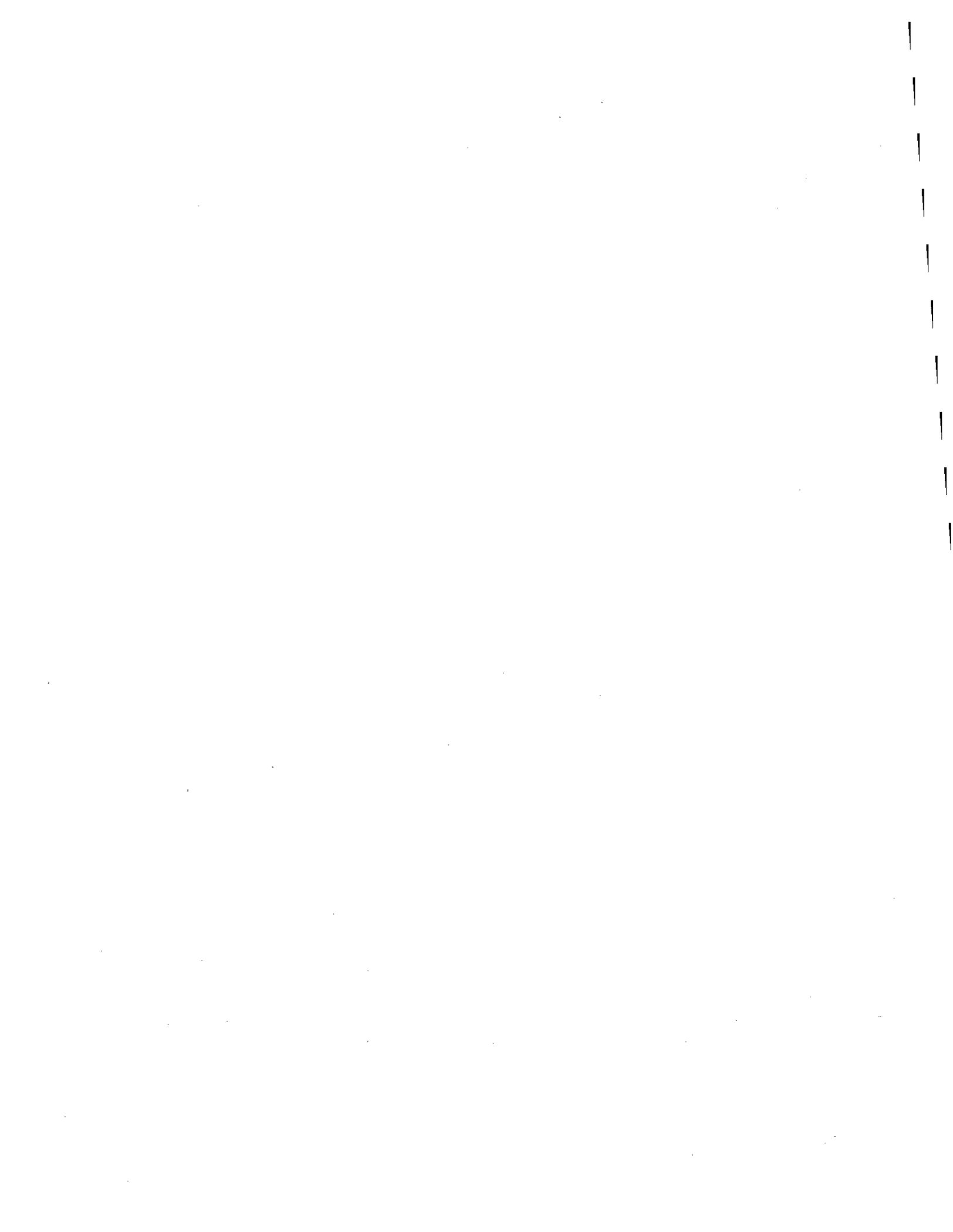


**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

Lumberton, New Jersey  
County of Burlington

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**LUMBERTON, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Prepared by**

**Lumberton Township Board of Education  
Finance Department**



## OUTLINE OF CAFR

	<b>PAGE</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	10

### REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	13
--------------------------------------	----

### BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Position	20
A-2 Statement of Activities	21
B. Fund Financial Statements:	
B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	24
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Funds:	
B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	27
B-6 Statement of Cash Flows	28
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	29
B-8 Statement of Changes in Fiduciary Net Position	30
Notes to Financial Statements	31

### REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	52
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program – Budget & Actual	63
C-2 Budgetary Comparison Schedule – Special Revenue Fund	64

(continued)

## OUTLINE OF CAFR (continued):

	PAGE
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	65
D. School Based Budget Schedules –	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund – Budgetary Basis	66
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	68
F-2 Summary Schedule of Revenues, Expenditures & Changes in Fund Balance - Budgetary Basis	69
F-2a Schedule of Revenues, Expenditures Project Balance & Project Status – Project Status – Budgetary Basis – Lumberton – Solar Project	70
F-2b Schedule of Revenues, Expenditures Project Balance & Project Status – Project Status – Budgetary Basis – Middle School – HVAC Hardware & Software, Fire System & Security Upgrades	71
F-2c Schedule of Revenues, Expenditures Project Balance & Project Status – Project Status – Budgetary Basis – Bobby’s Run - HVAC Hardware & Software, Fire System & Security Upgrades	72
F-2d Schedule of Revenues, Expenditures Project Balance & Project Status – Project Status – Budgetary Basis – Florence L Walther – Replace HVAC Units in Main Office Area	73
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	74
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position	75
G-3 Combining Schedule of Cash Flows	76
Internal Service Fund –	
G-4 Combining Schedule of Net Assets	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Assets	N/A
G-6 Combining Schedule of Cash Flows	N/A

(continued)

**OUTLINE OF CAFR (continued):**

	<b>PAGE</b>
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	77
H-2 Combining Statement of Changes in Fiduciary Net Positon	77
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	78
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	78
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	79
I-2 Schedule of Obligations Under Capital Leases	80
I-3 Debt Service Fund Budgetary Comparison Statement	81

**STATISTICAL SECTION (unaudited)**

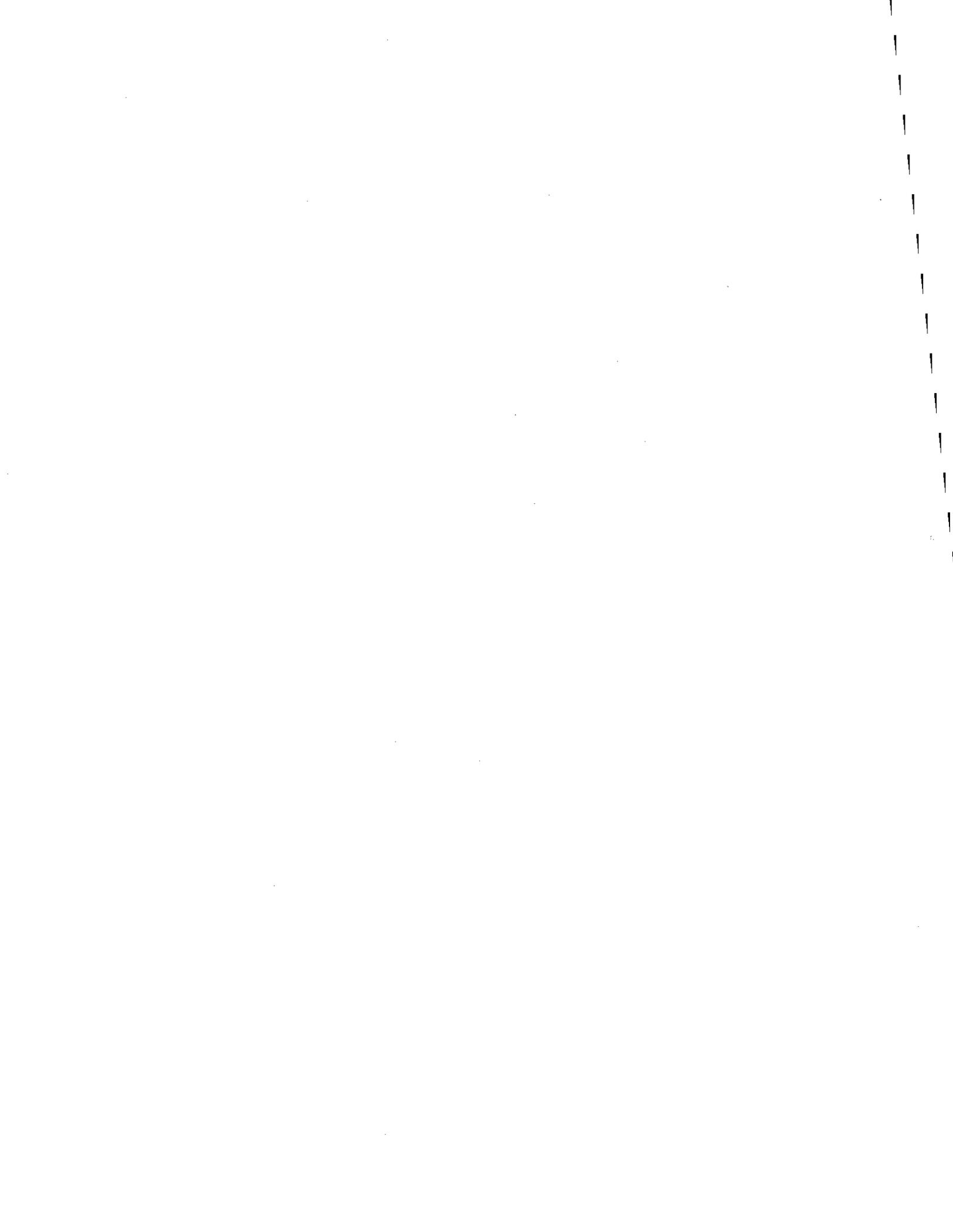
Financial Trends:	
J-1 Net Position by Component	82
J-2 Changes in Net Position	83
J-3 Fund Balances – Governmental Funds	86
J-4 Changes in Fund Balances – Governmental Funds	87
J-5 General Fund Other Local Revenue by Source	88
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	89
J-7 Direct & Overlapping Property Tax Rates	90
J-8 Principal Property Taxpayers	91
J-9 Property Tax Levies & Collections	92
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	92
J-11 Ratios of General Bonded Debt Outstanding	93
J-12 Direct & Overlapping Governmental Activities Debt	93
J-13 Legal Debt Margin Information	94
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	95
J-15 Principal Employers	95
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	N/A
J-17 Operating Statistics	96
J-18 School Building Information	97
J-19 Schedule of Required Maintenance	98
J-20 Insurance Schedule	99

(continued)

**OUTLINE OF CAFR (continued):**

<b>K SINGLE AUDIT SECTION</b>	<b>PAGE</b>
K-1 Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	100
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	102
K-3 Schedule of Expenditures of Federal Awards, Schedule A	105
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	106
K-5 Notes to Schedules of Awards and Financial Assistance	107
K-6 Schedule of Findings and Questioned Costs	109
K-7 Summary Schedule of Prior Audit Findings	111 (concluded)

**INTRODUCTORY SECTION**



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

**Terrence Healey  
Superintendent**

**Thomas J. Fanuka  
Business Administrator**

---

---

October 10, 2013

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

Dear Board Members:

The comprehensive annual financial report of the Lumberton Township School District for the fiscal year ended June 30, 2013 is submitted herewith. The report was prepared by the District's Board Office. The responsibility for the financial and other data lies with the Superintendent and the Business Administrator. We believe all the data presented is accurate in all material respects. This information is presented in a manner that fairly represents the fiscal soundness of the Lumberton Township School District. All disclosures needed to maximize user comprehension of the contents have been included in this document.

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

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

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for handicapped children. The District completed the 2012-2013 fiscal year with an enrollment of students, which represents students below the previous year's enrollment. These numbers include only in-district students. Those students placed out-of-district are not included in these totals. The following details the changes in the student enrollment of the District over the last seven years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-13	1,530	(7.32%)
2011-12	1,642	(2.55%)
2010-11	1,685	(0.12%)
2009-10	1,687	(1.17%)
2008-09	1,707	(1.61%)
2007-08	1,735	(0.86%)
2006-07	1,750	(0.34%)
2005-06	1,756	(0.23%)

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

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

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

The public supported a \$9,499,000 March 9, 2010 referendum by more than a 2.5 to 1 margin for the installation of solar panels on all four (4) of the district facilities. The expected completion date was originally scheduled for September 2010. However, A.R.R.A. funds have placed a large demand on solar panels and, as a result, our vendors had some difficulties acquiring the solar panels within the original timelines. The completion date for this project was during the summer of 2011 up through January 2012. The first attempt in December 2009 was defeated by the public, in part, as a response to the tough economic conditions just commencing. The project has actually come in so much lower than expected that the district only had to borrow \$7,000,000 in bonds.

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

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

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

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

Student achievement is directly related to quality classroom instruction. The Lumberton School District recognizes this fact and focuses on continual improvement through curriculum design and a

comprehensive, job-embedded approach to staff development. Our efforts are directed by carefully crafted short and long term goals, which are furthered through reflective leadership and meaningful structures.

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

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

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

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

As encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

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

**7) FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibilities for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2013.

<b><u>Revenue</u></b>	<b><u>Amount</u></b>	<b><u>% of Total</u></b>
Local Sources	\$14,067,198	53.85%
State Sources	11,448,793	43.83%

Federal Sources	<u>604,991</u>	<u>2.32%</u>
Totals	<u>\$26,120,982</u>	<u>100.00%</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2013 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Current Expense:		
Instruction	\$8,981,818	34.57%
Undistributed Expense	12,707,342	48.91%
Capital Outlay	137,915	0.53%
Special Revenue	583,190	2.24%
Debt Service	<u>3,570,381</u>	<u>13.74%</u>
Totals	<u>\$25,980,646</u>	<u>100.00%</u>

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

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

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

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

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

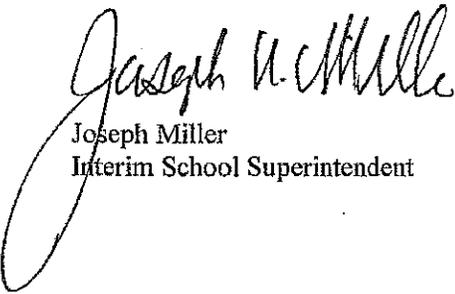
**9) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under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

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

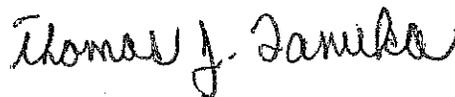
**11) OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**12) ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Lumberton Township School Board for their concern in providing fiscal responsibility to the citizens and taxpayers of the School District and thereby contributing their full support to the developments and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



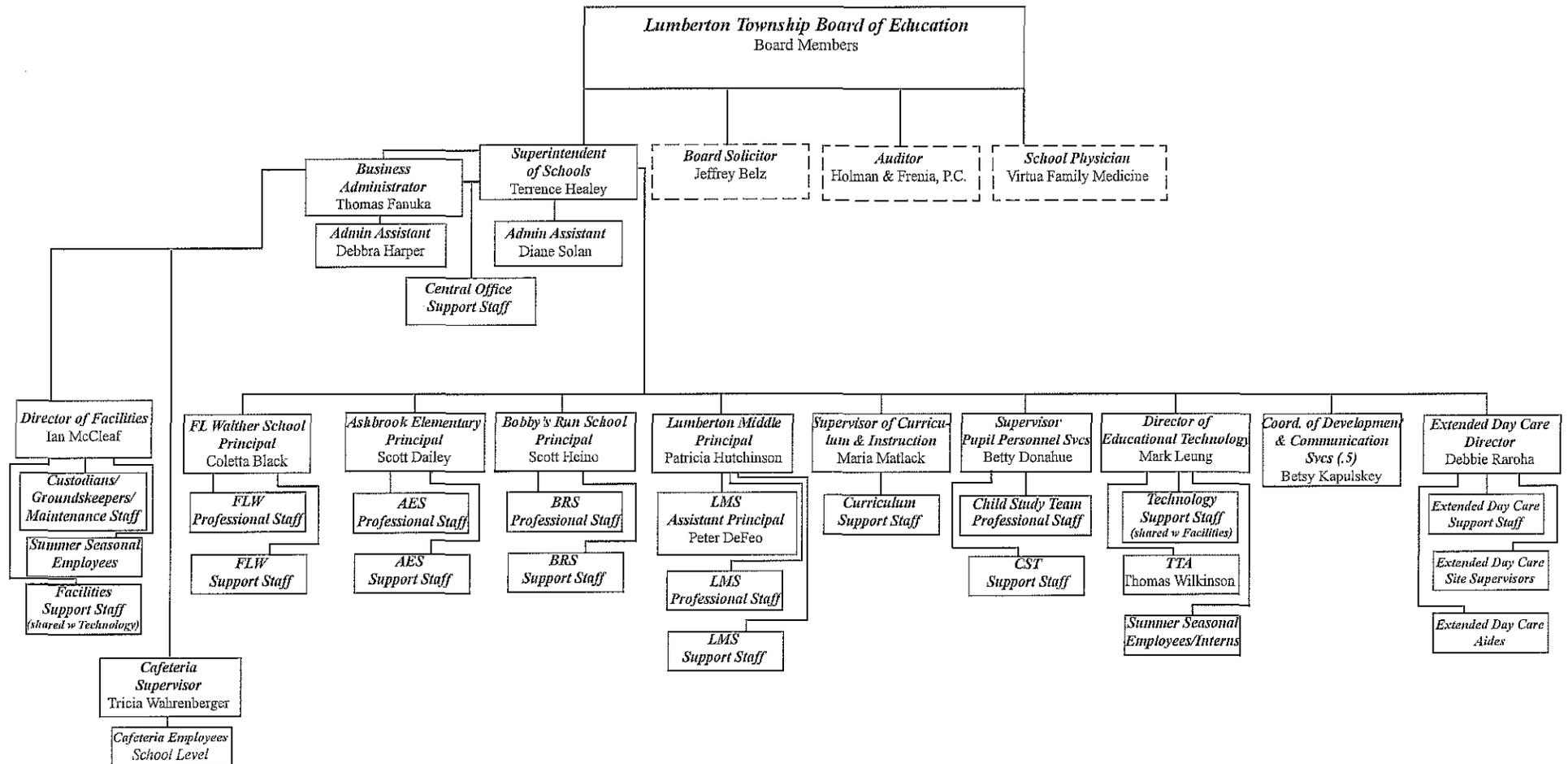
Joseph Miller  
Interim School Superintendent



Thomas J. Fanuka  
Board Sec./Business Administrator

# Lumberton Township Board of Education

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





**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
Lumberton, New Jersey

**ROSTER OF OFFICIALS**

**JUNE 30, 2013**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Mario Tommasi, President	2015
Rachel Paulin, Vice President	2014
Jesse Adams, Jr.	2013
Margaret Bupp	2013
Sheila Ellis	2013
Tabitha Nicodemus	2015
Chris Stridiron	2015
Mary Beth Tubbs	2013
Darly Minus-Vincent	2014

**OTHER OFFICIALS**

Terrene Healey, Superintendent

Thomas J. Fanuka, Business Administrator/Board Secretary

Jeffrey Belz, Solicitor

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
Lumberton, New Jersey

**CONSULTANTS AND ADVISORS**

**INSURANCE AGENT**

Burlington County Insurance Pool  
Marlton, New Jersey

**AUDIT FIRM**

Kevin Frenia  
Holman Frenia Allison, P.C.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

Jeffrey Belz  
Cherry Hill, New Jersey

**OFFICIAL DEPOSITORY**

TD Bank  
Cherry Hill, New Jersey

**FINANCIAL SECTION**





HOLMAN | FRENIA  
ALLISON, P.C.

*Certified Public Accountants & Consultants*

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333  
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612  
912 Highway 33, Suite 2, Freehold, NJ 07726 • Tel: 732.409.0800  
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090  
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

[www.hfacpas.com](http://www.hfacpas.com)

## INDEPENDENT AUDITOR'S REPORT

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

### 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 Lumberton Township Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2013, which collectively comprise the 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; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies 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, business-type activities, each major fund, and the aggregate remaining fund information of the Lumberton Board of Education, County of Burlington, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 on pages 13 through 19 and 52 through 64 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 Lumberton Board of Education's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2012, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying schedule of expenditures of federal and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

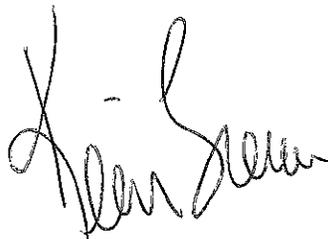
The introductory section, comparative totals for June 30, 2013, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated on our consideration of the Lumberton Board of Education'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 Lumberton Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is written in a cursive style with a large initial "K" and "F".

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

Medford, New Jersey  
October 10, 2013



**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis



## **LUMBERTON TOWNSHIP BOARD OF EDUCATION**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2013**

#### **UNAUDITED**

The discussion and analysis of Lumberton Township Board of Education annual financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statement to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2012-2013 fiscal year include the following:

- The General Fund balance (budgetary basis) increased \$340,193 from \$5,075,620 to \$5,415,813 in 2013. The balance at June 30, 2013 included an amount of \$1,805,388 in excess of the 2% allowable per state mandate.
- General revenues accounted for 25,680,747 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for 1,564,033 of total revenues of \$27,244,780.
- Total Net Position of governmental activities was \$16,278,205. Net Position increased by \$2,257,644 from July 1, 2012 to June 30, 2013.
- The General Fund fund balance at June 30, 2013 is \$4,628,996, an increase of \$320,348 when compared with the beginning balance at July 1, 2012 of \$4,308,648.

#### **Using this Comprehensive Annual Financial Report (CAFR)**

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

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

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

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

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

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

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012-2013?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

#### Fund Financial Statements

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

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

The District has three kinds of funds:

### ***Governmental funds***

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

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

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

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

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

### ***Proprietary funds***

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

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

### ***Fiduciary funds***

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

The District uses trust and agency funds to account for resources held for student activities and group, for payroll transactions and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

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

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

### **Financial Analysis of the Lumberton Township Board of Education**

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

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

The District's investment in capital assets within the Net Position above; less any related debt used to acquire those assets that is still outstanding, shows a balance of \$11,723,958.

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

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

### **Financial Analysis of the District's Funds**

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

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

### **Financial Information at Fiscal Year-End**

The following schedule presents a summary of the general fund, special revenue fund, debt service fund and permanent fund revenues for the fiscal year ended June 30, 2013 and the amount and percentage of increases and (decreases) in relation to prior year revenues:

	2012-13 Revenue	2011-12 Revenue	Increase/ (Decrease)	% of Increase/ (Decrease)
<b>Local Sources:</b>				
Local Tax Levy	\$ 13,944,946	\$ 13,711,091	\$ 233,855	1.71%
Tuition	27,045	27,449	(404)	-1.47%
Interest	-	26,443	(26,443)	-100.00%
Interest on Capital Reserve	-	885	(885)	-100.00%
Miscellaneous	95,207	111,760	(16,553)	-14.81%
State Sources	11,591,240	10,882,973	708,267	6.51%
Federal Sources	604,991	937,549	(332,558)	-35.47%
<b>Total Revenues</b>	<b>\$ 26,263,429</b>	<b>\$ 25,698,150</b>	<b>\$ 565,279</b>	<b>2.20%</b>

The increase in State sources is mainly attributable to an increase in the on-behalf TPAF pension contribution and additional state aid. Federal sources decreased due to the Education Jobs Fund which ended in the 2011-12 year.

The following schedule presents a summary of general fund, special revenue fund, debt service fund and permanent fund expenditures for the fiscal year ended June 30, 2013 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2012-13 Expenditures	2011-12 Expenditures	Increase/ (Decrease)	% of Increase/ (Decrease)
<b>Current Expense:</b>				
Instruction	\$ 9,465,586	\$ 8,716,006	\$ 749,580	8.60%
Undistributed Expenditures	12,806,764	12,315,878	490,886	3.99%
Capital Outlay	137,915	447,044	(309,129)	-69.15%
Debt Service	3,570,381	3,550,588	19,793	0.56%
<b>Total Expenditures</b>	<b>\$ 25,980,646</b>	<b>\$ 25,029,516</b>	<b>\$ 951,130</b>	<b>3.80%</b>

The increase in Instruction expenses was due to the settlement of teacher's contract in 2012-13. Undistributed expenditures increased due to the increase in On-Behalf TPAF reimbursements from state charged to unallocated benefits from \$1,691,380 in 2012 to \$2,128,998 in 2013, a difference of \$437,618. Capital Outlay costs decreased due to the completion of the solar panel project. The increase in debt service was due to the District's repayment schedule.

### General Fund Budgetary Highlights

There difference between the original budget and the final amended budget was \$6,982. This difference is comprised entirely of the June 30, 2012 year end encumbrances. The prior year's reserve for encumbrances rollover into the subsequent year budget (2012-13). Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2012-2013 budget.

## **Proprietary Funds**

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

The Food Services Enterprise Fund's Change in Net Position increased by \$13,679 from \$48,225 in 2012 to \$61,904 in 2013. The unrestricted Net Position of the food service program was \$61,904 at June 30, 2013. The food services program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget.

The Extended Day Care Enterprise Fund's Change in Net Position increased by \$71,226 from \$616,992 in 2012 to 688,218 in 2013. The unrestricted Net Position of the extended day care program was \$688,218 at June 30, 2013. The extended day care program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget. In fact, they are able to donate goods/services to the district for overall student benefit on a regular basis.

## **Capital Assets**

At June 30, 2013, the District Governmental Activities has capital assets of \$26,287,192 million, net of depreciation, which includes land, land improvements, building & improvements, and machinery and equipment.

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

## **Debt Administration and Other Obligations**

At June 30, 2013, the District's outstanding debt issues included \$14,415,000 of General Obligation bonds (1998 refunding bonds, 1999 bonds, 2002 refunding bonds, 2005 refunding bonds and 2010 bonds), Capital Leases of 148,234 for the lease of various computer equipment and Compensated Absences Liability of \$884,877.

Additional information on the District's debt administration and other obligations can be found in Note 6 to the basic financial statements.

## **Economic Factors and Next Year's Budget**

- The District anticipates that the approved 2013-2014 budget will be adequate to satisfy all 2013-2014 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

## **Requests for Information**

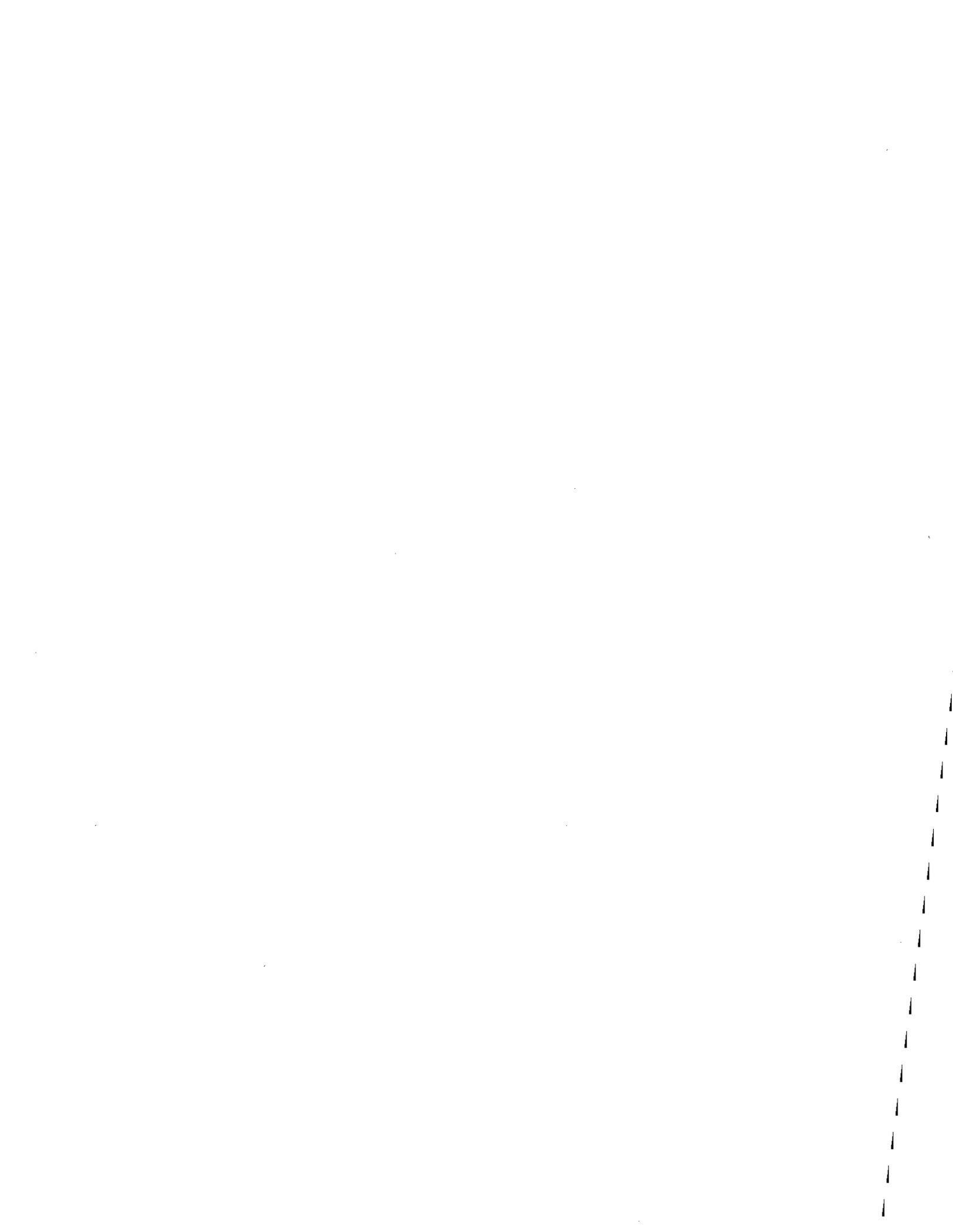
This financial report is designed to provide a general overview of the Lumberton School District's finances for all those with an interest in the District's finances. Questions concerning and of the information provided in this report or requests for additional financial information should be addressed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



**BASIC FINANCIAL STATEMENTS**



A. District-Wide Financial Statements



**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Cash & Cash Equivalents	\$ 4,721,271	\$ 546,429	\$ 5,267,700	\$ 5,624,325
Receivables, Net	328,974	-	328,974	262,477
Inventory	-	9,002	9,002	9,313
Capital Assets, Net (Note 5)	26,287,192	202,891	26,490,083	27,080,157
Bond Issuance Costs - (Net of Amortization)	85,709	-	85,709	106,927
Loss on Bond Refunding - (Net of Amortization)	108,740	-	108,740	135,923
Restricted Cash & Cash Equivalents	900,467	-	900,467	607,752
<b>Total Assets</b>	<b>32,432,353</b>	<b>758,322</b>	<b>33,190,675</b>	<b>33,826,874</b>
<b>LIABILITIES</b>				
Accounts Payable	481,868	-	481,868	498,189
Interfund Payable	-	8,200	8,200	-
Accrued Interest	163,501	-	163,501	202,715
Intergovernmental Payable	303	-	303	293
Deferred Revenue	6,250	-	6,250	-
Bond Premium (Net of Amortization)	54,115	-	54,115	67,949
Noncurrent Liabilities (Note 6):				
Due Within One Year	2,558,058	-	2,558,058	3,092,194
Due Beyond One Year	12,890,053	-	12,890,053	15,279,756
<b>Total Liabilities</b>	<b>16,154,148</b>	<b>8,200</b>	<b>16,162,348</b>	<b>19,141,096</b>
<b>Net Position</b>				
Invested in Capital Assets, Net of Related	11,723,958	202,891	11,926,849	9,319,583
Restricted For:				
Debt Service	(163,500)	-	(163,500)	(194,515)
Other Purposes	5,374,280	-	5,374,280	4,308,648
Capital Projects	450,057	-	450,057	1,133,906
Unrestricted	(1,106,590)	547,231	(559,359)	118,156
<b>Total Net Position</b>	<b>\$ 16,278,205</b>	<b>\$ 750,122</b>	<b>\$ 17,028,327</b>	<b>\$ 14,685,778</b>

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2013	JUNE 30, 2012
(MEMORANDUM ONLY)							
Governmental Activities:							
Instruction:							
Regular	\$ 5,858,548	\$ -	\$ -	\$ (5,858,548)	\$ -	\$ (5,858,548)	\$ (5,337,156)
Special Education	3,101,092	-	483,768	(2,617,324)	-	(2,617,324)	(2,423,682)
Other Special Instruction	415,989	-	-	(415,989)	-	(415,989)	(365,872)
Other Instruction	89,957	-	-	(89,957)	-	(89,957)	(87,157)
Support Services & Undistributed Costs:							
Tuition	469,536	-	-	(469,536)	-	(469,536)	(551,302)
Health Services	237,883	-	-	(237,883)	-	(237,883)	(226,704)
Student & Instruction Related Services	1,693,204	-	-	(1,693,204)	-	(1,693,204)	(1,548,778)
Educational Media Services/School Library	228,077	-	-	(228,077)	-	(228,077)	(197,283)
School Administrative Services	912,921	-	99,422	(813,499)	-	(813,499)	(828,055)
Other Administrative Services	1,143,910	-	-	(1,143,910)	-	(1,143,910)	(1,077,637)
Plant Operations & Maintenance	1,617,858	-	-	(1,617,858)	-	(1,617,858)	(1,843,832)
Pupil Transportation	894,954	-	-	(894,954)	-	(894,954)	(874,561)
Employee Benefits	5,608,421	-	-	(5,608,421)	-	(5,608,421)	(5,069,778)
Transfers to Charter Schools	25,116	-	-	(25,116)	-	(25,116)	(8,304)
Interest on Long-Term Debt	545,156	-	-	(545,156)	-	(545,156)	(623,908)
Unallocated Amortization	34,567	-	-	(34,567)	-	(34,567)	(34,567)
Increase in Compensated Absences	162,915	-	-	(162,915)	-	(162,915)	-
Adjustment to Fixed Assets	(41,788)	-	-	41,788	35,093	76,881	-
Unallocated Depreciation	1,007,469	-	-	(1,007,469)	-	(1,007,469)	(1,000,626)
<b>Total Governmental Activities</b>	<b>24,005,785</b>	<b>-</b>	<b>583,190</b>	<b>(23,422,595)</b>	<b>35,093</b>	<b>(23,387,502)</b>	<b>(22,099,202)</b>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2013	JUNE 30, 2012
Business-Type Activities:							(MEMORANDUM ONLY)
Food Service	489,951	332,655	170,902	-	13,606	13,606	1,379
Extended Day Care	441,588	477,286	-	-	35,698	35,698	37,915
Total Business-Type Activities	931,539	809,941	170,902	-	49,304	49,304	39,294
Total Primary Government	\$ 24,937,324	\$ 809,941	\$ 754,092	(23,422,595)	84,397	(23,338,198)	(22,059,908)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Including Debt Service				13,944,946	-	13,944,946	13,711,091
Federal & State Aid Not Restricted				11,613,041	-	11,613,041	11,220,435
Tuition Received				27,045	-	27,045	27,449
Investment Earnings				-	508	508	29,765
Miscellaneous Income				95,207	-	95,207	111,760
Reduction in Compensated Absences				-	-	-	7,601
Total General Revenues, Special Items, Extraordinary Items & Transfers				25,680,239	508	25,680,747	25,108,101
Change In Net Position				2,257,644	84,905	2,342,549	3,048,193
Net Position - Beginning				14,020,561	665,217	14,685,778	11,637,585
Net Position - Ending				\$ 16,278,205	\$ 750,122	\$ 17,028,327	\$ 14,685,778

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



B. Fund Financial Statements



Governmental Funds



**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2013	JUNE 30, 2012
<b>ASSETS &amp; OTHER DEBITS</b>						
Assets:						
Cash & Cash Equivalents	\$ 4,028,790	\$ -	\$ 741,151	\$ 25,378	\$ 4,795,319	\$ 5,163,122
Accounts Receivable:						
State Aid	142,839	-	92,143	-	234,982	112,097
Federal Aid	742	65,204	-	-	65,946	130,627
Other	14,846	-	-	-	14,846	-
Interfunds	38,577	15,397	-	-	53,974	54,522
Restricted Cash & Cash Equivalents	900,467	-	-	-	900,467	607,752
<b>Total Assets</b>	<b>\$ 5,126,261</b>	<b>\$ 80,601</b>	<b>\$ 833,294</b>	<b>\$ 25,378</b>	<b>\$ 6,065,534</b>	<b>\$ 6,068,120</b>
<b>LIABILITIES &amp; FUND BALANCES</b>						
Liabilities:						
Cash Deficit	\$ -	\$ 74,048	\$ -	\$ -	\$ 74,048	\$ 110,442
Accounts Payable	481,868	-	-	-	481,868	473,509
Intergovernmental Payable	-	303	-	-	303	293
Deferred Revenues	-	6,250	-	-	6,250	-
Interfund Payables	15,397	-	-	25,377	40,774	41,322
<b>Total Liabilities</b>	<b>497,265</b>	<b>80,601</b>	<b>-</b>	<b>25,377</b>	<b>603,243</b>	<b>625,566</b>
Fund Balances:						
Restricted for:						
Capital Reserve Account	900,467	-	-	-	900,467	607,752
Excess Surplus	1,805,388	-	-	-	1,805,388	2,235,189
Excess Surplus Designated for Subsequent Year's Expenditures	2,235,189	-	-	-	2,235,189	1,040,703
Capital Projects Fund	-	-	450,057	-	450,057	763,735
Debt Service Fund	-	-	-	1	1	-
Committed to:						
Other Purposes	49,999	-	383,237	-	433,236	377,153
Assigned to:						
Designated for Subsequent Year's Expenditures	-	-	-	-	-	418,021
Unassigned:						
General Fund	(362,047)	-	-	-	(362,047)	-
<b>Total Fund Balances</b>	<b>4,628,996</b>	<b>-</b>	<b>833,294</b>	<b>1</b>	<b>5,462,291</b>	<b>5,442,554</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 5,126,261</b>	<b>\$ 80,601</b>	<b>\$ 833,294</b>	<b>\$ 25,378</b>		

Amounts reported for governmental activities in the statement of Net Position (A-2) are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$40,563,962 and the accumulated depreciation is \$14,276,770.	26,287,192	26,969,571
Interest on Long-Term debt is accrued on the Statement of Net Position regardless when due	(163,501)	(194,515)
Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the difference in the treatment of long-term debt related items.	140,334	174,901
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.	(15,448,111)	(18,371,950)
<b>Net Position of Governmental Activities</b>	<b>\$ 16,278,205</b>	<b>\$ 14,020,561</b>

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2013	JUNE 30, 2012
Revenues:						
Local Sources:						
Local Tax Levy	\$ 11,926,593	\$ -	\$ -	\$ 2,018,353	\$ 13,944,946	\$ 13,711,091
Tuition	27,045	-	-	-	27,045	27,449
Interest	-	-	-	-	-	26,443
Interest on Capital Reserve	-	-	-	-	-	885
Miscellaneous	81,555	13,652	-	-	95,207	111,760
Total Local Sources	<u>12,035,193</u>	<u>13,652</u>	<u>-</u>	<u>2,018,353</u>	<u>14,067,198</u>	<u>13,877,628</u>
State Sources	10,304,288	426	142,447	1,144,079	11,591,240	10,882,973
Federal Sources	35,879	569,112	-	-	604,991	937,549
Total Revenues	<u>22,375,360</u>	<u>583,190</u>	<u>142,447</u>	<u>3,162,432</u>	<u>26,263,429</u>	<u>25,698,150</u>
Expenditures:						
Current Expense:						
Regular Instruction	5,858,548	-	-	-	5,858,548	5,337,156
Special Education Instruction	2,617,324	483,768	-	-	3,101,092	2,925,821
Other Special Instruction	415,989	-	-	-	415,989	365,872
Other Instruction	89,957	-	-	-	89,957	87,157
Support Services:						
Tuition	469,536	-	-	-	469,536	551,302
Health Services	237,883	-	-	-	237,883	226,704
Student & Instruction Related Services	1,693,204	-	-	-	1,693,204	1,548,778
Educational Media Services/ School Library	228,077	-	-	-	228,077	197,283
School Administrative Services	813,499	99,422	-	-	912,921	926,003
Other Administrative Services	1,143,910	-	-	-	1,143,910	1,077,637
Plant Operations & Maintenance	1,617,858	-	-	-	1,617,858	1,843,832
Pupil Transportation	894,954	-	-	-	894,954	874,561
Employee Benefits	5,608,421	-	-	-	5,608,421	5,069,778
Capital Outlay	137,915	-	237,930	-	375,845	860,597
Debt Service:						
Principal	-	-	-	3,040,000	3,040,000	2,840,000
Interest & Other Charges	-	-	-	530,381	530,381	710,588
Total Expenditures	<u>21,827,075</u>	<u>583,190</u>	<u>237,930</u>	<u>3,570,381</u>	<u>26,218,576</u>	<u>25,443,069</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>548,285</u>	<u>-</u>	<u>(95,483)</u>	<u>(407,949)</u>	<u>44,853</u>	<u>255,081</u>
Other Financing Sources/(Uses):						
Operating Transfers In/(Out)	(202,821)	-	(205,129)	407,950	-	-
Transfer to Charter Schools	(25,116)	-	-	-	(25,116)	(8,304)
Assets Acquired Under Capital Leases	-	-	-	-	-	249,988
Total Other Financing Sources/(Uses)	<u>(227,937)</u>	<u>-</u>	<u>(205,129)</u>	<u>407,950</u>	<u>(25,116)</u>	<u>241,684</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	<u>320,348</u>	<u>-</u>	<u>(300,612)</u>	<u>1</u>	<u>19,737</u>	<u>496,765</u>
Fund Balance - July 1	<u>4,308,648</u>	<u>-</u>	<u>1,133,906</u>	<u>-</u>	<u>5,442,554</u>	<u>4,945,789</u>
Fund Balance - June 30	<u>\$ 4,628,996</u>	<u>-</u>	<u>\$ 833,294</u>	<u>\$ 1</u>	<u>\$ 5,462,291</u>	<u>\$ 5,442,554</u>

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Total Net Change in Fund Balances - Governmental Funds \$ 19,737

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	(1,007,469)	
Adjustment to Fixed Assets	41,788	
Capital Outlays	283,302	(682,379)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.

Bond Principal	3,040,000
----------------	-----------

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

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

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

Retirement of Lease	46,754
---------------------	--------

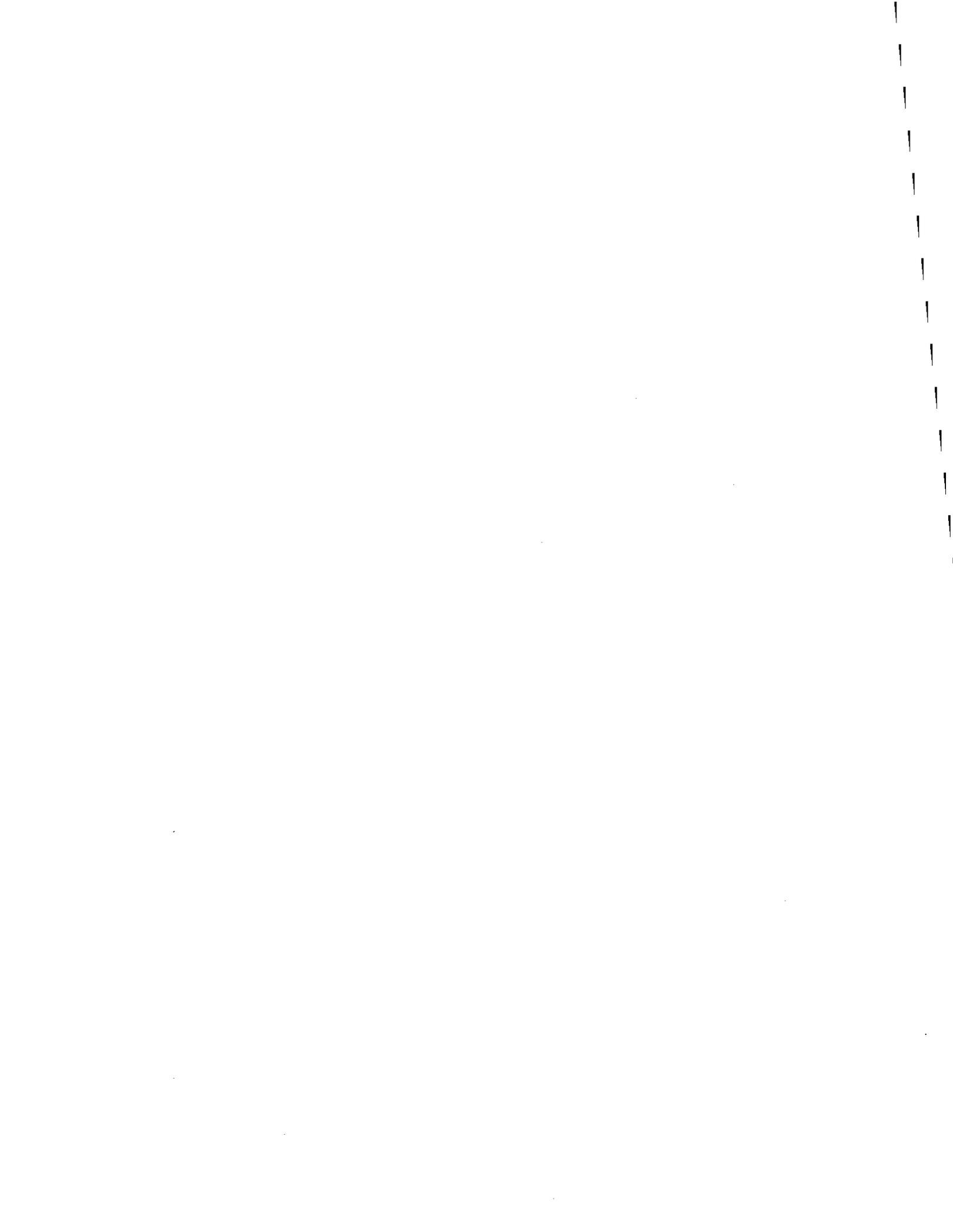
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).

Prior Year	194,515	
Current Year	(163,501)	31,014

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-), when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year	721,962	
Current Year	(884,877)	(162,915)

Change in Net Position of Governmental Activities	\$ 2,257,644
---	--------------



Proprietary Funds



**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	EXTENDED DAY CARE	FOOD SERVICE	JUNE 30, 2013	JUNE 30, 2012
Current Assets:				
Cash & Cash Equivalents	\$ 485,327	\$ 61,102	\$ 546,429	\$ 571,645
Accounts Receivable:				
State	-	-	-	281
Federal	-	-	-	6,272
Inventories	-	9,002	9,002	9,313
Total Current Assets	485,327	70,104	555,431	587,511
Noncurrent Assets:				
Equipment	264,278	86,507	350,785	355,415
Less: Accumulated Depreciation	(61,387)	(86,507)	(147,894)	(244,829)
Total Noncurrent Assets	202,891	-	202,891	110,586
Total Assets	688,218	70,104	758,322	698,097
LIABILITIES				
Interfund Payables	-	8,200	8,200	8,200
Accounts Payable	-	-	-	24,680
Total Liabilities	-	8,200	8,200	32,880
Net Position				
Investment in Capital Assets Net of Related Debt	202,891	-	202,891	110,586
Unreserved Restricted	485,327	61,904	547,231	554,631
Total Net Position	\$ 688,218	\$ 61,904	\$ 750,122	\$ 665,217

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	EXTENDED DAY CARE	FOOD SERVICE	JUNE 30, 2013	JUNE 30, 2012
Operating Revenues:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ -	\$ 205,601	\$ 205,601	\$ 258,605
Total - Daily Sales - Reimbursable Programs	-	205,601	205,601	258,605
Daily Sales Nonreimbursable Programs	-	115,284	115,284	128,424
Special Functions	-	11,770	11,770	12,861
Enrollment Fees	477,286	-	477,286	451,586
<b>Total Operating Revenue</b>	<b>477,286</b>	<b>332,655</b>	<b>809,941</b>	<b>851,476</b>
Operating Expenses:				
Salaries	313,028	204,014	517,042	538,627
Payroll Taxes & Benefits	50,560	33,060	83,620	83,439
Supplies and Materials	-	33,127	33,127	59,625
Management Fee	-	24,733	24,733	27,751
Miscellaneous	70,933	11,894	82,827	39,490
Cost of Sales	-	183,123	183,123	214,679
Depreciation	7,067	-	7,067	14,756
<b>Total Operating Expenses</b>	<b>441,588</b>	<b>489,951</b>	<b>931,539</b>	<b>978,367</b>
<b>Operating Income/(Loss)</b>	<b>35,698</b>	<b>(157,296)</b>	<b>(121,598)</b>	<b>(126,891)</b>
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	-	4,820	4,820	5,870
Federal Sources:				
National School Lunch Program	-	121,897	121,897	126,950
Special Milk Program	-	3,751	3,751	4,358
Healthy Hungry Kids Act	-	5,845	5,845	-
Food Distribution Program	-	34,589	34,589	29,007
Gain/(Loss) on Adjustment to Fixed Assets	35,093	-	35,093	-
Interest Revenue	435	73	508	2,437
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>35,528</b>	<b>170,975</b>	<b>206,503</b>	<b>168,622</b>
<b>Change in Net Position</b>	<b>71,226</b>	<b>13,679</b>	<b>84,905</b>	<b>41,731</b>
<b>Total Net Position - Beginning</b>	<b>616,992</b>	<b>48,225</b>	<b>665,217</b>	<b>623,486</b>
<b>Total Net Position - Ending</b>	<b>\$ 688,218</b>	<b>\$ 61,904</b>	<b>\$ 750,122</b>	<b>\$ 665,217</b>

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	EXTENDED DAY CARE	FOOD SERVICE	JUNE 30, 2013	JUNE 30, 2012
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 477,286	\$ 332,655	\$ 809,941	\$ 851,476
Payments to Employees	(313,028)	(204,014)	(517,042)	(538,627)
Payment to Employee Benefits	(50,560)	(33,060)	(83,620)	(83,439)
Payments to Suppliers	(71,169)	(242,421)	(313,590)	(415,307)
Net Cash Provided/(Used) by Operating Activities	<u>42,529</u>	<u>(146,840)</u>	<u>(104,311)</u>	<u>(185,897)</u>
Cash Flows From Noncapital Financing Activities:				
State Sources	-	5,101	5,101	6,074
Federal Sources	-	137,765	137,765	162,888
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>142,866</u>	<u>142,866</u>	<u>168,962</u>
Cash Flows From Investing Activities:				
Purchase of Fixed Assets	(64,279)		(64,279)	
Interest on Investments	435	73	508	2,437
Net Cash Provided by Investing Activities	<u>(63,844)</u>	<u>73</u>	<u>(63,771)</u>	<u>2,437</u>
Net Increase/(Decrease) in Cash & Cash Equivalents Cash & Cash Equivalents, July 1	<u>(21,315)</u>	<u>(3,901)</u>	<u>(25,216)</u>	<u>(14,498)</u>
Cash & Cash Equivalents, June 30	<u>\$ 485,327</u>	<u>\$ 61,102</u>	<u>\$ 546,429</u>	<u>\$ 571,645</u>

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

Operating Income/(Loss)	\$ 35,698	\$ (157,296)	\$ (121,598)	\$ (126,891)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	7,067	-	7,067	14,756
Food Distribution Program	-	34,589	34,589	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	-	311	311	(2,373)
(Decrease)/Increase in Accounts Payable	-	-	-	(329)
(Decrease)/Increase in Accounts Payable	(236)	(24,444)	(24,680)	(71,060)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 42,529</u>	<u>\$ (146,840)</u>	<u>\$ (104,311)</u>	<u>\$ (185,897)</u>

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



Fiduciary Fund



**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS	AGENCY		PRIVATE PURPOSE		TOTALS	
	STUDENT ACTIVITY	PAYROLL	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	JUNE 30, 2013	JUNE 30, 2012
Cash & Cash Equivalents	\$ 70,745	\$ 4,365	\$ 2,870	\$ 92,076	\$ 170,056	\$ 156,327
Total Assets	70,745	4,365	2,870	92,076	170,056	156,327
<b>LIABILITIES</b>						
Due to Student Groups	70,745	-	-	-	70,745	7,258
Claims Payable	-	(635)	-	5,852	5,217	64,101
Due to General Fund	-	5,000	-	-	5,000	-
Total Liabilities	70,745	4,365	-	5,852	80,962	71,359
<b>Net Position</b>						
Reserved for						
Unemployment Claims	-	-	-	86,224	86,224	81,920
Reserved for Scholarships	-	-	2,870	-	2,870	3,048
Total Net Position	\$ -	\$ -	\$ 2,870	\$ 86,224	\$ 89,094	\$ 84,968

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

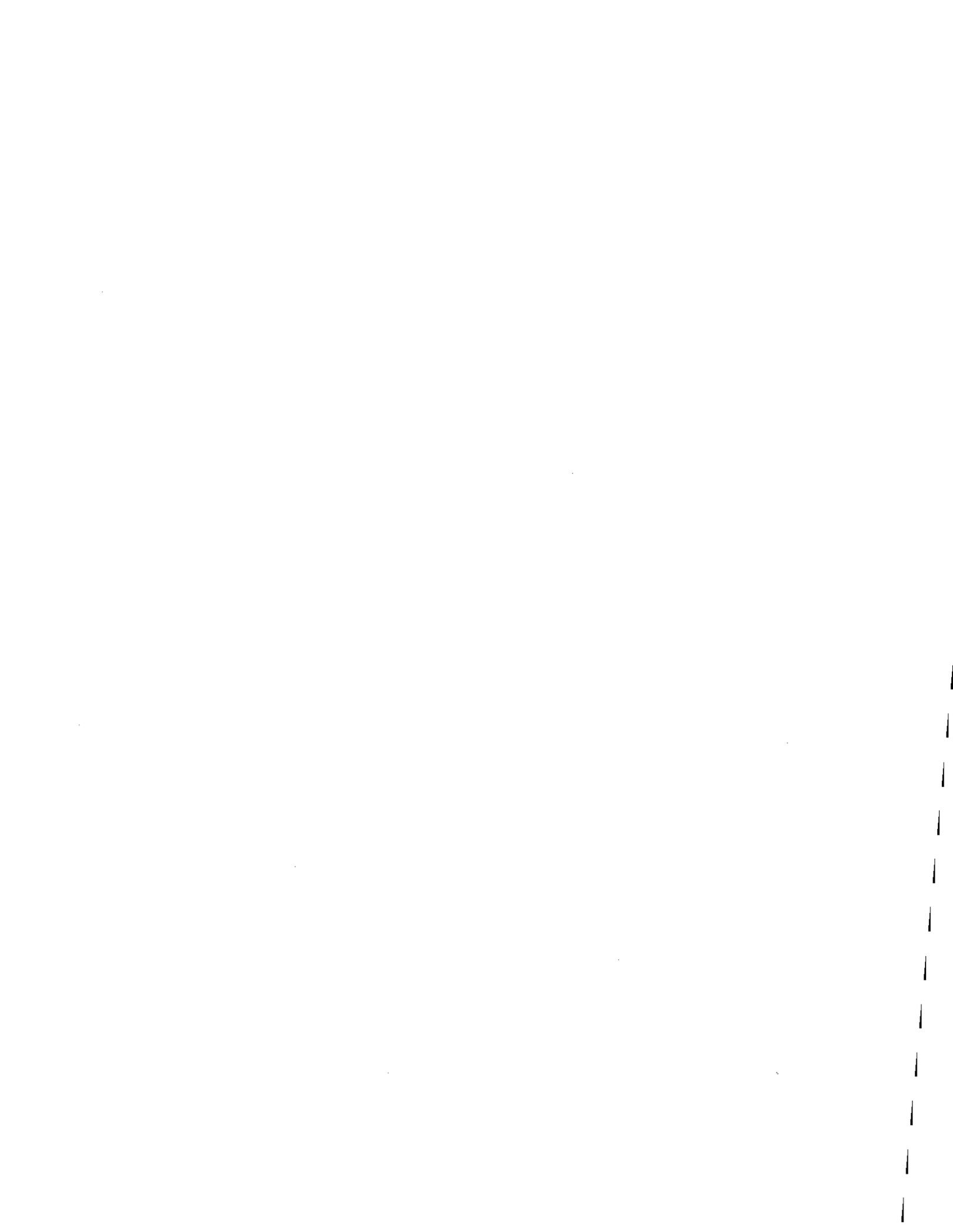
	PRIVATE PUPOSE		TOTALS	
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION	JUNE 30, 2013	JUNE 30, 2012
				(MEMORANDUM ONLY)
<b>ADDITIONS</b>				
Contributions:				
Deductions from Employees' Salaries	\$ -	\$ 21,274	\$ 21,274	\$ -
Contribution from General Fund	-	-	-	12,868
<b>Total Contributions</b>	<b>-</b>	<b>21,274</b>	<b>21,274</b>	<b>12,868</b>
Investment Earnings:				
Interest	2	76	78	444
<b>Net Investment Earnings</b>	<b>2</b>	<b>76</b>	<b>78</b>	<b>444</b>
<b>Total Additions</b>	<b>2</b>	<b>21,350</b>	<b>21,352</b>	<b>13,312</b>
<b>DEDUCTIONS</b>				
Miscellaneous	180	17,046	17,226	60,560
<b>Total Deductions</b>	<b>180</b>	<b>17,046</b>	<b>17,226</b>	<b>60,560</b>
Change in Net Position	(178)	4,304	4,126	(47,248)
Net Position - Beginning of the Year	3,048	81,920	84,968	132,216
<b>Net Position - End of the Year</b>	<b>\$ 2,870</b>	<b>\$ 86,224</b>	<b>\$ 89,094</b>	<b>\$ 84,968</b>

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2013**



# LUMBERTON TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

### Note 1. Summary of Significant Accounting Policies

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

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

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. The District has implemented the following GASB Statements in the current fiscal year: Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, 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 also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2013.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013 and for the year then ended with comparative totals as of and for the year ended June 30, 2012 (Memorandum Only).

#### A. Reporting Entity

The Lumberton Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operation of the District includes four (4) elementary schools located in Lumberton Township. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped students. The Lumberton Township Board of Education has an approximate enrollment at June 30, 2013 of 1,530 students.

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**A. Reporting Entity**

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

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

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

**B. District-Wide and Fund Financial Statements**

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

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

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

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

# LUMBERTON TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

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

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

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

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

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

#### D. Fund Accounting

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

##### Governmental Funds

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

**Governmental Funds (continued):**

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

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

**Proprietary Fund**

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

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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

**Proprietary Fund (continued):**

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

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

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

Machinery and Equipment	7-20 years
-------------------------	------------

**Fiduciary Fund**

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

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

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

**E. Basis of Accounting**

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**E. Basis of Accounting**

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

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

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

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

**F. Budgets/Budgetary Control**

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below.

## LUMBERTON TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

#### **G. Encumbrances**

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

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

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

#### **H. Cash and Cash Equivalents**

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

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

*N.J.S.A.17:9-41* et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**I. Tuition Receivable/Payable**

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2013, which have not been recorded, are not determinable.

The tuition rate adjustments for the year 2010-2011 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

**J. Inventories & Prepaid Expenses**

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditures during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

**K. Short-Term Interfund Receivables/Payables**

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

**L. Capital Assets:**

General capital assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated capital assets are valued at their estimated fair market value on the date received. The general capital assets acquired or constructed were valued by an independent appraisal company. General capital assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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

**L. Capital Assets (continued):**

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

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

**M. Accrued Salaries and Wages**

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2013 for such salaries.

**N. Compensated Absences**

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

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

**O. Unearned Revenue**

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

**P. Long-term Obligations**

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**Q. Fund Equity**

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

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

The Lumberton Township Board of Education uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the Lumberton Township Board of Education would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**R. Subsequent Events**

The Lumberton Township Board of Education has evaluated subsequent events occurring after June 30, 2013 through the date of October 10, 2013, which is the date the financial statements were available to be issued.

**Note 2. Cash and Cash Equivalents**

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2013 and reported at fair value are as follows:

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 2. Cash and Cash Equivalents**

Type	Carrying Value
<b>Deposits</b>	
Demand Deposits	\$ 6,338,223
Total Deposits	<u>\$ 6,338,223</u>
 <b>The District's Cash and Cash Equivalents are Reported as Follows:</b>	
Government Activities	\$ 5,621,738
Business-Type Activities	546,429
Fiduciary Funds	<u>170,056</u>
Total Cash and Cash Equivalents	<u>\$ 6,338,223</u>

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2013, the District’s bank balance of \$7,208,197 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Uninsured and uncollateralized	191,257
Collateralized in the District’s Name Under GUDPA (See Note 3)	<u>6,766,940</u>
Total	<u>\$7,208,197</u>

**Note 3. Capital Reserve Account**

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 3. Capital Reserve Account (continued):**

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

The activity of the capital reserve for the July 01, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$	607,752
June Transfer per Resolution		495,000
Interest Earnings		536
Transfer Out to Capital Projects Fund		<u>(202,821)</u>
Ending Balance, June 30, 2013	\$	<u>900,467</u>

**Note 4. Transfers to Capital Outlay**

During the year ending June 30, 2013, the District transferred \$ -0- to the capital outlay accounts.

**Note 5. Capital Assets**

The following schedule is a summarization of the capital assets by source for the fiscal year ended June 30, 2013:

	June 30, 2012	Additions	Deletions	June 30, 2013
Land	\$ 120,485	\$ -	\$ -	\$ 120,485
Land Improvements	713,300	-	-	713,300
Building & Improvements	38,568,039	190,843	(711,323)	38,047,559
Machinery & Equipment	2,110,949	78,914	(507,245)	1,682,618
Subtotal	41,512,773	269,757	(1,218,568)	40,563,962
Accumulated Depreciation	(14,543,202)	(1,007,469)	1,273,901	(14,276,770)
Total	<u>\$ 26,969,571</u>	<u>\$ (737,712)</u>	<u>\$ 55,333</u>	<u>\$ 26,287,192</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**Note 5. Capital Assets (continued):**

The following is a summary of proprietary fund type capital assets at June 30, 2013:

	June 30, 2012	Additions	Deletions	June 30, 2013
Building & Improvements	\$ 268,908	\$ 64,279	\$ (68,908)	\$ 264,279
Machinery & Equipment	86,507	-	-	86,507
Subtotal	355,415	64,279	(68,908)	350,786
Accumulated Depreciation	(244,829)	(7,067)	104,002	(147,894)
Total	<u>\$ 110,586</u>	<u>\$ 57,212</u>	<u>\$ 35,094</u>	<u>\$ 202,892</u>

**Note 6. Long-Term Obligations**

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

	June 30, 2012	Accrued/ Increases	Retired/ Decreases	June 30, 2013	Due Within One Year
Compensated Absences Payable	\$ 721,962	\$ 162,915	-	\$ 884,877	-
Capital Lease Payable	194,988	-	(46,754)	148,234	48,058
Bonds Payable	17,455,000	-	(3,040,000)	14,415,000	2,510,000
Total	<u>\$ 18,371,950</u>	<u>\$ 162,915</u>	<u>\$ (3,086,754)</u>	<u>\$ 15,448,111</u>	<u>\$ 2,558,058</u>

**A. Bonds Payable:**

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

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

Year-ending June 30,	Principal	Interest	Total
2014	\$ 2,510,000	\$ 467,381	\$ 2,977,381
2015	1,665,000	392,644	2,057,644
2016	1,725,000	342,144	2,067,144
2017	1,255,000	289,693	1,544,693
2018-2022	5,050,000	787,544	5,837,544
2023-2026	2,210,000	184,425	2,394,425
Total	<u>\$ 14,415,000</u>	<u>\$ 2,463,831</u>	<u>\$ 16,878,831</u>

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

**Note 6. Long-Term Obligations**

**B. Bond Issuances**

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

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

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

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

**C. Capital Leases Payable**

The school district is leasing computer equipment totaling purchase price of \$249,988 with a lease term of 5 years and 2.79% annual rate. The following is a schedule of future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2013 are:

<b>Year-ending June 30,</b>	<b>Amount</b>
2014	\$ 52,194
2015	52,194
2016	<u>52,194</u>
Total Minimum Lease Payments	156,582
Less: Amount Representing Interest	<u>(8,348)</u>
Present Value of Lease Payments	<u>\$ 148,234</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 7. Receivables**

Receivables at June 30, 2013 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectable in full due to the stable condition of the other governmental units, State programs and the current year guarantee of federal funds.

Receivables as of year-end for the School District's individual major and proprietary funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
State Aid	\$ 142,839	\$ -	\$ 92,143	\$ 234,982
Federal Aid	742	65,204	-	65,946
Other	14,846	-	-	14,846
Total	<u>\$ 158,427</u>	<u>\$ 65,204</u>	<u>\$ 92,143</u>	<u>\$ 315,774</u>

**Note 8. Pension Plans**

**Plan Descriptions** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

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

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

## LUMBERTON TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

#### Note 8. Pension Plans (continued):

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:6C* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**Note 8. Pension Plans (continued):**

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

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

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

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

**Contribution Requirements** – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

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

**Three-Year Trend Information for PERS**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 275,219	100%	-
6/30/2012	288,448	100%	-
6/30/2011	264,815	100%	-

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

Note 8. Pension Plans (continued):

Three-Year Trend Information for TPAF Pension & Post Retirement Medical Contributions  
(Paid on behalf of the District)

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 1,368,808	100%	-
6/30/2012	982,591	100%	-
6/30/2011	699,203	100%	-

During the year ended June 30, 2013 the State of New Jersey contributed \$1,368,808 to the TPAF for normal pension and post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$760,190 for the year June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 9. Post-Retirement Benefits

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

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 10. Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

Fiscal Year	Distict Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2012-2013	\$ 21,274	\$ 76	\$ 17,046	\$ 86,224
2011-2012	12,868	431	60,460	81,920
2010-2011	70,880	1,389	167,648	129,081

**Note 11. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2013 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Note 12. Economic Dependency**

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

**Note 13. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2013:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 38,577	\$ 15,397
Special Revenue Fund	15,397	-
Debt Service Fund	-	25,377
Proprietary Fund	-	8,200
Trust & Agency Funds	-	5,000
Total	<u>\$ 53,974</u>	<u>\$ 53,974</u>

**Note 14. Fund Balance Disclosures**

**General Fund (Exhibit B-1)** – Of the \$4,628,996 General Fund balance at June 30, 2013; \$49,999 has been committed to year-end encumbrances; \$2,235,189 has been restricted as excess surplus and has been appropriated and included as anticipated revenue for year ending June 30, 2014; \$900,467 has been restricted for the Capital Reserve Account; \$1,805,388 has been restricted for excess surplus; \$-0- has been appropriated and also included as anticipated revenue for the year ending June 30, 2014 and \$(362,047) is unassigned.

**Capital Projects Fund (Exhibit B-1)** – Of the \$833,294 Capital Projects Fund fund balance at June 30, 2013; \$383,237 has been committed to year-end encumbrances, and \$450,057 is restricted for Capital Projects.

**Note 15. Deferred Compensation**

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

AXA Equitable  
Lincoln Investments  
The Vanguard Group

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 16. Compensated Absences**

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2013 is \$884,877.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013 no liability existed for compensated absences in the proprietary fund types.

**Note 17. Calculation of Excess Surplus**

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$1,805,388.

**Note 18. Joint Insurance Fund**

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

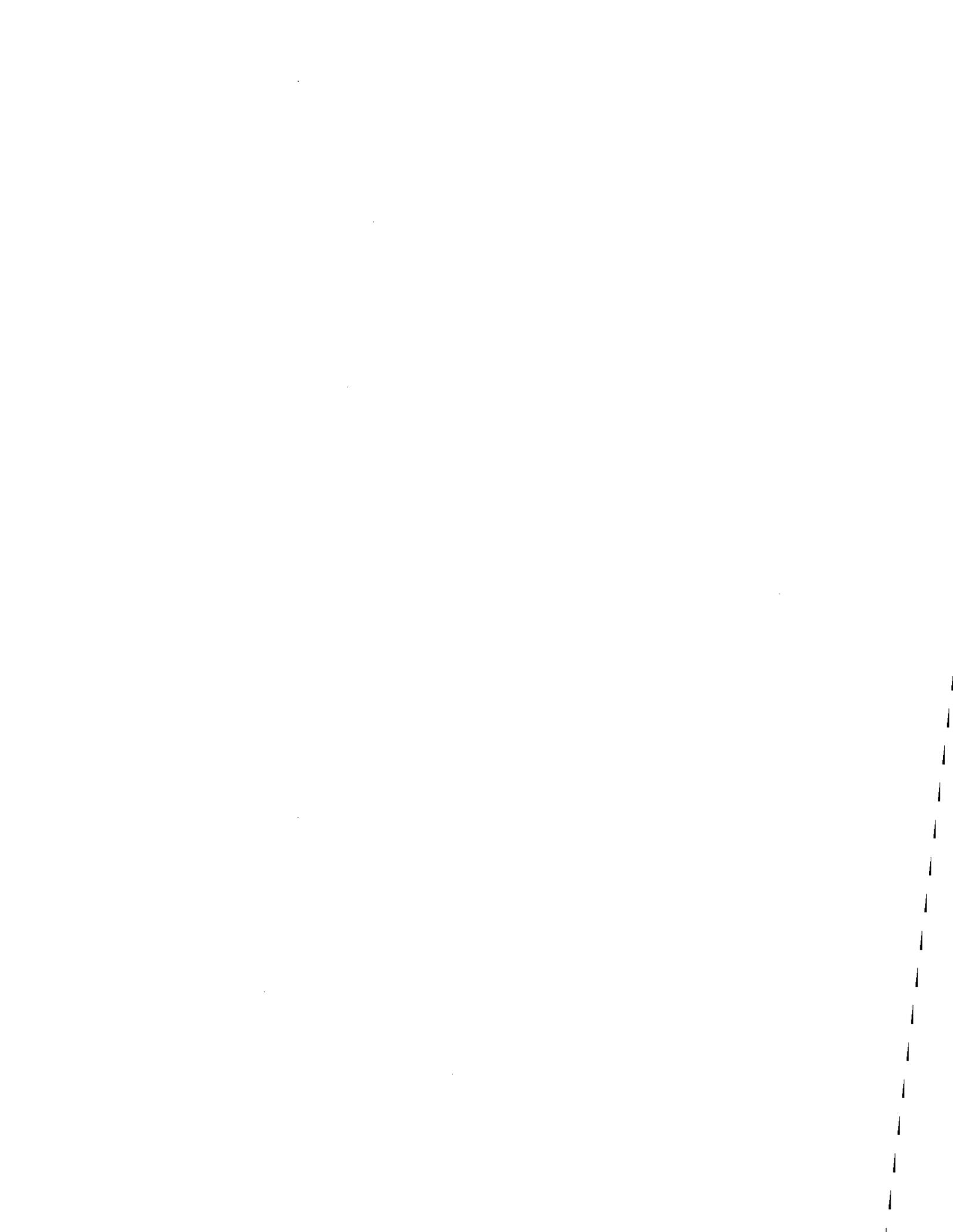
No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2013 for the joint insurance pool.



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**



### C. Budgetary Comparison Schedules



LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:											
Local Sources:											
Local Tax Levy	10-1210-000-000	\$11,926,593	\$ -	\$ 11,926,593	\$ 11,926,593	\$ -	\$ 11,692,738	\$ -	\$ 11,692,738	\$ 11,692,738	\$ -
Tuition	10-1300-000-000	-	-	-	27,045	27,045	-	-	-	27,449	27,449
Interest	10-1000-000-000	-	-	-	-	-	-	-	-	26,443	26,443
Interest on Capital Reserve	10-1000-000-000	900	-	900	-	(900)	4,000	-	4,000	885	(3,115)
Miscellaneous	10-1000-000-000	25,000	-	25,000	81,555	56,555	30,000	-	30,000	111,760	81,760
<b>Total Local Sources</b>		<b>11,952,493</b>	<b>-</b>	<b>11,952,493</b>	<b>12,035,193</b>	<b>82,700</b>	<b>11,726,738</b>	<b>-</b>	<b>11,726,738</b>	<b>11,859,275</b>	<b>132,537</b>
State Sources:											
Categorical Transportation Aid	10-3121-000-000	210,603	-	210,603	210,603	-	-	-	-	160,751	160,751
Categorical Special Education Aid	10-3132-000-000	903,309	-	903,309	903,309	-	855,267	-	855,267	855,267	-
Equalization Aid	10-3176-000-000	6,878,221	-	6,878,221	6,878,221	-	6,881,830	-	6,881,830	6,881,830	-
Categorical Security Aid	10-3177-000-000	137,187	-	137,187	137,187	-	72,631	-	72,631	134,297	61,666
Adjustment Aid	10-3178-000-000	36,007	-	36,007	36,007	-	-	-	-	-	-
Other State Aid											
Homeless Reimbursement	10-3000-000-000	-	-	-	3,056	3,056	-	-	-	51,313	51,313
Nonpublic School Transportation		-	-	-	17,852	17,852	-	-	-	14,616	14,616
Extraordinary Aid	10-3131-000-000	-	-	-	8,900	8,900	-	-	-	10,083	10,083
Nonbudgeted:											
On-Bhalf TPAF:											
Post-Retirement Medical Contributions		-	-	-	726,401	726,401	-	-	-	-	-
Normal Pension Contributions		-	-	-	642,407	642,407	-	-	-	982,591	982,591
Reimbursed TPAF Social Security		-	-	-	760,190	760,190	-	-	-	708,789	708,789
<b>Total State Sources</b>		<b>8,165,327</b>	<b>-</b>	<b>8,165,327</b>	<b>10,324,133</b>	<b>2,158,806</b>	<b>7,809,728</b>	<b>-</b>	<b>7,809,728</b>	<b>9,799,537</b>	<b>1,989,809</b>
Federal Sources:											
Medicaid Reimbursement	10-4200-000-000	21,607	-	21,607	35,137	13,530	20,213	-	20,213	41,895	21,682
Education Jobs Fund	18-4522-000-000	-	742	742	742	-	288,261	9,031	297,292	297,292	-
<b>Total Federal Sources</b>		<b>21,607</b>	<b>742</b>	<b>22,349</b>	<b>35,879</b>	<b>13,530</b>	<b>308,474</b>	<b>9,031</b>	<b>317,505</b>	<b>339,187</b>	<b>21,682</b>
<b>Total Revenues</b>		<b>20,139,427</b>	<b>742</b>	<b>20,140,169</b>	<b>22,395,205</b>	<b>2,255,036</b>	<b>19,844,940</b>	<b>9,031</b>	<b>19,853,971</b>	<b>21,997,999</b>	<b>2,144,028</b>
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool/Kindergarten	11-110-100-101	237,900	(25,851)	212,049	212,049	-	268,193	-	268,193	228,287	39,906
Grades 1 - 5	11-120-100-101	3,066,374	105,987	3,172,361	3,160,166	12,195	2,934,275	-	2,934,275	2,789,163	145,112
Grades 6 - 8	11-130-100-101	2,079,609	(33,763)	2,045,846	2,042,369	3,477	2,031,952	-	2,031,952	1,907,944	124,008

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET				ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Home Instruction - Regular Programs:											
Salaries of Teachers	11-150-100-101	6,500	16,566	23,066	22,885	181	6,000	18,520	24,520	23,650	870
Purchased Professional - Educational Services	11-150-100-320	2,000	(1,900)	100	-	100	2,000	(2,000)	-	-	-
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	203,780	(46,766)	157,014	150,990	6,024	204,030	(7,500)	196,530	153,420	43,110
Purchased Professional - Educational Services	11-190-100-320	39,500	(14,273)	25,227	16,985	8,242	39,500	(9,020)	30,480	15,582	14,898
Purchased Technical Services	11-190-100-340	7,200	(800)	6,400	4,410	1,990	7,220	-	7,220	2,405	4,815
General Supplies	11-190-100-610	266,191	6,450	272,641	241,702	30,939	238,923	1,228	240,151	205,649	34,502
Textbooks	11-190-100-640	17,195	(6,350)	10,845	6,196	4,649	12,885	(500)	12,385	10,185	2,200
Other Objects	11-190-100-890	955	-	955	796	159	951	-	951	871	80
Total Regular Programs		5,927,204	(700)	5,926,504	5,858,548	67,956	5,745,929	728	5,746,657	5,337,156	409,501
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	378,091	75,316	453,407	453,405	2	377,211	-	377,211	365,028	12,183
Other Salaries for Instruction	11-204-100-106	229,737	(24,600)	205,137	205,121	16	249,661	-	249,661	221,995	27,666
General Supplies	11-204-100-610	4,916	-	4,916	4,591	325	6,720	-	6,720	6,032	688
Textbooks	11-204-100-640	250	-	250	-	250	425	-	425	247	178
Total Learning &/or Language Disabilities		612,994	50,716	663,710	663,117	593	634,017	-	634,017	593,302	40,715
Resource Room / Resource Center:											
Salaries of Teachers	11-213-100-101	1,368,586	(89,316)	1,279,270	1,278,760	510	1,392,221	(7,000)	1,385,221	1,265,445	119,776
Other Salaries for Instruction	11-213-100-106	312,922	33,000	345,922	341,277	4,645	298,208	14,126	312,334	307,803	4,531
General Supplies	11-213-100-610	14,127	-	14,127	11,031	3,096	9,689	(578)	9,111	7,785	1,326
Textbooks	11-213-100-640	250	-	250	-	250	500	-	500	260	240
Total Resource Room/Resource Center		1,695,885	(56,316)	1,639,569	1,631,068	8,501	1,700,618	6,548	1,707,166	1,581,293	125,873
Autism:											
Salaries of Teachers	11-214-100-101	45,195	37,200	82,395	82,385	10	63,076	-	63,076	37,453	25,623
Other Salaries for Instruction	11-214-100-106	8,914	27,400	36,314	35,365	949	23,711	(5,737)	17,974	8,161	9,813
General Supplies	11-214-100-610	1,150	-	1,150	452	698	1,200	(26)	1,174	700	474

53

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Autism	55,259	64,600	119,859	118,202	1,657	87,987	(5,763)	82,224	46,314	35,910
Preschool Disabilities - Part-Time:										
Salaries of Teachers 11-215-100-101	158,868	6,015	164,883	164,881	2	154,972	-	154,972	151,950	3,022
Other Salaries for Instruction 11-215-100-106	50,573	(8,815)	41,758	39,145	2,613	55,539	(100)	55,439	49,078	6,361
General Supplies 11-215-100-610	2,400	-	2,400	911	1,489	1,657	126	1,783	1,745	38
Total Preschool Disabilities - Part-Time	211,841	(2,800)	209,041	204,937	4,104	212,168	26	212,194	202,773	9,421
Total Special Education	2,575,979	56,200	2,632,179	2,617,324	14,855	2,634,790	811	2,635,601	2,423,682	211,919
Basic Skills/Remedial - Instruction:										
Salaries of Teachers 11-230-100-101	242,030	(38,900)	203,130	185,758	17,372	153,734	-	153,734	150,272	3,462
Other Salaries for Instruction 11-230-100-106	129,971	8,900	138,871	133,255	5,616	118,071	7,000	125,071	121,070	4,001
General Supplies 11-230-100-610	11,344	-	11,344	9,322	2,022	16,015	(200)	15,815	14,770	1,045
Total Basic Skills/Remedial - Instruction	383,345	(30,000)	353,345	328,335	25,010	287,820	6,800	294,620	286,112	8,508
Bilingual Education - Instruction:										
Salaries of Teachers 11-240-100-101	83,239	1,800	85,039	85,036	3	81,999	-	81,999	77,283	4,716
General Supplies 11-240-100-610	1,714	-	1,714	1,098	616	1,600	-	1,600	1,492	108
Textbooks 11-240-100-640	1,550	-	1,550	1,520	30	1,300	-	1,300	985	315
Total Bilingual Education - Instruction	86,503	1,800	88,303	87,654	649	84,899	-	84,899	79,760	5,139
School Sponsored Cocurricular Activities:										
Salaries 11-401-100-100	71,840	-	71,840	52,743	19,097	68,911	(2,778)	66,133	50,930	15,203
Supplies and Materials 11-401-100-600	5,860	-	5,860	2,057	3,803	5,267	-	5,267	1,723	3,544
Total School Sponsored Cocurricular - Activities	77,700	-	77,700	54,800	22,900	74,178	(2,778)	71,400	52,653	18,747

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	36,522	-	36,522	29,666	6,856	33,946	-	33,946	29,090	4,856
Supplies and Materials	11-402-100-600	2,649	(675)	1,974	1,507	467	3,199	-	3,199	2,237	962
Other Objects	11-402-100-800	4,390	-	4,390	3,984	406	4,235	-	4,235	3,177	1,058
Total School Sponsored Athletics - Instruction		43,561	(675)	42,886	35,157	7,729	41,380	-	41,380	34,504	6,876
Total - Instruction		9,094,292	26,625	9,120,917	8,981,818	139,099	8,868,996	5,561	8,874,557	8,213,867	660,690
Undistributed Expenditures											
Instruction:											
Tuition to Other LEAs Within State											
Special	11-000-100-562	120,000	(23,625)	96,375	36,937	59,438	147,050	(65,164)	81,886	74,086	7,800
Tuition to CSSD & Regional Day School	11-000-100-565	420,000	(121,252)	298,748	253,015	45,733	308,650	56,698	365,348	357,392	7,956
Tuition to Private Schools for Disabled Within the State	11-000-100-566	425,000	96,688	521,688	177,784	343,904	451,872	(1,225)	450,647	116,424	334,223
Tuition Other	11-000-100-569	6,000	-	6,000	1,800	4,200	5,500	-	5,500	3,400	2,100
Total Undistributed Expenditures - Instruction		971,000	(48,189)	922,811	469,536	453,275	913,072	(9,691)	903,381	551,302	352,079
Health Services:											
Salaries	11-000-213-100	220,145	4,182	224,327	223,219	1,108	218,125	-	218,125	213,375	4,750
Purchased Professional & Technical Services	11-000-213-300	19,000	-	19,000	8,850	10,150	18,500	-	18,500	8,450	10,050
Supplies and Materials	11-000-213-600	6,166	-	6,166	5,814	352	6,286	-	6,286	4,879	1,407
Total Health Services		245,311	4,182	249,493	237,883	11,610	242,911	-	242,911	226,704	16,207
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	341,170	(12,000)	329,170	329,075	95	332,922	(8,500)	324,422	291,929	32,493
Purchased Professional - Educational Services	11-000-216-320	5,000	-	5,000	1,209	3,791	5,000	8,500	13,500	-	13,500
Supplies and Materials	11-000-216-600	4,161	(100)	4,061	3,675	386	4,164	-	4,164	3,568	596

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Other Support Services - Students - Related Services	350,331	(12,100)	338,231	333,959	4,272	342,086	-	342,086	295,497	46,589
Other Support Services - Students - Extraordinary Services:										
Salaries 11-000-217-100	109,352	3,380	112,732	111,229	1,503	105,879	(1,700)	104,179	98,312	5,867
Purchased Professional & Educational Services 11-000-217-320	40,000	(24,260)	15,740	14,798	942	39,461	1,700	41,161	15,278	25,883
Supplies and Materials 11-000-217-600	2,300	-	2,300	635	1,665	1,200	(1,200)	-	-	-
Total Other Support Services - Students - Extraordinary Services	151,652	(20,880)	130,772	126,662	4,110	146,540	(1,200)	145,340	113,590	31,750
Other Support Services - Students - Regular:										
Salaries of Other Professional Staff 11-000-218-104	333,652	9,082	342,734	341,888	846	328,231	(100)	328,131	317,740	10,391
Salaries of Secretarial & Clerical Assistants 11-000-218-105	23,392	-	23,392	23,278	114	22,703	100	22,803	22,709	94
Total Other Support Services - Students - Regular	357,044	9,082	366,126	365,166	960	350,934	-	350,934	340,449	10,485
Other Support Services - Students - Special Services:										
Salaries of Other Professional Staff 11-000-219-104	593,484	11,693	605,177	605,176	1	614,203	-	614,203	566,789	47,414
Salaries of Secretarial & Clerical Assistants 11-000-219-105	50,389	-	50,389	50,142	247	48,923	-	48,923	48,919	4
Purchased Professional - Educational Services 11-000-219-320	16,000	(10,550)	5,450	5,445	5	16,000	-	16,000	7,388	8,612
Supplies and Materials 11-000-219-600	7,000	-	7,000	5,372	1,628	7,000	(1,000)	6,000	4,689	1,311
Other Objects 11-000-219-800	1,120	-	1,120	1,093	27	1,019	-	1,019	878	141
Total Other Support Services - Students - Special Services	667,993	1,143	669,136	667,228	1,908	687,145	(1,000)	686,145	628,663	57,482

56

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE)	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Improvement of Instruction Services:											
Salaries of Supervisors of Instruction	11-000-221-102	98,836	241	99,077	99,077	-	96,425	-	96,425	96,425	-
Total Improvement of Instruction Services		98,836	241	99,077	99,077	-	96,425	-	96,425	96,425	-
Educational Media Services/School Library:											
Salaries	11-000-222-100	156,645	3,864	160,509	159,545	964	154,310	-	154,310	151,300	3,010
Purchased Professional & Technical Services	11-000-222-300	13,361	-	13,361	12,502	859	17,739	-	17,739	11,662	6,077
Supplies and Materials	11-000-222-600	71,986	(12,440)	59,546	56,030	3,516	38,389	(1,000)	37,389	32,921	4,468
Other Objects	11-000-222-800	-	-	-	-	-	10,616	-	10,616	1,400	9,216
Total Educational Media Services/School Library		241,992	(8,576)	233,416	228,077	5,339	221,054	(1,000)	220,054	197,283	22,771
Instructional Staff Training Services:											
Salaries of Supervisors of Instruction	11-000-223-102	22,381	917	23,298	23,298	-	21,835	-	21,835	21,835	-
Salaries of Other Professional Staff	11-000-223-104	20,000	195	20,195	6,528	13,667	5,000	2,778	7,778	2,577	5,201
Salaries of Secretarial & Clerical Assistants	11-000-223-105	42,324	-	42,324	41,303	1,021	41,503	-	41,503	40,203	1,300
Purchased Professional - Educational Services	11-000-223-320	26,000	-	26,000	14,493	11,507	1,000	-	1,000	729	271
Other Purchased Professional & Technical Services	11-000-223-390	2,000	-	2,000	1,227	773	1,500	-	1,500	1,300	200
Other Purchased Services	11-000-223-500	5,000	30,000	35,000	11,883	23,117	5,000	22	5,022	4,587	435
Supplies and Materials	11-000-223-600	4,000	6	4,006	1,010	2,996	1,500	287	1,787	1,499	288
Other Objects	11-000-223-800	2,450	-	2,450	1,370	1,080	2,350	-	2,350	1,424	926
Total Instructional Staff Training Services		124,155	31,118	155,273	101,112	54,161	79,688	3,087	82,775	74,154	8,621
Support Services General Administration:											
Salaries	11-000-230-100	213,063	-	213,063	212,795	268	212,460	-	212,460	211,459	1,001

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE)	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Support Services General Administration (continued):											
Salaries of Attorneys	11-000-230-108	46,777	-	46,777	40,787	5,990	44,457	-	44,457	41,024	3,433
Legal Services	11-000-230-331	35,500	(6,700)	28,800	12,360	16,440	35,500	(3,500)	32,000	26,865	5,135
Audit Services	11-000-230-332	23,000	-	23,000	21,000	2,000	22,000	-	22,000	20,200	1,800
Other Purchased Professional Services	11-000-230-339	5,500	-	5,500	3,607	1,893	6,000	-	6,000	2,695	3,305
Purchased Technical Services	11-000-230-340	13,500	3,000	16,500	8,038	8,462	14,500	10,000	24,500	15,644	8,856
Communications/Telephone	11-000-230-530	43,190	(5,000)	38,190	28,336	9,854	40,740	(4,000)	36,740	28,506	8,234
BOE Other Purchased Services	11-000-230-585	27,500	(17,000)	10,500	4,414	6,086	25,000	(15,000)	10,000	5,155	4,845
Other Purchased Services (400-500s)	11-000-230-590	-	17,000	17,000	3,577	13,423	-	15,091	15,091	5,518	9,573
General Supplies	11-000-230-610	26,400	8,200	34,600	32,355	2,245	24,200	-	24,200	8,026	16,174
Miscellaneous Expenditures	11-000-230-890	2,500	-	2,500	2,216	284	2,380	-	2,380	2,116	264
BOE Membership Dues & Fees	11-000-230-895	18,320	2,500	20,820	20,048	772	18,495	-	18,495	16,984	1,511
<b>Total Support Services General Administration</b>		<b>455,250</b>	<b>2,000</b>	<b>457,250</b>	<b>389,533</b>	<b>67,717</b>	<b>445,732</b>	<b>2,591</b>	<b>448,323</b>	<b>384,192</b>	<b>64,131</b>
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	537,173	-	537,173	528,723	8,450	535,097	12,000	547,097	542,039	5,058
Salaries of Secretarial & Clerical Assistants	11-000-240-105	274,760	-	274,760	262,828	11,932	266,874	-	266,874	264,319	2,555
Other Salaries	11-000-240-110	7,656	-	7,656	7,419	237	7,238	-	7,238	7,198	40
Supplies and Materials	11-000-240-600	13,480	26	13,506	9,481	4,025	10,963	300	11,263	9,334	1,929
Other Objects	11-000-240-800	6,095	-	6,095	5,048	1,047	5,760	-	5,760	5,165	595
<b>Total Support Services School Administration</b>		<b>839,164</b>	<b>26</b>	<b>839,190</b>	<b>813,499</b>	<b>25,691</b>	<b>825,932</b>	<b>12,300</b>	<b>838,232</b>	<b>828,055</b>	<b>10,177</b>
Central Services:											
Salaries	11-000-251-100	397,212	-	397,212	395,771	1,441	384,939	-	384,939	383,692	1,247
Purchased Professional Services	11-000-251-330	19,000	3,500	22,500	20,785	1,715	18,000	1,200	19,200	15,648	3,552
Other Purchased Services	11-000-251-592	5,000	-	5,000	290	4,710	5,000	-	5,000	2,222	2,778
Supplies and Materials	11-000-251-600	4,500	-	4,500	3,206	1,294	4,500	-	4,500	608	3,892
Interest for Lease Purchase Agreement	11-000-251-832	6,441	-	6,441	5,455	986	10,500	(6,200)	4,300	500	3,800
Miscellaneous Expenditures	11-000-251-890	2,025	-	2,025	1,351	674	2,025	-	2,025	1,964	61

58

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE)	JUNE 30, 2012				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total Central Services	434,178	3,500	437,678	426,858	10,820	424,964	(5,000)	419,964	404,634	15,330
Administration Information Technology:										
Salaries 11-000-252-100	114,504	-	114,504	114,184	320	109,416	1,698	111,114	111,112	2
Purchased Technical Services 11-000-252-340	75,000	(9,490)	65,510	64,878	632	40,000	(1,200)	38,800	38,795	5
Supplies and Materials 11-000-252-600	155,000	9,000	164,000	147,657	16,343	140,000	(498)	139,502	138,104	1,398
Miscellaneous Expenditures 11-000-252-800	1,100	-	1,100	800	300	1,100	-	1,100	800	300
Total Administration Information Technology	345,604	(490)	345,114	327,519	17,595	290,516	-	290,516	288,811	1,705
Allowable Maintenance for School Facilities:										
Salaries 11-000-261-100	4,000	-	4,000	3,606	394	3,500	-	3,500	3,312	188
Cleaning, Repair & Maintenance Services 11-000-261-420	103,800	32,000	135,800	135,607	193	77,750	52,000	129,750	126,183	3,567
General Supplies 11-000-261-610	72,950	(19,000)	53,950	50,054	3,896	70,650	(2,000)	68,650	66,631	2,019
Other Objects 11-000-261-800	12,090	(6,000)	6,090	2,984	3,106	12,090	-	12,090	3,474	8,616
Total Allowable Maintenance for School Facilities	192,840	7,000	199,840	192,251	7,589	163,990	50,000	213,990	199,600	14,390
Other Operation & Maintenance of Plant:										
Salaries 11-000-262-100	784,459	-	784,459	684,355	100,104	761,971	-	761,971	689,220	72,751
Purchased Professional & Technical Services 11-000-262-300	10,500	-	10,500	5,799	4,701	10,000	(2,000)	8,000	7,468	532
Cleaning, Repair & Maintenance Services 11-000-262-420	203,633	(2,000)	201,633	173,138	28,495	210,550	(14,000)	196,550	190,979	5,571
Rental of Land & Building 11-000-262-441	2,000	-	2,000	1,617	383	2,000	(1,500)	500	500	500
Other Purchased Property Services 11-000-262-490	92,000	-	92,000	88,519	3,481	82,500	6,500	89,000	87,641	1,359
Insurance 11-000-262-520	66,730	-	66,730	60,275	6,455	69,550	-	69,550	56,330	13,220
General Supplies 11-000-262-610	80,000	(1,500)	78,500	77,435	1,065	80,000	(15,000)	65,000	63,228	1,772
Energy (Electricity) 11-000-262-622	420,000	(5,000)	415,000	169,145	245,855	552,000	(16,500)	535,500	398,154	137,346
Energy (Natural Gas) 11-000-262-621	205,000	-	205,000	84,961	120,039	195,000	(14,500)	180,500	58,033	122,467
Energy (Gasoline) 11-000-262-626	6,000	-	6,000	-	6,000	6,000	4,500	10,500	10,459	41
Other Objects 11-000-262-800	3,000	-	3,000	1,075	1,925	3,500	(2,000)	1,500	1,385	115

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Other Operation & Maintenance of Plant	1,873,322	(8,500)	1,864,822	1,346,319	518,503	1,973,071	(54,500)	1,918,571	1,562,897	355,674	
Care & Upkeep of Grounds:											
Other Purchased Professional											
Salaries	11-000-263-100	64,030	-	64,030	63,387	643	63,076	-	63,076	61,845	1,231
Technical Services	11-000-263-300	11,000	(5,000)	6,000	4,953	1,047	11,000	(1,000)	10,000	9,930	70
General Supplies	11-000-263-610	4,500	6,500	11,000	10,948	52	4,500	5,500	10,000	9,560	440
Total Care & Upkeep of Grounds		79,530	1,500	81,030	79,288	1,742	78,576	4,500	83,076	81,335	1,741
Student Transportation Services:											
Contracted Services (Between Home & School) - Vendors	11-000-270-511	465,000	-	465,000	442,280	22,720	465,000	(11,000)	454,000	425,635	28,365
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	8,365	675	9,040	8,519	521	8,445	-	8,445	6,460	1,985
Contracted Services (Between Home & School) - Joint	11-000-270-513	-	-	-	-	-	-	1,000	1,000	357	643
Contracted Services (Special Education Students) - Vendors	11-000-270-514	71,697	-	71,697	50,459	21,238	56,770	16,000	72,770	72,744	26
Contracted Services (Special Education Students) - Joint	11-000-270-515	30,000	-	30,000	-	30,000	40,000	(10,000)	30,000	-	30,000
Contracted Services (Regular Students) - ESC's	11-000-270-517	91,000	-	91,000	84,548	6,452	80,000	10,000	90,000	84,732	5,268
Contracted Services (Special Education Students) - ESC's	11-000-270-518	325,000	-	325,000	247,445	77,555	350,000	(6,000)	344,000	228,805	115,195
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	75,000	-	75,000	61,703	13,297	90,000	-	90,000	55,828	34,172
Total Student Transportation Services		1,066,062	675	1,066,737	894,954	171,783	1,090,215	-	1,090,215	874,561	215,654
Unallocated Benefits - Employee Benefits:											
Social Security	11-000-291-220	320,855	-	320,855	230,931	89,924	332,652	14,243	346,895	230,736	116,159
Other Retirement Contributions - Regular	11-000-291-241	300,000	-	300,000	275,219	24,781	300,174	-	300,174	288,448	11,726
Unemployment Compensation	11-000-291-250	200,000	-	200,000	593	199,407	320,000	-	320,000	626	319,374

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE)	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	
	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL	
Unallocated Benefits - Employee Benefits (continued):											
Workmen's Compensation	11-000-291-260	73,500	-	73,500	72,253	1,247	70,000	-	70,000	67,583	2,417
Health Benefits	11-000-291-270	3,145,400	742	3,146,142	2,839,034	307,108	3,273,403	-	3,273,403	2,727,043	546,360
Tuition Reimbursements	11-000-291-280	35,000	-	35,000	-	35,000	-	35,000	35,000	2,509	32,491
Other Employee Benefits	11-000-291-290	93,500	-	93,500	61,393	32,107	99,000	-	99,000	61,453	37,547
<b>Total Unallocated Benefits</b>		<b>4,168,255</b>	<b>742</b>	<b>4,168,997</b>	<b>3,479,423</b>	<b>689,574</b>	<b>4,430,229</b>	<b>14,243</b>	<b>4,444,472</b>	<b>3,378,398</b>	<b>1,066,074</b>
Nonbudgeted:											
On-Bhalf TPAF:											
Post-Retirement Medical Contributions		-	-	-	726,401	(726,401)	-	-	-	-	-
Normal Pension Contributions		-	-	-	642,407	(642,407)	-	-	-	982,591	(982,591)
Reimbursed TPAF Social Security		-	-	-	760,190	(760,190)	-	-	-	708,789	(708,789)
<b>Total Undistributed Expenditures</b>		<b>12,662,519</b>	<b>(37,526)</b>	<b>12,624,993</b>	<b>12,707,342</b>	<b>(82,349)</b>	<b>12,803,080</b>	<b>14,330</b>	<b>12,817,410</b>	<b>12,217,930</b>	<b>599,480</b>
<b>Total Expenditures - Current Expense</b>		<b>21,756,811</b>	<b>(10,901)</b>	<b>21,745,910</b>	<b>21,689,160</b>	<b>56,750</b>	<b>21,672,076</b>	<b>19,891</b>	<b>21,691,967</b>	<b>20,431,797</b>	<b>1,260,170</b>
Capital Outlay:											
Interest Deposit to Capital Reserve	10-604-000-000	900	-	900	-	900	4,000	-	4,000	-	4,000
<b>Total Increase in Capital Reserve</b>		<b>900</b>	<b>-</b>	<b>900</b>	<b>-</b>	<b>900</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>
Equipment:											
Regular Programs - Instruction:											
Grades 1 - 5	12-120-100-730	3,000	3,500	6,500	3,219	3,281	-	-	-	-	-
Grades 6 - 8	12-130-100-730	10,800	-	10,800	7,694	3,106	6,000	-	6,000	5,995	5
Support Services Students -											
Special Services	12-000-219-730	-	-	-	-	-	-	2,950	2,950	2,950	-
Administrative Info Technology	12-000-252-730	30,800	-	30,800	26,073	4,727	22,000	-	22,000	20,243	1,757
Custodial Services	12-000-262-730	25,000	-	25,000	8,386	16,614	25,000	-	25,000	23,940	1,060
Care and Upkeep of Grounds	12-000-263-730	17,500	-	17,500	-	17,500	17,500	-	17,500	13,836	3,664
Security	12-000-266-730	5,000	-	5,000	-	5,000	5,000	-	5,000	2,500	2,500
Non-Instructional Services	12-000-300-730	10,000	-	10,000	-	10,000	10,000	-	10,000	-	10,000
<b>Total Equipment</b>		<b>102,100</b>	<b>3,500</b>	<b>105,600</b>	<b>45,372</b>	<b>60,228</b>	<b>85,500</b>	<b>2,950</b>	<b>88,450</b>	<b>69,464</b>	<b>18,986</b>
Facilities Acquisition & Construction Services:											
Lease Purchase Agreement	12-000-400-721	46,754	-	46,754	46,754	-	50,000	5,000	55,000	55,000	-
Other Objects	12-000-400-800	-	-	-	-	-	33,364	5,737	39,101	39,101	-
Assessment for Debt Service	12-000-400-896	45,789	-	45,789	45,789	-	-	-	-	-	-
<b>Total Facilities Acquisition &amp; Construction Services</b>		<b>92,543</b>	<b>-</b>	<b>92,543</b>	<b>92,543</b>	<b>-</b>	<b>83,364</b>	<b>10,737</b>	<b>94,101</b>	<b>94,101</b>	<b>-</b>

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	JUNE 30, 2013		ACTUAL	POSITIVE/ (NEGATIVE)	JUNE 30, 2012		ACTUAL	POSITIVE/ (NEGATIVE)		
	BUDGET	TRANSFERS		ACTUAL	BUDGET	TRANSFERS		ACTUAL		
Assets Acquired Under Capital Leases (Nonbudgeted):										
Undistributed Expenditures:										
Instructional Equipment	-	-	-	-	-	-	249,988	(249,988)		
Total Assets Acquired Under Capital Leases (Nonbudgeted)	-	-	-	-	-	-	249,988	(249,988)		
Total Capital Outlay	195,543	3,500	199,043	137,915	61,128	172,864	13,687	186,551	413,553	(227,002)
Total Expenditures	21,952,354	(7,401)	21,944,953	21,827,075	117,878	21,844,940	33,578	21,878,518	20,845,350	1,033,168
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures Before Other Financing Sources/(Uses)	(1,812,927)	8,143	(1,804,784)	568,130	2,372,914	(2,000,000)	(24,547)	(2,024,547)	1,152,649	3,177,196
Other Financing Sources/(Uses):										
Operating Transfers In/(Out):										
Capital Reserve - Transfer to Debt Service	-	-	-	(202,821)	(202,821)	(349,750)	-	(349,750)	(349,750)	-
Capital Reserve - Transfer to Capital Projects	-	-	-	(25,116)	(25,116)	-	-	-	-	-
Transfer to Charter Schools	(9,991)	(15,125)	(25,116)	(25,116)	(25,116)	-	(9,691)	(9,691)	(8,304)	1,387
Capital Leases (Nonbudgeted)	-	-	-	-	-	-	-	-	249,988	249,988
Total Other Financing Uses	(9,991)	(15,125)	(25,116)	(227,937)	(202,821)	(349,750)	(9,691)	(359,441)	(108,066)	251,375
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures After Other Financing Sources/(Uses)	(1,822,918)	(6,982)	(1,829,900)	340,193	2,170,093	(2,349,750)	(34,238)	(2,383,988)	1,044,583	3,428,571
Fund Balances, July 1	5,075,620	-	5,075,620	5,075,620	-	4,031,037	-	4,031,037	4,031,037	-
Fund Balances, June 30	\$ 3,252,702	\$ (6,982)	\$ 3,245,720	\$ 5,415,813	\$ 2,170,093	\$ 1,681,287	\$ (34,238)	\$ 1,647,049	\$ 5,075,620	\$ 3,428,571

RECAPITULATION OF FUND BALANCE

<b>Restricted Fund Balance:</b>	
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	\$ 2,235,189
Capital Reserve	900,467
Excess Surplus	1,805,388
<b>Committed Fund Balance:</b>	
Year-End Encumbrances	49,999
<b>Assigned Fund Balance:</b>	
Designated for Subsequent Year's Expenditures	-
<b>Unassigned Fund Balance</b>	<u>424,770</u>
Subtotal	5,415,813
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(786,817)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,628,996</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
EDUCATION JOBS FUND PROGRAM-  
BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Federal Sources:</b>											
Education Jobs Fund	18-xxx	\$ -	\$ 742	\$ 742	\$ 742	\$ -	\$ 288,261	\$ 9,031	\$ 297,292	\$ 297,292	\$ -
Total Federal Sources		-	742	742	742	-	288,261	9,031	297,292	297,292	-
Total Revenues		-	742	742	742	-	288,261	9,031	297,292	297,292	-
<b>Expenditures:</b>											
<b>Special Education:</b>											
<b>Learning and/or Language Disabilities:</b>											
Other Salaries for Instruction	18-204-190-106	-	689	689	689	-	89,705	-	89,705	89,705	-
Total Learning and/or Language Disabilities		-	689	689	689	-	89,705	-	89,705	89,705	-
<b>Resource Room / Resource Center:</b>											
Other Salaries for Instruction	18-213-100-106	-	-	-	-	-	112,205	9,031	121,236	121,236	-
Total Resource Room / Resource Center		-	-	-	-	-	112,205	9,031	121,236	121,236	-
<b>Autism:</b>											
Other Salaries for Instruction	18-214-100-106	-	-	-	-	-	2,832	-	2,832	2,832	-
Total Autism		-	-	-	-	-	2,832	-	2,832	2,832	-
<b>Preschool Disabilities - Part-Time:</b>											
Other Salaries for Instruction	18-215-100-106	-	-	-	-	-	20,083	-	20,083	20,083	-
Total Preschool Disabilities - Part-Time		-	-	-	-	-	20,083	-	20,083	20,083	-
Total Special Education		-	689	689	689	-	224,825	9,031	233,856	233,856	-
<b>Basic Skills/Remedial - Instruction:</b>											
Other Salaries for Instruction	18-230-100-106	-	-	-	-	-	42,309	-	42,309	42,309	-
Total Basic Skills/Remedial - Instruction		-	-	-	-	-	42,309	-	42,309	42,309	-
<b>Unallocated Benefits - Employee Benefits:</b>											
Social Security	18-000-291-220	-	53	53	53	-	21,127	-	21,127	21,127	-
Total Unallocated Benefits		-	53	53	53	-	21,127	-	21,127	21,127	-
Total Expenditures		-	742	742	742	-	288,261	9,031	297,292	297,292	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE)	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	FINAL ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	FINAL ACTUAL	FINAL TO ACTUAL
<b>REVENUES</b>										
Local Sources	\$ -	\$ 13,750	\$ 13,750	\$ 13,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	14,479	(13,750)	729	426	(303)	2,000	(275)	1,725	1,725	-
Federal Sources	552,182	48,724	600,906	567,383	(33,523)	454,000	163,213	617,213	567,646	(49,567)
<b>Total Revenues</b>	<b>566,661</b>	<b>48,724</b>	<b>615,385</b>	<b>581,559</b>	<b>(33,826)</b>	<b>456,000</b>	<b>162,938</b>	<b>618,938</b>	<b>569,371</b>	<b>(49,567)</b>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers	168,893	(82,893)	86,000	73,000	13,000	56,000	-	56,000	43,000	13,000
Tuition	397,768	(15,595)	382,173	382,173	-	287,000	88,707	375,707	375,707	-
General Supplies	-	24,223	24,223	24,125	98	10,000	36,366	46,366	46,366	-
Other Objects	-	1,800	1,800	1,800	-	6,000	350	6,350	6,350	-
<b>Total Instruction</b>	<b>566,661</b>	<b>(72,465)</b>	<b>494,196</b>	<b>481,098</b>	<b>13,098</b>	<b>359,000</b>	<b>125,423</b>	<b>484,423</b>	<b>471,423</b>	<b>13,000</b>
Support Services:										
Salaries	-	67,719	67,719	49,058	18,661	65,000	1,979	66,979	39,697	27,282
Personal Services - Employee Benefits	-	22,053	22,053	19,987	2,066	10,000	3,111	13,111	6,326	6,785
Purchased Professional Services	-	16,600	16,600	16,600	-	10,000	9,615	19,615	17,115	2,500
Other Purchased Services	-	9,777	9,777	9,777	-	10,000	4,750	14,750	14,750	-
Supplies & Materials	-	5,040	5,040	5,039	1	2,000	18,060	20,060	20,060	-
<b>Total Support Services</b>	<b>-</b>	<b>121,189</b>	<b>121,189</b>	<b>100,461</b>	<b>20,728</b>	<b>97,000</b>	<b>37,515</b>	<b>134,515</b>	<b>97,948</b>	<b>36,567</b>
<b>Total Expenditures</b>	<b>566,661</b>	<b>48,724</b>	<b>615,385</b>	<b>581,559</b>	<b>33,826</b>	<b>456,000</b>	<b>162,938</b>	<b>618,938</b>	<b>569,371</b>	<b>49,567</b>
<b>Total Outflows</b>	<b>566,661</b>	<b>48,724</b>	<b>615,385</b>	<b>581,559</b>	<b>33,826</b>	<b>456,000</b>	<b>162,938</b>	<b>618,938</b>	<b>569,371</b>	<b>49,567</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 22,395,205	\$ 581,559
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	3,129
Current Year	-	(1,498)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	766,972	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	<u>(786,817)</u>	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 22,375,360</u>	<u>\$ 583,190</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	21,827,075	581,559
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	1,631
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 21,827,075</u>	<u>\$ 583,190</u>



**OTHER SUPPLEMENTARY INFORMATION**

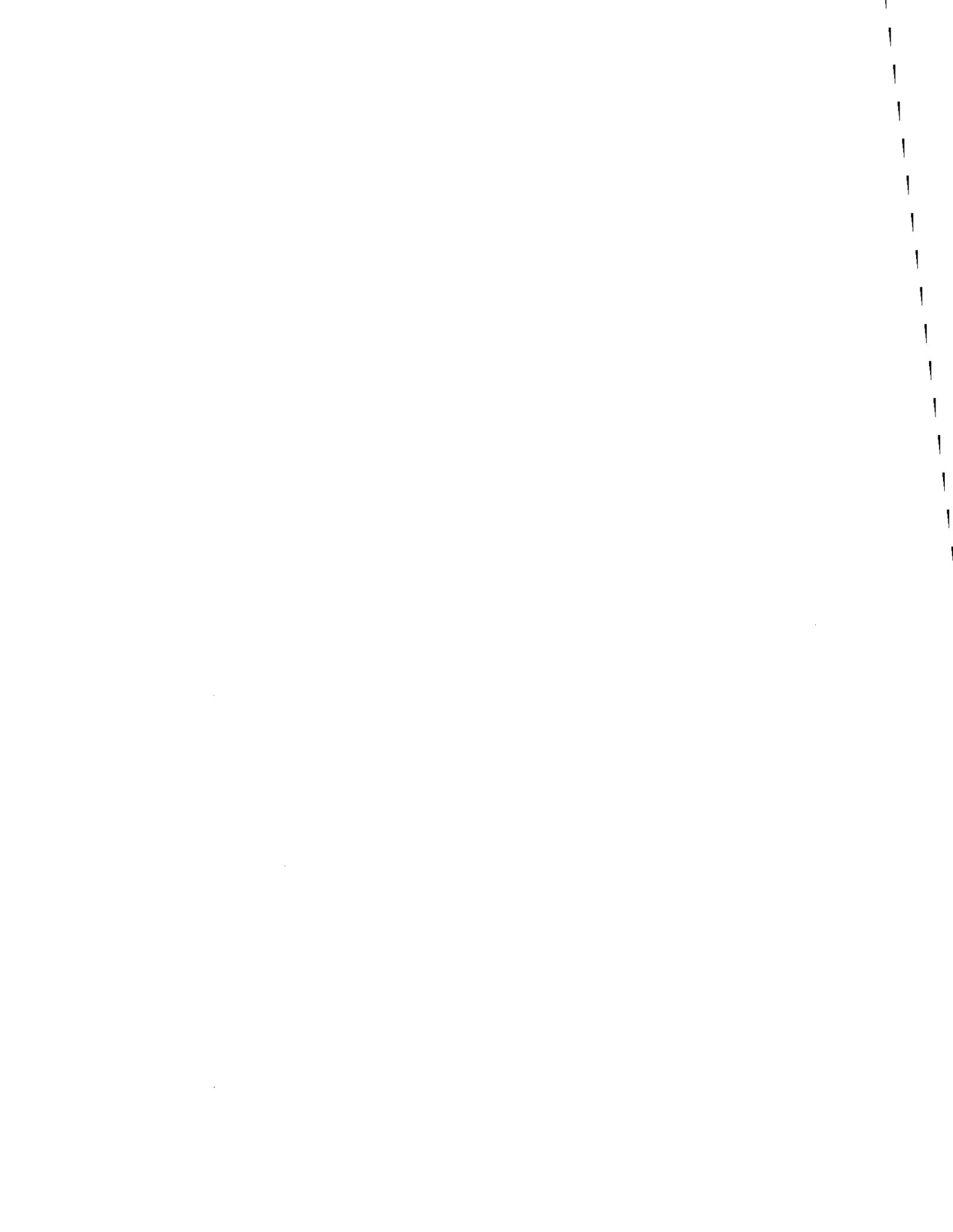


D. School Based Budget Schedules

Not Applicable



E. Special Revenue Fund



**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012).**

	<u>NO CHILD LEFT BEHIND</u>			I.D.E.A. PART B PRESCHOOL	PROJECT LEAD THE WAY
	TITLE I	TITLE II - PART A	I.D.E.A. PART B BASIC		
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 13,750
State Sources	-	-	-	-	-
Federal Source	128,930	40,686	368,127	29,640	-
Total Revenues	<u>\$ 128,930</u>	<u>\$ 40,686</u>	<u>\$ 368,127</u>	<u>\$ 29,640</u>	<u>\$ 13,750</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 60,000	\$ -	\$ 13,000	\$ -	\$ -
Tuition	-	-	352,533	29,640	-
Supplies	12,575	-	-	-	11,550
Other Objects	1,800	-	-	-	-
Total Instruction	<u>74,375</u>	<u>-</u>	<u>365,533</u>	<u>29,640</u>	<u>11,550</u>
Support Services:					
Salaries	12,448	35,616	994	-	-
Employee Benefits	17,900	2,087	-	-	-
Other Purchased Professional Services	15,000	-	1,600	-	-
Other Purchased Services	4,594	2,983	-	-	2,200
Supplies	4,613	-	-	-	-
Total Support Services	<u>54,555</u>	<u>40,686</u>	<u>2,594</u>	<u>-</u>	<u>2,200</u>
Total Expenditures	<u>\$ 128,930</u>	<u>\$ 40,686</u>	<u>\$ 368,127</u>	<u>\$ 29,640</u>	<u>\$ 13,750</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	NONPUBLIC NURSING AID	NONPUBLIC TEXTBOOK AID	NONPUBLIC TECHNOLOGY AID	2013	2012
<b>Revenues:</b>					
Local Sources	\$ -	\$ -	\$ -	\$ 13,750	\$ -
State Sources	250	176	-	426	1,725
Federal Sources	-	-	-	567,383	567,646
<b>Total Revenues</b>	<b>\$ 250</b>	<b>\$ 176</b>	<b>\$ -</b>	<b>\$ 581,559</b>	<b>\$ 569,371</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 73,000	\$ 43,000
Tuition	-	-	-	382,173	375,707
Supplies	-	-	-	24,125	46,366
Other Objects	-	-	-	1,800	6,350
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481,098</b>	<b>471,423</b>
<b>Support Services:</b>					
Salaries	-	-	-	49,058	39,697
Employee Benefits	-	-	-	19,987	6,326
Other Purchased Professional Services	-	-	-	16,600	17,115
Other Purchased Services	-	-	-	9,777	14,750
Supplies	250	176	-	5,039	20,060
<b>Total Support Services</b>	<b>250</b>	<b>176</b>	<b>-</b>	<b>100,461</b>	<b>97,948</b>
<b>Total Expenditures</b>	<b>\$ 250</b>	<b>\$ 176</b>	<b>\$ -</b>	<b>\$ 581,559</b>	<b>\$ 569,371</b>

F. Capital Projects Fund



**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		TRANSFER TO DEBT SERVICE FUND	UNEXPENDED BALANCE JUNE 30, 2013
			PRIOR YEARS	CURRENT YEAR		
To undertake the acquisition & installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby's Run Elementary School as well as related work for acquisition and installation of the panels.	8/4/2011	\$ 7,000,000	\$ 5,866,094	\$ 20,363	\$ 407,950	\$ 705,593
To replace HVAC hardware and software, fire system and security upgrades	4/13/2012	152,650	-	67,624	-	85,026
To replace HVAC hardware and software, fire system and security upgrades	5/4/2012	64,787	-	28,003	-	36,784
To replace HVAC units in main office area	5/4/2012	127,831	-	121,940	-	5,891
Total		\$ 7,345,268	\$ 5,866,094	\$ 237,930	\$ 407,950	\$ 833,294

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Revenues & Other Financing Sources:	
State Sources - ROD Grant	\$ 142,447
Transfer from Capital Reserve	202,821
	<hr/>
Total Revenues & Other Sources	345,268
	<hr/>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	39,216
Construction Services	198,714
Transfer to Debt Service Fund	407,950
	<hr/>
Total Expenditures & Other Financing Uses	645,880
	<hr/>
Excess/(Deficiency) of Revenues & Other Financing Sources	
Over/(Under) Expenditures & Other Financing Uses	(300,612)
Fund Balances, July 1	1,133,906
	<hr/>
Fund Balances, June 30	\$ 833,294
	<hr/> <hr/>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LUMBERTON - SOLAR PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 7,000,000	\$ -	\$ 7,000,000	\$ 7,000,000
Total Revenues	7,000,000	-	7,000,000	7,000,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				
Technical Services	469,780	20,363	490,143	490,143
Construction Services	5,392,697	-	5,392,697	6,098,290
Other Objects	3,617	-	3,617	3,617
Total Expenditures	5,866,094	20,363	5,886,457	6,592,050
Transfer to Debt Service Fund	-	407,950	407,950	407,950
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 1,133,906	\$ (428,313)	\$ 705,593	\$ -

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LUMBERTON MIDDLE SCHOOL  
HVAC HARDWARE AND SOFTWARE, FIRE SYSTEM AND SECURITY UPGRADES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ -	\$ 62,979	\$ 62,979	\$ 62,979
Transfer from Capital Reserve	-	89,671	89,671	89,671
<b>Total Revenues</b>	<b>-</b>	<b>152,650</b>	<b>152,650</b>	<b>152,650</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	-	5,975	5,975	17,407
Construction Services	-	61,649	61,649	135,243
<b>Total Expenditures</b>	<b>-</b>	<b>67,624</b>	<b>67,624</b>	<b>152,650</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 85,026	\$ 85,026	\$ -

**Additional Project Information:**

Project Number	2850-060-10-2004
Grant Date	4/13/2012
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	152,650
Additional Authorized Cost	-
Revised Authorized Cost	\$152,650
Percentage Increase Over Original Authorized Cost	-
Percentage Completion	
Original Target Completion Date	
Revised Target Completion Date	

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
BOBBY'S RUN ELEMENTARY SCHOOL  
HVAC HARDWARE AND SOFTWARE, FIRE SYSTEM AND SECURITY UPGRADES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 26,729	\$ 26,729	\$ 26,729
Transfer from Capital Reserve	-	38,058	38,058	38,058
<b>Total Revenues</b>	<b>-</b>	<b>64,787</b>	<b>64,787</b>	<b>64,787</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	4,728	4,728	8,537
Construction Services	-	23,275	23,275	56,250
<b>Total Expenditures</b>	<b>-</b>	<b>28,003</b>	<b>28,003</b>	<b>64,787</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 36,784	\$ 36,784	\$ -

## Additional Project Information:

Project Number	2850-060-10-2002
Grant Date	5/4/2012
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	64,787
Additional Authorized Cost	-
Revised Authorized Cost	64,787

Percentage Increase Over Original Authorized Cost	-
Percentage Completion	
Original Target Completion Date	
Revised Target Completion Date	

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
FLORENCE L. WALTHER ELEMENTARY SCHOOL  
REPLACE HVAC UNITS IN MAIN OFFICE AREA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ -	\$ 52,739	\$ 52,739	\$ 52,739
Transfer from Capital Reserve	-	75,092	75,092	75,092
<b>Total Revenues</b>	<b>-</b>	<b>127,831</b>	<b>127,831</b>	<b>127,831</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	-	8,150	8,150	14,041
Construction Services	-	113,790	113,790	113,790
<b>Total Expenditures</b>	<b>-</b>	<b>121,940</b>	<b>121,940</b>	<b>127,831</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 5,891</b>	<b>\$ 5,891</b>	<b>\$ -</b>

**Additional Project Information:**

Project Number	2850-060-10-2003
Grant Date	5/4/2012
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	127,831
Additional Authorized Cost	-
Revised Authorized Cost	127,831
Percentage Increase Over Original Authorized Cost	-
Percentage Completion	
Original Target Completion Date	
Revised Target Completion Date	

G. Proprietary Funds



Enterprise Funds



**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS	EXTENDED DAY CARE	FOOD SERVICE FUND	2013	2012
<b>Current Assets:</b>				
Cash & Cash Equivalents	\$ 485,327	\$ 61,102	\$ 546,429	\$ 571,645
Accounts Receivable:			-	-
State	-	-	-	281
Federal	-	-	-	6,272
Inventories	-	9,002	9,002	9,313
<b>Total Current Assets</b>	<b>485,327</b>	<b>70,104</b>	<b>555,431</b>	<b>587,511</b>
<b>Fixed Assets:</b>				
Equipment	264,278	86,507	350,785	355,415
Accumulated Depreciation	(61,387)	(86,507)	(147,894)	(244,829)
<b>Total Fixed Assets</b>	<b>202,891</b>	<b>-</b>	<b>202,891</b>	<b>110,586</b>
<b>Total Assets</b>	<b>688,218</b>	<b>70,104</b>	<b>758,322</b>	<b>698,097</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Interfund Payable	-	8,200	8,200	8,200
Accounts Payable	-	-	-	24,680
<b>Total Current Liabilities</b>	<b>-</b>	<b>8,200</b>	<b>8,200</b>	<b>32,880</b>
<b>NET POSITION</b>				
Investment in Capital Assets Net of Related Debt	202,891	-	202,891	125,342
Unrestricted	485,327	61,904	547,231	554,631
<b>Total Net Position</b>	<b>\$ 688,218</b>	<b>\$ 61,904</b>	<b>\$ 750,122</b>	<b>\$ 665,217</b>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**AS OF JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	EXTENDED DAY CARE	FOOD SERVICE FUND	2013	2012
Operating Revenues:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ -	\$ 205,601	\$ 205,601	\$ 258,605
Total - Daily Sales - Reimbursable Programs	-	205,601	205,601	258,605
Daily Sales Nonreimbursable Programs	-	115,284	115,284	128,424
Special Functions	-	11,770	11,770	12,861
Enrollment Fees	477,286	-	477,286	451,586
Total Operating Revenue	477,286	332,655	809,941	851,476
Operating Expenses:				
Salaries	313,028	204,014	517,042	538,627
Payroll Taxes & Benefits	50,560	33,060	83,620	83,439
Supplies and Materials	-	33,127	33,127	59,625
Management Fee	-	24,733	24,733	27,751
Depreciation	7,067	-	7,067	14,756
Miscellaneous	70,933	11,894	82,827	39,490
Cost of Sales	-	183,123	183,123	214,679
Total Operating Expenses	441,588	489,951	931,539	978,367
Operating Income/(Loss)	35,698	(157,296)	(121,598)	(126,891)
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	-	4,820	4,820	5,870
Federal Sources:				
National School Lunch Program	-	121,897	121,897	126,950
Special Milk Program	-	3,751	3,751	4,358
Healthy Hungry Kids Act	-	5,845	5,845	-
Food Distribution Program	-	34,589	34,589	29,007
Gain/(Loss) on Adjustment to Fixed Assets	35,093	-	35,093	-
Interest Revenue	435	73	508	2,437
Total Nonoperating Revenues/ (Expenses)	35,528	170,975	206,503	168,622
Change in Net Position	71,226	13,679	84,905	41,731
Total Net Position - Beginning	616,992	48,225	665,217	623,486
Total Net Position - Ending	\$ 688,218	\$ 61,904	\$ 750,122	\$ 665,217

**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	EXTENDED DAY CARE	FOOD SERVICE FUND	2013	2012
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers	\$ 477,286	\$ 332,655	\$ 809,941	\$ 851,476
Payments to Employees	(313,028)	(204,014)	(517,042)	(538,627)
Payment to Employee Benefits	(50,560)	(33,060)	(83,620)	(83,439)
Payments to Suppliers	(71,169)	(242,421)	(313,590)	(415,307)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>42,529</u>	<u>(146,840)</u>	<u>(104,311)</u>	<u>(185,897)</u>
<b>Cash Flows From Noncapital Financing</b>				
State Sources	-	5,101	5,101	6,074
Federal Sources	-	137,765	137,765	162,888
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>142,866</u>	<u>142,866</u>	<u>168,962</u>
<b>Cash Flows From Investing Activities:</b>				
Purchase of Fixed Assets	(64,279)	-	(64,279)	-
Interest on Investments	435	73	508	2,437
<b>Net Cash Provided by Investing Activities</b>	<u>(63,844)</u>	<u>73</u>	<u>(63,771)</u>	<u>2,437</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<u>(21,315)</u>	<u>(3,901)</u>	<u>(25,216)</u>	<u>(14,498)</u>
Cash and Cash Equivalents, July 1	506,642	65,003	571,645	586,143
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 485,327</u>	<u>\$ 61,102</u>	<u>\$ 546,429</u>	<u>\$ 571,645</u>

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

Operating Income/(Loss)	\$ 35,698	\$ (157,296)	\$ (121,598)	\$ (126,891)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	7,067	-	7,067	14,756
Food Distribution Program	-	34,589	34,589	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	-	311	311	(2,373)
(Decrease)/Increase in Interfund	-	-	-	(329)
(Decrease)/Increase in Accounts Payable	(236)	(24,444)	(24,680)	(71,060)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>\$ 42,529</u>	<u>\$ (146,840)</u>	<u>\$ (104,311)</u>	<u>\$ (185,897)</u>



Internal Service Fund

Not Applicable



H. Fiduciary Fund



**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS	AGENCY		PRIVATE PURPOSE		2013	2012
	STUDENT ACTIVITY	PAYROLL	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION		
Cash & Cash Equivalents	\$ 70,745	\$ 4,365	\$ 2,870	\$ 92,076	\$ 170,056	\$ 156,327
Total Assets	70,745	4,365	2,870	92,076	170,056	156,327
<b>LIABILITIES</b>						
Due to Student Groups	70,745	-	-	-	70,745	64,101
Claims Payable	-	(635)	-	5,852	5,217	7,258
Due to General Fund	-	5,000	-	-	5,000	-
Total Liabilities	70,745	4,365	-	5,852	80,962	71,359
<b>Net Position</b>						
Reserved for Unemployment Claims	-	-	-	86,224	86,224	81,920
Reserved for Scholarships	-	-	2,870	-	2,870	3,048
Total Net Position	\$ -	\$ -	\$ 2,870	\$ 86,224	\$ 89,094	\$ 84,968

**COMPARATIVE COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE		2013	2012
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION		
Operating Revenues:				
Local Sources:				
Deductions from Employees' Salaries	\$ -	\$ 21,274	\$ 21,274	\$ 12,868
Interest on Investments	2	76	78	444
Total Operating Revenues	2	21,350	21,352	13,312
Operating Expenditures:				
Miscellaneous Expense	180	17,046	17,226	60,560
Total Operating Expenses	180	17,046	17,226	60,560
Excess/(Deficit) of Revenues Over Expenditures	(178)	4,304	4,126	(47,248)
Fund Balances, July 1	3,048	81,920	84,968	132,216
Fund Balances, June 30	\$ 2,870	\$ 86,224	\$ 89,094	\$ 84,968

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 64,101	\$ 81,838	\$ 75,194	\$ 70,745
Total Assets	<u>\$ 64,101</u>	<u>\$ 81,838</u>	<u>\$ 75,194</u>	<u>\$ 70,745</u>
LIABILITIES				
Due to Student Groups	\$ 64,101	\$ 81,838	\$ 75,194	\$ 70,745
Total Liabilities	<u>\$ 64,101</u>	<u>\$ 81,838</u>	<u>\$ 75,194</u>	<u>\$ 70,745</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 5,146	\$ 23,706,159	\$ 23,706,940	\$ 4,365
Total Assets	<u>\$ 5,146</u>	<u>\$ 23,706,159</u>	<u>\$ 23,706,940</u>	<u>\$ 4,365</u>
LIABILITIES				
Due to General Fund	\$ 5,000	\$ -	\$ -	\$ 5,000
Payroll Deductions & Withholdings	357	15,117,027	15,117,384	-
Flexible Spending	(210)	27,170	27,595	(635)
Net Payroll	-	8,561,962	8,561,962	-
Total Liabilities	<u>\$ 5,147</u>	<u>\$ 15,144,197</u>	<u>\$ 15,144,979</u>	<u>\$ 4,365</u>

## I. Long-Term Debt



**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2013**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2012	RETIRED	BALANCE JUNE 30, 2013
			DATE	AMOUNT				
Refunding of 1995 Bonds & Capital Lease	08-15-2002	\$11,255,000	8-15-14	\$ 600,000	3.500%	\$ 1,775,000	\$ 1,175,000	\$ 600,000
Refunding of 1998 Bonds	11-30-2005	9,685,000	2-15-14	725,000	4.000%	6,460,000	700,000	5,760,000
			2-15-15	755,000	4.000%			
			2-15-16	790,000	4.000%			
			2-15-17	820,000	4.000%			
			Term Bonds 2-15-18	855,000	4.000%			
			Term Bonds 2-15-19	890,000	4.000%			
			Term Bonds 2-15-20	925,000	4.250%			
Refunding of 1999 & 2001 Bonds	02-17-2010	3,535,000	12-15-13	770,000	2.000%	2,520,000	755,000	1,765,000
			12-15-14	490,000	2.000%			
			12-15-15	505,000	2.000%			
2010 School Bonds	08-04-2010	7,000,000	2-15-14	415,000	2.250%	6,700,000	410,000	6,290,000
			2-15-15	420,000	2.500%			
			2-15-16	430,000	2.500%			
			2-15-17	435,000	2.500%			
			2-15-18	450,000	2.500%			
			2-15-19	460,000	2.500%			
			2-15-20	475,000	2.750%			
			2-15-21	490,000	3.000%			
			2-15-22	505,000	3.000%			
			2-15-23	525,000	3.000%			
			2-15-24	540,000	3.250%			
			2-15-25	560,000	3.250%			
			2-15-26	585,000	3.375%			
			Total					

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2013

SERIES	INTEREST RATE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2012	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2013
			PRINCIPAL	INTEREST					
Computer Equipment	2.79%	5 Years	\$249,988	\$13,788	2.790%	\$ 194,988	\$ -	\$ 46,754	\$ 148,234
Total						\$ 194,988	\$ -	\$ 46,754	\$ 148,234

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$ 2,018,353	\$ -	\$ 2,018,353	\$ 2,018,353	\$ -	\$ 2,018,353	\$ -	\$ 2,018,353	\$ 2,018,353	\$ -
State Sources:										
Debt Service Aid Type II	1,144,079	-	1,144,079	1,144,079	-	1,129,660	-	1,129,660	1,129,660	-
Total Revenues	3,162,432	-	3,162,432	3,162,432	-	3,148,013	-	3,148,013	3,148,013	-
Expenditures										
Regular Debt Service:										
Interest	530,382	-	530,382	530,381	1	710,588	-	710,588	710,588	-
Redemption of Principal	3,040,000	-	3,040,000	3,040,000	-	2,840,000	-	2,840,000	2,840,000	-
Total Expenditures	3,570,382	-	3,570,382	3,570,381	1	3,550,588	-	3,550,588	3,550,588	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources(Uses)	(407,950)	-	(407,950)	(407,949)	1	(402,575)	-	(402,575)	(402,575)	-
Other Financing Sources/(Uses):										
Operating Transfers In/(Out):	407,950	-	407,950	407,950	-	-	-	-	-	-
Transfer from Capital Reserve	-	-	-	-	-	349,750	-	349,750	349,750	-
Total Other Financing Uses	407,950	-	407,950	407,950	-	349,750	-	349,750	349,750	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources/(Uses)	-	-	-	1	1	(52,825)	-	(52,825)	(52,825)	-
Fund Balance, July 1	-	-	-	-	-	52,825	-	52,825	52,825	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -



**STATISTICAL SECTION (Unaudited)**



**LUMBERTON TOWNSHIP BOARD OF EDUCATION**  
**Net Position BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 11,723,958	\$ 9,319,583	\$ 6,908,701	\$ 7,564,837	\$ 6,039,226	\$ 4,361,242	\$ 3,077,610	\$ 3,672,511	\$ 2,414,698	\$ 876,761
Restricted	5,824,338	5,248,039	3,028,173	2,915,301	3,753,402	3,024,755	3,062,170	3,468,776	3,332,793	2,252,881
Unrestricted	(1,270,091)	(547,061)	1,077,225	(878,515)	(1,291,399)	(719,918)	(829,513)	(854,838)	820,445	(605,228)
<b>Total Governmental Activities Net Position</b>	<b>\$ 16,278,205</b>	<b>\$ 14,020,561</b>	<b>\$ 11,014,099</b>	<b>\$ 9,601,623</b>	<b>\$ 8,501,229</b>	<b>\$ 6,666,079</b>	<b>\$ 5,310,267</b>	<b>\$ 6,286,448</b>	<b>\$ 6,567,936</b>	<b>\$ 2,524,414</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 202,891	\$ -	\$ 4,000	\$ 8,723	\$ 13,601	\$ 19,538	\$ 8,763	\$ 16,103	\$ 24,552	\$ 30,245
Unrestricted	547,231	665,217	619,486	591,816	581,739	600,846	507,606	430,135	274,126	202,824
<b>Total Business-Type Activities Net Position</b>	<b>\$ 750,122</b>	<b>\$ 665,217</b>	<b>\$ 623,486</b>	<b>\$ 600,539</b>	<b>\$ 595,340</b>	<b>\$ 620,384</b>	<b>\$ 516,369</b>	<b>\$ 446,238</b>	<b>\$ 298,678</b>	<b>\$ 233,069</b>
<b>District-Wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 11,926,849	\$ 9,319,583	\$ 6,912,701	\$ 7,573,560	\$ 6,052,827	\$ 4,380,780	\$ 3,086,373	\$ 3,688,614	\$ 2,439,250	\$ 907,006
Restricted	5,824,338	5,248,039	3,028,173	2,915,301	3,753,402	3,024,755	3,062,170	3,468,776	3,332,793	2,252,881
Unrestricted	(722,860)	118,156	1,696,711	(286,699)	(709,660)	(119,072)	(321,907)	(424,703)	1,094,571	(402,404)
<b>Total District Net Position</b>	<b>\$ 17,028,327</b>	<b>\$ 14,685,778</b>	<b>\$ 11,637,585</b>	<b>\$ 10,202,162</b>	<b>\$ 9,096,569</b>	<b>\$ 7,286,463</b>	<b>\$ 5,826,636</b>	<b>\$ 6,732,686</b>	<b>\$ 6,866,614</b>	<b>\$ 2,757,483</b>

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

FISCAL YEAR ENDING JUNE 30,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,858,548	\$ 5,337,156	\$ 5,511,184	\$ 5,856,255	\$ 5,785,756	\$ 5,650,403	\$ 5,643,556	\$ 6,160,513	\$ 5,696,426	\$ 5,538,390
Special Education	3,101,092	2,925,821	2,970,403	3,030,581	2,848,107	2,645,347	2,615,714	2,178,876	2,009,399	1,842,197
Other Special Instruction	415,989	365,872	333,295	404,705	399,033	362,752	338,939	308,660	322,905	276,640
Other Instruction	89,957	87,157	74,268	121,527	114,943	101,736	100,094	95,673	95,296	87,609
Support Services & Undistributed Costs:										
Tuition	469,536	551,302	498,833	550,545	852,065	815,738	835,688	520,701	359,359	339,010
Health Services	237,883	226,704	189,020	249,763	239,601	241,727	228,614	222,847	211,255	229,046
Student & Instruction Related Services	1,693,204	1,548,778	1,473,423	1,631,718	1,430,890	1,471,481	1,383,614	1,280,610	1,275,778	1,264,094
Educational Media Services/ School Library	228,077	197,283	203,554	263,063	254,759	243,400	256,486	251,526	236,931	296,027
School Administrative Services	912,921	926,003	888,345	897,360	955,857	941,835	923,291	893,488	722,155	701,347
Other Administrative Services	1,143,910	1,077,637	995,151	1,230,613	1,159,844	1,157,774	1,119,740	1,051,215	965,580	731,082
Plant Operations & Maintenance	1,617,858	1,843,832	2,067,268	2,121,507	2,114,781	2,060,916	1,840,068	1,817,682	1,679,241	1,579,954
Pupil Transportation	894,954	874,561	813,623	881,514	986,017	886,463	1,090,043	1,005,439	954,741	864,102
Employee Benefits	5,608,421	5,069,778	4,782,545	4,625,828	4,348,266	4,849,653	5,051,477	4,281,581	3,624,930	3,410,920
Transfers to Charter Schools	25,116	8,304	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	545,156	623,908	706,341	587,058	712,661	778,495	836,558	792,389	1,004,113	1,053,393
Reduction of Capital Leases	-	-	-	-	-	(48,312)	(46,732)	22,755	21,333	21,613
Amortization of Debt Costs	34,567	34,567	34,567	20,834	12,594	12,595	12,595	7,347	-	-
Increase in Compensated Absences - Unallocated	162,915	-	190,779	(291,299)	209,942	(64,704)	63,805	78,312	73,586	77,239
Reduction in Fixed Assets Unallocated	(41,788)	-	(332,956)	-	(291,385)	(10,117)	2,090,720	-	-	-
Unallocated Depreciation	1,007,469	1,000,626	1,859,382	766,064	752,805	763,681	802,479	819,125	826,988	710,369
Total Governmental Activities Expenses	24,005,785	22,699,289	23,259,025	22,947,636	22,886,536	22,860,863	25,186,749	21,788,739	20,080,016	19,023,032
Business-Type Activities:										
Food Service	489,951	564,696	551,004	544,820	588,419	583,602	583,894	505,810	459,867	469,705
Extended Day Care	441,588	413,671	442,940	495,785	555,646	434,681	416,805	344,549	342,950	390,663

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

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total Business-Type Activities Expense	931,539	978,367	993,944	1,040,605	1,144,065	1,018,283	1,000,699	850,359	802,817	860,368
Total District Expenses	\$ 24,937,324	\$ 23,677,656	\$ 24,252,969	\$ 23,988,241	\$ 24,030,601	\$ 23,879,146	\$ 26,187,448	\$ 22,639,098	\$ 20,882,833	\$ 19,883,400
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 583,190	\$ 600,087	\$ 734,567	\$ 650,800	\$ 537,505	\$ 556,080	\$ 589,920	\$ 599,291	\$ 561,853	\$ 504,415
Total Governmental Activities Program Revenues	583,190	600,087	734,567	650,800	537,505	556,080	589,920	599,291	561,853	504,415
Business-Type Activities:										
Charges for Services:										
Food Service	332,655	399,890	412,885	417,580	421,107	408,904	393,379	381,091	344,794	326,278
Extended Day Care	477,286	451,586	440,920	479,676	556,238	566,794	515,932	492,890	417,920	392,757
Operating Grants & Contributions	170,902	166,185	159,133	146,738	138,404	134,239	140,503	109,629	101,114	110,986
Adjustment to Fixed Assets	35,093	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	1,015,936	1,017,661	1,012,938	1,043,994	1,115,749	1,109,937	1,049,814	983,610	863,828	830,021
Total District Program Revenues	\$ 1,599,126	\$ 1,617,748	\$ 1,747,505	\$ 1,694,794	\$ 1,653,254	\$ 1,666,017	\$ 1,639,734	\$ 1,582,901	\$ 1,425,681	\$ 1,334,436

84

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

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net/(Expense)/Revenue:										
Governmental Activities	\$ (23,422,595)	\$ (22,099,202)	\$ (22,524,458)	\$ (22,296,836)	\$ (22,349,031)	\$ (22,304,783)	\$ (24,596,829)	\$ (21,189,448)	\$ (19,518,163)	\$ (18,518,617)
Business-Type Activities	84,397	39,294	18,994	3,389	(28,316)	91,654	49,115	133,251	61,011	(30,347)
<b>Total District-Wide Net Expense</b>	<b>\$ (23,338,198)</b>	<b>\$ (22,059,908)</b>	<b>\$ (22,505,464)</b>	<b>\$ (22,293,447)</b>	<b>\$ (22,377,347)</b>	<b>\$ (22,213,129)</b>	<b>\$ (24,547,714)</b>	<b>\$ (21,056,197)</b>	<b>\$ (19,457,152)</b>	<b>\$ (18,548,964)</b>
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General										
General Purposes, Net	\$ 11,926,593	\$ 11,692,738	\$ 11,692,738	\$ 11,663,728	\$ 11,640,334	\$ 11,742,567	\$ 11,730,134	\$ 11,105,202	\$ 11,079,226	\$ 9,684,186
Taxes Levied for Debt Service	2,018,353	2,018,353	2,018,353	1,839,260	1,800,667	1,841,871	1,724,154	1,769,495	2,412,372	65,699
Unrestricted Grants & Contributions	11,613,041	11,220,435	10,125,014	9,817,447	10,687,221	9,905,597	9,923,983	9,225,587	8,322,130	8,635,135
Tuition Received	27,045	27,449	10,408	7,039	7,891	10,024	3,347	4,892	4,052	46,776
Investment Earnings	-	27,328	60,793	29,984	36,052	138,141	235,938	205,540	97,893	-
Miscellaneous Income	95,207	111,760	29,628	39,772	12,016	22,395	3,092	21,626	5,123	43,915
Reduction in Compensated Absences	-	7,601	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>25,680,239</b>	<b>25,105,664</b>	<b>23,936,934</b>	<b>23,397,230</b>	<b>24,184,181</b>	<b>23,660,595</b>	<b>23,620,648</b>	<b>22,332,342</b>	<b>21,920,796</b>	<b>18,475,711</b>
Business-Type Activities:										
Investment Earnings	508	2,437	3,953	1,810	3,272	12,361	21,016	14,309	4,598	1,539
<b>Total Business-Type Activities</b>	<b>508</b>	<b>2,437</b>	<b>3,953</b>	<b>1,810</b>	<b>3,272</b>	<b>12,361</b>	<b>21,016</b>	<b>14,309</b>	<b>4,598</b>	<b>1,539</b>
<b>Total District-Wide</b>	<b>\$ 25,680,747</b>	<b>\$ 25,108,101</b>	<b>\$ 23,940,887</b>	<b>\$ 23,399,040</b>	<b>\$ 24,187,453</b>	<b>\$ 23,672,956</b>	<b>\$ 23,641,664</b>	<b>\$ 22,346,651</b>	<b>\$ 21,925,394</b>	<b>\$ 18,477,250</b>
Change in Net Position:										
Governmental Activities	\$ 2,257,644	\$ 3,006,462	\$ 1,412,476	\$ 1,100,394	\$ 1,835,150	\$ 1,355,812	\$ (976,181)	\$ 1,142,894	\$ 2,402,633	\$ (42,906)
Business-Type Activities	84,905	41,731	22,947	5,199	(25,044)	104,015	70,131	147,560	65,609	(28,808)
<b>Total District</b>	<b>\$ 2,342,549</b>	<b>\$ 3,048,193</b>	<b>\$ 1,435,423</b>	<b>\$ 1,105,593</b>	<b>\$ 1,810,106</b>	<b>\$ 1,459,827</b>	<b>\$ (906,050)</b>	<b>\$ 1,290,454</b>	<b>\$ 2,468,242</b>	<b>\$ (71,714)</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund:</b>										
Restricted	\$ 4,941,044	\$ 3,890,627	\$ 1,933,662	\$ 2,355,443	\$ 3,525,013	\$ 2,982,259	\$ 2,888,519	\$ 3,374,320	\$ 2,319,507	\$ 1,219,660
Committed	49,999	-	-	-	-	-	-	-	-	-
Unassigned	(362,047)	418,021	1,378,353	108,301	(136,782)	97,567	237,229	52,400	919,489	623,314
<b>Total General Fund</b>	<b>\$ 4,628,996</b>	<b>\$ 4,308,648</b>	<b>\$ 3,312,014</b>	<b>\$ 2,463,744</b>	<b>\$ 3,388,231</b>	<b>\$ 3,079,826</b>	<b>\$ 3,125,748</b>	<b>\$ 3,426,720</b>	<b>\$ 3,238,996</b>	<b>\$ 1,842,974</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,523	\$ -	\$ 383,890
Committed	383,237	-	-	-	-	-	-	-	-	-
Restricted, Reported in:										
Special Revenue Fund	-	-	-	-	-	(1,995)	(1,995)	-	-	-
Capital Projects Fund	450,057	1,133,906	1,580,950	-	-	-	28,384	3,095	48,319	137,080
Debt Service Fund	1	-	52,825	52,827	28,389	28,387	838	838	67,370	67,370
<b>Total All Other Governmental Funds</b>	<b>\$ 833,295</b>	<b>\$ 1,133,906</b>	<b>\$ 1,633,775</b>	<b>\$ 52,827</b>	<b>\$ 28,389</b>	<b>\$ 26,392</b>	<b>\$ 27,227</b>	<b>\$ 94,456</b>	<b>\$ 115,689</b>	<b>\$ 588,340</b>

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues:</b>										
Local Tax Levy	\$ 13,944,946	\$ 13,711,091	\$ 13,711,091	\$ 13,502,988	\$ 13,441,001	\$ 13,584,438	\$ 13,454,288	\$ 12,874,697	\$ 13,491,598	\$ 9,749,885
Tuition	27,045	27,449	10,408	7,039	7,891	10,024	3,347	4,892	4,052	46,776
Interest	-	26,443	56,634	28,332	36,033	138,119	235,905	205,515	97,712	-
Interest on Capital Reserve	-	885	4,159	1,652	19	22	33	25	181	-
Miscellaneous	95,207	111,760	29,628	39,772	12,016	22,395	3,092	21,626	5,123	43,915
State Sources	11,591,240	10,882,973	10,097,373	8,510,467	10,692,036	9,948,457	9,969,905	9,281,430	8,377,102	8,676,544
Federal Sources	604,991	937,549	762,208	1,957,780	532,690	513,220	543,998	543,448	506,881	463,006
<b>Total Revenue</b>	<b>26,263,429</b>	<b>25,698,150</b>	<b>24,671,501</b>	<b>24,048,030</b>	<b>24,721,686</b>	<b>24,216,675</b>	<b>24,210,568</b>	<b>22,931,633</b>	<b>22,482,649</b>	<b>18,980,126</b>
<b>Expenditures:</b>										
Instruction	9,465,586	8,716,006	8,889,150	9,413,068	9,147,839	8,760,238	8,743,722	8,124,026	7,744,836	6,805,186
Undistributed Instruction	12,806,764	12,315,878	11,911,762	12,451,911	12,342,080	12,668,987	11,325,089	10,029,970	9,415,583	7,843,793
Capital Outlay	375,845	860,597	5,491,925	183,308	89,349	17,196	268,071	531,258	3,728,758	6,590,536
Debt Service:	3,570,381	3,550,588	2,949,446	2,899,792	2,832,016	2,817,011	2,894,767	2,874,024	1,934,880	2,451,237
<b>Total Expenditures</b>	<b>26,218,576</b>	<b>25,443,069</b>	<b>29,242,283</b>	<b>24,948,079</b>	<b>24,411,284</b>	<b>24,263,432</b>	<b>23,231,649</b>	<b>21,559,278</b>	<b>22,824,057</b>	<b>23,690,752</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>44,853</b>	<b>255,081</b>	<b>(4,570,782)</b>	<b>(900,049)</b>	<b>310,402</b>	<b>(46,757)</b>	<b>978,919</b>	<b>1,372,355</b>	<b>(341,408)</b>	<b>(4,710,626)</b>
<b>Other Financing Sources/(Uses):</b>										
Proceeds from Borrowing	-	-	7,000,000	-	-	-	-	-	-	-
Escrow Reserve Redemption	-	-	-	-	-	-	-	-	-	-
Capital Lease Proceeds	-	249,988	-	-	-	-	250,000	-	-	-
Transfers to Charter Schools	(25,116)	(8,304)	-	-	-	-	-	-	-	-
Transfers in	407,950	349,750	-	-	-	28,384	-	-	483,222	-
Transfers Out	(407,950)	(349,750)	-	-	-	(28,384)	-	-	(483,222)	-
<b>Total Other Financing Sources/ (Uses)</b>	<b>(25,116)</b>	<b>241,684</b>	<b>7,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 19,737</b>	<b>\$ 496,765</b>	<b>\$ 2,429,218</b>	<b>\$ (900,049)</b>	<b>\$ 310,402</b>	<b>\$ (46,757)</b>	<b>\$ 1,228,919</b>	<b>\$ 1,372,355</b>	<b>\$ (341,408)</b>	<b>\$ (4,710,626)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>13.6%</b>	<b>14.0%</b>	<b>10.1%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>12.5%</b>	<b>13.3%</b>	<b>8.5%</b>	<b>10.3%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

FISCAL YEAR ENDED JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TUITION	TOTAL
2013	\$ 7,907	\$ 73,648	\$ 27,045	\$ 108,600
2012	27,328	111,760	27,449	166,537
2011	60,793	29,628	10,408	100,829
2010	29,984	39,772	7,039	76,795
2009	36,052	12,016	7,891	55,959
2008	138,141	22,395	10,024	170,560
2007	235,938	3,092	3,347	242,377
2006	205,540	21,626	4,892	232,058
2005	97,893	5,123	4,052	107,068
2004	-	43,392	46,776	90,168

Source: District Records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2013	\$10,798,700	\$1,153,722,800	20,915,900	1,948,180	134,718,400	64,115,823	29,352,400	1,415,572,203	1,945,138	1,417,517,341	1.389	1,420,703,445
2012	10,631,900	1,168,180,400	20,715,800	2,446,300	134,628,400	63,115,823	29,352,400	1,429,071,023	1,838,276	1,430,909,299	1.364	1,539,364,038
2011	11,087,100	1,180,483,600	20,403,100	2,002,800	132,617,800	63,115,823	28,954,400	1,438,664,623	2,001,088	1,436,663,535	1.309	1,445,922,334
2010	11,698,400	1,187,781,700	20,484,200	1,902,800	131,564,300	64,304,600	28,954,400	1,446,690,400	2,285,933	1,444,404,467	1.301	1,523,480,241
2009	11,597,000	1,190,946,000	20,915,300	1,923,700	127,543,600	64,941,400	28,954,400	1,446,821,400	2,245,784	1,444,575,616	1.251	1,566,514,606
2008	11,963,500	1,191,093,800	20,850,000	1,997,980	143,617,300	57,756,100	28,954,400	1,456,233,080	2,213,653	1,454,019,427	1.255	1,433,155,780
2007	12,793,600	1,194,523,300	19,555,800	1,980,100	115,446,100	57,422,000	30,929,800	1,432,650,700	2,115,070	1,430,535,630	1.269	1,301,375,968
2006	5,357,300	601,863,900	10,190,000	1,112,600	71,115,200	29,051,100	21,610,300	740,300,400	1,197,965	739,102,435	2.384	1,272,162,007
2005	10,342,300	57,690,010	9,314,100	1,199,500	63,004,800	29,140,800	21,610,300	192,301,810	1,448,392	190,853,418	2.305	1,058,709,552
2004	19,280,800	549,153,800	9,800,900	1,546,300	64,873,100	29,129,000	21,703,300	695,487,200	1,599,204	693,887,996	2.394	914,325,994

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

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	MUNICIPAL			
				LUMBERTON TOWNSHIP	OPEN SPACE	BURLINGTON COUNTY	
2013	0.997	0.392	1.389	0.382	0.010	0.378	2.159
2012	0.974	0.390	1.364	0.365	0.010	0.406	2.145
2011	0.951	0.358	1.309	0.348	0.010	0.381	2.048
2010	0.947	0.354	1.301	0.331	0.009	0.400	2.041
2009	0.932	0.319	1.251	0.314	0.009	0.411	1.985
2008	0.937	0.318	1.255	0.298	0.010	0.408	1.971
2007	0.948	0.321	1.269	0.258	0.010	0.383	1.920
2006	1.815	0.569	2.384	0.400	0.010	0.757	3.551
2005	1.806	0.499	2.305	0.406	0.030	0.677	3.418
2004	1.935	0.459	2.394	0.405	0.030	0.616	3.445

Source: Municipal Tax Collector

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

TAXPAYER	2013		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
CVS New York	\$31,950,000	1	2.26%
The Estaugh	29,812,800	2	2.11%
BF Saul Holdings LTD Partnership	14,172,600	3	1.00%
Whitehall Apartments Association	12,900,000	4	0.91%
541 Associates, LLC	11,821,200	5	0.84%
Mt. Holly By-Pass LLC	10,791,700	6	0.76%
Newman Development Group of Hainesport	10,354,400	7	0.73%
Wal-Mart	10,116,600	8	0.71%
Evergreen I Associates, LLC	8,573,300	9	0.61%
East Coast Lumberton Apartments, LLC	8,400,000	10	0.59%
Total	<u>\$148,892,600</u>		<u>10.52%</u>

TAXPAYER	2004		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
CVS New York	\$25,200,100	1	3.62%
The Estaugh	10,785,000	2	1.55%
BP Saul Reit	10,500,000	3	1.51%
Whithall Apartments Association	8,500,000	4	1.22%
Lumberton Associates, LP	7,680,000	5	1.10%
Mt. Holly Associates, LLC	3,854,800	6	0.55%
Dorado Garden Apartments, LLC	3,800,000	7	0.55%
Aviation Industrial Realty	2,461,800	8	0.35%
Wal Mart	2,436,000	9	0.35%
Carlson Craft of New Jersey	2,400,000	10	0.35%
Total	<u>\$77,617,700</u>		<u>11.16%</u>

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2013	\$ 13,944,946	\$ 13,944,946	100.00%
2012	13,711,091	13,711,091	100.00%
2011	13,711,091	13,711,091	100.00%
2010	13,502,988	13,502,988	100.00%
2009	13,441,001	13,441,001	100.00%
2008	13,584,438	13,584,438	100.00%
2007	13,454,288	13,454,288	100.00%
2006	12,874,697	12,874,697	100.00%
2005	13,491,598	13,491,598	100.00%
2004	9,749,885	9,749,885	100.00%

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES			
2013	\$ 14,415,000	-	\$ 148,234	\$ 14,563,234	N/A	
2012	17,455,000	-	194,988	17,649,988	1,408.84	
2011	20,295,000	-	-	20,295,000	1,612.89	
2010	15,725,000	-	-	15,725,000	1,250.89	
2009	17,885,000	-	51,633	17,936,633	1,500.09	
2008	19,985,000	-	101,578	20,086,578	1,673.88	
2007	22,005,000	-	149,890	22,154,890	1,831.13	
2006	23,935,000	-	196,622	24,131,622	1,970.57	
2005	25,820,000	-	-	25,820,000	2,078.24	
2004	27,675,000	-	-	27,675,000	2,250.55	

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2013	\$14,415,000		14,415,000	1.00%	N/A
2012	17,455,000		17,455,000	1.21%	1,393.28
2011	20,295,000		20,295,000	1.40%	1,612.89
2010	15,725,000		15,725,000	1.09%	1,250.89
2009	17,885,000		17,885,000	1.23%	1,495.78
2008	19,985,000		19,985,000	1.37%	1,665.42
2007	22,005,000		22,005,000	1.53%	1,796.91
2006	23,935,000		23,935,000	3.23%	1,954.52
2005	25,820,000		25,820,000	13.33%	2,078.24
2004	27,675,000		27,675,000	3.97%	2,250.55

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2013**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	\$6,135,349	100.000%	\$6,135,349
Burlington County	243,630,839	3.180%	7,747,461
Rancocas Valley Regional High School	19,493,000	32.175%	6,271,873
Subtotal, Overlapping Debt			20,154,682
Lumberton Township Board of Education			14,415,000
Total Direct & Overlapping Debt			<u>\$34,569,682</u>

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

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

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$43,190,454	44,084,444	45,071,339	45,678,901	44,348,648	41,078,998	36,302,100	36,308,471	28,642,790	25,752,504
Total Net Debt Applicable to Limit	<u>14,415,000</u>	<u>17,455,000</u>	<u>20,295,000</u>	<u>15,725,000</u>	<u>17,885,000</u>	<u>19,985,000</u>	<u>22,005,000</u>	<u>23,935,000</u>	<u>25,820,000</u>	<u>27,675,000</u>
Legal Debt Margin	<u>\$28,775,454</u>	<u>26,629,444</u>	<u>24,776,339</u>	<u>29,953,901</u>	<u>26,463,648</u>	<u>21,093,998</u>	<u>14,297,100</u>	<u>12,373,471</u>	<u>2,822,790</u>	<u>(1,922,496)</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33.38%	39.59%	45.03%	34.43%	40.33%	48.65%	60.62%	65.92%	90.14%	107.47%

**Legal Debt Margin Calculation for Fiscal Year 2012**

	Equalized Valuation Basis
	2012     \$1,426,073,263
	2011     1,445,992,334
	2010 <u>1,446,979,796</u>
	<u>\$4,319,045,393</u>
Average Equalized Valuation of Taxable Property	<u>\$1,439,681,798</u>
Debt Limit (3 % of Average Equalization Value)	\$43,190,454
Net Bonded School Debt	<u>14,415,000</u>
Legal Debt Margin	<u>\$28,775,454</u>

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

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

YEAR	POPULATION	BURLINGTON	UNEMPLOYMENT
		COUNTY PER CAPITA INCOME	
2013	N/A	N/A	N/A
2012	12,528	N/A	8.80%
2011	12,583	48,318	8.50%
2010	12,571	47,391	9.20%
2009	11,957	46,496	8.50%
2008	11,989	47,673	4.70%
2007	12,070	45,420	3.50%
2006	12,216	43,365	3.80%
2005	12,289	40,686	3.50%
2004	12,186	39,516	3.80%

Source: NJ Dept of Labor and Workforce Development

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

	2013	2004
	EMPLOYEES	EMPLOYEES
CVS Corporation	1,200	N/A
Celebration	210	N/A
Lumberton Board of Education	253	N/A
Total	1,663	N/A

2004 Information was not available

Source: Burlington County Economic Development

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**

**INFORMATION CURRENTLY UNAVAILABLE**

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

FISCAL YEAR	JUNE 30, 2013 ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2013	1,530	\$22,272,350	14,557	13.58%	122	12.54/1	1,531	1,471	-6.70%	96.08%
2012	1,641	21,031,912	12,817	2.65%	142	11.55/1	1,641	1,588	-1.44%	96.77%
2011	1,666	20,800,912	12,486	-3.67%	131	12.72/1	1,665	1,596	-1.36%	95.86%
2010	1,687	21,864,979	12,961	2.95%	155	10.88/1	1,688	1,617	-1.06%	95.79%
2009	1,707	21,489,919	12,589	0.69%	163	10.47/1	1,706	1,642	-0.70%	96.25%
2008	1,714	21,429,225	12,502	2.05%	163	10.52/1	1,718	1,653	-1.83%	96.22%
2007	1,749	21,427,324	12,251	7.07%	163	10.73/1	1,750	1,680	-0.34%	96.00%
2006	1,754	20,068,811	11,442	10.93%	164	10.66/1	1,756	1,686	-0.23%	96.01%
2005	1,760	18,153,996	10,315	5.67%	164	10.73/1	1,760	1,690	0.11%	96.02%
2004	1,758	17,160,419	9,761	11.15%	162	10.85/1	1,758	1,691	5.40%	96.19%

Sources: District records

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

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Elementary Schools:										
Bobby's Run School:										
Square Feet	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	329	361	386	358	387	388	379	386	369	382
Florence L. Walther School:										
Square Feet	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment	316	359	350	380	370	370	395	402	418	388
Ashbrook School:										
Square Feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity (Students)	402	402	402	402	402	402	402	402	402	402
Enrollment	324	349	350	364	372	385	393	388	365	388
Middle School:										
Lumberton Middle School:										
Square Feet	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106
Capacity (Students)	634	634	634	634	634	634	634	634	634	634
Enrollment	561	572	580	585	578	571	582	578	589	583

Number of Schools at June 30, 2013:

  Elementary = 3

  Middle School = 1

Source: District Facilities Office

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

SCHOOL FACILITIES	PROJECT #	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Bobby's Run School	Required Maintenance	\$ 45,329	\$ 52,417	\$ 26,053	\$ 34,324	\$ 45,114	\$ 39,747	\$ 36,122	\$ 28,225	\$17,477	\$ 31,526
Lumberton Middle School	Required Maintenance	63,790	64,410	40,847	48,016	63,687	56,969	50,501	41,391	26,056	48,216
Florence L. Walther School	Required Maintenance	44,590	38,786	35,267	32,828	44,014	38,104	28,341	46,296	15,714	23,298
Ashbrook School	Required Maintenance	34,936	37,024	23,366	27,619	36,022	29,951	28,765	23,137	26,056	12,554
District-Wide Items	Required Maintenance	3,606	6,963	-	-	-	-	-	-	-	62,376
Total		<u>\$192,251</u>	<u>\$199,600</u>	<u>\$125,533</u>	<u>\$142,787</u>	<u>\$188,837</u>	<u>\$164,771</u>	<u>\$143,729</u>	<u>\$139,049</u>	<u>\$85,303</u>	<u>\$ 177,970</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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2013**

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

**SINGLE AUDIT SECTION**





EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund the aggregate remaining fund information of Lumberton Board of Education, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Lumberton Board of Education's basic financial statements, and have issued our report thereon dated October 10, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lumberton Board of Education'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 Lumberton Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Lumberton Board of Education'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 Lumberton Board of Education'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 Office of School 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



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

Medford, New Jersey  
October 10, 2013



EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-  
133 AND NEW JERSEY OMB CIRCULAR 04-04.**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited Lumberton Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2013. Lumberton Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Lumberton Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the *Schedule of Expenditures of State Financial Assistance*; the *audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Lumberton Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal or state program. However, our audit does not provide a legal determination of Lumberton Board of Education's compliance with those requirements.

### **Opinion on Each Major Federal or State Program**

In our opinion, Lumberton Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2013.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

### **Report on Internal Control Over Compliance**

Management of Lumberton Board of Education 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 Lumberton Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lumberton Board of Education's internal control over compliance.

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

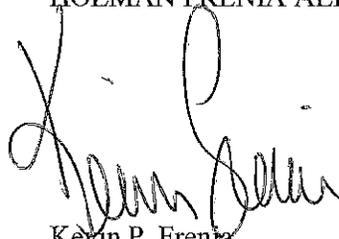
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

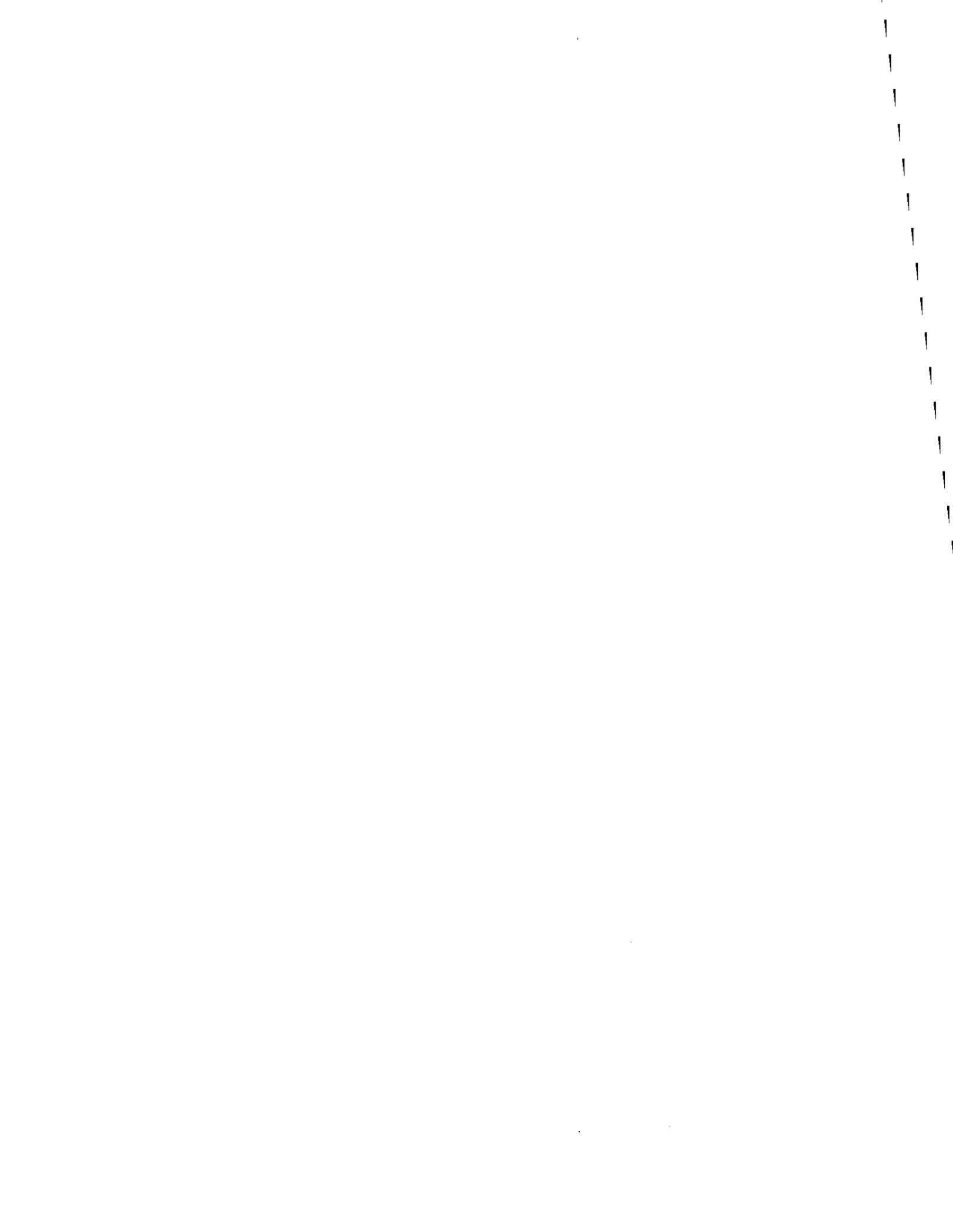
Respectfully Submitted,

HOLMAN ERENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia", written over a faint, illegible stamp or background.

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

Medford, New Jersey  
October 10, 2013



LUMBERTON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT				JUNE 30, 2013	
				JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	GRANTOR AT JUNE 30,
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>									
Food Distribution Program	10.550	\$34,589	7/1/12-6/30/13	\$ -	\$ 34,589	\$ (34,589)	\$ -	\$ -	\$ -
National School Lunch Program	10.555	121,897	7/1/12-6/30/13	-	121,897	(121,897)	-	-	-
National School Lunch Program	10.555	120,618	7/1/11-6/30/12	(6,047)	6,047	-	-	-	-
Healthy Hungry Kids Act	10.551	5,845	7/1/12-6/30/13	-	5,845	(5,845)	-	-	-
Special Milk Program	10.556	3,751	7/1/12-6/30/13	-	3,751	(3,751)	-	-	-
Special Milk Program	10.556	3,563	7/1/11-6/30/12	(225)	225	-	-	-	-
Total U.S. Department of Agriculture				(6,272)	172,354	(166,082)	-	-	-
<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>									
Education Jobs Fund	84.410	742	9/1/12-8/31/13	-	-	(742)	-	(742)	-
Medical Assistance Program (SEMI)	93.778	35,137	9/1/11-8/31/12	-	35,137	(35,137)	-	-	-
Title I	84.010A	126,524	9/1/11-8/30/12	(61,316)	67,816	(6,565)	65	-	-
Title I	84.010A	122,365	9/1/12-8/30/13	-	105,069	(122,365)	-	(17,296)	-
Title IIA	84.281A	34,428	9/1/11-8/30/12	(1,832)	31,201	(29,369)	-	-	-
Title IIA	84.281A	32,049	9/1/12-8/30/13	-	5,536	(11,317)	-	(5,781)	-
I.D.E.A. Basic	84.027	379,429	9/1/11-8/30/12	(51,095)	65,089	(13,994)	-	-	-
I.D.E.A. Basic	84.027	368,128	9/1/12-8/30/13	-	310,508	(354,133)	-	(43,625)	-
I.D.E.A. Preschool	84.173	29,805	9/1/11-8/30/12	(11,277)	11,277	-	-	-	-
I.D.E.A. Preschool	84.173	29,640	9/1/12-8/30/13	-	29,640	(29,640)	-	-	-
Total U.S. Department of Education				(125,520)	661,273	(603,262)	65	(67,444)	-
Total Federal Financial Assistance				\$ (131,792)	\$ 833,627	\$ (769,344)	\$ 65	\$ (67,444)	\$ -

LUMBERTON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	JUNE 30, 2013		MEMO		
				JUNE 30, 2012	CASH RECEIVED			(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>State Department of Education:</b>												
<b>General Fund:</b>												
Equalization Aid	495-034-5120-078	\$6,878,221	7/1/12-6/30/13	\$ -	\$ 6,878,221	\$ (6,878,221)	\$ -	\$ -	\$ -	\$ 662,790	\$ 6,878,221	
Special Education Aid	495-034-5120-089	903,309	7/1/12-6/30/13	-	903,309	(903,309)	-	-	-	87,044	903,309	
Transportation Aid	495-034-5120-014	210,603	7/1/12-6/30/13	-	210,603	(210,603)	-	-	-	20,294	210,603	
Security Aid	495-034-5120-084	137,187	7/1/12-6/30/13	-	137,187	(137,187)	-	-	-	13,219	137,187	
Adjustment Aid	495-034-5120-084	36,007	7/1/12-6/30/13	-	36,007	(36,007)	-	-	-	3,470	36,007	
Non Public Transportation Aid	12-103190	14,616	7/1/11-6/30/12	(14,616)	14,616	-	-	-	-	-	-	
Non Public Transportation Aid	13-103190	17,852	7/1/12-6/30/13	-	-	(17,852)	-	(17,852)	-	-	17,852	
Extraordinary Aid	100-034-5120-473	10,083	7/1/11-6/30/12	(10,083)	10,083	-	-	-	-	-	-	
Extraordinary Aid	100-034-5120-473	8,900	7/1/12-6/30/13	-	-	(8,900)	-	(8,900)	-	-	8,900	
Homeless Tuition Reimbursement	N/A	51,313	7/1/11-6/30/12	(51,313)	51,313	-	-	-	-	-	-	
Homeless Tuition Reimbursement	N/A	3,056	7/1/12-6/30/13	-	-	(3,056)	-	(3,056)	-	-	3,056	
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-001	726,401	7/1/12-6/30/13	-	726,401	(726,401)	-	-	-	-	726,401	
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-001	642,407	7/1/12-6/30/13	-	642,407	(642,407)	-	-	-	-	642,407	
Reimbursed TPAF Social Security Contributions	100-034-5095-002	708,789	7/1/11-6/30/12	(36,086)	36,086	-	-	-	-	-	-	
Reimbursed TPAF Social Security Contributions	100-034-5095-002	760,190	7/1/12-6/30/13	-	647,159	(760,190)	-	(113,031)	-	-	760,190	
<b>Total General Fund</b>				<b>(112,098)</b>	<b>10,293,392</b>	<b>(10,324,133)</b>		<b>(142,839)</b>		<b>786,817</b>	<b>10,324,133</b>	
<b>Special Revenue Fund:</b>												
Nonpublic Textbook	100-034-5120-064	264	7/1/12-6/30/13	-	264	(176)	-	-	88	-	176	
Nonpublic Textbook	100-034-5120-064	831	7/1/11-6/30/12	185	-	-	(185)	-	-	-	-	
Nonpublic Nursing Services	100-034-5120-070	367	7/1/12-6/30/13	-	367	(250)	-	-	117	-	250	
Nonpublic Nursing Services	100-034-5120-070	1,187	7/1/11-6/30/12	108	-	-	(108)	-	-	-	-	
Nonpublic Technology Services	100-034-5120-073	98	7/1/12-6/30/13	-	98	-	-	-	98	-	-	
<b>Total Special Revenue Fund Assistance</b>				<b>293</b>	<b>729</b>	<b>(426)</b>	<b>(293)</b>	<b>-</b>	<b>303</b>	<b>-</b>	<b>426</b>	
<b>Capital Projects Fund:</b>												
ROD Grant (Project #2850-060-10-2004)	GS-4318	62,979	7/1/12-completion	-	25,404	(62,979)	-	(37,575)	-	-	62,979	
ROD Grant (Project #2850-060-10-2002)	GS-4316	26,729	7/1/12-completion	-	24,900	(26,729)	-	(1,829)	-	-	26,729	
ROD Grant (Project #2850-060-10-2003)	GS-4317	52,739	7/1/12-completion	-	-	(52,739)	-	(52,739)	-	-	52,739	
<b>Total Capital Projects Fund Assistance</b>				<b>-</b>	<b>50,304</b>	<b>(142,447)</b>	<b>-</b>	<b>(92,143)</b>	<b>-</b>	<b>-</b>	<b>142,447</b>	
<b>Debt Service Fund:</b>												
Debt Service Aid Type II	12-100-034-5120-125	1,144,079	7/1/12-6/30/13	-	1,144,079	(1,144,079)	-	-	-	-	1,144,079	
<b>Total Debt Service Fund Assistance</b>				<b>-</b>	<b>1,144,079</b>	<b>(1,144,079)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,144,079</b>	
<b>Enterprise Fund:</b>												
National School Lunch Program (State Share)	12-100-010-3360-067	4,820	7/1/12-6/30/13	-	4,820	(4,820)	-	-	-	-	4,820	
National School Lunch Program (State Share)	11-100-010-3360-067	6,176	7/1/11-6/30/12	(282)	282	-	-	-	-	-	-	
<b>Total Enterprise Fund</b>				<b>(282)</b>	<b>5,102</b>	<b>(4,820)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,820</b>	
<b>Total State Financial Assistance</b>				<b>\$ (112,087)</b>	<b>\$ 11,493,606</b>	<b>\$ (11,615,905)</b>	<b>\$ (293)</b>	<b>\$ (234,982)</b>	<b>\$ 303</b>	<b>\$ 786,817</b>	<b>\$ 11,615,905</b>	
Less: Grants Not Subject to New Jersey OMB Circular 04-04:												
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-001	835,877	7/1/12-6/30/13			\$ 726,401						
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-001	945,166	7/1/12-6/30/13			642,407						
<b>Total State Financial Assistance subject to New Jersey OMB Circular 04-04</b>						<b>\$ (10,247,097)</b>						

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2013**

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance programs of the Board of Education, Lumberton Board of Education. The Board of Education is defined in Note 1 to the 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 is included on the schedule of expenditures of federal awards and state financial assistance.

**2. Basis of Accounting**

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

**3. Relationship to Basic Financial Statements**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$19,845) for the general fund and \$1,631 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented as follows:

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)  
FOR THE YEAR ENDED JUNE 30, 2013**

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

	State	Federal	Total
General Fund	\$ 10,304,288	\$ 35,879	\$ 10,340,167
Special Revenue Fund	426	569,112	569,538
Capital Projects Fund	142,447	-	142,447
Debt Service Fund	1,144,079	-	1,144,079
Food Service Fund	4,820	166,082	170,902
Total Financial Assistance	<u>\$ 11,596,060</u>	<u>\$ 771,073</u>	<u>\$ 12,367,133</u>

**4. Relationship to Federal and State Financial Reports**

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

**5. Other**

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013 TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

**Note 6. Federal and State Loans Outstanding**

The Lumberton Board of Education had no loan balances outstanding at June 30, 2013.

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2013**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs:**

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.027	I.D.E.A. Part B - Basic Regular
84.173	I.D.E.A. Part B - Preschool

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2013**

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

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$307,413
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-014	Transportation Aid
495-034-5120-084	Security Aid
100-034-5120-125	Debt Service Aid Type II

**Section II – Financial Statement Findings**

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

No Current Year Findings

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

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

No Current Year Findings

**LUMBERTON TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2013**

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

No Prior Year Findings