150.20 | 3,893.20 | 0.33% | 93.81% |
| 2006 | 4,189 | 54,692,622.82 | 13,056.25 | 5.93% | 322 | 1:13 | 4,136.50 | 3,842.90 | 3.14% | 92.90% |
| 2005 | 4,060 | 50,040,309.85 | 12,325.20 | 4.43% | 341 | 1:15 | 4,010.40 | 3,730.90 | 1.89% | 93.03% |
| 2004 | 3,999 | 47,198,750.12 | 11,802.64 | -2.92% | 344 | 1:15 | 3,936.00 | 3,611.60 | 1.18% | 91.76% |

Sources: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>District Building</u> | | | | | | | | | | |
| <u>High School</u> | | | | | | | | | | |
| Triton High School (1956) | | | | | | | | | | |
| Square Feet | 217,124 | 217,124 | 217,124 | 217,124 | 217,124 | 217,124 | 217,124 | 217,124 | 217,124 | 217,124 |
| Capacity (students) | 1,219 | 1,219 | 1,219 | 1,219 | 1,219 | 1,657 | 1,657 | 1,657 | 1,657 | 1,657 |
| Enrollment | 1,495 | 1,557 | 1,557 | 1,557 | 1,557 | 1,525 | 1,494 | 1,435 | 1,443 | 1,547 |
| Highland High School (1967) | | | | | | | | | | |
| Square Feet | 150,079 | 150,079 | 150,079 | 150,079 | 150,079 | 150,079 | 150,079 | 150,079 | 150,079 | 150,079 |
| Capacity (students) | 1,285 | 1,285 | 1,285 | 1,285 | 1,285 | 1,416 | 1,416 | 1,416 | 1,416 | 1,416 |
| Enrollment | 1,264 | 1,179 | 1,179 | 1,179 | 1,179 | 1,193 | 1,212 | 1,167 | 1,123 | 1,134 |
| Timber Creek High School (2001) | | | | | | | | | | |
| Square Feet | 264,614 | 264,614 | 264,614 | 264,614 | 264,614 | 264,614 | 264,614 | 264,614 | 264,614 | 264,614 |
| Capacity (students) | 1,655 | 1,655 | 1,655 | 1,655 | 1,655 | 1,442 | 1,442 | 1,442 | 1,442 | 1,442 |
| Enrollment | 1,495 | 1,414 | 1,414 | 1,414 | 1,414 | 1,428 | 1,419 | 1,437 | 1,348 | 1,318 |
| <u>Other</u> | | | | | | | | | | |
| Central Administration (1990) | | | | | | | | | | |
| Square Feet | 4,880 | 4,880 | 4,880 | 4,880 | 4,880 | 4,880 | 4,880 | 4,880 | 4,880 | 4,880 |
| Number of Schools at June 30, 2012 | | | | | | | | | | |
| High School = 3 | | | | | | | | | | |
| Other = 1 | | | | | | | | | | |

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

| * School Facilities | Project # (s) | Fiscal Year Ended June 30, | | | | | | | | | |
|--------------------------|---------------|----------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Triton High School | | \$ 446,089.78 | \$ 449,281.06 | \$ 380,623.83 | \$ 396,868.83 | \$ 462,083.37 | \$ 297,266.25 | \$ 357,355.84 | \$ 362,983.99 | \$ 310,513.88 | \$ 272,355.24 |
| Highland High School | | 409,699.57 | 456,973.00 | 362,842.17 | 449,874.95 | 460,692.79 | 320,744.84 | 314,253.70 | 373,675.17 | 336,208.70 | 302,895.97 |
| Timber Creek High School | | 434,876.09 | 386,596.18 | 386,433.45 | 400,435.66 | 402,486.42 | 206,697.93 | 171,969.09 | 296,117.31 | 264,406.66 | 202,276.99 |
| Total School Facilities | | <u>1,290,665.44</u> | <u>1,292,850.24</u> | <u>1,129,899.45</u> | <u>1,247,179.44</u> | <u>1,325,262.58</u> | <u>824,709.02</u> | <u>843,578.63</u> | <u>1,032,776.47</u> | <u>911,129.24</u> | <u>777,528.20</u> |
| Other Facilities | | - | - | - | - | - | - | 24,740.42 | - | 345.00 | 177.68 |
| Grand Total | | <u>\$ 1,290,665.44</u> | <u>\$ 1,292,850.24</u> | <u>\$ 1,129,899.45</u> | <u>\$ 1,247,179.44</u> | <u>\$ 1,325,262.58</u> | <u>\$ 824,709.02</u> | <u>\$ 868,319.05</u> | <u>\$ 1,032,776.47</u> | <u>\$ 911,474.24</u> | <u>\$ 777,705.88</u> |

* 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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2013
Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------------|-------------------|
| School Package Policy | | |
| Property - Blanket Building & Personal Property | \$ 136,539,960.00 (a) | \$ 1,000.00 |
| Comprehensive General Liability | 6,000,000.00 | |
| Comprehensive Automobile Liability | 1,000,000.00 | 1,000.00 |
| Employee Benefits Program Liability | 3,000,000.00 | 1,000.00 |
| Commercial Umbrella Policy | 10,000,000.00 | |
| School Board Legal Liability | 3,000,000.00 | 7,500.00 |
| Student Accident | 1,000,000.00 | |
| Catastrophic Student Accident | 5,000,000.00 | |
| Public Employees Dishonesty Per Loss | 100,000.00 | 1,000.00 |
| Workers Compensation Coverage | 2,000,000.00 | |
| Bonds | | |
| Board Secretary | 100,000.00 | |
| Treasurer of School Funds | 350,000.00 | |

(a) Pool limit

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Black Horse Pike Regional School District
Blackwood, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Black Horse Pike Regional School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2013. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

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

Opinion on Each Major Federal and State Program

In our opinion, the Black Horse Pike Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Black Horse Pike Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Michael D. Cesaro

Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
November 26, 2013

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2013

| <u>Federal Grantor/ Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Grant or State Project Number</u> | <u>Program or Award Amount</u> | <u>Grant Period</u> | | <u>Balance June 30, 2012</u> |
|--|------------------------------------|--|--|---------------------|-----------|--|
| | | | | <u>From</u> | <u>To</u> | <u>Deferred Revenue/ Accounts Receivable</u> |
| U.S. Department of Agriculture | | | | | | |
| Passed-through State Department of Education: | | | | | | |
| Child Nutrition Cluster: | | | | | | |
| Non-Cash Assistance (Food Distribution): | | | | | | |
| National School Lunch Program | 10.555 | N/A | \$ 65,411.40 | 7-1-12 | 6-30-13 | \$ 10,390.78 |
| Cash Assistance: | | | | | | |
| School Breakfast Program | 10.553 | N/A | 88,025.49 | 7-1-12 | 6-30-13 | (5,238.63) |
| National School Lunch Program | 10.555 | N/A | 408,754.35 | 7-1-12 | 6-30-13 | (19,766.81) |
| Total Enterprise Fund | | | | | | (14,614.66) |
| U.S. Department of Education | | | | | | |
| Passed-through State Department of Education: | | | | | | |
| N.C.L.B.: | | | | | | |
| Title I | 84.010 | 0390 12 | 324,918.00 | 9- 1-11 | 8-31-12 | (170,718.74) |
| Title I | 84.010 | 0390 13 | 436,548.00 | 9- 1-12 | 8-31-13 | |
| Title II Part A | 84.367 | 0390 12 | 69,366.00 | 9- 1-11 | 8-31-12 | (37,548.00) |
| Title II Part A | 84.367 | 0390 13 | 60,628.00 | 9- 1-12 | 8-31-13 | |
| I.D.E.I.A., Part B Programs: | | | | | | |
| Basic Regular | 84.027 | FT-0390-12 | 889,619.00 | 9- 1-11 | 8-31-12 | (186,159.07) |
| Basic Regular | 84.027 | FT-0390-13 | 858,156.00 | 9- 1-12 | 8-31-13 | |
| Vocational Education | | | | | | |
| Perkins Vocational and Applied Technology Education | | | | | | |
| Current Year | 84.048 | PERK - 13 | 26,169.00 | 9- 1-12 | 8-31-13 | |
| Math-in-CTE | | | | | | |
| Current Year | 84.048 | N/A | 12,000.00 | 9- 1-08 | 8-31-09 | (2,326.22) |
| Race to the Top Fund | 84.395 | N/A | 25,876.00 | 9- 1-11 | 11-30-15 | |
| Total Special Revenue Fund | | | | | | (396,752.03) |
| U.S. Department of Education: | | | | | | |
| Passed-through the State Department of Education: | | | | | | |
| Education Jobs Fund | 84.410A | N/A | 2,860.00 | 7-1-12 | 9-30-12 | |
| U.S. Department of Health and Human Services: | | | | | | |
| Passed-through the State Department of Education: | | | | | | |
| Special Education -- Medicaid Initiative | 93.778 | N/A | 46,896.35 | 7-1-12 | 6-30-13 | |
| Total General Fund | | | | | | |
| Total Federal Financial Assistance | | | | | | \$ (411,366.69) |

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

| Carryover/ Walkover Amount | Cash Received | Adjustment | Budgetary Expenditures | Repayment of Prior Years' Balance | Balance at June 30, 2013 | | |
|----------------------------------|------------------|------------|---------------------------|---|---|--------------------------------------|---------------------------------------|
| | | | | | Accounts Receivable June 30, 2013 | Unearned Revenue June 30, 2013 | Due to Grantor at June 30, 2013 |
| | \$ 65,411.40 | | \$ (63,650.45) | | | \$ 12,151.73 | |
| | 84,976.75 | | (88,025.49) | | \$ (8,287.37) | | |
| | 397,118.91 | | (408,754.35) | | (31,402.25) | | |
| | 547,507.06 | | (560,430.29) | | (39,689.62) | 12,151.73 | |
| \$ (71,873.00) | 280,106.00 | | (37,514.26) | | | | |
| 71,873.00 | 220,443.00 | | (373,469.63) | | (81,153.63) | | |
| (7,329.00) | 44,877.00 | | | | | | |
| 7,329.00 | 57,216.00 | | (67,957.00) | | (3,412.00) | | |
| (76,176.00) | 445,071.00 | | (182,735.93) | | | | |
| 76,176.00 | 350,143.00 | | (627,537.31) | | (201,218.31) | | |
| | 25,247.00 | | (26,169.00) | | (922.00) | | |
| | | | | | (2,326.22) | | |
| | 16,188.00 | | (25,876.00) | | (9,688.00) | | |
| | 1,439,291.00 | | (1,341,259.13) | | (298,720.16) | | |
| | | | (2,860.00) | | (2,860.00) | | |
| | 46,896.35 | | (46,896.35) | | | | |
| | 46,896.35 | | (49,756.35) | | (2,860.00) | | |
| \$ - | \$ 2,033,694.41 | \$ - | \$ (1,951,445.77) | \$ - | \$ (341,269.78) | \$ 12,151.73 | \$ - |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2013

| <u>State Grantor/ Program Title</u> | <u>Grant or State Project Number</u> | <u>Program or Award Amount</u> | <u>Required Match</u> | <u>Grant Period</u> | | <u>Balance at June 30, 2012</u> | |
|--|--|--|---------------------------|---------------------|-----------|--|---------------------------|
| | | | | <u>From</u> | <u>To</u> | <u>Deferred Revenue/ Accounts Receivable</u> | <u>Due to Grantor</u> |
| State Department of Education (State Aid): | | | | | | | |
| General Fund: | | | | | | | |
| Equalization Aid | 12-495-034-5120-078 | 29,344,158.00 | | 7-1-11 | 6-30-12 | \$ (2,801,934.00) | |
| Equalization Aid | 13-495-034-5120-078 | 30,040,736.00 | | 7-1-12 | 6-30-13 | | |
| Special Education Categorical Aid | 12-495-034-5120-089 | 2,280,647.00 | | 7-1-11 | 6-30-12 | (217,768.00) | |
| Special Education Categorical Aid | 13-495-034-5120-089 | 2,378,308.00 | | 7-1-12 | 6-30-13 | | |
| Security Aid | 13-495-034-5120-084 | 108,067.00 | | 7-1-12 | 6-30-13 | | |
| Transportation Aid | 13-495-034-5120-014 | 207,578.00 | | 7-1-12 | 6-30-13 | | |
| Other State Aid - Extraordinary Aid | 12-100-034-5120-473 | 458,754.00 | | 7-1-11 | 6-30-12 | (458,754.00) | |
| Other State Aid - Extraordinary Aid | 13-100-034-5120-473 | 305,199.00 | | 7-1-12 | 6-30-13 | | |
| Other State Aid - Non-Public Transportation Aid | N/A | 45,133.10 | | 7-1-11 | 6-30-12 | (45,133.10) | |
| Non-Public Transportation Aid | N/A | 48,468.56 | | 7-1-12 | 6-30-13 | | |
| Reimbursed T.P.A.F. Social Security | 12-495-034-5095-002 | 1,745,917.58 | | 7-1-11 | 6-30-12 | (86,732.36) | |
| Reimbursed T.P.A.F. Social Security | 13-495-034-5095-002 | 1,703,693.53 | | 7-1-12 | 6-30-13 | | |
| Total General Fund | | | | | | <u>(3,610,321.46)</u> | |
| State Grants: | | | | | | | |
| Capital Projects Fund: | | | | | | | |
| New Jersey Schools Development Authority | SP#0390-020-09-0ZDN | 222,418.00 | 147,582.00 | 6-4-10 | Proj. End | (185,049.17) | |
| New Jersey Schools Development Authority | SP#0390-020-09-0ZRC | 768,245.00 | 509,755.00 | 6-4-10 | Proj. End | (627,770.06) | |
| Total Capital Projects Fund | | | | | | <u>(812,819.23)</u> | |
| Debt Service Fund | | | | | | | |
| Debt Service Aid | 13-495-034-5120-125 | 1,600,029.00 | | 7-1-12 | 6-30-13 | | |
| Total Debt Service Fund | | | | | | | |
| Enterprise Fund: | | | | | | | |
| State School Lunch Program | 12-100-010-3350-023 | 12,007.72 | | 7-1-11 | 6-30-12 | (566.42) | |
| State School Lunch Program | 13-100-010-3350-023 | 15,974.95 | | 7-1-12 | 6-30-13 | | |
| Total Enterprise Fund | | | | | | <u>(566.42)</u> | |
| Total State Financial Assistance | | | | | | <u>\$ (4,423,707.11)</u> | <u>\$ -</u> |

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

| Cash Received | Adjustments(A) | Budgetary Expenditures | Balance at June 30, 2013 | | | Memo | |
|-------------------------|----------------|---------------------------|--------------------------|-------------------------------------|----------------|------------------------------------|-------------------------------|
| | | | Accounts Receivable | Unearned Revenue/ Interfund Payable | Due to Grantor | Budgetary Receivable June 30, 2013 | Cumulative Total Expenditures |
| \$ 2,801,934.00 | | | | | | | |
| 27,171,853.00 | | \$ (30,040,736.00) | \$ (2,868,883.00) | | | \$ (2,868,883.00) | \$ (30,040,736.00) |
| 217,768.00 | | | | | | | |
| 2,151,180.00 | | (2,378,308.00) | (227,128.00) | | | (227,128.00) | (2,378,308.00) |
| 97,747.00 | | (108,067.00) | (10,320.00) | | | (10,320.00) | (108,067.00) |
| 187,754.00 | | (207,578.00) | (19,824.00) | | | (19,824.00) | (207,578.00) |
| 458,754.00 | | | | | | | |
| | | (305,199.00) | (305,199.00) | | | (305,199.00) | (305,199.00) |
| 45,133.10 | | | | | | | |
| | | (48,468.56) | (48,468.56) | | | (48,468.56) | (48,468.56) |
| 86,732.36 | | | | | | | |
| 1,619,901.33 | | (1,703,693.53) | (83,792.20) | | | (83,792.20) | (1,703,693.53) |
| <u>34,838,756.79</u> | | <u>(34,792,050.09)</u> | <u>(3,563,614.76)</u> | | | <u>(3,563,614.76)</u> | <u>(34,792,050.09)</u> |
| 185,049.17 | | | | | | | (307,835.00) |
| 502,215.83 | | | (125,554.23) | | | (125,554.23) | (958,501.00) |
| <u>687,265.00</u> | | | <u>(125,554.23)</u> | | | <u>(125,554.23)</u> | <u>(1,266,336.00)</u> |
| 1,600,029.00 | | (1,600,029.00) | | | | | (1,600,029.00) |
| <u>1,600,029.00</u> | | <u>(1,600,029.00)</u> | | | | | <u>(1,600,029.00)</u> |
| 566.42 | | | | | | | |
| 15,134.76 | | (15,974.95) | (840.19) | | | | (15,974.95) |
| <u>15,701.18</u> | | <u>(15,974.95)</u> | <u>(840.19)</u> | | | | <u>(15,974.95)</u> |
| <u>\$ 37,141,751.97</u> | <u>\$ -</u> | <u>\$ (36,408,054.04)</u> | <u>\$ (3,690,009.18)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,689,168.99)</u> | <u>\$ (37,674,390.04)</u> |

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2013

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is -\$106,453.00 for the general fund and \$8,664.63 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$-0- for the general fund and \$8,664.63 for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

| <u>Fund</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|---------------------------------------|------------------------|-------------------------|-------------------------|
| General | \$ 49,756.35 | \$ 37,855,465.09 | \$ 37,905,221.44 |
| Special Revenue | 1,351,843.76 | | 1,351,843.76 |
| Debt Service | | 1,600,029.00 | 1,600,029.00 |
| Food Service | 560,430.29 | 15,974.95 | 576,405.24 |
| Total Awards and Financial Assistance | <u>\$ 1,962,030.40</u> | <u>\$ 39,471,469.04</u> | <u>\$ 41,433,499.44</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 represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013.

Note 6: MAJOR PROGRAMS

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

**BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------------|--|
| 84.027 | I.D.E.I.A., Part B Programs |
| | |
| | |
| | |
| | |
| | |

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

Auditee qualified as low-risk auditee? X yes no

**BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013**

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

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

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

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|----------------------------|--|
| _____ | State Aid Public-_____ |
| <u>13-495-034-5120-078</u> | <u>Equalization Aid</u> |
| <u>13-495-034-5120-089</u> | <u>Special Education Categorical Aid</u> |
| <u>13-495-034-5120-084</u> | <u>Security Aid</u> |
| <u>13-495-034-5095-002</u> | <u>Reimbursed T.P.A.F. Social Security</u> |
| <u>13-495-034-5120-125</u> | <u>Debt Service Aid</u> |

Dollar threshold used to determine Type A programs \$ 1,092,241.62

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 2- Schedule of Financial Statement Findings

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

None.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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

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

None.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

