

EASTAMPTON SCHOOL DISTRICT



**Eastampton Township Board of Education
1 Student Drive
Eastampton, NJ 08060**

**Comprehensive Annual Financial Report
For the Fiscal Year Ending June 30, 2013**

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INTRODUCTORY SECTION

EASTAMPTON SCHOOL DISTRICT

1 Student Drive
Eastampton, NJ 08060

Phone: (609) 267-9172
Dr. Robert A. Krastek, Ed.D
Superintendent/Principal 6-8

Fax: (609) 702-9625
Marian F. Smith
Business Administrator/Board Secretary



October 17, 2013

Honorable President and Members
Eastampton Township Board of Education
Burlington County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Eastampton Township School District for the fiscal year ended 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 is reported in a manner designed to present fairly the financial position and results of the operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

Eastampton School District is an independent 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 Eastampton Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2012-2013 fiscal year with an enrollment of 632 students, which represents 19 students less than the previous end of the year's enrollment. The following illustration details the changes in the student enrollment over the last ten years:

Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Increase/(Decrease)</u>
2003-04	820	(0.1%)
2004-05	817	(0.4%)
2005-06	791	(3.18%)
2006-07	751	(5.05%)
2007-08	743	(1.06%)
2008-09	733	(1.35%)
2009-10	695	(5.18%)
2010-11	668	(3.88%)
2011-12	651	(2.54%)
2012-13	632	(2.92%)

2. ECONOMIC CONDITION AND OUTLOOK:

Geography:

The Township of Eastampton's population is contained within 5.63 square miles. The Township is located in Central Burlington County, New Jersey, as part of the greater Mount Holly area. Characterized as a rural-suburban community, the Township gradually changed over a period of twenty years from an agrarian community of farms owned by families for generations to a bedroom community of people; some of whom travel as far away as New York City or Philadelphia to their vocational responsibilities. Several excellent county roads (537, 630 and 626) and three major highways (Route 38, Route 295 and the New Jersey Turnpike), make major cities, shopping malls, and general travel arteries and airports easy to reach for the residents of the Township. The Township population was listed in 2010 as 6,069 with the potential for reaching 8,000 people.

The school district has completed its construction/consolidation project and now houses Kindergarten through 8th grade under one roof. The district's focus continues to be excellence in education while maintaining a manageable budget for taxpayers.

3. FORM OF LOCAL GOVERNMENT:

The Township is governed by the Council-Manager form of government under the Optional Municipal Charter Law. Township Council consists of five members who select a mayor from one of its members. A full time chief executive officer (township manager) is appointed by a majority vote of the Council. The Council-Manager form of governance distinguishes the legislative and executive functions of local government, which enables the Council to delegate the day-to-day operations to the manager and reserves to the governing body the legislative function. The town is in the process of reassessing property values and it is expected that this will have a negative impact on ratable.

4. MAJOR INITIATIVES:

The board of education has articulated the focus and direction of the district in formally adopting vision and mission statements that are refined in goals and objectives that define the curriculum, the use of technology, appropriate staff development, community involvement, funding, facilities improvement and core values. During the 2012-2013 school year, the district continued to update and revise its Five Year Facility Plan and the Five Year Curriculum Plan. In addition, the district introduced several initiatives which will enhance student learning. These included a modified block schedule, upgrade of the GTT Lab, installation of an Audio Visual studio, Character Education posters and paintings. All third grade students and special education students were given access to iPads. Additionally, the district was chosen as a training site for the nationally recognized Gateway to Technology program and conducted classes to certify instructors. The Achieve NJ initiative is being implemented this year with the District using the Danielson model of evaluation.

5. INTERNAL ACCOUNTING CONTROLS:

The District's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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: (a) the cost of a control should not exceed the benefits likely to be derived; and (b) the valuation of costs and benefits requires estimates and judgments by management.

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

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

6. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the Subsequent year. Those amounts to be re-appropriated are explained in "Notes to the Financial Statements", Note 1.

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT

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

9. OTHER INFORMATION:

- A. Independent Audit: - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of 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 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- B. Community Involvement - Parents and community continue to be encouraged to be involved with the school program. The PTA, extra-curricular activities and parent/grandparent classroom visitation days are illustrative. Additionally, parents are encouraged to serve as resource people to the classroom teacher (career day et. al.) and also volunteers in the library. Parents and community members also serve on the district's Security Drill Task Force and the Anti-Bullying Committee.

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

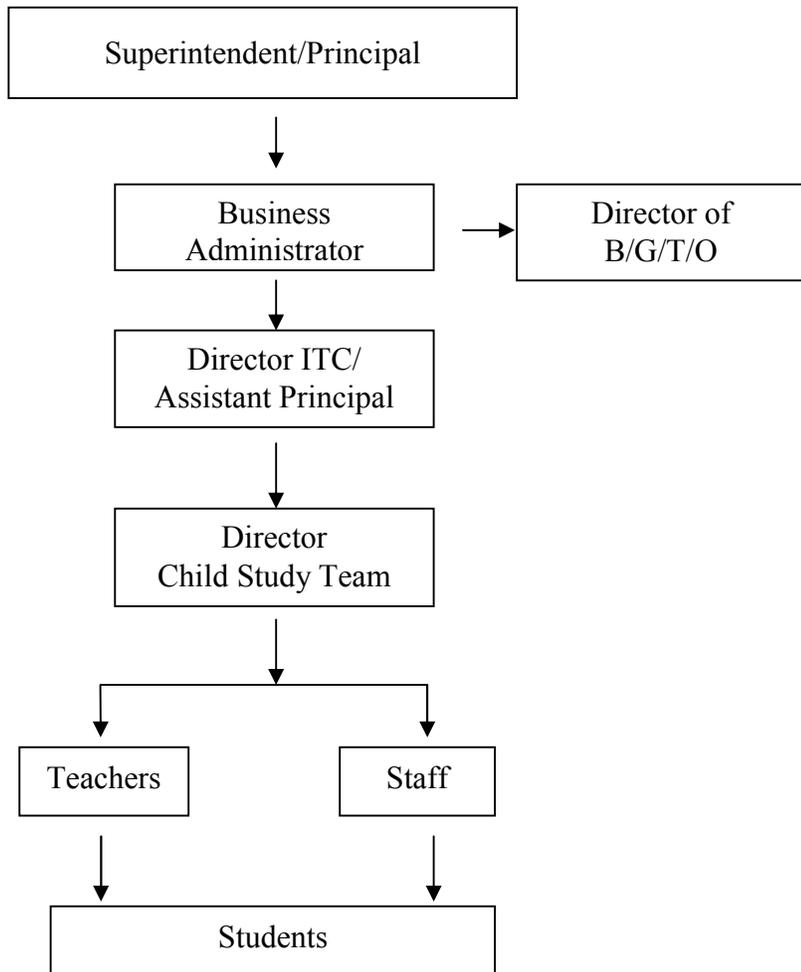


Robert A. Krastek
Superintendent/Principal



Marian F. Smith
Business Administrator/Board Secretary

ECS
Organizational Chart
2012-2013



**EASTAMPTON TOWNSHIP BOARD OF EDUCATION
EASTAMPTON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2013**

Members of the Board of Education

Term Expires

Susan C. Taylor, President	2015
Glenn Forney, Vice President	2015
Len DiGiacomo	2014
Deanna McGinnis	2015
Samantha Zazzo	2014
Stephen Pagano	2013
James Southard	2013

Other Officials

Robert A. Krastek, Superintendent/Principal
Marian F. Smith, Business Administrator/Board Secretary
Kelly Cox, Treasurer

EASTAMPTON TOWNSHIP SCHOOL DISTRICT
Consultant and Advisors

Audit Firm

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

Attorney

Stephen J. Mushinski
Parker McCay, P.A.
9000 Midlantic Drive
Suite 300
Mount Laurel, NJ 08054

Architect

Regan Young England Butera
456 High Street
Mt. Holly, NJ 08060

Official Depository

TD Bank
High Street
Mount Holly, NJ 08060

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Eastampton Township School District
County of Burlington
Eastampton, New Jersey 08060

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 Township of Eastampton School District, in the County of Burlington, 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 Township of Eastampton School District in the County of Burlington, 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 1 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 Township of Eastampton 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.

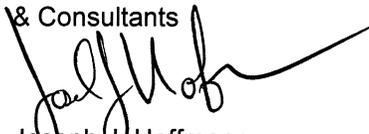
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 15, 2013 on our consideration of the Township of Eastampton 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 Township of Eastampton School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph W. Hoffmann
Certified Public Accountant
Public School Accountant No. CS 00759

Voorhees, New Jersey
October 15, 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
Eastampton Township Board of Education
County of Burlington
Eastampton, New Jersey 08060

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 Township of Eastampton School District, in the County of Burlington, 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 October 15, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Eastampton 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 Township of Eastampton 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 Township of Eastampton 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.

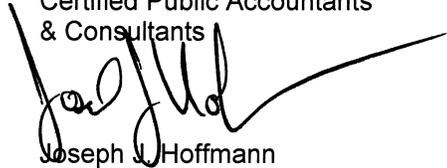
Purpose of this Report

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



Joseph J. Hoffmann
Certified Public Accountant
Public School Accountant No. CS 00759

Voorhees, New Jersey
October 15, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Eastampton Township Board of Education School District

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

This section of the Eastampton Township Board of Education School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with 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) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (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 for Governmental and Business-Type activities were \$14,186,350 and \$172,536, respectively.
- Net Position for the Governmental activities decreased by \$405,289 and the Net Position for Business-Type activities decreased by \$28,277 from July 1, 2012 to June 30, 2013.
- The General Fund, fund balance as of June 30, 2013 was \$81,520, a decrease of \$163,879 when compared with the beginning balance as of July 1, 2012 of \$245,399.

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 Eastampton Township School District.

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

Eastampton Township School District
Eastampton, 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 Eastampton Township School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1

MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that 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, Community Education and Recreation 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 position
			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 Eastampton Township 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.

The two district-wide statements report the Eastampton Township School District's net assets 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.

Eastampton Township School District
Eastampton, New Jersey

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

District-wide Statements (Cont'd)

- 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 Program and Child Care Program are 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 assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Eastampton Township School District
Eastampton, New Jersey

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

FINANCIAL ANALYSIS OF THE EASTAMPTON TOWNSHIP SCHOOL DISTRICT AS A WHOLE

Net Position. The District's net assets for the fiscal years ended June 30, 2012 and 2013 are reflected in the following table.

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT'S NET POSITION						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$ 186,513	\$ 463,408	\$ 110,370	\$ 128,421	\$ 296,883	\$ 591,829
Capital Assets	23,918,237	24,472,797	75,703	98,518	23,993,940	24,571,315
Total Assets	24,104,750	24,936,205	186,073	226,939	24,290,823	25,163,145
Long-term Liabilities Outstanding	9,390,492	9,754,664	5,697	5,802	9,396,189	9,760,466
Other Liabilities	527,907	589,902	7,840	20,324	535,747	610,226
Total Liabilities	9,918,399	10,344,566	13,537	26,126	9,931,936	10,370,692
Net Position:						
Invested in Capital Assets, Net of						
Related Debt	14,356,358	14,527,553	75,703	98,518	14,432,062	14,626,072
Restricted	156,553	445,549			156,553	445,549
Unrestricted	(326,561)	(381,463)	96,833	102,295	(229,728)	(279,167)
Total Net Position	\$ 14,186,350	\$ 14,591,639	\$ 172,536	\$ 200,813	\$ 14,358,887	\$ 14,792,453

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

- Program revenues were \$1,949,239.
 - ✓ Operating Grants & Contributions--\$1,526,491.
 - ✓ Charges for Services--\$422,748.
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$9,699,818.
- Net Expenditures were \$10,133,384.
- Total District revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$14,358,887 as of June 30, 2013.
- Revenues (\$9,699,818) + Beginning assets (\$14,792,453) – Net expenditures (\$10,133,384) = Net Position of \$14,358,887.

Eastampton Township School District
Eastampton, 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** decreased from June 30, 2012 to June 30, 2013 as reflected in the following table.

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT'S CHANGES IN NET POSITION						
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 25,752		\$ 396,996	\$ 431,883	\$ 422,748	\$ 431,883
Operating Grants and Contributions	1,408,133	\$ 1,203,915	118,358	97,999	1,526,491	1,301,914
General Revenues:						
Property Taxes	4,763,624	4,722,636			4,763,624	4,722,636
Grants and Contributions Restricted and not Restricted to Programs	4,593,864	4,689,426			4,593,864	4,689,426
Other	342,265	363,297	65	715	342,330	364,011
Total Revenues	11,133,638	10,979,274	515,419	530,597	11,649,057	11,509,871
Expenses:						
Instruction	4,949,248	4,871,559			4,949,248	4,871,559
Support Services	6,045,314	5,876,372			6,045,314	5,876,372
Interest on Debt and Related Costs	544,365	515,169			544,365	515,169
Childcare			267,871	336,163	267,871	336,163
Food Services			275,826	258,531	275,826	258,531
Total Expenses	11,538,927	11,263,099	543,696	594,694	12,082,623	11,857,794
Increase in Net Position before Transfers	(405,289)	(283,825)	(28,277)	(64,098)	(433,566)	(347,923)
Transfers						
Increase in Net Position	(405,289)	(283,825)	(28,277)	(64,098)	(433,566)	(347,923)
Net Position, July 1	14,591,639	14,875,464	200,813	264,911	14,792,452	15,140,376
Net Position, June 30	\$ 14,186,350	\$ 14,591,639	\$ 172,536	\$ 200,813	\$ 14,358,886	\$ 14,792,453

Total revenues for the District were \$11,649,057. Government funding was the source of 52.54% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$4,736,624 provided 40.66% of revenues.

Other miscellaneous revenues of \$342,330 (net of asset items) represent 2.94% of the district revenues. Miscellaneous revenue was primarily provided from interest, tuition, elementary school building lease and refunds.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$5,372,643 (46.56%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$1,144,477 (9.92%) of total expenditures. Total expenditures exceeded revenues for governmental activities, decreasing net position \$405,289 from the beginning balance at July 1, 2012.

Eastampton Township School District
Eastampton, New Jersey

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

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.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Eastampton Township School District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$174,701. At June 30, 2012 the fund balance was \$315,991.

All governmental funds had total revenues of \$11,133,638 and total expenditures of \$11,274,928.

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 from pre-kindergarten through grade 8 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of Governmental Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Eastampton Township School District
Eastampton, New Jersey

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

GOVERNMENTAL FUNDS				
COMPARISON OF REVENUES				
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012				
	<u>2013</u>	<u>2012</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percent of</u> <u>Increase</u> <u>(Decrease)</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 4,763,624	\$ 4,722,636	\$ 40,988	0.87%
Miscellaneous	368,017	363,297	4,720	1.30%
Total	5,131,641	5,085,933	45,708	0.90%
Government Sources:				
State Sources	5,681,719	5,412,380	269,339	4.98%
Federal Sources	320,279	480,962	(160,683)	-33.41%
Total	6,001,997	5,893,342	108,656	1.84%
Total Revenues	\$ 11,133,638	\$ 10,979,274	\$ 154,364	1.41%

One of the primary sources of funding for the district is received from local property taxes and accounted for 42.79% of total revenues. State aid accounted for 51.03% of total revenues.

Total Governmental Fund revenues increased by \$154,364, or 1.41%, from the previous year. The major component of this increase was additional State Aid.

State aid revenue is determined by a formula under the CEIFA laws, which was not used in the calculation of state aid in 2012-13. A save harmless appropriation was implemented for funding the 2012-13 fiscal year.

Eastampton Township School District
Eastampton, New Jersey

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

The following schedule presents a summary of Governmental Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

GOVERNMENTAL FUNDS COMPARISON OF EXPENDITURES FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012				
	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
EXPENDITURES				
Instruction:				
Regular	\$ 2,917,803	\$ 2,886,839	\$ 30,965	1.06%
Special Education	1,313,907	1,242,525	71,382	5.43%
Other	157,566	150,750	6,815	4.33%
Total Instruction	4,389,276	4,280,113	109,162	2.55%
Support Services:				
Tuition	423,395	620,554	(197,159)	-46.57%
Student and Instruction Related Services	890,725	840,850	49,876	5.60%
School Administration	257,489	285,859	(28,370)	-11.02%
General/Business Administration	513,421	501,175	12,246	2.39%
Plant Operations and Maintenance	808,874	743,950	64,924	8.03%
Pupil Transportation	253,751	330,533	(76,782)	-30.26%
Unallocated Benefits	1,881,466	1,630,079	251,388	13.36%
TPAF and FICA Reimbursements	953,909	789,980	163,929	17.18%
Total Instruction	5,983,030	5,742,979	240,051	4.01%
Capital Outlay	154,212	163,678	(9,465)	-6.14%
Debt Service	748,410	776,300	(27,890)	-3.73%
Total Expenditures	\$ 11,274,928	\$ 10,963,070	\$ 311,858	2.77%

Total Governmental Fund expenditures increased \$311,858 or 2.77% from the previous year. This increase was primarily due to increases to enhance student learning as well as increases in premium costs of health benefits.

The Eastampton Township School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

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.

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$748,410 where funding was provided by the local tax levy.

FOOD SERVICE ENTERPRISE FUND

The Food Service Fund's net position was \$128,584 as of June 30, 2013. This reflects an increase of \$3,966.97 from June 30, 2012. This increase is largely due to the new breakfast program.

Eastampton Township School District
Eastampton, New Jersey

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

CHILDCARE ENTERPRISE FUND

The Childcare Fund's net position was \$43,953 as of June 30, 2013. This reflects a decrease of \$32,244 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 2013, the district had capital assets allocated to government activities with a book value of \$23,918,237. This consists of a broad range of capital assets, including land, school buildings, computer and audio-visual equipment. Total depreciation expense for the year was \$614,635.

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)						
	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 1,287,740	\$ 1,287,740			\$ 1,287,740	\$ 1,287,740
Land Improvements	29,891	31,503			29,891	31,503
Building Improvements	22,570,560	23,145,442			22,570,560	23,145,442
Equipment	30,046	8,112	\$ 75,703	\$ 98,518	105,749	106,630
Total	\$ 23,918,237	\$ 24,472,797	\$ 75,703	\$ 98,518	\$ 23,993,940	\$ 24,571,315

Long-term Obligations

At year-end, the District had \$9,540,000 in general obligation bonds and loans outstanding, a decrease of \$470,000 from last year – as shown below. The District does not anticipate incurring any new long-term debt at this time.

The District also had a \$220,492 liability for compensated absences allocated to government activities. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Eastampton Township School District
Eastampton, New Jersey

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT SCHEDULE OF LONG TERM OBLIGATIONS				
	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
GOVERNMENT ACTIVITIES				
Bonds	\$ 9,540,000	\$ 10,010,000	\$ (470,000)	-4.70%
Capital Leases	21,879	41,964	(20,085)	-47.86%
Compensated Absences	220,492	192,786	27,706	14.37%
Total	\$ 9,782,370	\$ 10,244,749	\$ (462,379)	-4.51%

THE FUTURE OUTLOOK

The Eastampton Township School District is presently in a strong financial condition. The district's construction/consolidation project that was successfully completed several years ago has left the district with a state of the art facility that requires only general maintenance. This allows for stability in the district's financial planning.

The District has done an exceptional job managing the budget through loss of students and changing state regulations. The on-going over-reliance on property taxes to support the school remains a concern. However, the District remains committed to serving students and taxpayers and it continues to provide an exceptional program and stable tax rate. The District continues to search for ways to continue this trend.

The District's system for financial planning, budgeting and internal controls are well regarded. The District is committed to continuing its sound fiscal management to meet the challenges of the future.

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 the School Business Administrator/Board Secretary at:

Eastampton Township Board of Education, 1 Student Drive, Eastampton, New Jersey 08060.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 16,193.11	\$ 96,256.59	\$ 112,449.70
Receivables, net	118,618.04	7,376.51	125,994.55
Inventory		6,736.90	6,736.90
Restricted Cash and Cash Equivalents	51,701.48		51,701.48
Capital Assets, net (Note 6)	<u>23,918,236.98</u>	<u>75,703.15</u>	<u>23,993,940.13</u>
Total Assets	<u>24,104,749.61</u>	<u>186,073.15</u>	<u>24,290,822.76</u>
LIABILITIES:			
Accounts Payable	8,028.95		8,028.95
Payable to State Government	3,184.10		3,184.10
Accrued Interest	124,217.06		124,217.06
Unearned Revenue	598.67	7,839.91	8,438.58
Noncurrent Liabilities (Note 8):			
Due within One Year	391,878.55		391,878.55
Due beyond One Year	<u>9,390,491.86</u>	<u>5,697.04</u>	<u>9,396,188.90</u>
Total Liabilities	<u>9,918,399.19</u>	<u>13,536.95</u>	<u>9,931,936.14</u>
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	14,356,358.43	75,703.15	14,432,061.58
Restricted for:			
Debt Service	(80,773.21)		(80,773.21)
Capital Projects	49,736.61		49,736.61
Other Purposes	187,589.45		187,589.45
Unrestricted (Deficit)	<u>(326,560.86)</u>	<u>96,833.05</u>	<u>(229,727.81)</u>
Total Net Position	<u>\$ 14,186,350.42</u>	<u>\$ 172,536.20</u>	<u>\$ 14,358,886.62</u>

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
Statement of Net Position
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	\$ 3,477,775.96	\$ 25,752.00			\$ (3,452,023.96)		\$ (3,452,023.96)
Special Education	1,313,906.53		\$ 311,163.94		(1,002,742.59)		(1,002,742.59)
Other Special Instruction	157,565.50				(157,565.50)		(157,565.50)
Support Services:							
Tuition	423,395.41				(423,395.41)		(423,395.41)
Student and Instruction Related Services	890,725.12		48,922.69		(841,802.43)		(841,802.43)
School Administrative Services	257,489.04				(257,489.04)		(257,489.04)
General and Business Administrative Services	544,006.85				(544,006.85)		(544,006.85)
Plant Operations and Maintenance	840,570.89				(840,570.89)		(840,570.89)
Pupil Transportation	253,751.52				(253,751.52)		(253,751.52)
Unallocated Benefits	1,881,466.39				(1,881,466.39)		(1,881,466.39)
Reimbursed TPAF and Social Security	953,908.70		953,908.70				
Amortization of Debt Issuance Costs	106,418.80				(106,418.80)		(106,418.80)
Interest on Long-Term Debt	343,808.21				(343,808.21)		(343,808.21)
Debt Assessment	94,138.00		94,138.00				
Total Governmental Activities	11,538,926.92	25,752.00	1,408,133.33	-	(10,105,041.59)	-	(10,105,041.59)
Business-Type Activities:							
Food Service	275,825.61	161,387.07	118,357.87			\$ 3,919.33	3,919.33
Childcare Program	267,870.63	235,608.99				(32,261.64)	(32,261.64)
Total Business-Type Activities	543,696.24	396,996.06	118,357.87	-	-	(28,342.31)	(28,342.31)
Total Primary Government	\$ 12,082,623.16	\$ 422,748.06	\$ 1,526,491.20	-	(10,105,041.59)	(28,342.31)	(10,133,383.90)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					3,977,645.00		3,977,645.00
Taxes Levied for Debt Service					785,979.00		785,979.00
Federal and State Aid not Restricted					4,593,864.00		4,593,864.00
Miscellaneous Income					342,264.78	65.05	342,329.83
Total General Revenues, Special Items, Extraordinary Items and Transfers					9,699,752.78	65.05	9,699,817.83
Change in Net Position					(405,288.81)	(28,277.26)	(433,566.07)
Net Position -- July 1					14,591,639.23	200,813.46	14,792,452.69
Net Position -- June 30					\$ 14,186,350.42	\$ 172,536.20	\$ 14,358,886.62

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF EASTAMPTON 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	\$ (29,068.64)	\$ 3,782.77	\$ 51,701.48	\$ 41,478.98	\$ 67,894.59
Receivables, net:					
Interfund Receivable:					
Payroll Fund	12,043.08				12,043.08
Capital Projects Fund				1,964.87	1,964.87
Receivables from Other Governments:					
State of NJ -- Transportation Aid	696.00				696.00
State of NJ -- Extraordinary Aid	67,976.00				67,976.00
Other Receivables	37,902.96				37,902.96
Total Assets	\$ 89,549.40	\$ 3,782.77	\$ 51,701.48	\$ 43,443.85	\$ 188,477.50
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 8,028.95				\$ 8,028.95
Unearned Revenue		\$ 598.67			598.67
Interfund Payable:					
Debt Service Fund			\$ 1,964.87		1,964.87
Payable to Federal and State Government		3,184.10			3,184.10
Total Liabilities	8,028.95	3,782.77	1,964.87	-	13,776.59
Fund Balances:					
Restricted:					
Excess Surplus	33,596.91				33,596.91
Capital Reserve	153,992.54				153,992.54
Capital Projects Fund			49,736.61		49,736.61
Debt Service Fund				\$ 43,443.85	43,443.85
Assigned:					
Other Purposes	1,400.00				1,400.00
Unassigned:					
General Fund	(107,469.00)				(107,469.00)
Total Fund Balances	81,520.45		49,736.61	43,443.85	174,700.91
Total Liabilities and Fund Balances	\$ 89,549.40	\$ 3,782.77	\$ 51,701.48	\$ 43,443.85	

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 \$35,642,131.29, and the accumulated depreciation is \$11,723,894.31.	23,918,236.98
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.	(9,782,370.41)
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(124,217.06)
Net position of governmental activities	\$ 14,186,350.42

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

TOWNSHIP OF EASTAMPTON 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	\$ 3,977,645.00			\$ 785,979.00	\$ 4,763,624.00
Miscellaneous	367,978.40		\$ 38.38		368,016.78
State Sources	5,641,910.70	\$ 39,808.10			5,681,718.80
Federal Sources		320,278.53			320,278.53
Total Revenues	9,987,534.10	360,086.63	38.38	785,979.00	11,133,638.11
EXPENDITURES:					
Regular Instruction	2,917,803.47				2,917,803.47
Special Education Instruction	1,002,742.59	311,163.94			1,313,906.53
Other Special Instruction	157,565.50				157,565.50
Support Services and Undistributed Costs:					
Tuition	423,395.41				423,395.41
Student and Instruction Related Services	841,802.43	48,922.69			890,725.12
School Administrative Services	257,489.04				257,489.04
Other Administrative Services	513,420.53				513,420.53
Plant Operations and Maintenance	808,873.94				808,873.94
Pupil Transportation	253,751.52				253,751.52
Unallocated Benefits	1,881,466.39				1,881,466.39
Reimbursed TPAF Pension and Social Security	953,908.70				953,908.70
Debt Service:					
Principal				470,000.00	470,000.00
Interest and Other Charges				278,409.72	278,409.72
Capital Outlay	139,192.77		15,019.64		154,212.41
Total Expenditures	10,151,412.29	360,086.63	15,019.64	748,409.72	11,274,928.28
Excess (Deficiency) of Revenues over Expenditures	(163,878.19)	-	(14,981.26)	37,569.28	(141,290.17)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In				38.38	38.38
Operating Transfers Out			(38.38)		(38.38)
Total Other Financing Sources and Uses	-	-	(38.38)	38.38	-
Net Change in Fund Balances	(163,878.19)		(15,019.64)	37,607.66	(141,290.17)
Fund Balance -- July 1	245,398.64	-	64,756.25	5,836.19	315,991.08
Fund Balance -- June 30	\$ 81,520.45	-	\$ 49,736.61	\$ 43,443.85	\$ 174,700.91

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

TOWNSHIP OF EASTAMPTON 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		\$ (141,290.17)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (614,634.59)	
Debt Service Assessment	(94,138.00)	
Capital Outlays	154,212.41	
		(554,560.18)
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.		470,000.00
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		(106,418.80)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		20,085.14
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. (+)		(65,398.49)
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 (+).		(27,706.31)
		(405,288.81)
Change in Net Position of Governmental Activities		\$ (405,288.81)

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Statement of Net Position
 Enterprise Funds
 June 30, 2013

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 71,189.21	\$ 25,067.38	\$ 96,256.59
Accounts Receivable:			
State	395.29		395.29
Federal	6,979.57		6,979.57
Other	1.65		1.65
Inventories	6,736.90		6,736.90
Total Current Assets	<u>85,302.62</u>	<u>25,067.38</u>	<u>110,370.00</u>
Noncurrent Assets:			
Restricted Cash and Cash Equivalents			
Furniture, Machinery and Equipment	96,106.00	118,449.00	214,555.00
Less Accumulated Depreciation	(50,015.10)	(88,836.75)	(138,851.85)
Total Noncurrent Assets	<u>46,090.90</u>	<u>29,612.25</u>	<u>75,703.15</u>
Total Assets	<u>131,393.52</u>	<u>54,679.63</u>	<u>186,073.15</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	2,809.91	5,030.00	7,839.91
	<u>2,809.91</u>	<u>5,030.00</u>	<u>7,839.91</u>
Noncurrent Liabilities:			
Compensated Absences Payable	-	5,697.04	5,697.04
Total Liabilities	<u>2,809.91</u>	<u>10,727.04</u>	<u>13,536.95</u>
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	46,090.90	29,612.25	75,703.15
Unrestricted	82,492.71	14,340.34	96,833.05
Total Net Position	<u>\$ 128,583.61</u>	<u>\$ 43,952.59</u>	<u>\$ 172,536.20</u>

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales:			
Non-reimbursable Programs	\$ 84,041.57		\$ 84,041.57
Reimbursable Program -- School Lunch	77,345.50		77,345.50
Child Care Fees		\$ 235,608.99	235,608.99
Total Operating Revenues	161,387.07	235,608.99	396,996.06
OPERATING EXPENSES:			
Salaries	124,599.71	196,383.71	320,983.42
Employee Benefits	1,532.86	24,976.77	26,509.63
Management Fee	13,242.14		13,242.14
General Supplies	13,396.74	12,525.35	25,922.09
Direct Expenses	7,085.37		7,085.37
Depreciation	8,008.83	14,806.13	22,814.96
Other Professional and Technical Services	5,202.00	4,634.43	9,836.43
Cost of Sales	102,757.96		102,757.96
Activities		14,544.24	14,544.24
Total Operating Expenses	275,825.61	267,870.63	543,696.24
Operating Income / (Loss)	(114,438.54)	(32,261.64)	(146,700.18)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	3,088.68		3,088.68
Federal Sources:			
National School Lunch Program	92,802.81		92,802.81
Food Distribution Program	22,466.38		22,466.38
Interest Revenue	47.64	17.41	65.05
Total Nonoperating Revenues (Expenses)	118,405.51	17.41	118,422.92
Income (Loss) before Contributions and Transfers	3,966.97	(32,244.23)	(28,277.26)
Other Financing Sources (Uses):			
Capital Contributions	-	-	-
Change in Net Position	3,966.97	(32,244.23)	(28,277.26)
Net Position -- July 1	124,616.64	76,196.82	200,813.46
Net Position -- June 30	\$ 128,583.61	\$ 43,952.59	\$ 172,536.20

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Statement of Cash Flows
 Enterprise Funds
 For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 161,679.68	\$ 238,158.99	\$ 399,838.67
Payments to Management Company	(220,945.72)		(220,945.72)
Payments to Employees	(27,338.08)	(196,488.74)	(223,826.82)
Payments for Employee Benefits	(1,532.86)	(24,976.77)	(26,509.63)
Payments for Supplies and Services	(33,078.65)	(31,704.02)	(64,782.67)
Net Cash Provided by (used for) Operating Activities	<u>(121,215.63)</u>	<u>(15,010.54)</u>	<u>(136,226.17)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	2,872.37		2,872.37
Federal Sources	112,830.17		112,830.17
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>115,702.54</u>	<u>-</u>	<u>115,702.54</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interfund Received	-	14,000.00	14,000.00
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	47.64	17.41	65.05
Net Increase (Decrease) in Cash and Cash Equivalents	(5,465.45)	(993.13)	(6,458.58)
Cash and Cash Equivalents -- July 1	76,654.66	26,060.51	102,715.17
Cash and Equivalents -- June 30	<u>\$ 71,189.21</u>	<u>\$ 25,067.38</u>	<u>\$ 96,256.59</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (114,438.54)	\$ (32,261.64)	\$ (146,700.18)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	8,008.83	14,806.13	22,814.96
(Increase) Decrease in Inventories	126.56		126.56
Increase (Decrease) in Unearned Revenue	171.21	2,550.00	2,721.21
(Increase) Decrease in Accounts Receivable	121.40		121.40
Increase (Decrease) in Accounts Payable	(15,205.09)	(105.03)	(15,310.12)
Total Adjustments	<u>(6,777.09)</u>	<u>17,251.10</u>	<u>10,474.01</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (121,215.63)</u>	<u>\$ (15,010.54)</u>	<u>\$ (136,226.17)</u>

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2013

	Agency Funds	
	Student Activity	Payroll
ASSETS:		
Cash and Cash Equivalents	\$ 6,533.89	\$ 18,064.79
Total Assets	\$ 6,533.89	\$ 18,064.79
LIABILITIES:		
Accounts Payable	\$ 165.00	
Interfund Accounts Payable:		
Due General Fund		\$ 12,043.08
Payable to Student Groups	6,368.89	
Payroll Deductions and Withholdings		6,021.71
Total Liabilities	\$ 6,533.89	\$ 18,064.79

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

TOWNSHIP OF EASTAMPTON 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 Township of Eastampton 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 Burlington, 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 seven members elected to three-year terms. These terms are staggered so that three member's terms expire one year and two member's terms expire in each of the two succeeding years. The purpose of the School District is to educate students in grades K through 8 at its one school. The School District has an approximate enrollment at June 30, 2013 of 632.

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)****Fund Financial Statements (Cont'd)****Governmental Funds (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.

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 non-operating revenues and expenses.

The School District maintains the following enterprise funds:

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

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

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.

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.

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.

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)****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.

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.

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

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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, 2013.

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.

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:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Capital Assets (cont'd)**

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 15 Years
Buildings and Improvements	50 Years
Land Improvements	20 Years

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

Deferred loss, if any, 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.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2013 and 2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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.

Accrued Salaries and Wages

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

Compensated Absences

Compensated absences are 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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, if any, 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.

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.

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

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

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

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

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

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.

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

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.

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

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.

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.

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

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.

As of June 30, 2013, all of the School District's bank balances of \$443,892.67 were insured.

Note 3: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account prior to July 18, 2000 shall be utilized for the original purpose for which the funds were deposited. Funds placed in the account after that date 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

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

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 LRF. P.

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	\$153,915.57
Increased by:	
Interest Earnings	<u>76.97</u>
Ending Balance, June 30, 2013	<u>\$153,992.54</u>

The June 30, 2013 LRF. P. balance of local support costs of uncompleted projects is \$185,000.00. The reserve balance prior to July 18, 2000 was \$163,157.00 of which \$100,000.00 was utilized in fiscal year 2005. Therefore the maximum amount of the Capital Reserve Balance is \$248,157.00

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>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Intergovernmental	\$ 68,672.00		\$ 7,374.86		\$ 76,046.86
Other	37,902.96		1.65		37,904.61
	<u>\$106,574.96</u>	<u>-</u>	<u>\$ 7,376.51</u>	<u>-</u>	<u>\$113,951.47</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	\$ 5,598.86
Supplies	<u>1,138.04</u>
	<u>\$ 6,736.90</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,287,740.00			\$ 1,287,740.00
Total Capital Assets, not being Depreciated	1,287,740.00	-	-	1,287,740.00
Capital Assets, being Depreciated:				
Land Improvements	244,418.87			244,418.87
Buildings and Improvements	33,965,661.61	\$ 36,844.83		34,002,506.44
Furniture, Fixtures and Equipment	84,236.40	23,229.58		107,465.98
Total Capital Assets, being Depreciated	34,294,316.88	60,074.41	-	34,354,391.29
Total Capital Assets, Cost	35,582,056.88	60,074.41	-	35,642,131.29
Less Accumulated Depreciation for:				
Land Improvements	(212,915.94)	(1,612.19)		(214,528.13)
Buildings and Improvements	(10,820,219.73)	(611,726.31)		(11,431,946.04)
Furniture, Fixtures and Equipment	(76,124.05)	(1,296.09)		(77,420.14)
Total Accumulated Depreciation	(11,109,259.72)	(614,634.59)	-	(11,723,894.31)
Total Capital Assets, being Depreciated, Net	23,185,057.16	(554,560.18)	-	22,630,496.98
Governmental Activities Capital Assets, Net	\$ 24,472,797.16	\$ (554,560.18)	-	\$ 23,918,236.98
	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 214,555.00			\$ 214,555.00
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(116,036.89)	\$ (22,814.96)		(138,851.85)
Business-Type Activities Capital Assets, Net	\$ 98,518.11	\$ (22,814.96)	-	\$ 75,703.15

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

Note 6: CAPITAL ASSETS (CONT'D)

Governmental Activities:	
Instruction	\$ 552,351.32
General and Business Administrative Services	30,586.32
Plant Operations and Maintenance	<u>31,696.95</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 614,634.59</u>

Note 7: ELEMENTARY SCHOOL BUILDING

On October 27, 2008, Rancocas Valley Regional High School Board of Education entered into an agreement with Eastampton Township Board of Education to purchase the Old Elementary School for \$1,665,000.00. Rancocas Valley Regional High School is leasing the building for five (5) years at \$333,000.00 per year and this rent will be applied to the purchase price. The lease began on August 15, 2009 and will terminate on July 15, 2014. Upon full payment, closing will take place where the Eastampton Township School Board will transfer the title of ownership. The estimated date for this closing is August 14, 2014.

The following is a schedule of the yearly payments to be made under the agreement:

Fiscal Year	Amount
<u>Ending June 30.</u>	
2014	<u>\$ 333,000.00</u>

This purchase results in a future gain which is calculated as follows:

	<u>Amount</u>
Purchase Price	\$ 1,665,000.00
Less:	
Value of Land	<u>(662,960.00)</u>
Future Gain on Sale	<u>\$ 1,002,040.00</u>

Note 8: LONG-TERM LIABILITIES

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

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 10,010,000.00		\$ (470,000.00)	\$ 9,540,000.00	\$ 370,000.00
Total Bonds Payable	<u>10,010,000.00</u>	<u>-</u>	<u>(470,000.00)</u>	<u>9,540,000.00</u>	<u>370,000.00</u>
Other Liabilities:					
Obligations under					
Capital Lease	41,963.69		(20,085.14)	21,878.55	21,878.55
Compensated Absences	192,785.55	\$ 27,706.31		220,491.86	
Total Other Liabilities	<u>234,749.24</u>	<u>27,706.31</u>	<u>(20,085.14)</u>	<u>242,370.41</u>	<u>21,878.55</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 10,244,749.24</u>	<u>\$ 27,706.31</u>	<u>\$ (490,085.14)</u>	<u>\$ 9,782,370.41</u>	<u>\$ 391,878.55</u>

The bonds payable and obligations under capital lease are generally liquidated by the debt service fund, while compensated absences are liquidated by the general fund.

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due within One Year</u>
Business-Type Activities:					
Other Liabilities:					
Compensated Absences	\$ 5,802.07		\$ (105.03)	\$ 5,697.04	
Business-Type Activity					
Long-Term Liabilities	<u>\$ 5,802.07</u>	<u>-</u>	<u>\$ (105.03)</u>	<u>\$ 5,697.04</u>	<u>-</u>

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

On March 3, 2005, the School District issued \$11,130,000.00 general obligation bonds at interest rates varying from 4.25% to 4.50% for various construction and renovation projects, however, these bonds were refunded on June 20, 2012 at interest rates varying from 2.00% to 4.00%. The final maturity of these bonds is March 1, 2030. The bonds will be paid from property taxes.

Note 8: LONG-TERM LIABILITIES (CONT'D)

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 370,000.00	\$ 366,350.00	\$ 736,350.00
2015	420,000.00	351,075.00	771,075.00
2016	415,000.00	336,600.00	751,600.00
2017	465,000.00	324,150.00	789,150.00
2018	460,000.00	310,200.00	770,200.00
2019-2023	2,620,000.00	1,278,000.00	3,898,000.00
2024-2028	3,280,000.00	710,000.00	3,990,000.00
2029-2030	1,510,000.00	90,800.00	1,600,800.00
	<u>\$ 9,540,000.00</u>	<u>\$ 3,767,175.00</u>	<u>\$ 13,307,175.00</u>

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

Obligations under Capital Lease - The School District is leasing computer equipment totaling \$65,795.79 under one capital lease. The capital lease is for a term of three years. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2013.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 21,878.55	\$ 1,953.55	\$ 23,832.10

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

Note 9: OPERATING LEASES

At June 30, 2013, the School District had operating lease agreements 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	\$ 28,774.80
2015	28,774.80
2016	7,557.84
2017	2,519.28
	<u>\$ 67,626.72</u>

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$28,710.89.

Note 10: 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. 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.

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:

Note 10: PENSION PLANS (CONT'D)

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2013	\$ 34,606.00	\$ 82,743.00	\$117,349.00	\$ 6,984.00	\$ 124,333.00
2012	48,204.00	96,408.00	144,612.00	9,214.00	153,826.00
2011	56,627.00	90,231.00	146,858.00	11,154.00	158,012.00

Note 11: 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 12: 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 \$291,760.00 and \$329,907.00, respectively.

Note 13: RISK MANAGEMENT

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

Property and Liability Insurance - The School District maintains 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.

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

- Property (Including Crime and Auto Physical Damage)
- General and Automobile Liability
- Workers' Compensation
- Comprehensive Crime
- Educator's Legal Liability
- Boiler and Machinery
- Pollution Legal Liability

Note 13: RISK MANAGEMENT (CONT'D)

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

The Fund publishes its own financial report for the fiscal year ended June 30, 2013, which can be obtained from:

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

Note 14: DEFERRED COMPENSATION

The School District offers its employees a choice of four 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:

ABCO – ING
AXA Equitable
Lincoln Investments Planning, Inc.
AIG / Valic

Note 15: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days and various vacation days per their contract which may be carried forward to subsequent years. 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 \$220,491.86 and \$5,697.04, respectively.

Note 16: 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	\$ 12,043.08	
Capital Projects		\$ 1,964.87
Debt Service	1,964.87	
Fiduciary	<u> </u>	<u>12,043.08</u>
	<u>\$ 14,007.95</u>	<u>\$ 14,007.95</u>

All interfunds, except for the capital projects and debt service funds, were created as a result of the final allocation of costs in the various funds and are expected to be liquidated within the next fiscal cycle. The interfund, between the capital projects and debt service funds, was a result of interest earnings in the capital projects fund that is due to the debt service fund and is expected to be liquidated within the next fiscal cycle.

Interfund Transfers:

	<u>Transfer In:</u>	
	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>
<u>Transfer Out:</u>		
General Fund	<u>\$ 14,000.00</u>	<u>\$ 3,450.61</u>
Total Transfers	<u>\$ 14,000.00</u>	<u>\$ 3,450.61</u>

Note 17: DEFEASED DEBT

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the School District's financial statements. As of June 30, 2013, the total amount of defeased debt outstanding, but removed from the School District's financial statements, is \$9,090,000.00.

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$107,469.00 in the general fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one

Note 18: DEFICIT FUND BALANCES (CONT'D)

government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$107,469.00 is less than the June state aid payments.

Note 19: UNRESTRICTED DEFICIT

The Governmental Funds had a deficit in unrestricted net assets of \$326,560.86 as of June 30, 2013. This deficit is attributable to the allocation of compensated absences balances in the amount of \$220,491.86 and the deficit in unassigned general fund balance caused by the delay of the 19th and 20th state aid payment (see footnote number 18).

Note 20: RESTRICTED DEFICIT

There was a deficit in the restricted net assets for debt service at June 30, 2013 of \$80,773.21. This deficit is attributable to accrued interest.

Note 21: FUND BALANCES**NONSPENDABLE**

As stated in note 1, 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. There are no nonspendable fund balances of the School District as of June 30, 2013.

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 \$33,596.91.

For Capital Reserve Account - As of June 30, 2013, the balance in the capital reserve account is \$153,992.54. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Note 21: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)**

Capital Projects Fund - On December 14, 2004, the School District issued \$11,130,000.00 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law"). The bond issuance was approved by the voters for additions and alterations to the Eastampton Middle School. As of June 30, 2013, the restricted fund balance amount was \$49,736.61.

Debt Service Fund - Of \$43,443.85 of Debt Service Fund restricted fund balance at June 30, 2013, \$38,405.00 has been designated for utilization in the 2013-2014 year.

COMMITTED

As stated in note 1, 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 is the Board of Education. There were no specific commitments of the School District's fund balance at June 30, 2013.

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 -

Other Purposes - As of June 30, 2013, the School District had \$1,400.00 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, there is an unassigned deficit of (\$107,469.00) in the general fund.

Note 22: LITIGATION

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

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
General Fund:					
Local Sources:					
Local Tax Levy	\$ 3,977,645.00		\$ 3,977,645.00	\$ 3,977,645.00	
Interest Earned on Capital Reserve Fund	400.00		400.00	76.97	\$ (323.03)
Other Restricted Miscellaneous Revenues	333,000.00		333,000.00	333,000.00	
Unrestricted Miscellaneous Revenues	6,000.00		6,000.00	34,901.43	28,901.43
Total - Local Sources	4,317,045.00	-	4,317,045.00	4,345,623.40	28,578.40
State Sources:					
Extraordinary Special Education Cost Aid				67,976.00	67,976.00
Categorical Special Education Aid	387,293.00		387,293.00	387,293.00	
Equalization Aid	4,151,267.00		4,151,267.00	4,151,267.00	
Categorical Security Aid	14,897.00		14,897.00	14,897.00	
Adjustment Aid	54,425.00		54,425.00	54,425.00	
Categorical Transportation Aid	21,875.00		21,875.00	21,875.00	
Nonpublic School Transportation Aid				696.00	696.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				332,241.70	332,241.70
On-behalf TPAF Pension Contributions (non-budgeted)				291,760.00	291,760.00
On-behalf TPAF Medical Contributions (non-budgeted)				329,907.00	329,907.00
Total - State Sources	4,629,757.00	-	4,629,757.00	5,652,337.70	1,022,580.70
Total Revenues	8,946,802.00	-	8,946,802.00	9,997,961.10	1,051,159.10

(Continued)

TOWNSHIP OF EASTAMPTON 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 Positive (Negative) Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 183,528.00	\$ (5,777.50)	\$ 177,750.50	\$ 177,750.50	
Grades 1 - 5	1,434,138.00	(54,848.20)	1,379,289.80	1,379,289.80	
Grades 6 - 8	1,195,815.00	(3,018.65)	1,192,796.35	1,192,796.35	
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000.00	(296.12)	1,703.88	1,703.88	
Regular Programs - Undistributed Instruction:					
Purchased Professional/Educational Services	4,000.00	(400.00)	3,600.00	3,600.00	
Mileage	7,200.00	1,503.02	8,703.02	8,703.02	
General Supplies	48,238.00	108,492.17	156,730.17	153,959.92	\$ 2,770.25
Textbooks	2,000.00	(2,000.00)			
Total Regular Programs	2,876,919.00	43,654.72	2,920,573.72	2,917,803.47	2,770.25
Multiple Disabilities:					
Salaries of Teachers	130,758.00	52,463.32	183,221.32	181,987.64	1,233.68
Total - Multiple Disabilities	130,758.00	52,463.32	183,221.32	181,987.64	1,233.68
Resource Room/Center					
Salaries of Teachers	596,974.00	2,599.45	599,573.45	599,573.45	
Other Salaries for Instruction	251,403.00	(30,044.15)	221,358.85	220,676.97	681.88
General Supplies	500.00	(161.47)	338.53	338.53	
Textbooks	500.00	(334.00)	166.00	166.00	
Total - Resource Room/Center	849,377.00	(27,940.17)	821,436.83	820,754.95	681.88
Total - Special Education	980,135.00	24,523.15	1,004,658.15	1,002,742.59	1,915.56
Basic Skills/Remedial:					
Salaries of Teachers	207,579.00	(50,013.50)	157,565.50	157,565.50	
Total - Basic Skills/Remedial	207,579.00	(50,013.50)	157,565.50	157,565.50	-
School Sponsored Cocurricular Activities - Instruction:					
Salaries	15,000.00	29,664.53	44,664.53	44,664.53	
Purchased Services	2,000.00		2,000.00	2,000.00	
Other Objects		368.00	368.00	368.00	
Total - School Sponsored Cocurricular Activities - Instruction	17,000.00	30,032.53	47,032.53	47,032.53	-

(Continued)

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
School Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 14,300.00	\$ 2,550.00	\$ 16,850.00	16,850.00	
Purchased Services	2,000.00	1,445.00	3,445.00	3,445.00	
Supplies and Materials	500.00	2,245.61	2,745.61	2,745.61	
Total - School Sponsored Cocurricular Athletics - Instruction	<u>16,800.00</u>	<u>6,240.61</u>	<u>23,040.61</u>	<u>23,040.61</u>	<u>-</u>
Total - Instruction	<u>4,098,433.00</u>	<u>54,437.51</u>	<u>4,152,870.51</u>	<u>4,148,184.70</u>	<u>\$ 4,685.81</u>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within State-Regular					
Tuition to Other LEAs within State-Special	89,107.00	(77,686.69)	11,420.31	11,420.31	
Tuition to CSSD & Reg. Day Schools	250,671.00	151,984.60	402,655.60	402,655.60	
Comm for the blind		1,139.00	1,139.00	1,139.00	
Tuition to Private School for the Handicapped- State	104,082.00	(95,901.50)	8,180.50	8,180.50	
Total Undistributed Expenditures - Instruction	<u>443,860.00</u>	<u>(20,464.59)</u>	<u>423,395.41</u>	<u>423,395.41</u>	<u>-</u>
Health Services					
Salaries	114,797.00	(21,417.87)	93,379.13	93,379.13	
Purchased Professional and Technical Services	1,300.00	(50.00)	1,250.00	1,250.00	
Supplies an Materials	3,000.00	264.43	3,264.43	3,264.43	
Total Health Services	<u>119,097.00</u>	<u>(21,203.44)</u>	<u>97,893.56</u>	<u>97,893.56</u>	<u>-</u>
Other Support Services - Students - Related Services:					
Salaries	136,490.00	2,757.15	139,247.15	139,247.15	
Purchased Professional/Educational Services	80,000.00	3,873.00	83,873.00	83,873.00	
Supplies and Materials	3,000.00	(2,117.53)	882.47	882.47	
Total - Other Support Services - Students - Related Services	<u>219,490.00</u>	<u>4,512.62</u>	<u>224,002.62</u>	<u>224,002.62</u>	<u>-</u>
Other Support Services - Students - Extraordinary Services:					
Purchased Professional/Educational Services	41,035.00	(34,066.89)	6,968.11	6,968.11	
Total - Other Support Services - Students - Extraordinary Services	<u>41,035.00</u>	<u>(34,066.89)</u>	<u>6,968.11</u>	<u>6,968.11</u>	<u>-</u>

(Continued)

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures:					
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	\$ 141,859.00	\$ 1,550.78	\$ 143,409.78	\$ 143,400.78	\$ 9.00
Salaries of Secretarial and Clerical Assistants	15,450.00	411.70	15,861.70	15,861.70	
Purchased Professional - Educational Services	2,000.00	6,193.99	8,193.99	8,193.99	
Miscellaneous Purchased Services	100.00	(55.67)	44.33	44.33	
Supplies and Materials	1,800.00	(594.93)	1,205.07	1,205.07	
	<u>161,209.00</u>	<u>7,505.87</u>	<u>168,714.87</u>	<u>168,705.87</u>	<u>9.00</u>
Total Other Support Services - Students - Special Services					
Other Support Services - Students - Regular Services:					
Salaries of Other Professional Staff	121,071.00	(2,391.00)	118,680.00	118,680.00	
Salaries of Secretarial and Clerical Assistants	15,450.00	664.63	16,114.63	16,114.63	
	<u>136,521.00</u>	<u>(1,726.37)</u>	<u>134,794.63</u>	<u>134,794.63</u>	<u>-</u>
Total - Other Support Services - Students - Regular Services					
Improvement of Instruction Services/Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	46,884.00	0.24	46,884.24	46,884.24	
Salaries of Secretarial and Clerical Assistants	32,457.00		32,457.00	32,457.00	
	<u>79,341.00</u>	<u>0.24</u>	<u>79,341.24</u>	<u>79,341.24</u>	<u>-</u>
Total Improvement of Instruction Services/Other Support Services - Instructional Staff					
Educational Media Services/School Library:					
Salaries	51,415.00	(307.00)	51,108.00	51,108.00	
Other Purchased Services	2,000.00	1,781.89	3,781.89	3,781.89	
Supplies and Materials	2,000.00	3,133.37	5,133.37	5,133.37	
	<u>55,415.00</u>	<u>4,608.26</u>	<u>60,023.26</u>	<u>60,023.26</u>	<u>-</u>
Total Educational Media Services/School Library					
Support Services General Administration:					
Salaries	135,626.00	(1,045.56)	134,580.44	134,580.44	
Legal Services	3,000.00	7,452.81	10,452.81	10,452.81	
Audit Fees	16,325.00	1,175.00	17,500.00	17,500.00	
Communications/Telephone	20,000.00	(3,448.54)	16,551.46	16,551.46	
BOE Other Purchased Services	300.00	(300.00)			
Other Purchased Services	3,950.00	599.00	4,549.00	4,549.00	
Miscellaneous Expenditures	16,000.00	1,570.00	17,570.00	17,570.00	
BOE Membership Dues and Fees	5,419.00	(0.20)	5,418.80	5,418.80	
	<u>200,620.00</u>	<u>6,002.51</u>	<u>206,622.51</u>	<u>206,622.51</u>	<u>-</u>
Total Support Services General Administration					

(Continued)

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 54,000.00		\$ 54,000.00	\$ 54,000.00	
Salaries of Other Professional Staff	109,341.00	\$ (1,207.08)	108,133.92	108,133.92	
Salaries of Secretarial and Clerical Assistants	96,297.00	(3,926.91)	92,370.09	92,370.09	
Supplies and Materials	3,000.00	(14.97)	2,985.03	2,985.03	
Total Support Services School Administration	<u>262,638.00</u>	<u>(5,148.96)</u>	<u>257,489.04</u>	<u>257,489.04</u>	<u>-</u>
Central Services					
Salaries	208,871.00	(2,195.56)	206,675.44	206,675.44	
Purchased Technical Services	12,500.00	2,888.00	15,388.00	15,388.00	
Supplies and Materials	1,000.00	849.20	1,849.20	1,849.20	
Total Central Services	<u>222,371.00</u>	<u>1,541.64</u>	<u>223,912.64</u>	<u>223,912.64</u>	<u>-</u>
Administrative Information Technology					
Salaries	69,284.00	5,178.76	74,462.76	74,462.76	
Purchased Technical Services	5,000.00		5,000.00	5,000.00	
Supplies and Materials	8,000.00	(4,577.38)	3,422.62	3,422.62	
Total - Administrative Information Technology	<u>82,284.00</u>	<u>601.38</u>	<u>82,885.38</u>	<u>82,885.38</u>	<u>-</u>
Allowable Maintenance for School Facilities:					
Salaries	40,670.00	(0.08)	40,669.92	40,669.92	
Cleaning, Repair & Maintenance Services	10,000.00	4,305.30	14,305.30	14,305.30	
General Supplies	5,000.00	8,849.09	13,849.09	13,849.09	
Total - Allowable Maintenance for School Facilities	<u>55,670.00</u>	<u>13,154.31</u>	<u>68,824.31</u>	<u>68,824.31</u>	<u>-</u>
Other Operation and Maintenance of Plant Services:					
Salaries	293,835.00	85,275.84	379,110.84	379,110.84	
Purchased Professional and Technical Services	35,000.00	(3,421.02)	31,578.98	31,578.98	
Cleaning, Repair & Maintenance Services	13,000.00	873.23	13,873.23	13,873.23	
Other Purchased Property Services	19,000.00		19,000.00	19,000.00	
Insurance	31,260.00	1,718.00	32,978.00	32,978.00	
General Supplies	53,018.59	19,777.20	72,795.79	72,795.79	
Energy (Natural Gas)	7,500.00	(2,324.85)	5,175.15	5,175.15	
Energy (Electricity)	200,270.86	(14,733.22)	185,537.64	185,537.64	
Total - Other Operation and Maintenance of Plant Services	<u>652,884.45</u>	<u>87,165.18</u>	<u>740,049.63</u>	<u>740,049.63</u>	<u>-</u>

(Continued)

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Total - Operation and Maintenance of Plant Services	\$ 708,554.45	\$ 100,319.49	\$ 808,873.94	\$ 808,873.94	-
Student Transportation Services:					
Contracted Services (Between Home & School) - Vendors	140,163.00	(3,012.00)	137,151.00	137,151.00	
Contracted Services (Other Than Home & School) - Vendors		90.00	90.00	90.00	
Contracted Services (Special Education Students) - Joint Agreements	165,000.00	(54,082.33)	110,917.67	110,917.67	
Contracted Services - Aid in Lieu of Payments	9,000.00	(5,017.15)	3,982.85	3,982.85	
Misc. Purchased Services - Transportation	1,610.00		1,610.00	1,610.00	
Total Student Transportation Services	315,773.00	(62,021.48)	253,751.52	253,751.52	-
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	82,000.00	24,932.94	106,932.94	106,932.94	
PERS State Contribution	147,000.00	(22,667.00)	124,333.00	124,333.00	
Unemployment Contribution	25,000.00	(1,871.09)	23,128.91	23,128.67	\$ 0.24
Workmen's Compensation	38,444.00	1,100.00	39,544.00	39,544.00	
Health Benefits	1,609,750.00	(38,703.87)	1,571,046.13	1,571,046.13	
Tuition Reimbursements	14,800.00	289.17	15,089.17	13,689.17	1,400.00
Other Employee Benefits	5,000.00	(2,207.52)	2,792.48	2,792.48	
Total Unallocated Benefits - Employee Benefits	1,921,994.00	(39,127.37)	1,882,866.63	1,881,466.39	1,400.24
On-behalf TPAF Pension Contributions				291,760.00	(291,760.00)
On-behalf TPAF Medical Contributions				329,907.00	(329,907.00)
Reimbursed TPAF Social Security Contributions				332,241.70	(332,241.70)
Total TPAF Contributions	-	-	-	953,908.70	(953,908.70)
Total Undistributed Expenses	4,970,202.45	(58,667.09)	4,911,535.36	5,864,034.82	(952,499.46)
Total Expenditures - Current Expense	9,068,635.45	(4,229.58)	9,064,405.87	10,012,219.52	(947,813.65)

(Continued)

TOWNSHIP OF EASTAMPTON 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 Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 400.00		\$ 400.00		\$ 400.00
Equipment:					
Instruction	21,825.19	\$ 23,229.58	45,054.77	\$ 45,054.77	
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	94,138.00		94,138.00	94,138.00	
Total Capital Outlay	<u>116,363.19</u>	<u>23,229.58</u>	<u>139,592.77</u>	<u>139,192.77</u>	<u>400.00</u>
Total Expenditures	<u>9,184,998.64</u>	<u>19,000.00</u>	<u>9,203,998.64</u>	<u>10,151,412.29</u>	<u>(947,413.65)</u>
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(238,196.64)</u>	<u>(19,000.00)</u>	<u>(257,196.64)</u>	<u>(153,451.19)</u>	<u>103,745.45</u>
Fund Balances, July 1	<u>661,112.64</u>	<u>-</u>	<u>661,112.64</u>	<u>661,112.64</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 422,916.00</u>	<u>\$ (19,000.00)</u>	<u>\$ 403,916.00</u>	<u>\$ 507,661.45</u>	<u>\$ 103,745.45</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 153,992.54	
Excess Fund Balance				33,596.91	
Assigned Fund Balance:					
Year-End Encumbrances				1,400.00	
Unassigned Fund Balance				<u>318,672.00</u>	
				507,661.45	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(426,141.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 81,520.45</u>	

TOWNSHIP OF EASTAMPTON 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 Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
State Sources:					
Nonpublic Aid	\$ 20,000.00	\$ 22,568.00	\$ 42,568.00	\$ 39,400.16	\$ (3,167.84)
Total - State Sources	<u>20,000.00</u>	<u>22,568.00</u>	<u>42,568.00</u>	<u>39,400.16</u>	<u>(3,167.84)</u>
Federal Sources:					
Title I		90,681.12	90,681.12	90,681.00	(0.12)
Title II Part A		19,517.00	19,517.00	19,517.00	
I.D.E.I.A., Part B Basic	180,000.00	20,746.53	200,746.53	200,746.53	
I.D.E.I.A., Part B, Preschool Incentive		9,334.00	9,334.00	9,334.00	
Total - Federal Sources	<u>180,000.00</u>	<u>140,278.65</u>	<u>320,278.65</u>	<u>320,278.53</u>	<u>(0.12)</u>
Local Sources:					
Exxon Mobil Grant		598.67	598.67		(598.67)
Total - Local Sources	<u>-</u>	<u>598.67</u>	<u>598.67</u>		<u>(598.67)</u>
Total Revenues	<u>\$ 200,000.00</u>	<u>\$ 163,445.32</u>	<u>\$ 363,445.32</u>	<u>\$ 359,678.69</u>	<u>\$ (3,766.63)</u>

(Continued)

TOWNSHIP OF EASTAMPTON 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 Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries		\$ 67,922.00	\$ 67,922.00	\$ 67,922.00	
Purchased Professional and Technical Services		5,019.00	5,019.00	5,019.00	
Other Purchased Services	\$ 180,000.00	26,915.12	206,915.12	206,915.00	\$ 0.12
General Supplies		27,482.67	27,482.67	26,884.00	598.67
Textbooks	10,000.00	(5,984.00)	4,016.00	4,016.00	
Total Instruction	<u>190,000.00</u>	<u>121,354.79</u>	<u>311,354.79</u>	<u>310,756.00</u>	<u>598.79</u>
Support Services:					
Personal Services - Employee Benefits		13,242.00	13,242.00	13,242.00	-
Purchased Professional and Technical Services		20,119.38	20,119.38	20,117.38	2.00
Purchased Professional and Educational Services		13,102.00	13,102.00	9,936.16	3,165.84
Supplies and Materials		53.15	53.15	53.15	
Miscellaneous Expenditure	10,000.00	(4,426.00)	5,574.00	5,574.00	
Total Support Services	<u>10,000.00</u>	<u>42,090.53</u>	<u>52,090.53</u>	<u>48,922.69</u>	<u>3,167.84</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Expenditures	<u>\$ 200,000.00</u>	<u>\$ 163,445.32</u>	<u>\$ 363,445.32</u>	<u>\$ 359,678.69</u>	<u>\$ 3,766.63</u>

TOWNSHIP OF EASTAMPTON 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	\$ 9,997,961.10	\$ 359,678.69
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		407.94
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2012.	415,714.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2013.	<u>(426,141.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 9,987,534.10</u></u>	<u><u>\$ 360,086.63</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 10,151,412.29	\$ 359,678.69
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.		<u>407.94</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 10,151,412.29</u></u>	<u><u>\$ 360,086.63</u></u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	<u>Total</u>	<u>NCLB</u>		<u>I.D.E.I.A. Part B</u>		<u>Total Brought Forward</u>	
		<u>Title I</u>	<u>Title II</u>		<u>Basic</u>		<u>Basic</u>
			<u>Part A</u>	<u>Part A</u>			
REVENUES:							
Federal Sources	\$ 320,278.53	\$ 90,681.00	\$ 17,805.00	\$ 1,712.00	\$ 199,695.00	\$ 1,051.53	\$ 9,334.00
State Sources	39,400.16						39,400.16
Local Sources							-
Total Revenues	\$ 359,678.69	\$ 90,681.00	\$ 17,805.00	\$ 1,712.00	\$ 199,695.00	\$ 1,051.53	\$ 48,734.16
EXPENDITURES:							
Instruction:							
Salaries	\$ 67,922.00	\$ 66,210.00		\$ 1,712.00			
Purchased Professional and Technical Services	5,019.00		\$ 3,632.00		\$ 1,387.00		
Other Purchased Services	206,915.00				198,308.00		\$ 8,607.00
General Supplies	26,884.00	11,229.00	14,173.00				1,482.00
Textbooks	4,016.00						4,016.00
Total Instruction	310,756.00	77,439.00	17,805.00	1,712.00	199,695.00		14,105.00
Support Services:							
Personal Services - Employee Benefits	13,242.00	13,242.00					
Purchased Professional and Technical Services	20,117.38					\$ 998.38	19,119.00
Purchased Professional and Educational Services	9,936.16						9,936.16
Supplies and Materials	53.15					53.15	
Miscellaneous Expenditure	5,574.00						5,574.00
Total Support Services	48,922.69	13,242.00	-	-	-	1,051.53	34,629.16
Facilities Acquisition and Construction Services:							
Instructional Equipment	-	-	-	-	-	-	-
Total Expenditures	\$ 359,678.69	\$ 90,681.00	\$ 17,805.00	\$ 1,712.00	\$ 199,695.00	\$ 1,051.53	\$ 48,734.16

(Continued)

TOWNSHIP OF EASTAMPTON 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	I.D.E.I.A Part B		Nonpublic Technology Aid	Nonpublic Textbook Aid, Ch. 194, L. 1979	Total Brought Forward
		Preschool	Preschool			
REVENUES:						
Federal Sources	\$ 9,334.00	\$ 8,607.00	\$ 727.00			
State Sources	39,400.16			\$ 1,482.00	\$ 4,016.00	\$ 33,902.16
Local Sources	-					
Total Revenues	\$ 48,734.16	\$ 8,607.00	\$ 727.00	\$ 1,482.00	\$ 4,016.00	\$ 33,902.16
EXPENDITURES:						
Instruction:						
Salaries						
Purchased Professional and Technical Services						
Other Purchased Services	\$ 8,607.00	\$ 8,607.00				
General Supplies	1,482.00			\$ 1,482.00		
Textbooks	4,016.00				\$ 4,016.00	
Total Instruction	14,105.00	8,607.00		1,482.00	4,016.00	-
Support Services:						
Personal Services - Employee Benefits						
Purchased Professional and Technical Services	19,119.00		\$ 727.00			\$ 18,392.00
Purchased Professional and Educational Services	9,936.16					9,936.16
Supplies and Materials						
Miscellaneous Expenditure	5,574.00					5,574.00
Total Support Services	34,629.16	-	727.00	-	-	33,902.16
Facilities Acquisition and Construction Services:						
Instructional Equipment	-	-	-	-	-	-
Total Expenditures	\$ 48,734.16	\$ 8,607.00	\$ 727.00	\$ 1,482.00	\$ 4,016.00	\$ 33,902.16

(Continued)

TOWNSHIP OF EASTAMPTON 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	Nonpublic Nursing Aid	N.J. Nonpublic Auxiliary Services Ch. 192 Compensatory Education	N.J. Nonpublic Handicapped Services Ch. 193		
				Supplemental Instruction	Examination and Classification	Corrective Speech
REVENUES:						
Federal Sources						
State Sources	\$ 33,902.16	\$ 5,574.00	\$ 18,392.00	\$ 2,220.80	\$ 4,529.80	\$ 3,185.56
Local Sources						
Total Revenues	\$ 33,902.16	\$ 5,574.00	\$ 18,392.00	\$ 2,220.80	\$ 4,529.80	\$ 3,185.56
EXPENDITURES:						
Instruction:						
Salaries						
Purchased Professional and Technical Services						
Other Purchased Services						
General Supplies						
Textbooks						
Total Instruction	-	-	-	-	-	-
Support Services:						
Personal Services - Employee Benefits						
Purchased Professional and Technical Services	\$ 18,392.00		\$ 18,392.00			
Purchased Professional and Educational Services	9,936.16			\$ 2,220.80	\$ 4,529.80	\$ 3,185.56
Supplies and Materials						
Miscellaneous Expenditure	5,574.00	\$ 5,574.00				
Total Support Services	33,902.16	5,574.00	18,392.00	2,220.80	4,529.80	3,185.56
Facilities Acquisition and Construction Services:						
Instructional Equipment	-	-	-	-	-	-
Total Expenditures	\$ 33,902.16	\$ 5,574.00	\$ 18,392.00	\$ 2,220.80	\$ 4,529.80	\$ 3,185.56

CAPITAL PROJECTS FUND

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Year Ended June 30, 2013

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Additions/Alterations to the Eastampton Middle School	12/14/04	<u>\$ 22,089,627.00</u>	<u>\$ 22,024,870.75</u>	<u>\$ 15,019.64</u>	<u>\$ 49,736.61</u>
		<u><u>\$ 22,089,627.00</u></u>	<u><u>\$ 22,024,870.75</u></u>	<u><u>\$ 15,019.64</u></u>	<u><u>\$ 49,736.61</u></u>
Unreserved Fund Balance					<u>\$ 49,736.61</u>
					<u><u>\$ 49,736.61</u></u>

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Summary Statement of Project Revenues, Expenditures, Project Balance and Project Status -- Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

Revenues and Other Financing Sources

Miscellaneous Revenue -- Interest Earnings	\$ 38.38
	<u>38.38</u>
Total Revenues	<u>38.38</u>

Expenditures and Other Financing Uses

Other Purchased Professional and Technical Services	\$ 1,800.00
Construction Services	<u>13,219.64</u>
	15,019.64
Transfer to Debt Service Fund	<u>38.38</u>
Total Expenditures	<u>15,058.02</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,019.64)
Fund Balance -- July 1	<u>64,756.25</u>
Fund Balance -- June 30	<u><u>\$ 49,736.61</u></u>

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions/Alterations to the Eastampton Middle School
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				
State Sources--SCC Grant	\$ 10,879,627.00		\$ 10,879,627.00	\$ 10,879,627.00
Bond Proceeds and Transfers	11,130,000.00		11,130,000.00	11,130,000.00
Contribution from Private Source	80,000.00		80,000.00	80,000.00
Total Revenues	<u>22,089,627.00</u>	<u>-</u>	<u>22,089,627.00</u>	<u>22,089,627.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	2,098,733.36	\$ 1,800.00	2,100,533.36	2,110,697.00
Construction Services	19,926,137.39	13,219.64	19,939,357.03	19,978,930.00
Total Expenditures	<u>22,024,870.75</u>	<u>15,019.64</u>	<u>22,039,890.39</u>	<u>22,089,627.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 64,756.25</u>	<u>\$ (15,019.64)</u>	<u>\$ 49,736.61</u>	<u>-</u>

Additional Project Information:

Project Number	SP1250-060-05-0ABB
Grant Date	02-22-05
Bond Authorization Date	12-14-04
Bonds Authorized	\$ 11,130,000.00
Bonds Issued	\$ 11,130,000.00
Original Authorized Cost	\$ 22,010,542.00
Additional Authorized Cost	\$ 79,085.00
Revised Authorized Cost	\$ 22,089,627.00
Percentage Increase over Original Authorized Cost	0.36%
Percentage Completion	99.77%
Original Target Completion Date	Summer 2008
Revised Target Completion Date	Summer 2013

PROPRIETARY FUNDS

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Position
June 30, 2013

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 71,189.21	\$ 25,067.38	\$ 96,256.59
Accounts Receivable:			
State	395.29		395.29
Federal	6,979.57		6,979.57
Other	1.65		1.65
Inventories	6,736.90		6,736.90
Total Current Assets	<u>85,302.62</u>	<u>25,067.38</u>	<u>110,370.00</u>
Noncurrent Assets:			
Restricted Cash and Cash Equivalents			
Furniture, Machinery and Equipment	96,106.00	118,449.00	214,555.00
Less Accumulated Depreciation	(50,015.10)	(88,836.75)	(138,851.85)
Total Noncurrent Assets	<u>46,090.90</u>	<u>29,612.25</u>	<u>75,703.15</u>
Total Assets	<u>131,393.52</u>	<u>54,679.63</u>	<u>186,073.15</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	2,809.91	5,030.00	7,839.91
	<u>2,809.91</u>	<u>5,030.00</u>	<u>7,839.91</u>
Noncurrent Liabilities:			
Compensated Absences Payable	-	5,697.04	5,697.04
Total Liabilities	<u>2,809.91</u>	<u>10,727.04</u>	<u>13,536.95</u>
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	46,090.90	29,612.25	75,703.15
Unrestricted	82,492.71	14,340.34	96,833.05
Total Net Position	<u>\$ 128,583.61</u>	<u>\$ 43,952.59</u>	<u>\$ 172,536.20</u>

TOWNSHIP OF EASTAMPTON 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>	<u>Child Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales:			
Non-reimbursable Programs	\$ 84,041.57		\$ 84,041.57
Reimbursable Program -- School Lunch	77,345.50		77,345.50
Child Care Fees		\$ 235,608.99	235,608.99
Total Operating Revenues	161,387.07	235,608.99	396,996.06
OPERATING EXPENSES:			
Salaries	124,599.71	196,383.71	320,983.42
Employee Benefits	1,532.86	24,976.77	26,509.63
Management Fee	13,242.14		13,242.14
General Supplies	13,396.74	12,525.35	25,922.09
Direct Expenses	7,085.37		7,085.37
Depreciation	8,008.83	14,806.13	22,814.96
Other Professional and Technical Services	5,202.00	4,634.43	9,836.43
Cost of Sales	102,757.96		102,757.96
Activities		14,544.24	14,544.24
Total Operating Expenses	275,825.61	267,870.63	543,696.24
Operating Income / (Loss)	(114,438.54)	(32,261.64)	(146,700.18)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	3,088.68		3,088.68
Federal Sources:			
National School Lunch Program	92,802.81		92,802.81
Food Distribution Program	22,466.38		22,466.38
Interest Revenue	47.64	17.41	65.05
Total Nonoperating Revenues (Expenses)	118,405.51	17.41	118,422.92
Income (Loss) before Contributions and Transfers	3,966.97	(32,244.23)	(28,277.26)
Other Financing Sources (Uses):			
Capital Contributions	-	-	-
Change in Net Position	3,966.97	(32,244.23)	(28,277.26)
Net Position -- July 1	124,616.64	76,196.82	200,813.46
Net Position -- June 30	\$ 128,583.61	\$ 43,952.59	\$ 172,536.20

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 161,679.68	\$ 238,158.99	\$ 399,838.67
Payments to Management Company	(220,945.72)		(220,945.72)
Payments to Employees	(27,338.08)	(196,488.74)	(223,826.82)
Payments for Employee Benefits	(1,532.86)	(24,976.77)	(26,509.63)
Payments for Supplies and Services	(33,078.65)	(31,704.02)	(64,782.67)
Net Cash Provided by (used for) Operating Activities	<u>(121,215.63)</u>	<u>(15,010.54)</u>	<u>(136,226.17)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	2,872.37		2,872.37
Federal Sources	112,830.17		112,830.17
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>115,702.54</u>	<u>-</u>	<u>115,702.54</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interfund Received	-	14,000.00	14,000.00
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	47.64	17.41	65.05
Net Increase (Decrease) in Cash and Cash Equivalents	(5,465.45)	(993.13)	(6,458.58)
Cash and Cash Equivalents -- July 1	76,654.66	26,060.51	102,715.17
Cash and Equivalents -- June 30	<u>\$ 71,189.21</u>	<u>\$ 25,067.38</u>	<u>\$ 96,256.59</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (114,438.54)	\$ (32,261.64)	\$ (146,700.18)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	8,008.83	14,806.13	22,814.96
(Increase) Decrease in Inventories	126.56		126.56
Increase (Decrease) in Unearned Revenue	171.21	2,550.00	2,721.21
(Increase) Decrease in Accounts Receivable	121.40		121.40
Increase (Decrease) in Accounts Payable	(15,205.09)	(105.03)	(15,310.12)
Total Adjustments	<u>(6,777.09)</u>	<u>17,251.10</u>	<u>10,474.01</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (121,215.63)</u>	<u>\$ (15,010.54)</u>	<u>\$ (136,226.17)</u>

FIDUCIARY FUNDS

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2013

	<u>Agency Funds</u>		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	<u>\$ 6,533.89</u>	<u>\$ 18,064.79</u>	<u>\$ 24,598.68</u>
Total Assets	<u><u>\$ 6,533.89</u></u>	<u><u>\$ 18,064.79</u></u>	<u><u>\$ 24,598.68</u></u>
LIABILITIES:			
Accounts Payable	\$ 165.00		\$ 165.00
Interfund Accounts Payable:			
Due General Fund		\$ 12,043.08	12,043.08
Payable to Student Groups	6,368.89		6,368.89
Payroll Deductions and Withholdings		<u>6,021.71</u>	<u>6,021.71</u>
Total Liabilities	<u><u>\$ 6,533.89</u></u>	<u><u>\$ 18,064.79</u></u>	<u><u>\$ 24,598.68</u></u>

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

	<u>Balance June 30, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2013</u>
SCHOOLS:				
Elementary	\$ 231.90	\$ 474.42	\$ 474.00	\$ 232.32
Middle	<u>9,292.25</u>	<u>43,596.58</u>	<u>46,587.26</u>	<u>6,301.57</u>
Total All Schools	<u>\$ 9,524.15</u>	<u>\$ 44,071.00</u>	<u>\$ 47,061.26</u>	<u>\$ 6,533.89</u>

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 14,810.22	\$ 6,932,516.27	\$ 6,929,261.70	\$ 18,064.79
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 6,217.75	\$ 3,064,626.03	\$ 3,064,822.07	\$ 6,021.71
Net Payroll		3,845,833.72	3,845,833.72	
Contra		18,526.93	18,526.93	
Interfund Accounts Payable:				
Due General Fund	8,592.47	3,529.59	78.98	12,043.08
Total Liabilities	\$ 14,810.22	\$ 6,932,516.27	\$ 6,929,261.70	\$ 18,064.79

LONG-TERM DEBT

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2013

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2012</u>	<u>Issued</u>	<u>Paid By Budget Appropriation</u>	<u>Balance June 30, 2013</u>
			<u>Date</u>	<u>Amount</u>					
School District Bonds-- Series 2005	03-03-05	\$ 11,130,000.00	03-01-14	\$ 350,000.00	4.25%				
			03-01-15	150,000.00	4.25%	\$ 850,000.00		\$ 350,000.00	\$ 500,000.00
School District Refunding Bonds-- Series 2012	06/20/12	9,160,000.00	03-01-14	20,000.00	2.00%				
			03-01-15	270,000.00	3.00%				
			03-01-16	415,000.00	3.00%				
			03-01-17	465,000.00	3.00%				
			03-01-18	460,000.00	3.00%				
			03-01-19	500,000.00	4.00%				
			03-01-20	500,000.00	4.00%				
			03-01-21	525,000.00	4.00%				
			03-01-22	550,000.00	4.00%				
			03-01-23	545,000.00	4.00%				
			03-01-24	595,000.00	4.00%				
			03-01-25	590,000.00	4.00%				
			03-01-26	685,000.00	4.00%				
			03-01-27	680,000.00	4.00%				
			03-01-28	730,000.00	4.00%				
			03-01-29	750,000.00	4.00%				
			03-01-30	760,000.00	4.00%	\$ 9,160,000.00		120,000.00	9,040,000.00
						<u>\$ 10,010,000.00</u>	<u>-</u>	<u>\$ 470,000.00</u>	<u>\$ 9,540,000.00</u>

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2013

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2012(a)</u>	<u>Increased</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2013(a)</u>
			<u>Principal</u>	<u>Interest</u>					
Acquisition of Computers and Related Equipment: Lease # 810-006168581-010	06/07/12	3 Years	\$ 65,795.79	\$ 5,700.52	8.58%	\$ 41,963.69		\$ 20,085.14	\$ 21,878.55
						\$ 41,963.69	-	\$ 20,085.14	21,878.55

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 785,979.00		\$ 785,979.00	\$ 785,979.00	
Total Revenues	<u>785,979.00</u>	<u>-</u>	<u>785,979.00</u>	<u>785,979.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	437,488.00	(120,000.00)	317,488.00	278,409.72	\$ 39,078.28
Redemption of Principal	<u>350,000.00</u>	<u>120,000.00</u>	<u>470,000.00</u>	<u>470,000.00</u>	
Total Expenditures	<u>787,488.00</u>	<u>-</u>	<u>787,488.00</u>	<u>748,409.72</u>	<u>39,078.28</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,509.00)	-	(1,509.00)	37,569.28	39,078.28
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>38.38</u>	<u>38.38</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,509.00)	-	(1,509.00)	37,607.66	39,116.66
Fund Balance, July 1	<u>5,836.19</u>	<u>-</u>	<u>5,836.19</u>	<u>5,836.19</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 4,327.19</u>	<u>-</u>	<u>\$ 4,327.19</u>	<u>\$ 43,443.85</u>	<u>\$ 39,116.66</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ 1,509.00</u>	<u>-</u>	<u>\$ 1,509.00</u>	<u>\$ 37,569.28</u>	<u>\$ 39,078.28</u>
	<u>\$ 1,509.00</u>	<u>-</u>	<u>\$ 1,509.00</u>	<u>\$ 37,569.28</u>	<u>\$ 39,078.28</u>

STATISTICAL SECTION

Financial Trends Information

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 14,356,358.43	\$ 14,527,553.41	\$ 14,884,635.60	\$ 15,198,836.93	\$ 15,366,471.83	\$ 15,083,489.29	\$ 12,822,926.80	\$ 7,950,644.37	\$ 4,960,572.56	\$ 3,338,499.02
Restricted	156,552.85	445,548.63	261,573.18	363,620.46	416,003.18	641,268.10	2,700,296.11	7,151,526.06	9,703,431.33	39,424.16
Unrestricted	<u>(326,560.86)</u>	<u>(381,462.81)</u>	<u>(270,744.47)</u>	<u>(564,843.82)</u>	<u>(384,711.83)</u>	<u>(42,903.03)</u>	<u>(93,370.73)</u>	<u>(71,153.74)</u>	<u>(141,558.50)</u>	<u>(151,265.32)</u>
Total Governmental Activities Net Position	<u>\$ 14,186,350.42</u>	<u>\$ 14,591,639.23</u>	<u>\$ 14,875,464.31</u>	<u>\$ 14,997,613.57</u>	<u>\$ 15,397,763.18</u>	<u>\$ 15,681,854.36</u>	<u>\$ 15,429,852.18</u>	<u>\$ 15,031,016.69</u>	<u>\$ 14,522,445.39</u>	<u>\$ 3,226,657.86</u>
Business-type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 75,703.15	\$ 98,518.11	\$ 121,333.07	\$ 146,752.03	\$ 170,109.48	\$ 193,466.95	\$ 128,646.20	\$ 11,504.53	\$ 18,152.23	\$ 21,841.85
Unrestricted	<u>96,833.05</u>	<u>102,295.35</u>	<u>143,578.25</u>	<u>156,135.38</u>	<u>143,816.34</u>	<u>76,644.03</u>	<u>98,668.39</u>	<u>191,541.03</u>	<u>96,298.89</u>	<u>75,947.52</u>
Total Business-type Activities Net Position	<u>\$ 172,536.20</u>	<u>\$ 200,813.46</u>	<u>\$ 264,911.32</u>	<u>\$ 302,887.41</u>	<u>\$ 313,925.82</u>	<u>\$ 270,110.98</u>	<u>\$ 227,314.59</u>	<u>\$ 203,045.56</u>	<u>\$ 114,451.12</u>	<u>\$ 97,789.37</u>
District-wide:										
Invested in Capital Assets, Net of Related Debt	\$ 14,432,061.58	\$ 14,626,071.52	\$ 15,005,968.67	\$ 15,345,588.96	\$ 15,536,581.31	\$ 15,276,956.24	\$ 12,951,573.00	\$ 7,962,148.90	\$ 4,978,724.79	\$ 3,360,340.87
Restricted	156,552.85	445,548.63	261,573.18	363,620.46	416,003.18	641,268.10	2,700,296.11	7,151,526.06	9,703,431.33	39,424.16
Unrestricted	<u>(229,727.81)</u>	<u>(279,167.46)</u>	<u>(127,166.22)</u>	<u>(408,708.44)</u>	<u>(240,895.49)</u>	<u>33,741.00</u>	<u>5,297.66</u>	<u>120,387.29</u>	<u>(45,259.61)</u>	<u>(75,317.80)</u>
Total District-wide Net Position	<u>\$ 14,358,886.62</u>	<u>\$ 14,792,452.69</u>	<u>\$ 15,140,375.63</u>	<u>\$ 15,300,500.98</u>	<u>\$ 15,711,689.00</u>	<u>\$ 15,951,965.34</u>	<u>\$ 15,657,166.77</u>	<u>\$ 15,234,062.25</u>	<u>\$ 14,636,896.51</u>	<u>\$ 3,324,447.23</u>

Source: Exhibit A-1

(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.

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Changes in Net Position
 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	\$ 3,477,775.96	\$ 3,478,283.95	\$ 3,321,769.03	\$ 3,612,195.97	\$ 3,148,941.72	\$ 3,191,974.02	\$ 3,030,045.05	\$ 3,029,783.78	\$ 2,745,209.95	\$ 2,638,323.54
Special Education	1,313,906.53	1,242,524.70	1,211,487.48	1,653,412.02	1,411,341.97	1,307,621.91	1,260,268.80	1,157,129.84	1,163,340.15	1,076,195.27
Other Special Education	157,565.50	150,750.11	184,946.88	260,844.00	348,982.04	320,326.99	90,349.51	65,330.50	148,601.91	179,154.75
Support Services:										
Tuition	423,395.41	620,554.29	439,264.75	443,570.09	269,934.23	223,290.69	439,294.75	362,514.03	203,270.93	284,439.42
Student and Instruction Related Services	890,725.12	840,849.51	793,488.73	814,470.21	842,381.52	781,780.48	887,514.25	869,978.95	799,331.02	864,045.02
School Administrative Services	257,489.04	285,858.64	315,160.92	399,199.52	396,342.52	391,227.85	379,980.62	410,978.74	442,179.25	292,859.17
General and Business Administrative Services	544,006.85	601,759.50	528,853.62	602,331.13	601,532.84	591,257.91	638,381.18	507,568.67	603,554.83	539,417.14
Plant Operations and Maintenance	840,570.89	776,759.08	749,152.90	886,062.41	943,840.36	780,816.46	731,665.89	682,309.34	685,026.14	695,749.75
Pupil Transportation	253,751.52	330,532.82	286,408.41	281,487.52	333,849.93	226,530.08	430,104.12	442,448.25	495,765.97	440,112.96
Unallocated Benefits	2,835,375.09	2,420,058.25	2,389,727.95	2,430,214.12	2,204,861.22	2,216,062.88	1,973,331.00	1,527,794.39	1,307,791.97	1,265,792.20
Interest on Long-term Debt	343,808.21	362,192.46	459,765.53	472,279.44	487,855.40	508,830.81	527,508.77	547,519.50	234,981.39	94,925.70
Amortization of Bond Issuance Costs	106,418.80	84,382.16	10,221.48	10,221.48	12,096.48	12,096.48	12,248.88	12,248.88	(250,102.44)	2,027.40
Debt Assessment	94,138.00	68,594.00	117,950.00	-	-	-	-	-	-	-
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	11,538,926.92	11,263,099.47	10,808,197.68	11,866,287.91	11,001,960.23	10,551,816.56	10,400,692.82	9,615,604.87	8,578,951.07	8,373,042.32
Business-type Activities:										
Food Service	275,825.61	258,531.26	244,576.17	234,896.51	219,266.13	260,949.04	196,504.14	182,906.92	215,962.93	189,222.07
Childcare Program	267,870.63	336,163.20	350,320.83	324,335.37	272,479.26	266,120.85	260,746.88	240,512.76	246,442.50	270,241.66
Total Business-type Activities Expense	543,696.24	594,694.46	594,897.00	559,231.88	491,745.39	527,069.89	457,251.02	423,419.68	462,405.43	459,463.73
Total District Expenses	\$ 12,082,623.16	\$ 11,857,793.93	\$ 11,403,094.68	\$ 12,425,519.79	\$ 11,493,705.62	\$ 11,078,886.45	\$ 10,857,943.84	\$ 10,039,024.55	\$ 9,041,356.50	\$ 8,832,506.05
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 1,408,133.33	\$ 1,203,915.26	\$ 1,136,796.01	\$ 1,180,355.59	\$ 1,092,515.02	\$ 1,233,861.34	\$ 1,235,188.26	\$ 849,041.72	\$ 808,452.99	\$ 764,427.92
Charges for Services	25,752.00	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	1,433,885.33	1,203,915.26	1,136,796.01	1,180,355.59	1,092,515.02	1,233,861.34	1,235,188.26	849,041.72	808,452.99	764,427.92
Business-type activities:										
Charges for services										
Food service	161,387.07	153,337.10	170,128.48	160,903.49	170,151.62	167,958.71	131,275.93	148,819.20	158,690.99	151,974.24
Childcare Program	235,608.99	278,546.00	290,399.30	288,422.00	298,159.99	249,779.00	293,342.02	304,634.92	252,686.00	245,915.00
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	118,357.87	97,999.00	94,323.24	95,995.18	64,439.96	54,645.91	46,375.67	50,869.92	46,998.24	39,494.51
Total Business-type Activities Program Revenues	515,353.93	529,882.10	554,851.02	545,320.67	532,751.57	472,383.62	470,993.62	504,324.04	458,375.23	437,383.75
Total District Program Revenues	\$ 1,949,239.26	\$ 1,733,797.36	\$ 1,691,647.03	\$ 1,725,676.26	\$ 1,625,266.59	\$ 1,706,244.96	\$ 1,706,181.88	\$ 1,353,365.76	\$ 1,266,828.22	\$ 1,201,811.67

Continued

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net (Expense)/Revenue:										
Governmental Activities	\$ (10,105,041.59)	\$ (10,059,184.21)	\$ (9,671,401.67)	\$ (10,685,932.32)	\$ (9,909,445.21)	\$ (9,317,955.22)	\$ (9,165,504.56)	\$ (8,766,563.15)	\$ (7,770,498.08)	\$ (7,608,614.40)
Business-type Activities	(28,342.31)	(64,812.36)	(40,045.98)	(13,911.21)	41,006.18	(54,686.27)	13,742.60	80,904.36	(4,030.20)	(22,079.98)
Total District-wide Net Expense	<u>\$ (10,133,383.90)</u>	<u>\$ (10,123,996.57)</u>	<u>\$ (9,711,447.65)</u>	<u>\$ (10,699,843.53)</u>	<u>\$ (9,868,439.03)</u>	<u>\$ (9,372,641.49)</u>	<u>\$ (9,151,761.96)</u>	<u>\$ (8,685,658.79)</u>	<u>\$ (7,774,528.28)</u>	<u>\$ (7,630,694.38)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 3,977,645.00	\$ 3,949,645.00	\$ 4,022,835.00	\$ 4,060,728.00	\$ 3,990,437.00	\$ 4,401,180.00	\$ 4,208,969.00	\$ 3,723,596.00	\$ 3,500,746.00	\$ 3,193,599.00
Taxes Levied for Debt Service	785,979.00	772,991.00	755,044.00	727,150.00	740,519.00	575,290.00	632,785.00	723,971.00	214,090.00	279,055.00
Unrestricted Grants and Contributions	4,593,864.00	4,689,426.49	4,395,097.45	5,020,875.00	4,595,122.00	4,309,113.00	4,194,185.00	4,191,073.00	4,178,490.00	4,053,780.05
Restricted Grants and Contributions			2,746.38	117,253.62	72,340.06	71,555.13	166,423.00	206,961.00	11,046,311.00	206,939.64
Investment Earnings	463.20	5,379.98	14,073.72	16,449.49	30,071.13	69,557.35	36,989.48	32,774.30	13,366.42	3,468.67
Other	341,801.58	357,916.66	359,455.86	343,326.60	196,864.84	236,718.92	324,988.37	396,759.15	131,282.19	89,395.58
Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	(93,457.00)	-	-	(18,000.00)	-
Total Governmental Activities	<u>9,699,752.78</u>	<u>9,775,359.13</u>	<u>9,549,252.41</u>	<u>10,285,782.71</u>	<u>9,625,354.03</u>	<u>9,569,957.40</u>	<u>9,564,339.85</u>	<u>9,275,134.45</u>	<u>19,066,285.61</u>	<u>7,826,237.94</u>
Business-type Activities:										
Investment Earnings	65.05	714.50	2,069.89	2,872.80	2,808.66	4,025.66	10,526.43	7,690.08	2,691.95	1,221.03
Transfers	-	-	-	-	-	93,457.00	-	-	18,000.00	(50,000.00)
Total Business-type Activities	<u>65.05</u>	<u>714.50</u>	<u>2,069.89</u>	<u>2,872.80</u>	<u>2,808.66</u>	<u>97,482.66</u>	<u>10,526.43</u>	<u>7,690.08</u>	<u>20,691.95</u>	<u>(48,778.97)</u>
Total District-wide	<u>\$ 9,699,817.83</u>	<u>\$ 9,776,073.63</u>	<u>\$ 9,551,322.30</u>	<u>\$ 10,288,655.51</u>	<u>\$ 9,628,162.69</u>	<u>\$ 9,667,440.06</u>	<u>\$ 9,574,866.28</u>	<u>\$ 9,282,824.53</u>	<u>\$ 19,086,977.56</u>	<u>\$ 7,777,458.97</u>
Change in Net Position:										
Governmental Activities	\$ (405,288.81)	\$ (283,825.08)	\$ (122,149.26)	\$ (400,149.61)	\$ (284,091.18)	\$ 252,002.18	\$ 398,835.29	\$ 508,571.30	\$ 11,295,787.53	\$ 217,623.54
Business-type Activities	(28,277.26)	(64,097.86)	(37,976.09)	(11,038.41)	43,814.84	42,796.39	24,269.03	88,594.44	16,661.75	(70,858.95)
Total District	<u>\$ (433,566.07)</u>	<u>\$ (347,922.94)</u>	<u>\$ (160,125.35)</u>	<u>\$ (411,188.02)</u>	<u>\$ (240,276.34)</u>	<u>\$ 294,798.57</u>	<u>\$ 423,104.32</u>	<u>\$ 597,165.74</u>	<u>\$ 11,312,449.28</u>	<u>\$ 146,764.59</u>

Source: Exhit A-2

(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.

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

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Reserved				\$ 173,703.71	\$ 302,388.34	\$ 336,453.76	\$ 265,887.66	\$ 204,823.08	\$ 103,434.93	\$ 80,750.46
Unreserved				(205,909.82)	(185,431.67)	315,116.53	196,206.78	113,818.01	46,326.30	5,220.71
Restricted	\$ 187,589.45	\$ 187,682.88	\$ 177,319.99							
Committed			1,972.82							
Assigned	1,400.00	204,429.33	34,587.82							
Unassigned	(107,469.00)	(146,713.57)	(69,438.69)							
Total General Fund	\$ 81,520.45	\$ 245,398.64	\$ 144,441.94	\$ (32,206.11)	\$ 116,956.67	\$ 651,570.29	\$ 462,094.44	\$ 318,641.09	\$ 149,761.23	\$ 85,971.17
All Other Governmental Funds:										
Reserved				\$ 21,842.32	\$ 120,804.13	\$ 114,704.13	\$ 3,228,372.87	\$ 18,496,616.29	\$ 2,431,444.80	
Unreserved, Reported in:										
Capital Projects Fund				87,921.27	99,703.18	152,366.48	451,655.97	272,809.97	18,850,203.00	
Debt Service Fund				12,314.96	58,655.36	92,200.52	252,551.73	314,608.46	104,609.20	\$ 2,205.07
Restricted, Reported in:										
Capital Projects Fund	\$ 49,736.61	\$ 64,756.25	\$ 84,731.25							
Debt Service Fund	43,443.85	5,836.19	4,817.70							
Total All Other Governmental Funds	\$ 93,180.46	\$ 70,592.44	\$ 89,548.95	\$ 122,078.55	\$ 279,162.67	\$ 359,271.13	\$ 3,932,580.57	\$ 19,084,034.72	\$ 21,386,257.00	\$ 2,205.07

(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: Exhibit B-1

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

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Tax Levy	\$ 4,763,624.00	\$ 4,722,636.00	\$ 4,777,879.00	\$ 4,787,878.00	\$ 4,730,956.00	\$ 4,976,470.00	\$ 4,841,754.00	\$ 4,447,567.00	\$ 3,714,836.00	\$ 3,472,654.00
Other Local Revenue	368,016.78	363,296.64	373,529.58	359,776.09	226,935.97	306,357.73	361,977.85	429,533.45	136,653.30	92,864.25
State Sources	5,681,718.80	5,412,379.73	5,201,893.26	4,945,537.83	5,465,557.41	5,329,714.38	5,260,381.22	4,958,376.36	15,739,309.26	4,765,772.69
Federal Sources	320,278.53	480,962.02	332,746.58	1,372,946.38	294,419.67	284,815.09	335,415.24	288,699.36	293,944.73	259,374.92
Total Revenue	11,133,638.11	10,979,274.39	10,686,048.42	11,466,138.30	10,717,869.05	10,897,357.20	10,799,528.31	10,124,176.17	19,884,743.29	8,590,665.86
Expenditures:										
Instruction										
Regular Instruction	2,917,803.47	2,886,838.55	2,799,651.84	3,057,439.61	3,006,340.91	3,100,425.04	2,832,615.93	2,810,111.90	2,568,062.77	2,473,539.39
Special Education Instruction	1,313,906.53	1,242,524.70	1,211,487.48	1,653,412.02	1,411,341.97	1,307,621.91	1,260,268.80	1,157,129.84	1,163,340.15	1,076,195.27
Other Special Instruction	157,565.50	150,750.11	184,946.88	260,844.00	348,982.04	320,326.99	90,349.51	65,330.50	148,601.91	179,154.75
Other Instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	423,395.41	620,554.29	439,264.75	443,570.09	269,934.23	223,290.69	439,294.75	362,514.03	203,270.93	284,439.42
Student and Instruction Related Services	890,725.12	840,849.51	790,742.35	814,470.21	842,381.52	781,780.48	887,514.25	869,978.95	799,331.02	883,612.79
School Administrative Services	257,489.04	285,858.64	315,160.92	399,199.52	396,342.52	382,684.75	379,980.62	410,978.74	442,179.25	280,111.72
Other Administrative Services	513,420.53	501,174.98	505,337.29	571,976.41	592,989.74	591,257.91	629,608.36	497,177.86	593,814.77	528,475.90
Plant Operations and Maintenance	808,873.94	743,950.29	709,423.38	854,974.36	934,563.93	771,388.79	722,767.03	670,899.85	674,710.39	680,968.79
Pupil Transportation	253,751.52	330,532.82	286,408.41	281,487.52	333,849.93	226,530.08	430,104.12	442,448.25	495,765.97	440,112.96
Unallocated Benefits	2,835,375.09	2,420,058.25	2,389,727.95	2,430,214.12	2,204,861.22	2,216,062.88	1,973,331.00	1,527,794.39	1,307,791.97	1,265,792.20
Debt Service:										
Principal	470,000.00	325,000.00	300,000.00	300,000.00	446,852.78	425,997.35	414,175.70	374,374.17	340,651.32	427,958.52
Interest and Other Charges	278,409.72	451,300.00	464,050.00	476,800.00	497,587.04	517,827.23	538,121.62	556,558.57	83,404.64	107,017.27
Capital Outlay	154,212.41	163,677.85	145,728.72	227,997.34	67,805.66	3,463,625.23	15,233,081.29	2,534,361.54	767,749.60	209,991.58
Total Expenditures	11,274,928.28	10,963,069.99	10,541,929.97	11,772,385.20	11,353,833.49	14,328,819.33	25,831,212.98	12,279,658.59	9,588,674.69	8,837,370.56
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,290.17)	16,204.40	144,118.45	(306,246.90)	(635,964.44)	(3,431,462.13)	(15,031,684.67)	(2,155,482.42)	10,296,068.60	(246,704.70)
Other Financing Sources (Uses):										
Capital Leases (Non-budgeted)		65,795.79			21,242.36	50,667.00	23,683.87	22,140.00	39,770.40	
Sale of Bonds									11,130,000.00	
Accounts Receivable/Payable Canceled										
Transfers In	38.38	417.75	1,508.74	3,309.60	9,004.66	49,729.83	242,549.59	391,584.21	104,606.09	
Transfers Out	(38.38)	(417.75)	(1,508.74)	(3,309.60)	(9,004.66)	(52,686.83)	(242,549.59)	(391,584.21)	(122,606.09)	
Total Other Financing Sources (Uses)	-	65,795.79	-	-	21,242.36	47,710.00	23,683.87	22,140.00	11,151,770.40	-
Net Change in Fund Balances	\$ (141,290.17)	\$ 82,000.19	\$ 144,118.45	\$ (306,246.90)	\$ (614,722.08)	\$ (3,383,752.13)	\$ (15,008,000.80)	\$ (2,133,342.42)	\$21,447,839.00	\$ (246,704.70)
Debt Service as a Percentage of Noncapital Expenditures	6.7%	7.2%	7.3%	6.7%	8.4%	8.7%	9.0%	9.6%	4.8%	6.2%

Source: Exhibit B-2

TOWNSHIP OF EASTAMPTON 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 Earned on Deposits	\$ 463.20	\$ 5,379.98	\$ 14,073.72	\$ 16,449.49	\$ 21,066.47	\$ 19,908.98	\$ 36,989.48	\$ 31,833.05	\$ 13,366.42	\$ 3,468.67
Tuition	25,572.00	7,500.00	8,912.76					5,174.94	6,369.39	
Smart Start Rebate						86,317.92				
Petty Cash										400.00
Rental/Lease of Facilities	333,000.00	333,000.00	333,000.00	333,000.00	185,000.00	150,000.00				10,000.00
Administrative Costs - Reimbursed										60,500.00
Interfunds										16,195.97
Donations										100.00
Sale of Assets				3,900.00	9,000.00					500.00
Insurance Premiums										524.00
Tuition Refund										580.42
Prior Year Refunds	6,127.02	10,689.46	13,996.61	3,117.00	1,282.20	401.00		750.00		
Book Fines					582.64		573.98			
Cancelled Outstanding Checks			844.20							
Miscellaneous	<u>2,816.18</u>	<u>1.20</u>					<u>1,864.80</u>	<u>191.25</u>	<u>10,343.19</u>	
Total Miscellaneous Revenues	<u>\$ 367,978.40</u>	<u>\$ 356,570.64</u>	<u>\$ 370,827.29</u>	<u>\$ 356,466.49</u>	<u>\$ 216,931.31</u>	<u>\$ 256,627.90</u>	<u>\$ 39,428.26</u>	<u>\$ 37,949.24</u>	<u>\$ 30,079.00</u>	<u>\$ 92,269.06</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.

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

Year Ended <u>Dec. 31</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (2)</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate (3)</u>
2013	\$ 8,611,760.00	\$ 440,467,880.00	\$ 3,541,900.00	\$ 25,116,200.00	\$ 4,450,000.00	\$ 36,350,000.00	\$ 518,537,740.00	\$ 575,757.00	\$ 519,113,497.00	\$ 75,079,000.00	\$ 478,534,776.00	\$ 0.916
2012	8,970,300.00	439,853,860.00	3,773,400.00	25,622,300.00	4,450,000.00	36,900,000.00	519,569,860.00	614,257.00	520,184,117.00	74,867,300.00	495,242,695.00	0.916
2011	8,052,300.00	437,550,860.00	4,554,000.00	25,752,300.00	4,405,000.00	36,900,000.00	517,214,460.00	625,015.00	517,839,475.00	74,597,300.00	505,421,482.00	0.912
2010	8,230,300.00	438,491,560.00	4,558,600.00	28,423,300.00	4,405,000.00	36,900,000.00	521,008,760.00	778,297.00	521,787,057.00	73,813,200.00	514,695,006.00	0.916
2009	8,193,100.00	439,228,360.00	4,708,600.00	28,706,000.00	4,405,000.00	36,900,000.00	522,141,060.00	769,323.00	522,910,383.00	72,797,100.00	533,255,540.00	0.916
2008	8,672,100.00	437,682,600.00	5,103,600.00	30,941,000.00	2,655,000.00	36,900,000.00	521,954,300.00	678,643.00	522,632,943.00	49,922,600.00	526,264,166.00	0.905
2007	9,364,100.00	437,165,100.00	5,188,900.00	29,141,000.00	2,655,000.00	36,900,000.00	520,414,100.00	669,304.00	521,083,404.00	49,031,700.00	491,950,433.00	0.956
2006 (1)	7,700,000.00	438,166,300.00	5,441,100.00	30,855,000.00	1,300,000.00	36,900,000.00	520,362,400.00	646,816.00	521,009,216.00	49,165,600.00	428,893,380.00	0.930
2005	4,162,629.00	211,389,792.00	4,243,184.00	12,873,907.00	615,000.00	16,415,700.00	249,700,212.00	461,738.00	250,161,950.00	25,502,902.00	378,002,342.00	1.778
2004	4,073,929.00	211,251,342.00	3,978,550.00	12,873,907.00	615,000.00	16,413,700.00	249,206,428.00	563,997.00	249,770,425.00	22,912,781.00	330,471,586.00	1.488

(1) Revaluation

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

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

Source: Burlington County Board of Taxation

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

Unaudited

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>				<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Regional High School District</u>	<u>Township of Eastampton</u>	<u>Township of Eastampton Fire District</u>	<u>Burlington County</u>	
2013	\$ 0.765	\$ 0.151	\$ 0.916	\$ 0.379	\$ 0.746	\$ 0.058	\$ 0.348	\$ 2.447
2012	0.767	0.149	0.916	0.379	0.729	0.059	0.362	2.445
2011	0.766	0.146	0.912	0.376	0.712	0.059	0.371	2.430
2010	0.777	0.139	0.916	0.373	0.676	0.059	0.372	2.396
2009	0.773	0.143	0.916	0.350	0.631	0.058	0.388	2.343
2008	0.800	0.105	0.905	0.364	0.583	0.057	0.393	2.302
2007	0.831	0.125	0.956	0.377	0.568	0.057	0.40	2.354
2006 (1)	0.779	0.151	0.930	0.350	0.562	0.061	0.365	2.268
2005	1.676	0.102	1.778	0.644	1.074	0.110	0.691	4.297
2004	1.368	0.120	1.488	0.587	1.049	0.110	0.621	3.855

(1) Revaluation

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2013			2004		
	<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>
East Coast Sherwood Village, LLC	\$ 21,500,000.00	1	4.14%	\$ 5,050,000.00	2	2.02%
East Coast Eastampton Apts, LLC	13,850,000.00	2	2.67%	7,300,000.00	1	2.92%
1170 Inc. (Gregory's)	2,250,000.00 *	3	0.43%	2,150,000.00	4	0.86%
Sharbell Eastampton Corporation	1,841,500.00	4	0.35%			
Compass Road, LLC	1,800,000.00	5	0.35%			
Charley's Other Brother	1,700,000.00	6	0.33%	1,369,000.00	5	0.55%
Pharmacy Development (CVS)	1,700,000.00 *	7	0.33%	1,100,000.00	6	
Inter Bro of Boilermaker Local 28, LLC	1,700,000.00	8	0.33%			
Waste Management	1,418,000.00	9	0.27%	1,050,000.00	7	0.42%
Growmark FS, LLC	1,198,900.00	10	0.23%			
Sherwood Apartment Co.				3,500,000.00	3	1.40%
G'sell Moving & Storage				692,600.00	8	0.28%
Hiltner Enterprises				719,680.00	9	0.29%
Verizon -- New Jersey				563,997.00	10	0.23%
Total	<u>\$ 48,958,400.00</u>		<u>9.43%</u>	<u>\$ 23,495,277.00</u>		<u>8.97%</u>

* = Pending State Appeal

Source: Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2013	\$ 4,763,624.00	\$ 4,763,624.00	100.00%	-
2012	4,722,636.00	4,722,636.00	100.00%	-
2011	4,777,879.00	4,777,879.00	100.00%	-
2010	4,787,878.00	4,787,878.00	100.00%	-
2009	4,730,956.00	4,730,956.00	100.00%	-
2008	4,976,470.00	4,976,470.00	100.00%	-
2007	4,841,754.00	4,841,754.00	100.00%	-
2006	4,447,567.00	4,447,567.00	100.00%	-
2005	3,714,836.00	3,714,836.00	100.00%	-
2004	3,472,654.00	3,472,654.00	100.00%	-

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended <u>June 30.</u>	Governmental Activities				Business-Type <u>Activities</u>		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	\$ 9,540,000.00	-	\$ 21,878.55	-	-	\$ 9,561,878.55	Unavailable	Unavailable	
2012	10,010,000.00	-	41,963.69	-	-	10,051,963.69	Unavailable	\$ 1,651.38	
2011	10,265,000.00	-	-	-	-	10,265,000.00	3.49%	1,688.60	
2010	10,565,000.00	-	7,066.39	-	-	10,572,066.39	3.67%	1,740.54	
2009	10,865,000.00	-	30,472.17	-	-	10,895,472.17	3.59%	1,669.04	
2008	11,311,852.78	-	40,687.03	-	-	11,352,539.81	3.64%	1,733.74	
2007	11,737,850.13	-	22,640.64	-	-	11,760,490.77	3.97%	1,801.55	
2006	12,152,025.83	-	27,478.45	-	-	12,179,504.28	4.23%	1,833.99	
2005	12,526,400.00	-	25,522.65	-	-	12,551,922.65	4.63%	1,883.82	
2004	1,745,046.63	-	25,934.15	-	-	1,770,980.78	0.67%	264.72	

Sources:

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

TOWNSHIP OF EASTAMPTON 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)		
2013	\$ 9,540,000.00	-	\$ 9,540,000.00	1.84%	Unavailable
2012	10,010,000.00	-	10,010,000.00	1.92%	\$ 1,644.49
2011	10,265,000.00	-	10,265,000.00	1.98%	1,688.60
2010	10,565,000.00	-	10,565,000.00	2.02%	1,739.38
2009	10,865,000.00	-	10,865,000.00	2.08%	1,664.37
2008	11,311,852.78	-	11,311,852.78	2.16%	1,727.53
2007	11,737,850.13	-	11,737,850.13	2.25%	1,798.08
2006	12,152,025.83	-	12,152,025.83	2.33% (4)	1,829.85
2005	12,526,400.00	-	12,526,400.00	5.01%	1,879.99
2004	1,745,046.83	-	1,745,046.83	0.70%	260.84

Sources:

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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Eastampton Township</u>
Municipal Debt: (1)				
Eastampton Township Local and Regional School Districts	\$ 12,114,626.79	\$ 12,114,626.79		
Eastampton Township	<u>15,141,586.00</u>	<u>6,330,000.00</u>	<u>\$ 8,811,586.00</u>	<u>\$ 8,811,586.00</u>
	<u>27,256,212.79</u>	<u>18,444,626.79</u>	<u>8,811,586.00</u>	<u>8,811,586.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Burlington: (2)				
General:				
Bonds	270,043,353.00	26,412,514.00	243,630,839.00	2,518,317.59 (3)
Bonds Issued by Other Public Bodies Guaranteed by the County	310,740,000.00	310,740,000.00		
Solid Waste Utility	<u>62,496,713.00</u>	<u>62,496,713.00</u>		
	<u>643,280,066.00</u>	<u>399,649,227.00</u>	<u>243,630,839.00</u>	<u>2,518,317.59</u>
	<u>\$ 670,536,278.79</u>	<u>\$ 418,093,853.79</u>	<u>\$ 252,442,425.00</u>	<u>\$ 11,329,903.59</u>

Sources:

- (1) 2012 Annual Debt Statement
- (2) County's 202 Audit Report
- (3) Such debt is allocated as a proportion of the Township's share of the total 2012 Equalized Value, which is 1.03%.
The source for this computation was the 2012 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized valuation basis (1)
	2012 \$ 478,910,370
	2011 492,585,200
	2010 <u>508,499,668</u>
	[A] \$ 1,479,995,238
Average equalized valuation of taxable property	[A/3] \$ 493,331,746
Debt limit (3% of average equalization value) (2)	[B] 14,799,952
Total Net Debt Applicable to Limit	[C] <u>9,540,000</u>
Legal Debt Margin	[B-C] <u>\$ 5,259,952</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>
Debt limit	\$ 14,799,952.38	\$ 15,161,184.64	\$ 15,558,138.07	\$ 15,713,440.45	\$ 15,475,427.72	\$ 14,413,718.06	\$ 12,939,004.19	\$ 11,319,459.38	\$ 9,982,047.11	\$ 8,906,508.27
Total net debt applicable to limit (3)	<u>9,540,000.00</u>	<u>10,010,000.00</u>	<u>10,265,000.00</u>	<u>10,565,000.00</u>	<u>10,865,000.00</u>	<u>11,311,852.78</u>	<u>11,737,850.13</u>	<u>12,152,025.83</u>	<u>12,526,400.00</u>	<u>1,745,046.63</u>
Legal debt margin	<u>\$ 5,259,952.38</u>	<u>\$ 5,151,184.64</u>	<u>\$ 5,293,138.07</u>	<u>\$ 5,148,440.45</u>	<u>\$ 4,610,427.72</u>	<u>\$ 3,101,865.28</u>	<u>\$ 1,201,154.06</u>	<u>\$ (832,566.45)</u>	<u>\$ (2,544,352.89)</u>	<u>\$ 7,161,461.64</u>
Total net debt applicable to the limit as a percentage of debt limit	64.46%	66.02%	65.98%	67.24%	70.21%	78.48%	90.72%	107.36%	125.49%	19.59%

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 K through 8 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.

TOWNSHIP OF EASTAMPTON 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>
2012	6,087	Unavailable	Unavailable	6.7%
2011	6,079	\$ 293,725,122.00	\$ 48,318.00	6.4%
2010	6,074	287,852,934.00	47,391.00	6.6%
2009	6,528	303,525,888.00	46,496.00	6.2%
2008	6,548	312,162,804.00	47,673.00	3.5%
2007	6,528	296,501,760.00	45,420.00	2.6%
2006	6,641	287,986,965.00	43,365.00	2.8%
2005	6,663	271,090,818.00	40,686.00	2.6%
2004	6,690	264,362,040.00	39,516.00	4.4%
2003	6,621	251,319,918.00	37,958.00	4.9%

Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
Principal Non-Governmental Employers
Previous Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2012 (1)</u>			<u>2004 (2)</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>
Charley's Other Brother	71	1	1.81%			
John & Molly's Tavern	25	2	0.64%			
CVS	23	3	0.59%			
Olde World Bakery	20	4	0.51%			
Growmark	17	5	0.43%			
Russo's	15	6	0.38%			
Michael Risoldi's Auto Repair	10	7	0.26%			
Epicore	8	8	0.20%			
Boil Makers Local #28	7	9	0.18%			
Flynn's Towing	7	9	0.18%			
	<u>203</u>		<u>5.18%</u>	<u>-</u>		<u>-</u>

(1) The current year is unavailable so the prior year was utilized.

(2) Unavailable

Source: Individual Employers

Operating Information

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

TOWNSHIP OF EASTAMPTON 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										(1)
Regular	42	44	44	48	49	58	58	57	57	-
Special education	26	28	24	36	35	35	18	17	15	-
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	9	9	9	11	12	10	22	22	21	-
General administrative services	2	2	2	3	3	3	3	3	3	-
School administrative services	3	3	3	5	5	4	4	4	5	-
Business administrative services	5	5	5	5	5	3	3	3	3	-
Plant operations and maintenance	7	6	6	8	8	8	8	8	8	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	7	7	7	-
Other	23	23	24	25	27	20	22	19	19	-
Total	<u>117</u>	<u>120</u>	<u>117</u>	<u>141</u>	<u>144</u>	<u>141</u>	<u>145</u>	<u>140</u>	<u>138</u>	<u>-</u>

(1) Unavailable
 Source: District Records

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June</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</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>
						<u>Elementary School</u>	<u>Middle/Community School</u>				
2013	632	\$ 10,372,306.15	\$ 16,411.88	6.60%	65	-	9.7	634	610	-2.16%	96.21%
2012	651	10,023,092.14	15,396.45	6.78%	63	-	10.3	648	624	-5.12%	96.30%
2011	668	9,632,151.25	14,419.39	-6.93%	63	-	11.0	683	657	-1.63%	96.22%
2010	695	10,767,587.86	15,492.93	9.81%	74	-	9.4	694	644	-2.21%	92.80%
2009	733	10,341,588.01	14,108.58	5.66%	73	-	10.1	710	683	-4.44%	96.20%
2008	743	9,921,369.52	13,353.12	3.96%	78	-	11.1	743	721	-1.07%	97.10%
2007	751	9,645,834.37	12,843.99	15.26%	79	10.4	9.7	751	721	-7.95%	96.00%
2006	791	8,814,364.31	11,143.32	8.42%	76	14.8	10.3	816	765	-1.69%	93.70%
2005	817	8,396,869.13	10,277.69	4.14%	78	15.0	12.0	830	804	0.35%	96.82%
2004	820	8,092,403.19	9,868.78	2.72%	72	16.7	11.9	827	798	0.72%	96.53%

Sources: District Records

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
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>
<u>District Building</u>										
<u>Elementary</u>										
Eastampton Elementary (1957)										
Square Feet	31,950	31,950	31,950	31,950	31,950	31,950	31,950	31,950	31,950	31,950
Capacity (students)	246	246	246	246	246	246	246	246	246	246
Enrollment	-	-	-	-	-	-	303	340	334	333
<u>Middle/Community School</u>										
Eastampton Community School (1974)										
Square Feet	117,800	117,800	117,800	117,800	117,800	117,800	71,660	71,660	71,660	71,660
Capacity (students)	771	771	771	771	771	771	384	384	384	384
Enrollment	632	651	668	695	733	743	448	451	483	487
Number of Schools at June 30, 2013										
Elementary School = 1										
Middle/Community School = 1										
High School = 0										
Other = 0										

Source: District Records

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

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

* <u>School Facilities</u>	Project # (s)	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>
Elementary School	n/a							\$ 20,374.23	\$ 9,527.47	\$ 8,161.79	\$ 12,825.95
Middle/Community School	n/a	\$ 68,824.31	\$ 60,644.50	\$ 48,781.88	\$ 45,121.94	\$ 91,275.23	\$ 52,282.29	44,734.75	40,233.32	54,882.78	33,307.01
Total School Facilities		<u>68,824.31</u>	<u>60,644.50</u>	<u>48,781.88</u>	<u>45,121.94</u>	<u>91,275.23</u>	<u>52,282.29</u>	<u>65,108.98</u>	<u>49,760.79</u>	<u>63,044.57</u>	<u>46,132.96</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 68,824.31</u>	<u>\$ 60,644.50</u>	<u>\$ 48,781.88</u>	<u>\$ 45,121.94</u>	<u>\$ 91,275.23</u>	<u>\$ 52,282.29</u>	<u>\$ 65,108.98</u>	<u>\$ 49,760.79</u>	<u>\$ 63,044.57</u>	<u>\$ 46,132.96</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

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT

Insurance Schedule

June 30, 2013

Unaudited

	<u>Coverage</u>	<u>Self-Insured</u>	(A)	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund:				
Property, Inland Marine and Automobile Physical Damages	\$ 150,000,000.00	\$ 250,000.00		\$ 500.00
Boiler and Machinery	125,000,000.00			1,000.00
Comprehensive General Liability	10,000,000.00	250,000.00		
Comprehensive Crime	500,000.00	250,000.00		500.00
Automobile Liability	10,000,000.00	250,000.00		
Workers Compensation	Statutory	250,000.00		
Educator's Legal Liability	10,000,000.00	100,000.00		
Pollution Legal Liability	3,000,000.00			25,000.00
American International Insurance Company:				
Student Accident Policy	1,000,000.00			
Selective Insurance Company Bonds:				
Business Administrator/Board Secretary	10,000.00			
Treasurer of School Funds	200,000.00			

(A) The District is covered for these limits through the Joint insurance Pool Excess Liability Pool.

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
Township of Eastampton School District
County of Burlington
Eastampton, New Jersey 08060

Report on Compliance for Each Major State Program

We have audited the Township of Eastampton 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 state programs for the fiscal year ended June 30, 2013. The School District's major 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 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 state program occurred. An audit includes examining, on a test basis, evidence about the Township of Eastampton 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 state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In our opinion, the Township of Eastampton 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 state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

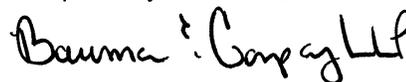
Management of the Township of Eastampton School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 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 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 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 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
Certified Public Accountants
& Consultants



Joseph W. Hoffmann
Certified Public Accountant
Public School Accountant No. CS 00759

Voorhees, New Jersey
October 15, 2013

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2013

<u>Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Project Number</u>	<u>Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2012</u>
				<u>From</u>	<u>To</u>	
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I	84.010	NCLB125013	\$ 79,054.00	9-1-12	8-31-13	
Title I	84.010	NCLB125012	70,196.00	9-1-11	8-31-12	\$ (1,188.88)
Title II - Part A	84.367	NCLB125013	17,805.00	9-1-12	8-31-13	
Title II - Part A	84.367	NCLB125012	20,679.00	9-1-11	8-31-12	1,712.00
I.D.E.I.A. Part B:						
Basic	84.027	FT125013	199,695.00	9-1-12	8-31-13	
Basic	84.027	FT125012	208,041.00	9-1-11	8-31-12	1,051.53
Pre-School	84.173	PS125013	8,607.00	9-1-12	8-31-13	
Pre-School	84.173	PS125012	8,728.00	9-1-11	8-31-12	727.00
Total Special Revenue Fund						<u>2,301.65</u>
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Food Distribution Program	10.555	Unavailable	22,466.38	7-1-12	6-30-13	
Food Distribution Program	10.555	Unavailable	23,598.95	7-1-11	6-30-12	3,724.06
National School Breakfast Program	10.553	Unavailable	8,857.20	7-1-12	6-30-13	
National School Lunch Program	10.555	Unavailable	83,945.61	7-1-12	6-30-13	
National School Lunch Program	10.555	Unavailable	71,543.29	7-1-11	6-30-12	(4,540.55)
Total Enterprise Fund:						<u>(816.49)</u>
Total Federal Financial Assistance						<u>\$ 1,485.16</u>

(A) See Notes to the Schedules of Expenditures of Federal and State Financial Assistance

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

These funds were not audited in accordance with U.S. OMB Circular A-133 since the total of all grant expenditures did not exceed \$500,000.00

Carry-over Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013		
					Accounts Receivable	Unearned Revenue	Due to Grantor
\$ 11,627.00 (11,627.00)	\$ 90,681.00 1,189.00 17,805.00	\$ (0.12)	\$ 90,681.00 17,805.00 1,712.00				
	199,695.00 8,607.00		199,695.00 1,051.53 8,607.00 727.00				
-	317,977.00	(0.12)	320,278.53	-	-	-	-
	22,466.38 8,156.95 77,666.29 4,540.55		19,102.69 3,724.06 8,857.20 83,945.61		\$ (700.25) (6,279.32)	\$ 3,363.69	
-	112,830.17	-	115,629.56	-	(6,979.57)	3,363.69	-
-	\$ 430,807.17	\$ (0.12)	\$ 435,908.09	-	\$ (6,979.57)	\$ 3,363.69	-

TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2013

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2012	
			From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor
General Fund:						
State Department of Education:						
Transportation Aid	13-495-034-5120-014	\$ 21,875.00	7-1-12	6-30-13		
Nonpublic School Transportation Aid	13-495-034-5120-015	696.00	7-1-12	6-30-13		
Nonpublic School Transportation Aid	12-495-034-5120-015	1,044.00	7-1-11	6-30-12	\$ (1,044.00)	
Equalization Aid	13-495-034-5120-078	4,151,267.00	7-1-12	6-30-13		
Equalization Aid	12-495-034-5120-078	4,206,900.00	7-1-11	6-30-12	(381,965.66)	
Special Education Categorical Aid	13-495-034-5120-089	387,293.00	7-1-12	6-30-13		
Special Education Categorical Aid	12-495-034-5120-089	371,698.00	7-1-11	6-30-12	(33,748.34)	
Security Aid	13-495-034-5120-084	14,897.00	7-1-12	6-30-13		
Adjustment Aid	13-495-034-5120-085	54,425.00	7-1-12	6-30-13		
Extraordinary Special Education Costs Aid	13-100-034-5120-473	67,976.00	7-1-12	6-30-13		
Extraordinary Special Education Costs Aid	12-100-034-5120-473	37,010.00	7-1-11	6-30-12	(37,010.00)	
T.P.A.F. Social Security Aid	13-495-034-5095-002	332,241.70	7-1-12	6-30-13		
Total General Fund					(453,768.00)	-
Special Revenue Fund:						
State Department of Education:						
Nonpublic Aid:						
Nursing Services	13-100-034-5120-070	5,574.00	7-1-12	6-30-13		
Textbook Aid (Ch. 194, L. 1977)	13-100-034-5120-064	4,016.00	7-1-12	6-30-13		
Textbook Aid (Ch. 194, L. 1977)	12-100-034-5120-064	4,399.00	7-1-11	6-30-12		
Technology Initiative Aid	13-100-034-5120-373	1,482.00	7-1-12	6-30-13		
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education	13-100-034-5120-067	18,394.00	7-1-12	6-30-13		
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education	12-100-034-5120-067	16,907.00	7-1-11	6-30-12	\$ 6,678.87	
Handicapped Services (Ch. 193, L. 1977)	13-100-034-5120-066					
Corrective Speech		5,468.00	7-1-12	6-30-13		
Examination and Classification		5,413.00	7-1-12	6-30-13		
Supplementary Instruction		2,221.00	7-1-12	6-30-13		
Handicapped Services (Ch. 193, L. 1977)	12-100-034-5120-066					
Corrective Speech		5,529.00	7-1-11	6-30-12		3,870.21
Examination and Classification		5,473.00	7-1-11	6-30-12		1,771.31
Supplementary Instruction		2,806.00	7-1-11	6-30-12		1,823.90
Total Special Revenue Fund					-	14,144.29
Enterprise Fund:						
State School Lunch Aid	13-100-010-3350-023	3,088.68	7-1-12	6-30-13		
State School Lunch Aid	12-100-010-3350-023	2,856.76	7-1-11	6-30-12	(178.98)	
Total Enterprise Fund					(178.98)	-
Total State Financial Assistance					\$ (453,946.98)	\$ 14,144.29

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

Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013			Memo	
				Accounts Receivable	Unearned Revenue/ Interfunds Payable	Due to Grantor	Budgetary Receivable June 30, 2012	Cumulative Total Expenditures
\$ 19,861.54		\$ 21,875.00		\$ (2,013.46)			\$ (2,013.46)	\$ 21,875.00
1,044.00		696.00		(696.00)			(696.00)	696.00
3,769,168.10		4,151,267.00		(382,098.90)			(382,098.90)	4,151,267.00
381,965.66								-
351,645.03		387,293.00		(35,647.97)			(35,647.97)	387,293.00
33,748.34								-
13,525.82		14,897.00		(1,371.18)			(1,371.18)	14,897.00
49,415.51		54,425.00		(5,009.49)			(5,009.49)	54,425.00
		67,976.00		(67,976.00)			(67,976.00)	67,976.00
37,010.00								-
332,241.70		332,241.70						332,241.70
4,989,625.70	-	5,030,670.70	-	(494,813.00)	-	-	(494,813.00)	5,030,670.70
5,574.00		5,574.00						5,574.00
4,016.00	\$ 16.26	4,016.00				\$ 16.26		4,016.00
1,482.00		1,482.00						-
18,394.00		18,392.00				2.00		1,482.00
	(0.29)		\$ 6,678.58					18,392.00
5,468.00		4,529.80				938.20		-
5,413.00		3,185.56				2,227.44		4,529.80
2,221.00		2,220.80				0.20		3,185.56
			3,870.21					2,220.80
			1,771.31					-
			1,823.90					-
42,568.00	15.97	39,400.16	14,144.00	-	-	3,184.10	-	-
2,693.39		3,088.68		(395.29)				39,400.16
178.98								3,088.68
2,872.37	-	3,088.68	-	(395.29)	-	-	-	-
\$ 5,035,066.07	\$ 15.97	\$ 5,073,159.54	\$ 14,144.00	\$ (495,208.29)	-	\$ 3,184.10	\$ (494,813.00)	\$ 5,073,159.54

TOWNSHIP OF EASTAMPTON 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 Township of Eastampton 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 \$10,427.00 for the general fund and \$407.95 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is zero for the general fund and \$407.94 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		\$ 5,641,910.70	\$ 5,641,910.70
Special Revenue	\$ 320,278.53	39,808.10	
Food Service	<u>115,629.56</u>	<u>3,088.68</u>	<u>118,718.24</u>
Total Awards and Financial Assistance	<u>\$ 435,908.09</u>	<u>\$ 5,684,807.48</u>	<u>\$ 5,760,628.94</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2011-2012 and minor rounding differences.

Note 6: OTHER

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013.

Note 7: MAJOR PROGRAMS

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

**TOWNSHIP OF EASTAMPTON 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

Not Applicable

Internal control over major programs:

Material weakness(es) identified? ___ yes ___ no

Significant deficiency(ies) identified? ___ yes ___ none reported

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Dollar threshold used to determine Type A programs \$ _____

Auditee qualified as low-risk auditee? ___ yes ___ no

TOWNSHIP OF EASTAMPTON 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>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5095-002	TPAF Social Security Aid

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

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

TOWNSHIP OF EASTAMPTON 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 Administration and Finance, Department of Education, State of New Jersey.

None.

TOWNSHIP OF EASTAMPTON 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.

N/A

TOWNSHIP OF EASTAMPTON 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.

TOWNSHIP OF EASTAMPTON 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 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.

