

MEDFORD TOWNSHIP BOARD OF EDUCATION

Medford, New Jersey
County of Burlington

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MEDFORD TOWNSHIP BOARD OF EDUCATION

MEDFORD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by

**Medford Township Board of Education
Finance Department**



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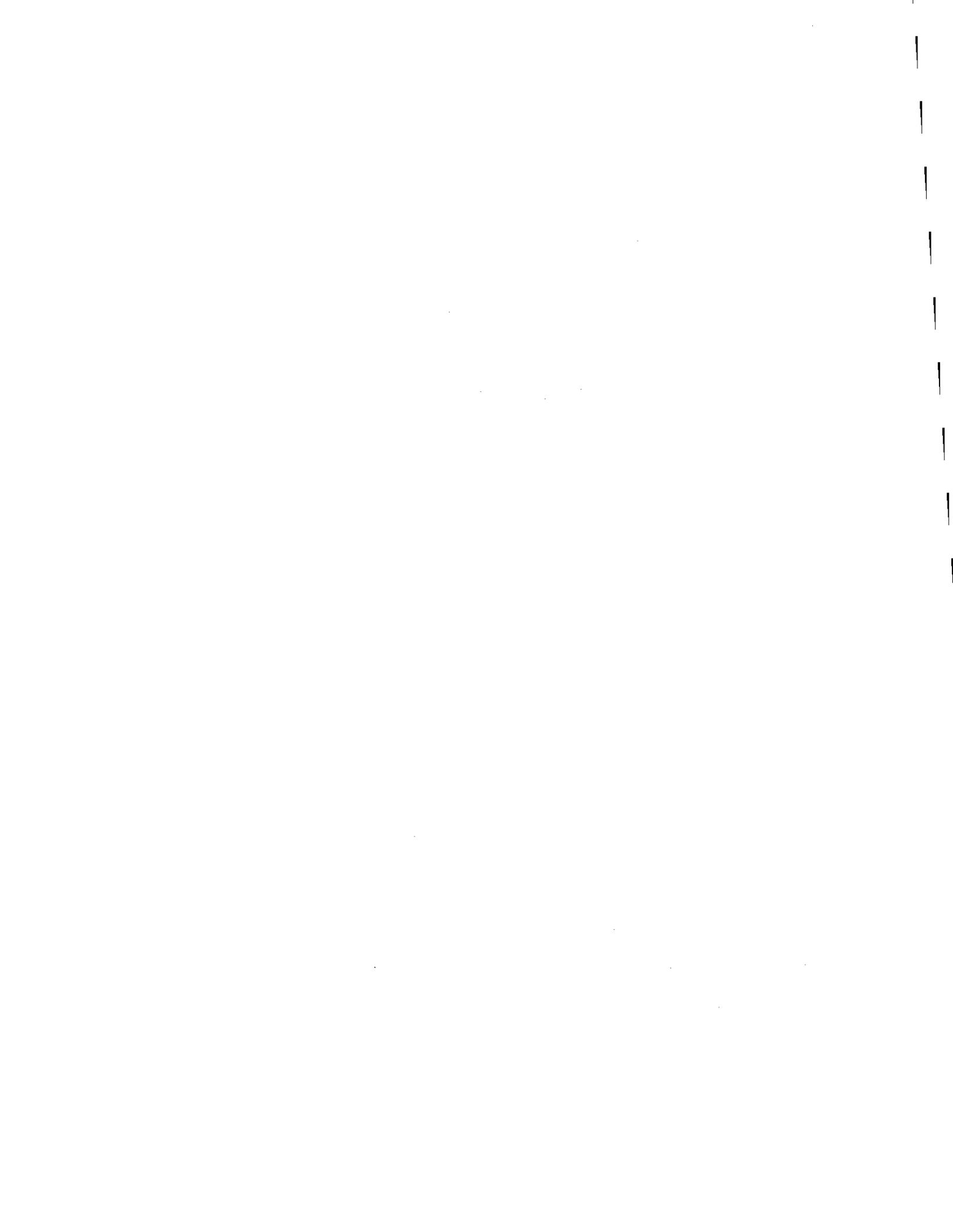
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(concluded)

INTRODUCTORY SECTION





Medford Township Public Schools

137 Hartford Road, Medford, New Jersey 08055
609-654-6416 Fax 609-654-7436

October 15, 2013

Honorable President and
Members of the Board of Education
Township of Medford School District
County of Burlington
Medford, NJ 08055

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

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Government and Non-Profit Organizations", and the state Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133, are included in the single audit section of this report.

- 1) **Reporting Entity And Its Services:** Medford 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 Medford Township Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2012-2013 fiscal year with an average daily enrollment of 2,936 students, which is 77 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last Ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-2013	2,936.0	-2.556%
2011-2012	3,013.0	-1.836%
2010-2011	3,069.4	-1.562%
2009-2010	3,118.1	1.106%
2008-2009	3,083.0	.0079%
2007-2008	3,059.0	-1.07%
2006-2007	3,092.0	.0012%
2005-2006	3,095.7	1.65%
2004-2005	3,045.6	1.67%
2003-2004	2,995.6	.41%
2002-2003	2,983.5	.73%

- 2) Economic Condition And Outlook: Medford Township has adopted a stance on growth, attempting to establish new development at a ratio of 60% commercial and 40% residential. Municipal utilities are taxed at the current time and there is very little sewer capacity available for new growth.

Due to the fiscal crisis at the State level, the State of New Jersey has significantly reduced its financial commitment to the Medford Township Schools and thus, the Medford Township taxpayers. In February 2010, the State of New Jersey arbitrarily withheld \$1,647,000 of state funding promised by statute, to the Medford Township Schools. In addition, the State of New Jersey reduced educational funding to the Medford Township Schools by 40% (\$2,300,000) for the 2010-11 fiscal year. Thus, the Medford Township Schools were placed in a situation to reduce thirty-seven (37) staff members and request a tax increase of \$1,580,000 from its residents. The 2010-11 budget was narrowly defeated and was forwarded to the Township Council for resolution. Subsequently, due to the severe economic downturn in the State and the nation, the Medford Township Council reduced the School budget by an additional \$1,000,000. Therefore, in a three month period during 2010, the Medford Township Public Schools lost \$5,000,000 or 11% of its budget. Since then, Medford Township Public Schools has focused on maintaining programs, staff, and initiatives throughout the 11-12 and 12-13 fiscal years. In the 2013-14 Budget, the Board embarked on its recovery phase from the losses stated above and hopes to sustain this effort in future years, as well.

The majority of employment for residents is outside of the township creating a sense that Medford is, in many respects, a bedroom community. The Board of Education is one the largest employers in the township, employing a combined 488 full and part-time people which represents two (2) additional employees compared to the previous fiscal year.

Medford is primarily a middle-class community with few minorities. Most housing is single-family units, and most are within identified subdivisions. There are relatively few apartments and townhouses, although recent development has included low income, COAH Housing, with the addition of the Creekside at Medford and Medford Heights Apartments.

It is a family oriented community with many activities being offered under the auspices of both the municipal recreation council and the Medford Youth Athletic Association. In addition, each of the subdivisions has its own homeowners association and provides social and recreational activities for the development. In addition, there has been much discussion at the local government level to embark on a new community expansion program that will

include a combination of commercial properties, residential single family homes, townhomes and apartments.

- 3) Major Initiatives: The 2012-2013 budget provided for maintenance of the existing curriculum with the following four initiatives: (A) Achieve New Jersey Mandate; (B) Grades K-6 Language Arts Common Core revision and implementation; (C) Grades K-5 Math Common Core revision and implementation; (D) Grades 6-8 Common Core revision. Continued staff instruction on Inclusion Strategies and a wide variety of topics designed to keep performance high on standardized test scores as our population changes, and new staff members become familiar with the expectations and culture of our town. We continued to improve upon the development of staff training materials and courses to educate all teachers on the use of the Internet throughout curricular areas in spite of significant budgetary reductions.
- 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 statement 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 evaluation 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 accounting 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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

- 6) Accounting System 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 responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2013 and the amount and percentages of increase or decrease in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2012</u>	<u>Percent Increase (Decrease)</u>
Local Sources				
Local Tax Levy	\$39,765,957	78.99%	\$ -	0.00%
Miscellaneous	544,111	1.08%	(138,069)	(20.24%)
State Sources	9,208,751	18.29%	1,111,705	13.73%
Federal Sources	821,131	1.63%	(194,131)	(19.12%)
Total	\$50,339,950	100.00%	\$ 779,505	

The increase in state sources was attributed to an increase in On-Behalf Pension Contributions of \$794,907. The decrease in federal sources was specifically due to a decrease in Education Jobs Fund of \$192,767.

The following schedule presents a summary of general fund, capital outlay, summer school and debt service fund expenditures for the fiscal year ended June 30, 2013 including the percentages of increase or decrease in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2012</u>	<u>Percent Increase (Decrease)</u>
Current Expense:				
Instruction	\$18,987,367	37.50%	\$ 1,164,716	6.54%
Undistributed Expenditures	27,256,044	53.83%	1,042,545	3.98%
Capital Outlay	882,782	1.74%	(623,929)	(41.41%)
Special School	69,048	0.14%	(8,029)	(10.42%)
Debit Service:				
Principal	2,195,000	4.33%	150,000	7.33%
Interest	1,246,288	2.46%	(78,162)	(5.90%)
Total	\$50,636,529	100.00%	\$1,647,141	

- 8) Debt Administration: At June 30, 2013 the District's outstanding debt issues included \$27,065,000 of general obligation bonds, compensation absence liability of \$386,619 and \$911,870 of Capital Lease obligations.

- 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, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit 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. In addition, the District's long standing participation in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF) has resulted in continued premium savings through enhanced Risk Management emphasis, policies and practices adopted by the JIF.
- 11) Other Information: 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. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirement of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single section of this report.
- 12) Acknowledgements: We would like to express our appreciation to the members of the Medford Township Board of Education for their concern and guidance in providing fiscal accountability to the citizens and taxpayers of the Medford School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectively submitted,

Joseph J. Del Rossi

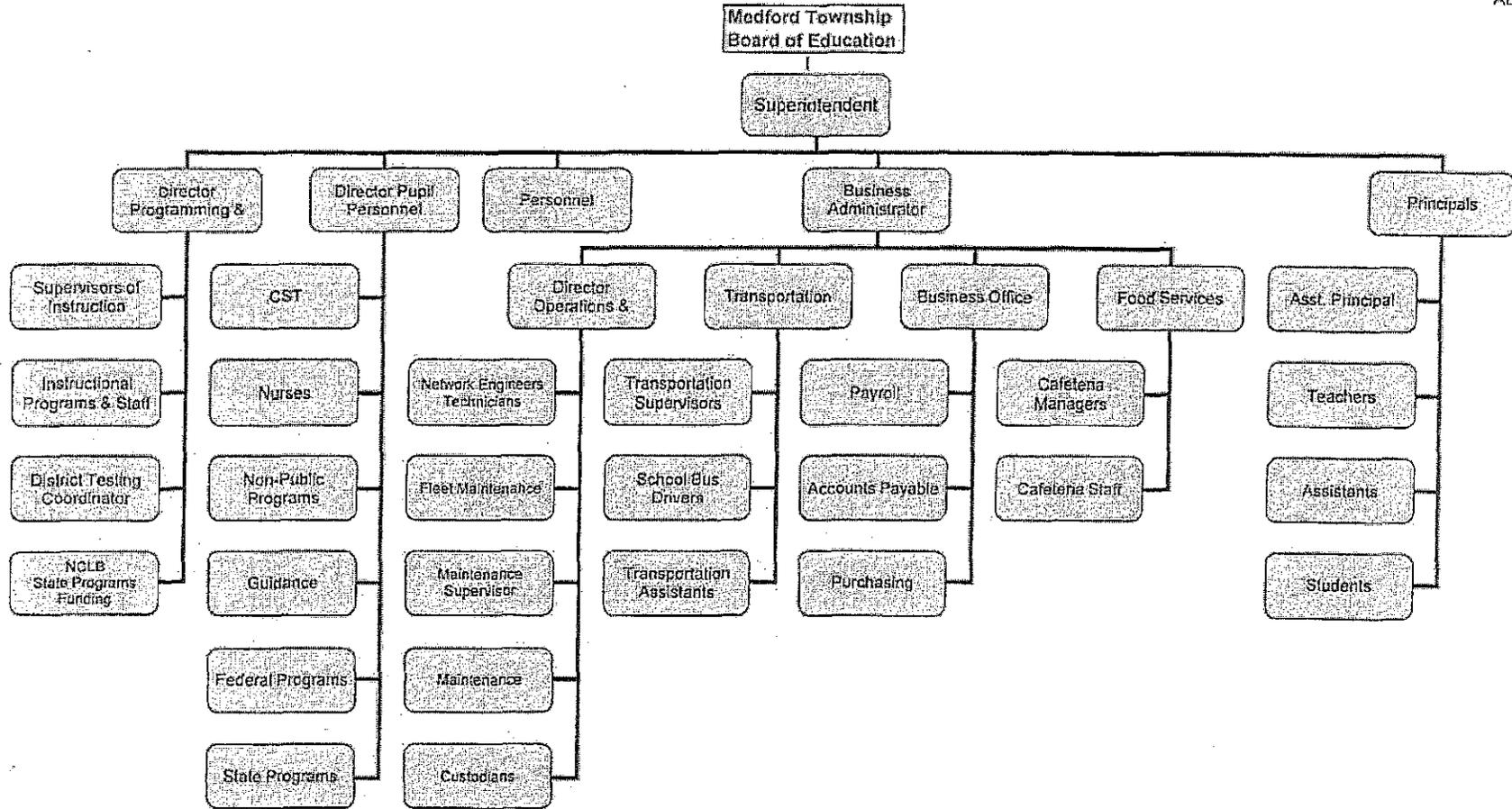
Dr. Joseph J. Del Rossi
Superintendent

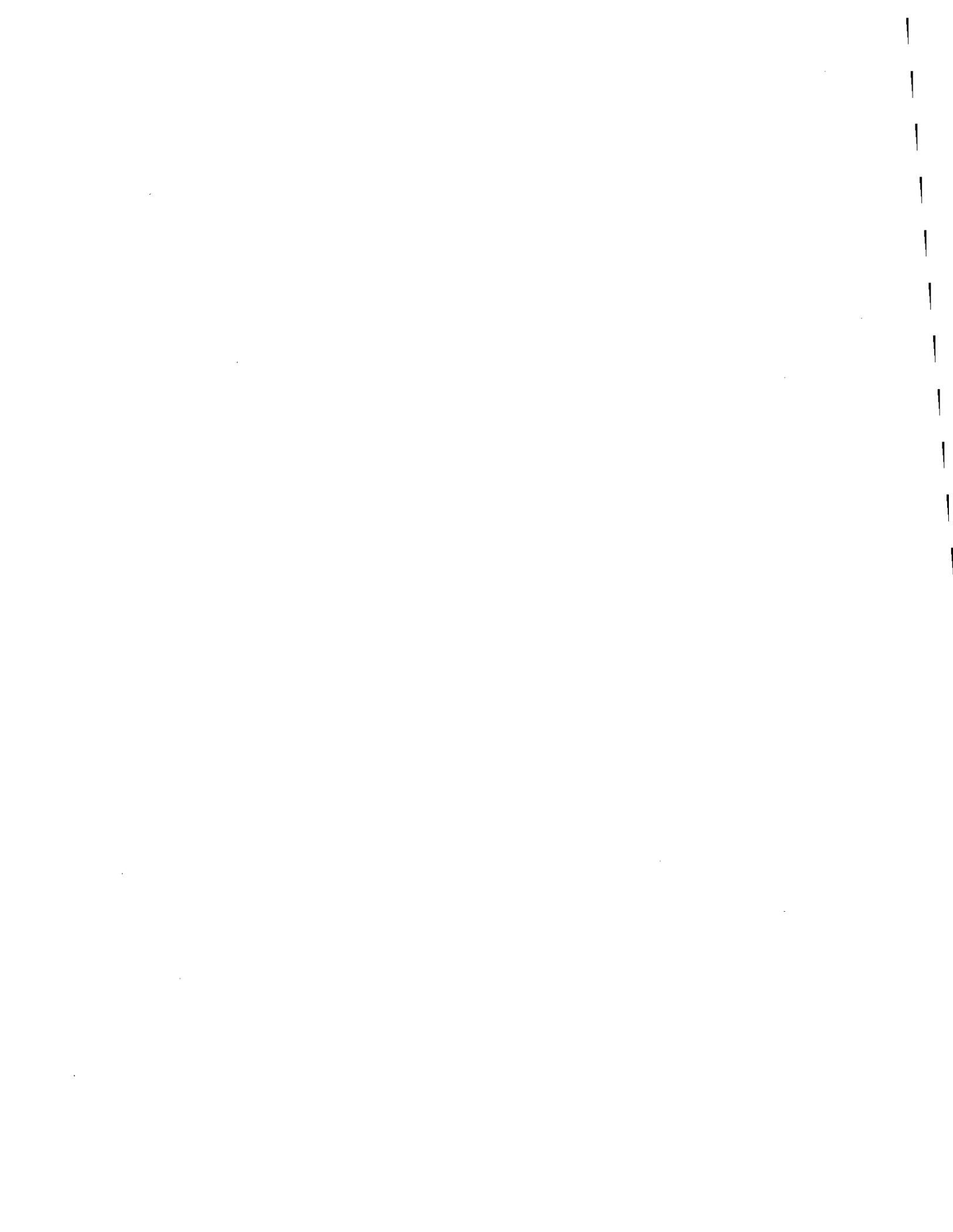
Chad Fires

Chad Fires,
Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART - EXHIBIT 2013-69, November 26, 2012

MEDFORD TOWNSHIP
BOARD OF EDUCATION
ADMINISTRATION





MEDFORD TOWNSHIP BOARD OF EDUCATION
Medford, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2013

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Michael Etter, President	2013
Trudy Cole, Vice President	2013
Katherine Busca	2013
Kathleen Chang	2015
Janet Law Clancy	2015
Ann Davidson	2014
Amy Duca	2014
Michelle Hammel	2015
Katherine Santamore	2014

OTHER OFFICIALS

Dr. Joseph J. Del Rossi, Superintendent of Schools

Chad Fires, Business Administrator/Board Secretary

N. Janet Cooper, Treasurer

Parker McCay, Solicitor

MEDFORD TOWNSHIP BOARD OF EDUCATION

Medford, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

Parker McCay
3 Greetree Center
7001 Lincoln Drive, West
P.O. Box 974
Marlton, New Jersey 08053

OFFICIAL DEPOSITORY

Beneficial Bank
Medford, New Jersey

FINANCIAL SECTION



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Medford Township
County of Burlington
Medford, New Jersey 08055

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 Medford Township Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Medford Township Board of Education, County of Burlington, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the 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 12 through 18 and 51 through 61 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 Medford Township 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

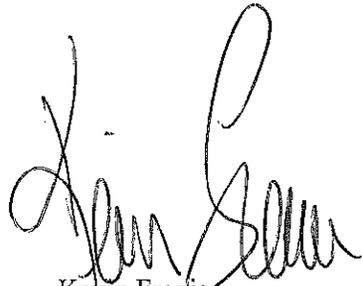
The introductory section, comparative totals for June 30, 2012, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

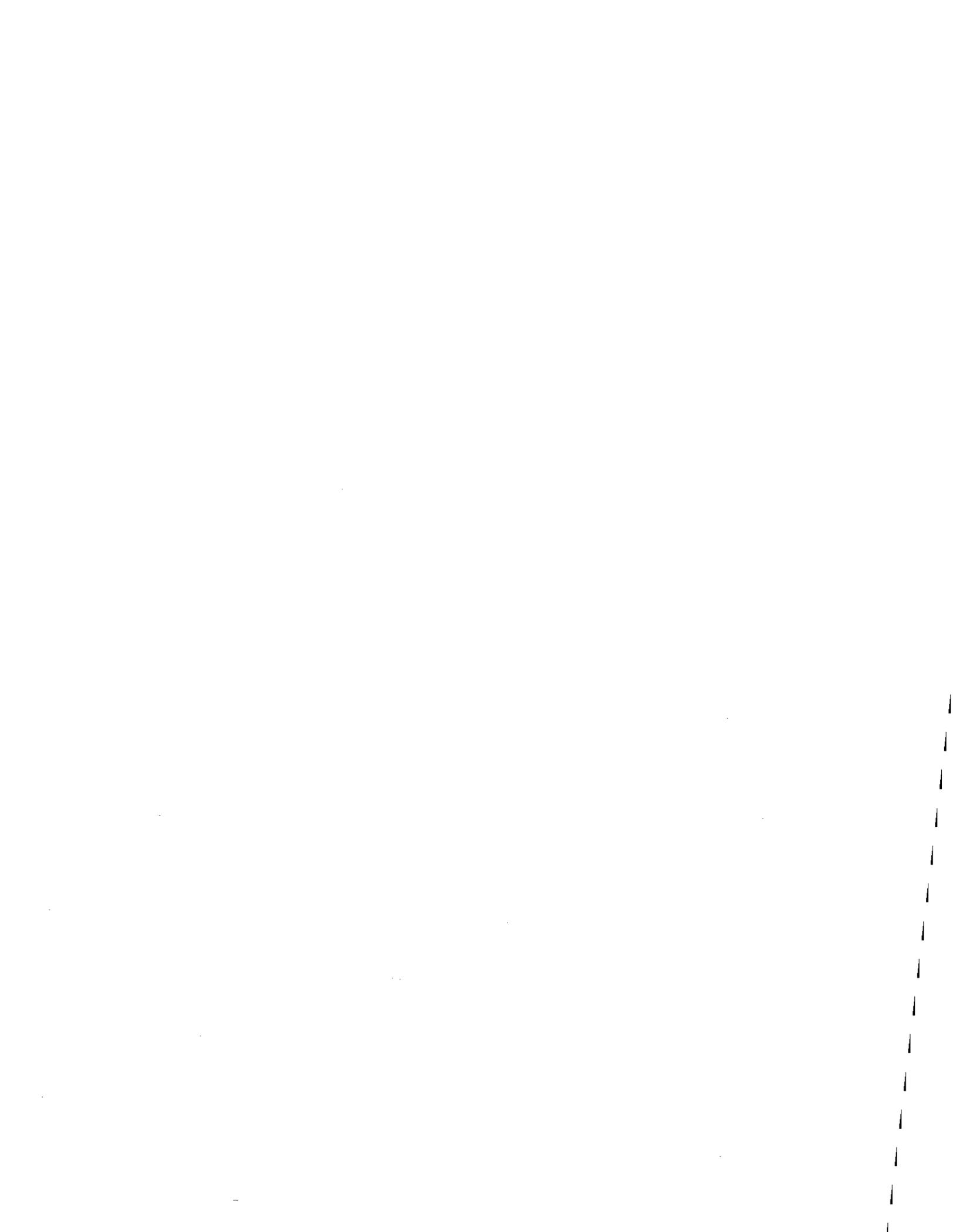
A handwritten signature in black ink, appearing to read "Kevin Frenia", is written over a faint, larger signature that is partially obscured.

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

Medford, New Jersey
October 15, 2013

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis



MEDFORD TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2013

This section of the Medford Township Board of Education's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - Managements Discussion and Analysis for State and Local Governments* issued in June 1999 that is required by the New Jersey State Department of Education. Comparative information between the completed fiscal year (2012 -2013) and the prior fiscal year (2011-2012) is required and is presented in the MD&A.

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.

The statement of net position (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The district-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Government 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 funds 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 statements 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 and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibit 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 proprietary fund has been included within the business-type activities in the district-wide financial statements.

The food services 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 government 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 groups, 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 HIGHLIGHTS

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

- The General Fund balance (budgetary basis) decreased \$147,898 from \$5,754,117 to \$5,606,219 in 2013. The balance at June 30, 2013 included an amount of \$576,861 in excess of the 2% allowable per state mandate.
- General revenues for governmental and business-type activities accounted for 49,422,921 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for 1,744,119 of total revenues of \$51,167,040.
- The General Fund fund balance at June 30, 2013 is \$5,228,010, a decrease of \$163,090 when compared with the beginning balance at July 1, 2012 of \$5,391,100.
- The Food Service fund balance at June 30, 2013 is \$193,161, an increase of \$29,427 when compared with the beginning balance at July 1, 2012 of \$163,734.

District-wide Financial Analysis

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

	Governmental Activities	Business-type Activities	Total
Current & Other Assets	\$ 6,975,140	\$177,916	\$ 7,313,993
Capital Assets, Net	<u>58,598,736</u>	<u>81,874</u>	<u>58,580,610</u>
Total Assets	<u>65,473,876</u>	<u>220,277</u>	<u>65,733,666</u>
Long-Term Liabilities Outstanding	26,772,531	-	29,772,531
Other Liabilities	<u>4,313,534</u>	<u>66,629</u>	<u>4,380,163</u>
Total Liabilities	<u>31,086,065</u>	<u>66,629</u>	<u>31,152,694</u>

Net Position:			
Investment in Capital Assets, Net of Related Debt	31,015,580	81,874	31,097,454
Restricted	2,119,936	-	2,119,936
Unrestricted	<u>1,252,295</u>	<u>111,287</u>	<u>1,363,582</u>
Total net position	<u>\$34,387,811</u>	<u>\$193,161</u>	<u>\$ 34,580,972</u>

The District's net position decreased from the previous year by 4,738,318. This is due to a district wide reappraisal of its capital assets. Restricted assets represent resources that are subject to external restrictions on how they may be used. Within this category, the largest balance is the \$2,476,585 utilized for other purposes such as tax relief when available.

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.

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

	Governmental Activities	Business-type Activities	Total
Revenues:			
General Revenues:			
Property Taxes	\$ 39,765,957	\$ -	\$ 39,765,957
Federal & State Aid Not Restricted to Specific Purposes	9,076,950	167,915	9,244,865
Miscellaneous (Includes Interest, Tuition & Facility Rental)	544,166	624,502	1,168,668
Amortization of Gain on ER Debt	<u>34,618</u>	<u>-</u>	<u>34,618</u>
Total Revenue	<u>49,421,691</u>	<u>792,417</u>	<u>50,214,108</u>
Expenses:			
Instructional Services	18,197,970	-	18,197,970
Support Services/Food Service	16,437,215	832,583	17,269,798
Unallocated Benefits	11,119,839	-	11,119,839
Interest on Long-Term Debt	1,294,440	-	1,294,440
Transfer to Charter Schools	31,998	-	31,998
Special Schools	69,048	-	69,048
Amortization of Bond Issuance Cost	14,115	-	14,115
Reduction of Capital Leases	(465,873)	-	(465,873)
Amortization of Early Debt Retirement	33,218	-	33,218
Unallocated Comp. Absences	120,277	-	120,277
Loss on Adjustment to Capital Assets	5,829,345	-	5,829,345
Unallocated Depreciation	<u>1,748,398</u>	<u>-</u>	<u>1,748,398</u>
Total Expenses	<u>55,142,368</u>	<u>832,583</u>	<u>55,974,951</u>

**Increase/(Decrease) in Net Position
Before Transfers**

Change in Net Position	(4,767,745)	29,427	(4,738,318)
Net Position July 1	<u>39,155,556</u>	<u>163,734</u>	<u>39,919,290</u>
Net Position – Ending	<u>\$34,387,811</u>	<u>\$193,191</u>	<u>\$34,580,972</u>

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 a 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. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2012</u>	<u>Percent Increase (Decrease)</u>
Local Sources				
Local Tax Levy	\$39,765,957	78.99%	\$ -	0.00%
Miscellaneous	544,111	1.08%	(138,069)	(20.24%)
State Sources	9,208,751	18.29%	1,111,705	13.73%
Federal Sources	<u>821,131</u>	<u>1.63%</u>	<u>(194,131)</u>	<u>(19.12%)</u>
Total	<u>\$50,339,950</u>	<u>100.00%</u>	<u>\$ 779,505</u>	

The increase in state sources was attributed to an increase in Equalization Aid, Transportation Aid and TPAF reimbursement contributions. The decrease in federal sources was specifically due to a one- time Education Jobs Fund program in the prior year.

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. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	Expenditure	Percent of Total	Increase (Decrease) From 2012	Percent Increase (Decrease)
Current Expense:				
Instruction	\$18,987,367	37.50%	\$1,164,716	6.54%
Undistributed Expenditures	27,256,044	53.83%	1,042,545	3.98%
Capital Outlay	882,782	1.74%	(623,929)	(41.41%)
Special School	69,048	0.14%	8,029	(10.42%)
Debit Service	<u>3,441,288</u>	<u>6.80%</u>	<u>71,838</u>	2.13%
Total	<u>\$50,636,529</u>	<u>100.00%</u>	<u>\$ 1,647,141</u>	

General Fund Budgetary Highlights

The school district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2013, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

While the District's final budget for the general fund anticipated that revenues and expenditures would be equal, the actual results for the year show a surplus.

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 Service Enterprise Fund experienced an increase change in net position of \$29,427. The food service program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget. It is anticipated that when the economy begins to revive itself, the lunch program will once again, begin to show an increase in profit.

Capital Assets

At June 30, 2013 the District has capital assets of \$58,580,610 net of depreciation, which includes land, building improvements, machinery and equipment, vehicles, and construction in progress.

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

	Governmental Activities	Business-Type Activities
Land	\$ 5,114,713	
Buildings & Improvements	51,416,509	
Machinery and Equipment	<u>1,967,514</u>	<u>\$ 81,874</u>
Total	<u>\$58,498,736</u>	<u>\$ 81,874</u>

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 \$27,065,000 of general obligation bonds, \$911,870 of capital leases; and \$1,499,130 in compensated absences payable.

Additional information on the District's debt administration and other obligations can be found in Note 5 and Note 17 to the basic financial statements.

Economic Factors and Next Year's Budget

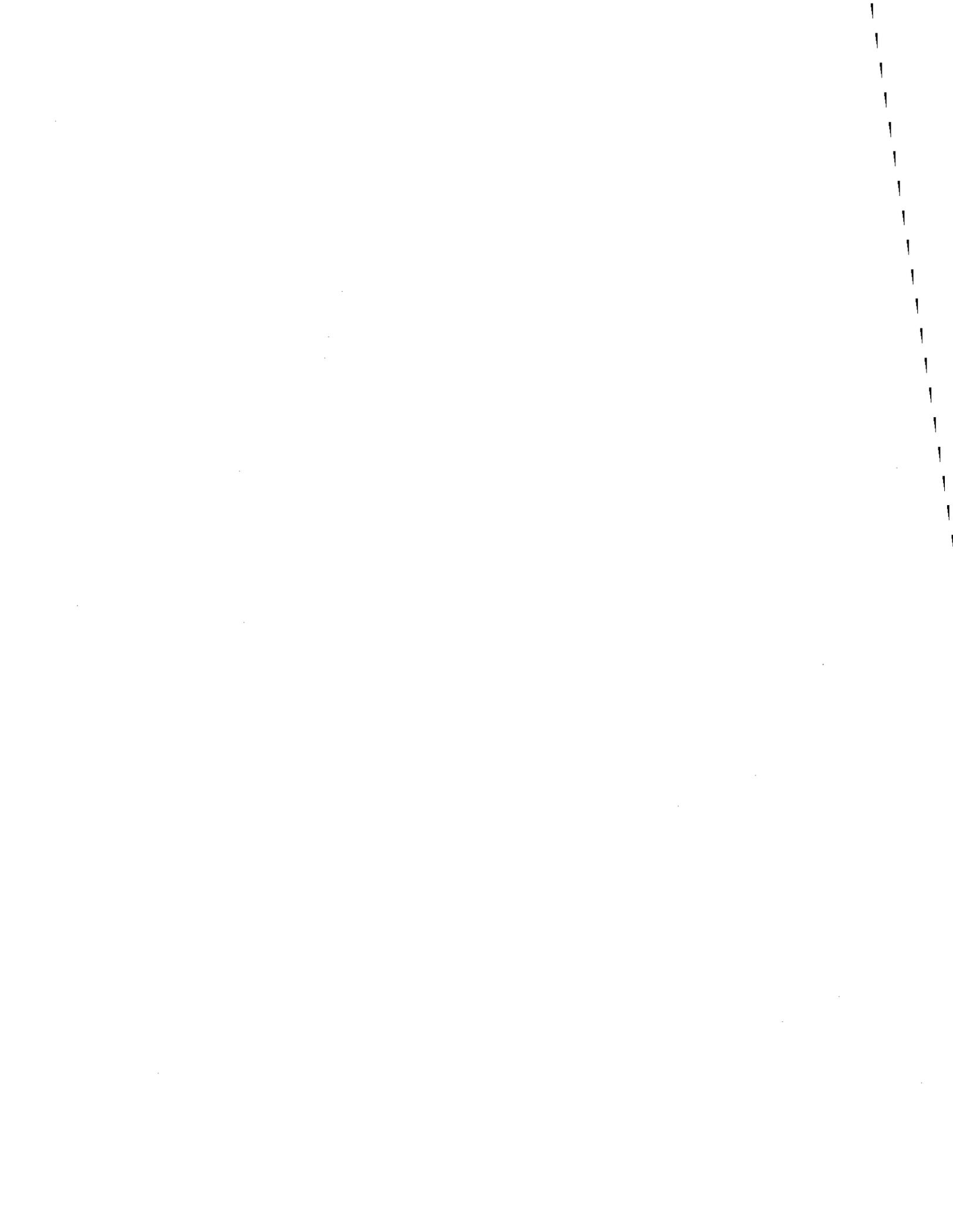
- The District anticipates that the approved 2013-14 budget will be adequate to satisfy all 2013-14 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Medford Township Board of Education's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Medford Township Board of Education, 137 Hartford Road, Medford, NJ 08055.



BASIC FINANCIAL STATEMENTS



A. District-Wide Financial Statements

MEDFORD 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	JUNE 30, 2012
				(MEMORANDUM ONLY)
Cash & Cash Equivalents	\$ 5,371,685	\$ 147,713	\$ 5,519,398	\$ 5,821,378
Receivables, Net	767,812	7,676	775,488	581,135
Inventory		22,527	22,527	13,833
Unamortized Bond Issuance Costs	63,278	-	63,278	77,393
Unamortized Loss on Early Retirement of Debt	465,054	-	465,054	498,272
Restricted Assets:				
Restricted Cash & Cash Equivalents	307,311	-	307,311	321,982
Capital Assets, Net (Note 5)	58,498,736	81,874	58,580,610	65,768,719
Total Assets	65,473,876	259,790	65,733,666	73,082,712
LIABILITIES				
Accounts Payable	1,185,828	45,386	1,231,214	1,171,217
Accrued Interest on Bonds	386,619	-	386,619	423,510
Unamortized Gain on Early Retirement of Debt	34,618	-	34,618	69,236
Deferred Revenue	3,000	21,243	24,243	25,309
Noncurrent Liabilities (Note 7):				
Due Within One Year	2,703,469	-	2,703,469	2,595,455
Due Beyond One Year	26,772,531	-	26,772,531	29,478,695
Total Liabilities	31,086,065	66,629	31,152,694	33,763,422
NET POSITION				
Invested in Capital Assets, Net of Related Debt	31,015,580	81,874	31,097,454	35,313,976
Restricted For:				
Debt Service	(356,649)	-	(356,649)	(411,108)
Other Purposes	2,476,585	-	2,476,585	4,352,762
Unrestricted	1,252,295	111,287	1,363,582	63,660
Total Net Position	\$ 34,387,811	\$ 193,161	\$ 34,580,972	\$ 39,319,290

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

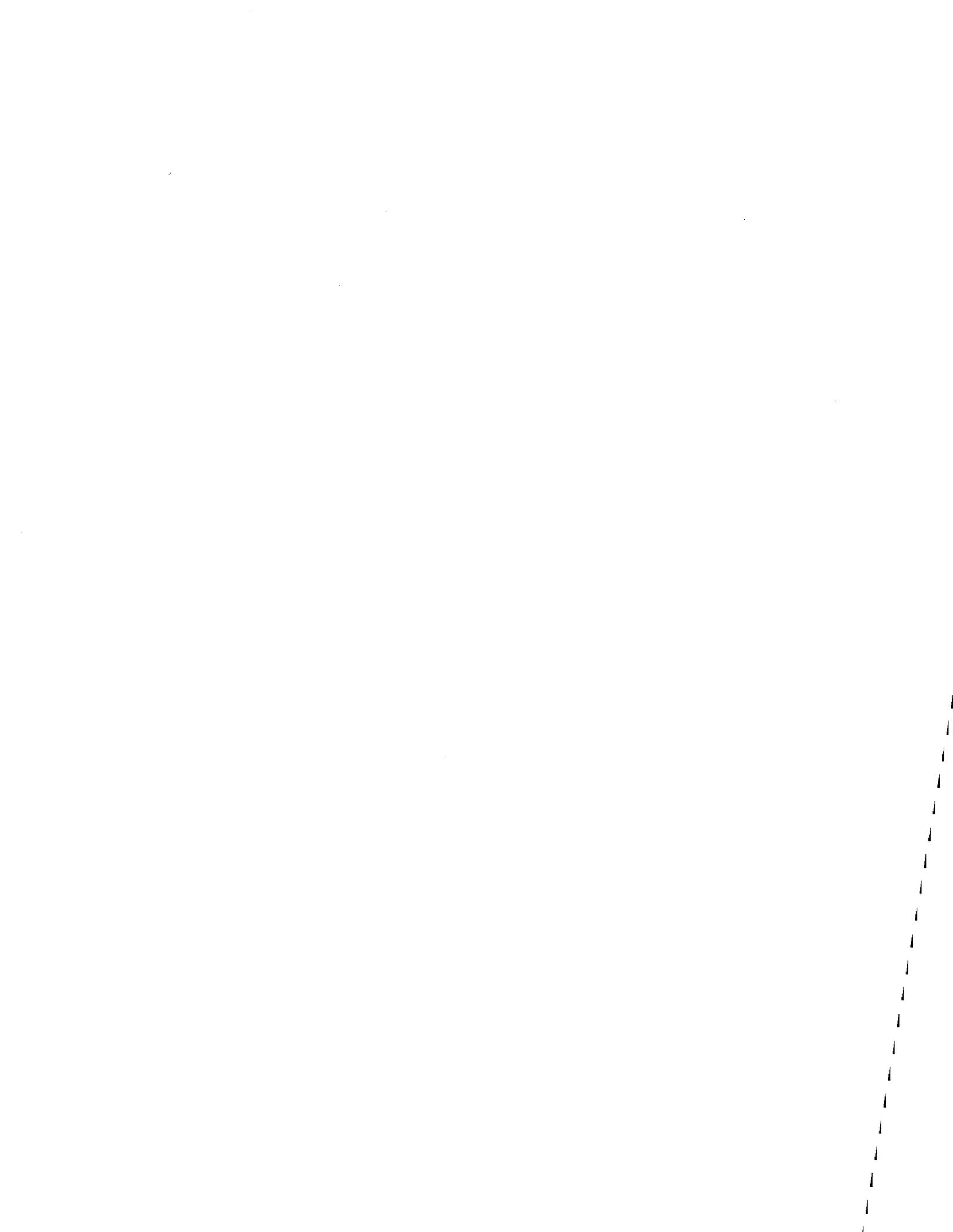
MEDFORD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

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
(MEMORANDUM ONLY)							
Governmental Activities:							
Instruction:							
Regular	\$ 13,156,839	\$ -	\$ 789,397	\$ (12,367,442)	\$ -	\$ (12,367,442)	\$ (11,698,291)
Special Education	5,308,220	-	-	(5,308,220)	-	(5,308,220)	(5,033,439)
Other Special Instruction	402,047	-	-	(402,047)	-	(402,047)	(337,313)
Other Instruction	120,261	-	-	(120,261)	-	(120,261)	(42,175)
Support Services & Undistributed Costs:							
Tuition	1,338,256	-	-	(1,338,256)	-	(1,338,256)	(1,502,954)
Attendance & Social Work Services	15,115	-	-	(15,115)	-	(15,115)	(13,830)
Health Services	492,596	-	-	(492,596)	-	(492,596)	(520,812)
Student & Instruction Related Services	2,841,851	-	163,535	(2,678,316)	-	(2,678,316)	(2,544,394)
Educational Media Services/School Library	365,627	-	-	(365,627)	-	(365,627)	(354,003)
Instructional Staff Training	431,881	-	-	(431,881)	-	(431,881)	(575,670)
School Administrative Services	3,068,602	-	-	(3,068,602)	-	(3,068,602)	(999,195)
Other Administrative Services	828,865	-	-	(828,865)	-	(828,865)	(2,700,993)
Plant Operations & Maintenance	3,788,271	-	-	(3,788,271)	-	(3,788,271)	(3,502,879)
Pupil Transportation	3,429,686	-	-	(3,429,686)	-	(3,429,686)	(3,405,580)
Unallocated Benefits	11,119,839	-	-	(11,119,839)	-	(11,119,839)	(10,094,703)
Transfer to Charter Schools	31,998	-	-	(31,998)	-	(31,998)	-
Interest on Long-Term Debt	1,294,440	-	-	(1,294,440)	-	(1,294,440)	(1,358,396)
Special Schools	69,048	-	-	(69,048)	-	(69,048)	(77,077)
Amortization of Bond Issuance Costs	14,115	-	-	(14,115)	-	(14,115)	(14,114)
Amortization of Loss on Early Retirement of Debt	33,218	-	-	(33,218)	-	(33,218)	(33,218)
Unallocated Compensated Absences	(120,277)	-	-	120,277	-	120,277	(12,579)
Reduction of of Capital Leases	(465,873)	-	-	465,873	-	465,873	361,675
Loss on Adjustment to Capital Assets	5,829,345	-	-	(5,829,345)	69,593	(5,759,752)	-
Unallocated Depreciation	1,748,398	-	-	(1,748,398)	-	(1,748,398)	(2,133,778)
Total Governmental Activities	55,142,368	-	952,932	(54,189,436)	69,593	(54,119,843)	(46,593,718)
Business-Type Activities:							
Food Service	832,583	623,272	167,915		(41,396)	(41,396)	(19,510)
Total Business-Type Activities	832,583	623,272	167,915		(41,396)	(41,396)	(19,510)
Total Primary Government	\$ 55,974,951	\$ 623,272	\$ 1,120,847	(54,189,436)	28,197	(54,161,239)	(46,613,228)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				36,307,156	-	36,307,156	36,417,885
Taxes Levied for Debt Service				3,458,801	-	3,458,801	3,348,072
Federal & State Aid Not Restricted				9,076,950	-	9,076,950	8,154,002
Investment Earnings				-	1,230	1,230	3,051
Miscellaneous Income				544,166	-	544,166	682,395
Amortization of Gain on Early Retirement of Debt				34,618	-	34,618	34,618
Total General Revenues, Special Items, Extraordinary Items & Transfers				49,421,691	1,230	49,422,921	48,640,023
Change In Net Position				(4,767,745)	29,427	(4,738,318)	2,026,795
Net Position July 1				39,155,556	163,734	39,319,290	37,292,495
Net Position - Ending				\$ 34,387,811	\$ 193,161	\$ 34,580,972	\$ 39,319,290

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

B. Fund Financial Statements

Governmental Funds



**MEDFORD TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
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
Assets:						
Cash & Cash Equivalents	\$ 5,526,215	\$ -	\$ 55	\$ 29,915	\$ 5,556,185	\$ 5,662,846
Due From Other Funds	3,312	-	-	55	3,367	17,254
Receivables From Other Governments	545,970	219,322	-	-	765,292	578,986
Restricted Cash & Cash Equivalents	307,311	-	-	-	307,311	304,728
Total Assets	\$ 6,382,808	\$ 219,322	\$ 55	\$ 29,970	\$ 6,632,155	\$ 6,563,814
Liabilities & Fund Balances:						
Liabilities:						
Cash Deficit	\$ -	\$ 184,500	\$ -	\$ -	\$ 184,500	\$ -
Accounts Payable	1,154,798	12,397	-	-	1,167,195	1,124,971
Intergovernmental - Accounts Payable	-	18,633	-	-	18,633	12,012
Interfund Payable	-	792	55	-	847	20,329
Deferred Revenue	-	3,000	-	-	3,000	3,000
Total Liabilities	1,154,798	219,322	55	-	1,374,175	1,160,312
Fund Balances:						
Restricted for:						
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,592,412	-	-	-	1,592,412	1,038,338
Excess Surplus - Current Year	576,861	-	-	-	576,861	1,592,412
Capital Reserve Account	307,311	-	-	-	307,311	304,728
Assigned to:						
Other Purposes	59,260	-	-	-	59,260	202,781
Designated by the BOE for Subsequent Year's Expenditures	1,807,044	-	-	9,915	1,816,959	1,246,841
Debt Service Fund	-	-	-	20,055	20,055	9,915
Unassigned:						
General Fund	885,122	-	-	-	885,122	1,008,487
Total Fund Balances	5,228,010	-	-	29,970	5,257,980	5,403,502
Total Liabilities & Fund Balances Balances	\$ 6,382,808	\$ 219,322	\$ 55	\$ 29,970		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$87,017,456 and the accumulated depreciation is \$28,518,720.	58,498,736	65,743,285
Unamortized Bond Issuance Costs	63,278	77,393
Unamortized Loss on Early Retirement of Debt	465,054	498,272
Unamortized Gain on Early Retirement of Debt	(34,618)	(69,236)
Accrued Interest not recorded in current financial statements	(386,619)	(423,510)
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 (see Illustrative Note 7)	(29,476,000)	(32,074,150)
Net Position of Governmental Activities	\$ 34,387,811	\$ 39,155,556

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

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

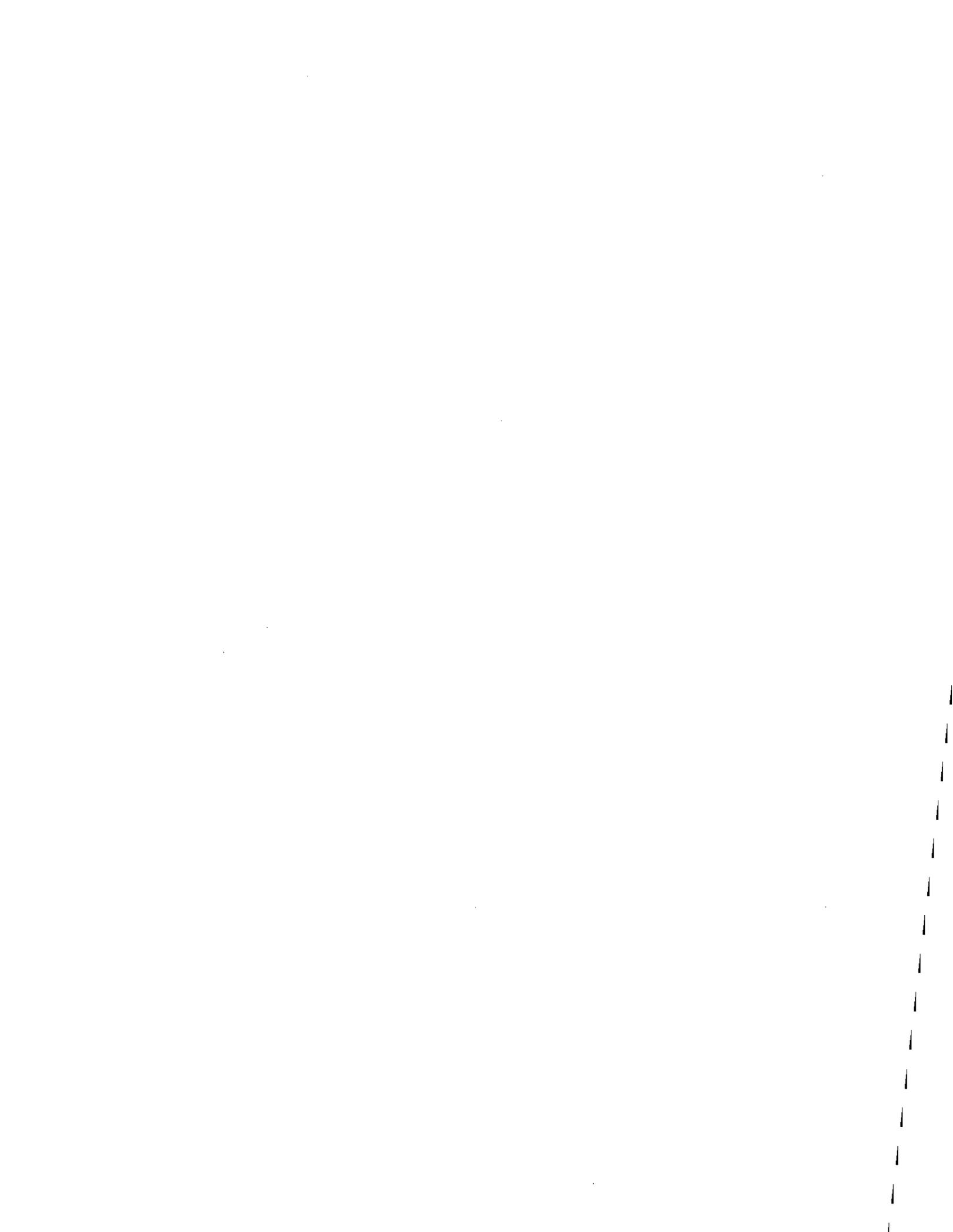
	GOVERNMENTAL FUND TYPES				TOTALS	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	(MEMORANDUM ONLY)	
					JUNE 30, 2013	JUNE 30, 2012
Revenues:						
Local Sources:						
Local Tax Levy	\$ 36,307,156	\$ -	\$ -	\$ 3,458,801	\$ 39,765,957	\$ 39,765,957
Miscellaneous	544,111	-	55	-	544,166	682,395
Total Revenues - Local Sources	36,851,267	-	55	3,458,801	40,310,123	40,448,352
State Sources	9,076,950	131,801	-	-	9,208,751	8,097,046
Federal Sources	-	821,131	-	-	821,131	1,015,262
Total Revenues	45,928,217	952,932	55	3,458,801	50,340,005	49,560,660
Expenditures:						
Current Expense:						
Instruction	18,197,970	789,397	-	-	18,987,367	17,822,651
Undistributed Expenditures	27,092,509	163,535	-	-	27,256,044	26,213,499
Capital Outlay	882,782	-	-	-	882,782	1,506,711
Special Schools	69,048	-	-	-	69,048	77,077
Debt Service	-	-	-	3,441,288	3,441,288	3,369,450
Total Expenditures	46,242,309	952,932	-	3,441,288	50,636,529	48,989,388
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(314,092)	-	55	17,513	(296,524)	571,272
Other Financing Sources/(Uses):						
Operating Transfers (Out)/In	-	-	(55)	55	-	-
Transfer to Charter School	(31,998)	-	-	-	(31,998)	-
Capital Leases (Nonbudget)	183,000	-	-	-	183,000	828,282
Total Other Financing Sources/ (Uses)	151,002	-	(55)	55	151,002	828,282
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures	(163,090)	-	-	17,568	(145,522)	1,399,554
Fund Balances July 1	5,391,100	-	-	12,402	5,403,502	4,003,948
Fund Balances June 30	\$ 5,228,010	\$ -	\$ -	\$ 29,970	\$ 5,257,980	\$ 5,403,502

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

**MEDFORD 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 (From B-2)	\$	(145,522)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:</p>		
Depreciation Expense		(1,748,398)
Adjustment due to Fixed Asset Appraisal		(5,829,345)
Capital Outlays		333,194
		(7,244,549)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		2,195,000
<p>Bond issuance cost are reported in the Governmental Funds as Expenditures in the year of issuance. On the Statement of activities: Issuing Debt Increases Long-Term Liabilities:</p>		
Amortization of Bond Issuance Costs		(14,115)
Amortization of Gain on Bond Refinancing		34,618
Amortization of Loss on Bond Refinancing		(33,218)
		(12,715)
<p>Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		465,873
<p>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.</p>		
Prior year		423,510
Current Year		(386,619)
		36,891
<p>Proceeds from a Capital Lease are reflected as a Funding Source in the Governmental Funds</p>		(183,000)
<p>Repayment of compensated absences 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.</p>		120,277
Change in Net Position of Governmental Activities	\$	(4,767,745)

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



Proprietary Funds

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS	
			(MEMORANDUM ONLY)	
	FOOD SERVICE		JUNE 30, 2013	JUNE 30, 2012
Current Assets:				
Cash & Cash Equivalents	\$ 147,713	\$	147,713	\$ 175,786
Due from Other Governments	7,676		7,676	5,224
Inventories	22,527		22,527	13,833
Total Current Assets	177,916		177,916	194,843
Noncurrent Assets:				
Furniture, Machinery & Equipment	223,900		223,900	375,049
Less: Accumulated Depreciation	(142,026)		(142,026)	(349,615)
Total Noncurrent Assets	81,874		81,874	25,434
Total Assets	259,790		259,790	220,277
LIABILITIES				
Prepaid Meals	21,243		21,243	22,309
Accounts Payable	45,386		45,386	34,234
Total Liabilities	66,629		66,629	56,543
NET POSITION				
Investment in Capital Assets	81,874		81,874	25,434
Unrestricted	111,287		111,287	138,300
Total Net Position	\$ 193,161	\$	193,161	\$ 163,734

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE		
	FUNDS	TOTALS	
	FOOD SERVICE	JUNE 30, 2013	JUNE 30, 2012
		(MEMORANDUM ONLY)	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 295,280	\$ 295,280	\$ 377,103
Daily Sales - Nonreimbursable Programs	292,725	292,725	334,514
Special Functions	35,267	35,267	
	<u>623,272</u>	<u>623,272</u>	<u>711,617</u>
Total Operating Revenues			
Operating Expenses:			
Salaries	407,293	407,293	405,466
Supplies & Materials	54,028	54,028	60,739
Liability Insurance	5,763	5,763	23,412
Miscellaneous	3,349	3,349	15,882
Management Fee	47,099	47,099	50,471
Depreciation Expense	13,153	13,153	7,936
Cost of Sales	301,898	301,898	330,804
	<u>832,583</u>	<u>832,583</u>	<u>894,710</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(209,311)</u>	<u>(209,311)</u>	<u>(183,093)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	6,330	6,330	7,820
Federal Sources:			
National School Lunch Program	103,197	103,197	110,497
Special Milk Program	1,147	1,147	1,956
Healthy Hunger-Free Kids Act	8,164	8,164	-
Food Distribution Program	49,077	49,077	43,310
Interest Revenue	1,230	1,230	3,051
Gain/(Loss) on Adjustment to Fixed Assets	69,593	69,593	
	<u>238,738</u>	<u>238,738</u>	<u>166,634</u>
Total Nonoperating Revenues/(Expenses)			
Change in Net Position	29,427	29,427	(16,459)
Total Net Position - Beginning	<u>163,734</u>	<u>163,734</u>	<u>180,193</u>
Total Net Position - Ending	<u>\$ 193,161</u>	<u>\$ 193,161</u>	<u>\$ 163,734</u>

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

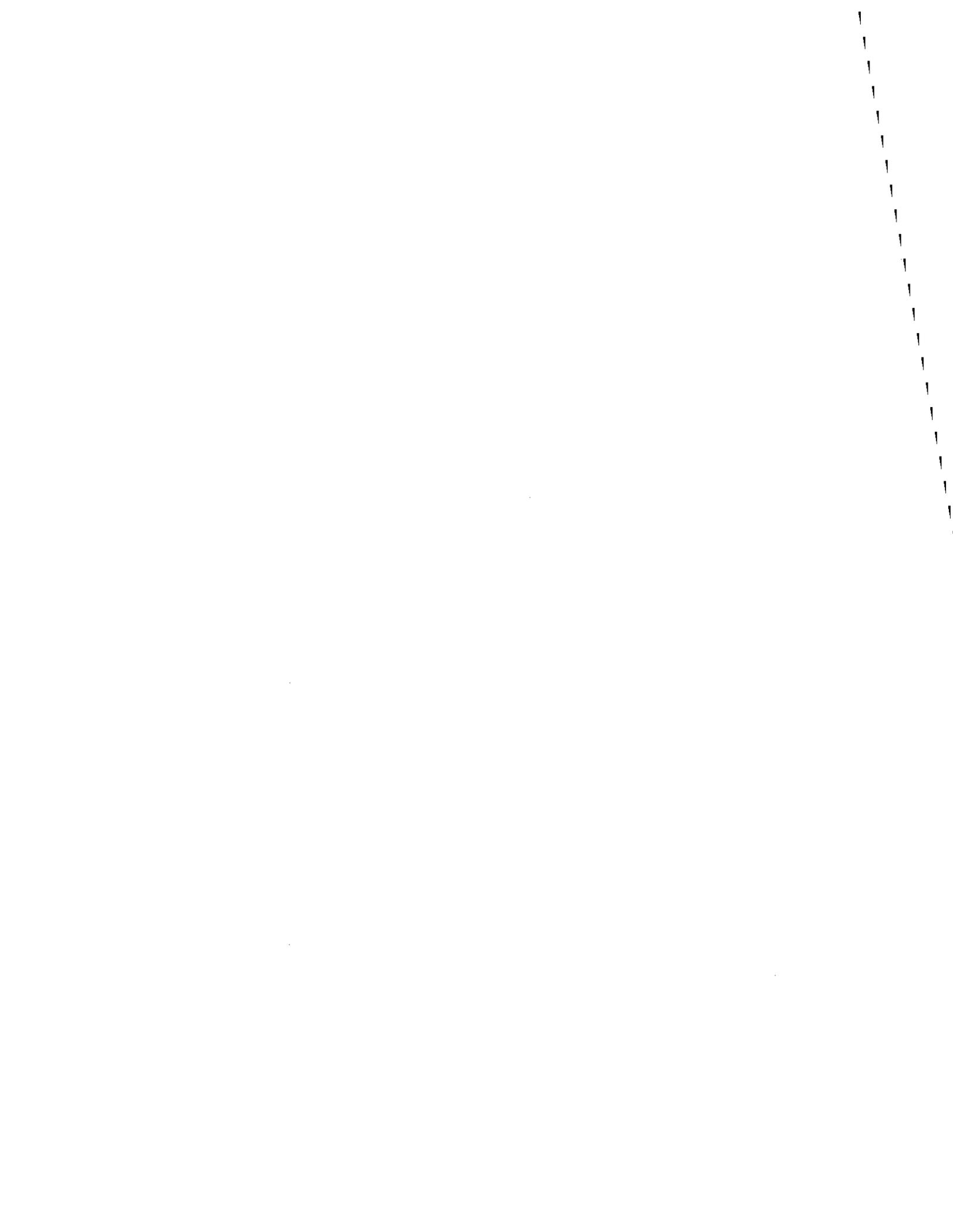
**MEDFORD TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE		TOTALS	
	ACTIVITIES - ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
		JUNE 30, 2013	JUNE 30, 2012	
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 623,272	\$ 623,272	\$ 717,411	
Payments to Employees	(359,282)	(359,282)	(849,532)	
Payments to Suppliers	(409,679)	(409,679)	-	
Net Cash Provided/(Used) by Operating Activities	(145,689)	(145,689)	(132,121)	
Cash Flows From Noncapital Financing Activities:				
State Sources	6,258	6,258	8,587	
Federal Sources	110,128	110,128	158,292	
Net Cash Provided/(Used) by Noncapital Financing Activities	116,386	116,386	166,879	
Cash Flows From Investing Activities:				
Interest Earnings	1,230	1,230	3,051	
Net Cash Provided/(Used) by Investing Activities	1,230	1,230	3,051	
Net Increase/(Decrease) in Cash & Cash Equivalents	(28,073)	(28,073)	37,809	
Balances - Beginning of Year	175,786	175,786	137,977	
Balances - End of Year	\$ 147,713	\$ 147,713	\$ 175,786	

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

Operating Income/(Loss)	\$ (209,311)	\$ (209,311)	\$ (183,093)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Food Distribution Program	49,077	49,077	-
Depreciation & Net Amortization	13,153	13,153	7,936
(Increase)/Decrease in Interfund Receivable	-	-	5,297
Increase/(Decrease) in Prepaid	(1,066)	(1,066)	497
(Increase)/Decrease in Inventory	(8,694)	(8,694)	3,008
(Increase)/Decrease in Accounts Payable	11,152	11,152	34,234
Total Adjustments	63,622	63,622	50,972
Net Cash Provided/(Used) by Operating Activities	\$ (145,689)	\$ (145,689)	\$ (132,121)

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



Fiduciary Fund

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

ASSETS	PRIVATE PURPOSE				TOTALS	
	UNEMPLOYMENT		AGENCY		(MEMORANDUM ONLY)	
	COMPENSATION TRUST	SCHOLARSHIP FUND	STUDENT ACTIVITY	PAYROLL AGENCY	JUNE 30, 2013	JUNE 30, 2012
Cash & Cash Equivalents	\$ 20,411	\$ 14,378	\$ 365,019	\$ 265,259	\$ 665,067	\$ 660,588
Interfund Receivable	-	-	-	-	-	3,075
Total Assets	20,411	14,378	365,019	265,259	665,067	663,663
LIABILITIES						
Interfund Payables	-	-	-	2,520	2,520	-
Payroll Deductions & Withholdings	-	-	-	238,493	238,493	289,498
Due to Employees - (Section 125 Plan)	-	-	-	24,246	24,246	-
Due to Student Groups	-	-	365,019	-	365,019	292,553
Total Liabilities	-	-	365,019	265,259	630,278	582,051
NET POSITION						
Held in Trust for Unemployment Claims & Other Purposes	20,411	-	-	-	20,411	66,356
Reserved for Scholarships	-	14,378	-	-	14,378	15,256
Total Net Position	\$ 20,411	\$ 14,378	\$ -	\$ -	\$ 34,789	\$ 81,612

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

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

ADDITIONS	PRIVATE PURPOSE		TOTALS	
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Contributions:				
Other	\$ 34,924	\$ -	\$ 34,924	\$ 40,327
Total Contributions	34,924	-	34,924	40,327
Investment Earnings:				
Interest	252	222	474	1,810
Net Investment Earnings	252	222	474	1,810
Total Additions	35,176	222	35,398	42,137
DEDUCTIONS				
Unemployment Claims	81,121	-	81,121	118,152
Scholarships	-	1,100	1,100	1,100
Total Deductions	81,121	1,100	82,221	119,252
Change in Net Position	(45,945)	(878)	(46,823)	(77,115)
Net Position - Beginning of the Year	66,356	15,256	81,612	158,727
Net Position - End of the Year	\$ 20,411	\$ 14,378	\$ 34,789	\$ 81,612

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

MEDFORD TOWNSHIP BOARD OF EDUCATION

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

MEDFORD 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 Medford 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. It also required new information and restructured much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

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

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. 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, 2014.

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 Medford 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 operations of the District include five elementary schools located in Medford Township. The Medford Township Board of Education has an approximate enrollment at June 30, 2013 of 2,933 students.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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

A. Reporting Entity (continued):

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 are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
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 Medford 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. The various funds are grouped, in the financial statements in this report, into seven fund types within three broad fund categories.

Governmental Funds

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

As required by the New Jersey Department of Education Medford 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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

D. Fund Accounting (continued):

Governmental Funds (continued):

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

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

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

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

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.

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 position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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

D. Fund Accounting (continued):

Proprietary Fund (continued)

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

The District's enterprise fund is comprised of the following:

- Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.

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 and a Scholarship Fund as private purpose trusts.

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

E. Basis of Accounting

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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

E. Basis of Accounting (continued):

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

In its accounting and financial reporting, the Medford 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 Medford Township Board of Education's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

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

F. Budgets/Budgetary Control

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

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

MEDFORD TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2013

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

F. Budgets/Budgetary Control (continued):

The accounting records of the 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 Medford 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

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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

H. Cash and Cash Equivalents (continued):

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.

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 years 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 Medford Township Board of Education and that are due within one year.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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

L. Capital Assets

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

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

Machinery & Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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

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.

Q. Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Medford 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 Medford 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 Medford Township Board of Education would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

R. Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates

S. Subsequent Events

Medford Township Board of Education has evaluated subsequent events occurring after June 30, 2013 through the date of October 15, 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 limitations of New Jersey state law. The Deposits held at June 30, 2013 and reported at fair value are as follows:

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Type	Carrying Value
Deposits	
Demand Deposits	\$ 6,491,776
Total Deposits	<u>\$ 6,491,776</u>
 The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 5,678,996
Business-Type Activities	147,713
Fiduciary Funds	<u>665,067</u>
Total Cash and Cash Equivalents	<u>\$ 6,491,776</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 \$6,924,261 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Collateralized by securities held by Pledging financial institution	5,845,872
Uninsured & Uncollateralized	<u>828,389</u>
Total	<u>\$ 6,924,261</u>

Note 3. Capital Reserve

A capital reserve account was established by the Medford Township Board of Education by the transfer of \$300,000 from General Fund fund balance in June of 2011 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Note 3. Capital Reserve (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 appropriate 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-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	\$ 304,728
Interest Earnings	<u>2,583</u>
Ending Balance, June 30, 2013	<u><u>\$ 307,311</u></u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects at June 30, 2013. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Rang Facilities Plan.

Note 4. Accounts Receivable

Accounts receivable at June 30, 2013 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Proprietary <u>Funds</u>	<u>Total</u>
Intergovernmental	<u>\$ 545,970</u>	<u>\$ 219,322</u>	<u>\$ 7,676</u>	<u>\$ 772,968</u>
Total	<u><u>\$ 545,970</u></u>	<u><u>\$ 219,322</u></u>	<u><u>\$ 7,676</u></u>	<u><u>\$ 772,968</u></u>

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Note 5. Capital Assets

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

	June 30, 2012	Additions	Transfers/ Adjustments	June 30, 2013
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 5,708,019	\$ -	\$ (593,306)	\$ 5,114,713
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not being depreciated	5,708,019	-	(593,306)	5,114,713
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets being depreciated:				
Buildings & Improvements	76,068,943		(1,345,449)	74,723,494
Machinery and equipment	5,983,583	333,194	862,472	7,179,249
Historical cost	82,052,526	333,194	(482,977)	81,902,743
	<hr/>	<hr/>	<hr/>	<hr/>
Less: accumulated depreciation:				
Buildings & Improvements	(18,000,000)	(1,356,124)	(3,950,861)	(23,306,985)
Machinery and equipment	(4,017,260)	(392,274)	(802,201)	(5,211,735)
Total accumulated depreciation	(22,017,260)	(1,748,398)	(4,753,062)	(28,518,720)
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated, net	60,035,266	(1,415,204)	(5,236,039)	53,384,023
	<hr/>	<hr/>	<hr/>	<hr/>
Governmental activities capital assets, net	\$ 65,743,285	\$ (1,415,204)	\$ (5,829,345)	\$ 58,498,736
	<hr/>	<hr/>	<hr/>	<hr/>

	June 30, 2012	Additions	Transfers/ Adjustments	June 30, 2013
Business-Type Activities:				
Capital assets being depreciated:				
Machinery & Equipment	\$ 375,049	\$ -	\$ (151,149)	\$ 223,900
	<hr/>	<hr/>	<hr/>	<hr/>
Less: accumulated depreciation:				
Equipment	(349,615)	(13,153)	220,742	(142,026)
	<hr/>	<hr/>	<hr/>	<hr/>
Business-type activities capital assets, net	\$ 25,434	\$ (13,153)	\$ 69,593	\$ 81,874
	<hr/>	<hr/>	<hr/>	<hr/>

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Note 6. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 3,312	\$ -
Special Revenue Fund	-	792
Capital Projects Fund	-	55
Debt Service Fund	55	-
Fiduciary Funds	-	2,520
	<u>\$ 3,367</u>	<u>\$ 3,367</u>

The purpose of these interfunds is short-term borrowings.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2013 the following changes occurred in liabilities reported as long-term debt:

	June 30, 2012	Issued/ Increases	Retired/ Decreases	June 30, 2013	Due Within One Year
Compensated Absences Payable	\$ 1,619,407	\$ -	\$ (120,277)	\$ 1,499,130	\$ -
Capital Lease Payable	1,194,743	183,000	(465,873)	911,870	453,469
Bonds Payable	29,260,000	-	(2,195,000)	27,065,000	2,250,000
Total	<u>\$ 32,074,150</u>	<u>\$ 183,000</u>	<u>\$ (2,781,150)</u>	<u>\$ 29,476,000</u>	<u>\$ 2,703,469</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. At June 30, 2013, bonds payable consisted of the following individual issues:

Purpose	Maturities	Interest Rate	Balance
2006-Refunding Bond Issue	3/1/2014-27	4.50%-5.0%	\$25,740,000
2008-Refund Bond Issue	2/1/2014-15	4.0%-5.0%	<u>1,325,000</u>
Total			<u>\$27,065,000</u>

MEDFORD TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2013

Note 7. Long-Term Obligations (continued):

A. Bonds Payable (continued):

Principal and Interest due on the outstanding bonds is as follows:

Year-ending June 30,	Principal	Interest	Total
2014	\$ 2,250,000	\$ 1,144,112	\$ 3,394,112
2015	2,290,000	1,039,513	3,329,513
2016	1,690,000	928,287	2,618,287
2017	1,770,000	852,237	2,622,237
2018	1,840,000	781,438	2,621,438
2019-2023	9,680,000	2,767,788	12,447,788
2024-2027	7,545,000	800,915	8,345,915
Total	<u>\$ 27,065,000</u>	<u>\$ 8,314,290</u>	<u>\$ 35,379,290</u>

2006 Bond Refunding

\$28,710,000 of Refunding Bonds, Series 2006, dated February 7, 2006 were issued to provide funds to advance refund and redeem on March 1, 2011, \$27,896,000 of School District callable School Bonds, Series 2002, maturing March 1, 2012 through March 1, 2027 and pay costs and expenses related to the issuance. The refunding program will save the School District \$1,350,096 in debt services over the life of the Refunding Bonds. This is the equivalent of \$966,173 in net present value savings or 3.47% of the outstanding principal of the refunded bonds.

2008 Refunding Issue

\$4,380,000 of Refunding Bonds, Series 2008, dated January 24, 2008 were issued to advance refund \$5,745,000 of prior bonds, Series of 1998, dated May 1, 1998. The refunding program will save the School District \$239,775 in debt services over the life of the Refunding Bonds. This is the equivalent of \$209,161 in net present value savings or 3.064% of the outstanding principal of the refunded bonds.

B. Bonds Authorized But Not Issued:

As of June 30, 2013, the Board had no authorized but not issued bonds.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Note 7. Long-Term Obligations (continued):

C. Deferred Bond Issuance Cost

In governmental funds, bond issuance costs and the loss or gain on refinancing are recognized in the current period. For district-wide financial statements, debt issuance and refinancing costs are amortized over the life of the original issue or refunding issue, whichever is larger. The cost associated with the 2006 Refunding Issue was \$83,201 and the loss on the Refunding was \$730,799. Amortized costs for the 2012-2013 school year were \$3,782 and \$33,218 respectively. The cost associated with the 2008 Refunding Issue was \$72,327 and the gain on the Refunding was \$242,327. Amortized costs for the 2012-2013 school year was \$10,333. The amortized gain for the 2012-2013 school year was \$34,618.

D. Obligations Under Capital Leases

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of three to five years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2013:

Year-ending June 30,	Amount
2014	\$ 478,325
2015	268,069
2016	172,954
2017	<u>32,950</u>
Total Minimum Lease Payments	952,298
Less: Amount Representing Interest	<u>(40,428)</u>
Present Value of Lease Payments	<u><u>\$ 911,870</u></u>

E. Operating Leases

At June 30, 2013, the School District had operating lease agreements in effect for 19 copiers and the Board of Education building office lease at 137 Hartford Road, Medford, NJ. Total operating lease payments made during the year ended June 30, 2013 was \$379,840. The following is a schedule of the remaining future minimum lease payments under these operating leases.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Note 7. Long-Term Obligations (continued):

E. Operating Leases (continued):

Year-ending June 30,	Amount
2014	\$ 379,840
2015	379,840
2016	379,840
2017	<u>379,840</u>
Total Minimum Lease Payments Required	<u><u>1,519,360</u></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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Note 8. Pension Plans (continued):

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.

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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Note 8. Pension Plans (continued):

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. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. 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 Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$779,085	100%	\$ -0-
6/30/12	691,624	100%	-0-
6/30/11	650,996	100%	-0-

Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$2,637,825	100%	\$ -0-
6/30/12	1,815,519	100%	-0-
6/30/11	1,237,018	100%	-0-

During the year ended June 30, 2013 the State of New Jersey contributed \$2,637,825 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 \$1,324,802 for the year ended 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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.

Note 10. Risk Management

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

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

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

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2012-2013	\$ 34,924	\$ 252	\$ 81,121	\$ 20,411
2011-2012	40,327	1,589	118,152	66,356
2010-2011	38,664	2,599	171,803	142,592

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

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.

Note 13. 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment	American Express
Vanguard Fiduciary	The Equitable

Note 14. 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 \$1,499,130.

MEDFORD TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2013**

Note 14. Compensated Absences (continued):

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 15. 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.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance of \$576,861 at June 30, 2013.

Note 17. Fund Balance

General Fund – Of the \$5,228,010 General Fund fund balance at June 30, 2013, \$307,311 has been restricted for future capital activity; \$3,399,456 has been appropriated and included as anticipated revenue for the year ending June 30, 2014; 576,861 is restricted for excess surplus; \$59,260 has been reserved for encumbrances; and \$885,122 is unassigned.

Debt Service Fund – Of the \$29,970 Debt Service Fund fund balance at June 30, 2013, \$9,915 has been appropriated and included as anticipated revenue for the year ending June 30, 2014; \$20,055 is restricted for future debt service payments.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules



**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$ 36,307,156	\$ -	\$ 36,307,156	\$36,307,156	\$ -	\$36,417,885	\$ -	\$ 36,417,885	\$36,417,885	\$ -
Miscellaneous	10-1XXX	713,370	-	713,370	544,111	(169,259)	667,245	-	667,245	682,180	14,935
Interest Earned on Capital Reserve	10-1XXX	1,875	-	1,875	-	(1,875)	-	-	-	-	-
Total Local Sources		37,022,401	-	37,022,401	36,851,267	(171,134)	37,085,130	-	37,085,130	37,100,065	14,935
State Sources:											
Categorical Special Education Aid	10-313-000-000	1,671,114	-	1,671,114	1,671,114	-	1,580,619	-	1,580,619	1,580,619	-
Equalization Aid	10-317-600-000	2,707,649	-	2,707,649	2,707,649	-	2,286,885	-	2,286,885	2,688,221	401,336
Security Aid	10-317-700-000	75,095	-	75,095	75,095	-	-	-	-	42,425	42,425
Transportation Aid	10-317-700-000	235,930	-	235,930	235,930	-	-	-	-	-	-
Non-Public Transportation Aid	10-3xx	-	-	-	-	-	-	-	-	8,178	8,178
Extraordinary Aid	10-3190	-	-	-	421,397	421,397	-	-	-	550,013	550,013
Other State Aid:											
Homeless Reimbursement	10-3xx	-	-	-	18,330	18,330	-	-	-	9,565	9,565
Anti-Bullying	10-3xx	-	-	-	-	-	-	-	-	3,572	3,572
Nonbudgeted:											
On-Bhalf TPAF:											
Post-Retirement Medical Contributions		-	-	-	1,399,844	1,399,844	-	-	-	-	-
Normal Pension Contributions		-	-	-	1,237,981	1,237,981	-	-	-	1,815,519	1,815,519
Reimbursed TPAF Social Security Contributions		-	-	-	1,324,802	1,324,802	-	-	-	1,352,201	1,352,201
Total State Sources		4,689,788	-	4,689,788	9,092,142	4,402,354	3,867,504	-	3,867,504	8,050,313	4,182,809
Federal Sources:											
Education Jobs Fund	18-4522	-	-	-	-	-	186,911	5,856	192,767	192,767	-
Total Federal Sources		-	-	-	-	-	186,911	5,856	192,767	192,767	-
Total Revenues		41,712,189	-	41,712,189	45,943,409	4,231,220	41,139,545	5,856	41,145,401	45,343,145	4,197,744

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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		
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool/Kindergarten	11-110-100-101	307,292	40,005	347,297	347,293	4	404,261	(137,000)	267,261	266,917	344
Grades 1 - 5	11-120-100-101	6,728,281	175,451	6,903,732	6,899,618	4,114	6,735,609	(91,237)	6,644,372	6,611,320	33,052
Grades 6 - 8	11-130-100-101	4,452,665	50,682	4,503,347	4,501,629	1,718	4,386,859	(74,064)	4,312,795	4,295,854	16,941
Home Instruction:											
Salaries of Teachers	11-150-100-101	1,000	-	1,000	605	395	1,000	-	1,000	540	460
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	-	-	-	-	-	45,000	2,000	47,000	46,649	351
Purchased Professional -											
Educational Services											
	11-190-100-320	50,225	4,500	54,725	54,201	524	-	2,267	2,267	-	2,267
Other Purchased Services											
	11-190-100-500	86,780	(16,810)	69,970	69,426	544	38,640	(5,657)	32,983	24,531	8,452
General Supplies											
	11-190-100-610	533,459	(94,568)	438,891	416,068	22,823	510,320	(7,703)	502,617	434,800	67,817
Textbooks											
	11-190-100-640	16,340	7,310	23,650	18,356	5,294	15,340	(664)	14,676	12,637	2,039
Other Objects											
	11-190-100-800	62,959	(2,118)	60,841	60,246	595	27,250	7,101	34,351	5,043	29,308
Total Regular Programs		12,239,001	164,452	12,403,453	12,367,442	36,011	12,164,279	(304,957)	11,859,322	11,698,291	161,031
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	908,970	92,855	1,001,825	1,001,824	1	856,800	30,000	886,800	856,603	30,197
Other Salaries for Instruction	11-204-100-106	500,573	(15,000)	485,573	485,573	-	440,758	80,000	520,758	508,176	12,582
Total Learning and/or Language Disabilities		1,409,543	77,855	1,487,398	1,487,397	1	1,297,558	110,000	1,407,558	1,364,779	42,779
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	519,265	5,200	524,465	524,418	47	401,956	104,644	506,600	499,916	6,684
Other Salaries for Instruction	11-212-100-106	309,743	(10,000)	299,743	299,743	-	253,670	80,356	334,026	327,442	6,584
General Supplies											
	11-212-100-610	300	(300)	-	-	-	500	-	500	-	500
Total Multiple Disabilities:		829,308	(5,100)	824,208	824,161	47	656,126	185,000	841,126	827,358	13,768
Resource Room:											
Salaries of Teachers	11-213-100-101	1,507,122	(38,760)	1,468,362	1,468,308	54	1,455,363	15,000	1,470,363	1,463,054	7,309
Other Salaries for Instruction	11-213-100-106	-	-	-	-	-	611,360	85,190	696,550	692,198	4,352
Purchased Professional -											
Educational Services											
	11-213-100-320	1,154,587	110,539	1,265,126	1,265,126	-	261,400	215,310	476,710	418,562	58,148
General Supplies											
	11-213-000-610	4,050	(800)	3,250	2,053	1,197	4,275	-	4,275	2,762	1,513
Total Resource Room		2,665,759	70,979	2,736,738	2,735,487	1,251	2,332,398	315,500	2,647,898	2,576,576	71,322

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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		
Preschool Handicapped - Part-Time:											
Salaries of Teachers	11-215-100-101	187,144	2,210	189,354	189,352	2	178,271	4,117	182,388	182,044	344
Other Salaries for Instruction	11-215-100-106	-	-	-	-	-	44,100	35,000	79,100	77,299	1,801
Purchased Professional -											
Educational Services	11-215-100-320	70,482	-	70,482	70,482	-	-	-	-	-	-
General Supplies	11-215-100-600	600	-	600	600	-	-	-	-	-	-
Other Objects	11-215-100-800	1,000	-	1,000	741	259	-	5,383	5,383	5,383	-
Total Preschool Handicapped -Part-Time		259,226	2,210	261,436	261,175	261	222,371	44,500	266,871	264,726	2,145
Total Special Education		5,163,836	145,944	5,309,780	5,308,220	1,560	4,508,453	655,000	5,163,453	5,033,439	130,014
Basic Skills/Remedial:											
Salaries of Teachers	11-230-100-101	290,400	102,750	393,150	393,141	9	275,400	59,500	334,900	327,081	7,819
General Supplies	11-230-100-610	5,375	5,897	11,272	8,906	2,366	11,825	841	12,666	10,232	2,434
Total Basic Skills/Remedial		295,775	108,647	404,422	402,047	2,375	287,225	60,341	347,566	337,313	10,253
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	33,928	35,657	69,585	60,140	9,445	33,868	19,034	52,902	16,585	36,317
Supplies and Materials	11-401-100-600	2,500	-	2,500	1,637	863	3,000	(2,150)	850	-	850
Total School Sponsored Cocurricular Activities		36,428	35,657	72,085	61,777	10,308	36,868	16,884	53,752	16,585	37,167
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	10,360	29,850	40,210	40,203	7	20,156	21,200	41,356	12,742	28,614
Purchased Services	11-402-100-500	10,000	(1,590)	8,410	8,394	16	10,000	(200)	9,800	9,666	134
Supplies and Materials	11-402-100-600	10,000	(2,100)	7,900	5,081	2,819	6,500	(2,800)	3,700	2,882	818
Total School Sponsored Athletics - Instruction		30,360	26,160	56,520	53,678	2,842	36,656	18,200	54,856	25,290	29,566
Other Instructional Programs											
Salaries	11-4xx-100-100	15,614	(6,604)	9,010	3,895	5,115	15,614	(10,084)	5,530	-	5,530
Supplies and Materials	11-4xx-100-600	3,500	-	3,500	911	2,589	7,500	(4,500)	3,000	300	2,700
Total Other Instructional Programs		19,114	(6,604)	12,510	4,806	7,704	23,114	(14,584)	8,530	300	8,230
Total - Instruction		17,784,514	474,256	18,258,770	18,197,970	60,800	17,056,595	430,884	17,487,479	17,111,218	376,261

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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	
Undistributed Expenditures:											
Tuition											
Tuition to Other LEA'S Within State - Special	11-000-100-562	70,725	55,106	125,831	112,149	-	2,500	100,138	102,638	95,976	6,662
Tuition to CSSD & Regular Day Schools	11-000-100-565	603,116	114,129	717,245	717,245	-	965,255	(73,071)	892,184	890,850	1,334
Tuition to Private School for Handicapped - State	11-000-100-566	633,609	(112,072)	521,537	483,817	37,720	662,235	(172,841)	489,394	455,374	34,020
Tuition to Private School for Handicapped - Outside State	11-000-100-567	37,625	(37,625)	-	-	-	37,835	(2,670)	35,165	30,750	4,415
Tuition - Other	11-000-100-569	23,445	1,600	25,045	25,045	-	-	30,059	30,059	30,004	55
Total Tuition		1,368,520	21,138	1,389,658	1,338,256	51,402	1,667,825	(118,385)	1,549,440	1,502,954	46,486
Attendance & Social Work Services:											
Salaries	11-000-211-100	13,857	1,258	15,115	15,115	-	5,585	8,250	13,835	13,830	5
Total Attendance & Social Work Services		13,857	1,258	15,115	15,115	-	5,585	8,250	13,835	13,830	5
Health Services:											
Salaries	11-000-213-100	524,626	(43,550)	481,076	480,892	184	507,037	6,348	513,385	513,385	-
Purchased Professional & Technical Services	11-000-213-300	600	(5)	595	595	-	600	-	600	595	5
Other Purchased Services	11-000-213-500	500	(80)	420	420	-	-	473	473	473	-
Supplies and Materials	11-000-213-600	8,500	2,302	10,802	10,689	113	10,000	(1,870)	8,130	6,359	1,771
Total Health Services		534,226	(41,333)	492,893	492,596	297	517,637	4,951	522,588	520,812	1,776
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	566,504	1,877	568,381	568,380	1	552,687	(1,120)	551,567	547,662	3,905
Purchased Technical Services	11-000-216-320	392,000	204,193	596,193	589,394	6,799	260,000	139,778	399,778	375,110	24,668
Supplies and Materials	11-000-216-600	1,000	2,789	3,789	3,577	212	-	-	-	-	-
Total Other Support Services - Students - Related Services		959,504	208,859	1,168,363	1,161,351	7,012	812,687	138,658	951,345	922,772	28,573
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	647,425	(96,016)	551,409	548,175	3,234	599,634	31,500	631,134	614,925	16,209
Other Purchased Professional & Technical Services	11-000-218-390	8,500	1,240	9,740	9,696	44	8,500	671	9,171	8,920	251
Other Purchased Services	11-000-218-500	-	-	-	-	-	-	-	-	-	-
Supplies and Materials	11-000-218-600	9,910	(1,395)	8,515	2,911	5,604	8,275	(777)	7,498	3,295	4,203
Total Other Support Services - Students - Special Services		665,835	(96,171)	569,664	560,782	8,882	616,409	31,394	647,803	627,140	20,663

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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		
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	1,034,598	(75,338)	959,260	920,518	38,742	952,293	40,798	993,091	888,704	104,387
Other Purchased Educational Services	11-000-219-320	50,000	(30,811)	19,189	17,487	1,702	50,000	54,762	104,762	96,286	8,476
Supplies and Materials	11-000-219-600	10,000	9,835	19,835	18,178	1,657	7,500	2,000	9,500	9,492	8
Total Other Support Services - Students - Special Services		1,094,598	(96,314)	998,284	956,183	42,101	1,009,793	97,560	1,107,353	994,482	112,871
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries of Supervisors of Instruction	11-000-221-102	516,425	418	516,843	426,533	90,310	530,586	(31,332)	499,254	462,868	36,386
Other Salaries	11-000-221-110	69,930	(59,513)	10,417	328	10,089	6,800	33,132	39,932	39,537	395
Other Purchased Educational Services	11-000-221-320	-	-	-	-	-	-	66,646	66,646	66,646	-
Other Purchased Services	11-000-221-500	9,450	(762)	8,688	4,882	3,806	9,850	(2,855)	6,995	5,656	1,339
Total Improvement of Instruction Services/Other Support Services Instructional Staff		595,805	(59,857)	535,948	431,743	104,205	547,236	65,591	612,827	574,707	38,120
Educational Media Services/School Library:											
Salaries	11-000-222-100	326,657	(18,000)	308,657	307,698	959	318,690	-	318,690	307,857	10,833
Supplies and Materials	11-000-222-600	58,700	2,323	61,023	57,929	3,094	48,950	338	49,288	46,146	3,142
Total Educational Media Services/School Library		385,357	(15,677)	369,680	365,627	4,053	367,640	338	367,978	354,003	13,975
Instructional Staff Training Services:											
Salaries of Supervisors of Instruction	11-000-223-102	28,250	-	28,250	138	28,112	3,000	-	3,000	963	2,037
Total Instructional Staff Training Services		28,250	-	28,250	138	28,112	3,000	-	3,000	963	2,037

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**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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	
Support Services General Administration:											
Salaries	11-000-230-100	339,816	(12,050)	327,766	327,369	397	336,187	(4,185)	332,002	302,881	29,121
Legal Services	11-000-230-331	45,000	40,000	85,000	72,180	12,820	45,000	47,000	92,000	90,811	1,189
Audit fees	11-000-230-332	30,090	(3,690)	26,400	26,400	-	29,500	-	29,500	26,800	2,700
Architectural/Engineering Services	11-000-230-334	15,000	16,350	31,350	31,334	16	25,000	(23,979)	1,021	-	1,021
Other Purchased Professional Services	11-000-230-339	32,450	47,953	80,403	69,457	10,946	31,450	13,977	45,427	34,685	10,742
Communications/Telephone	11-000-230-530	196,000	(6,600)	189,400	187,044	2,356	185,000	9,608	194,608	194,123	485
Travel	11-000-230-585	1,000	(874)	126	125	1	1,000	-	1,000	89	911
Other Purchased Services	11-000-230-590	75,385	(3,200)	72,185	70,649	1,536	63,548	8,454	72,002	67,399	4,603
Supplies and Materials	11-000-230-610	17,493	(5,567)	11,926	9,552	2,374	16,693	76	16,769	8,397	8,372
In House Training Supplies	11-000-230-630	1,325	(1,325)	-	-	-	1,325	-	1,325	241	1,084
Miscellaneous Expenditures	11-000-230-890	26,224	(709)	25,515	2,930	22,585	36,224	(25,475)	10,749	4,697	6,052
BOE Membership Dues	11-000-230-895	24,036	-	24,036	20,135	3,901	24,036	(3,000)	21,036	20,685	351
Total Support Services General Administration		803,819	70,288	874,107	817,175	56,932	794,963	22,476	817,439	750,808	66,631
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	900,345	19,015	919,360	919,358	2	900,845	66,500	967,345	954,747	12,598
Salaries of Secretarial & Clerical Assistants	11-000-240-105	726,309	34,170	760,479	760,455	24	676,549	78,867	755,416	755,416	-
Purchased Professional & Technical Services	11-000-240-300	10,787	-	10,787	4,905	5,882	10,575	-	10,575	4,905	5,670
Other Purchased Services	11-000-240-500	66,315	(18,848)	47,467	26,557	20,910	45,200	49,325	94,525	24,342	70,183
General Supplies	11-000-240-600	109,050	(26,931)	82,119	67,045	15,074	75,750	(1,176)	74,574	51,470	23,104
Other Objects	11-000-240-800	10,000	(391)	9,609	8,562	1,047	9,400	734	10,134	9,536	598
Total Support Services School Administration		1,822,806	7,015	1,829,821	1,786,882	42,939	1,718,319	194,250	1,912,569	1,800,416	112,153
Central Services:											
Salaries	11-000-251-100	554,626	(40,000)	514,626	498,659	15,967	544,541	24,000	568,541	559,269	9,272
Purchased Professional Services	11-000-251-330	14,465	9,080	23,545	9,050	14,495	14,250	-	14,250	8,700	5,550
Other Purchased Services	11-000-251-592	9,618	(1,262)	8,356	4,493	3,863	9,375	-	9,375	4,633	4,742
General Supplies	11-000-251-600	53,800	(1,031)	52,769	22,098	30,671	53,900	(13,736)	40,164	20,408	19,756
Miscellaneous Expenditures	11-000-251-890	6,825	-	6,825	1,990	4,835	6,125	-	6,125	3,662	2,463
Total Central Services		639,334	(33,213)	606,121	536,290	69,831	628,191	10,264	638,455	596,672	41,783
Administrative Information Technology:											
Salaries	11-000-252-100	245,891	-	245,891	224,504	21,387	241,070	-	241,070	215,196	25,874
Purchased Professional Services	11-000-252-330	20,500	19,755	40,255	24,041	16,214	30,500	17,000	47,500	35,744	11,756
Purchased Technical Services	11-000-252-340	18,000	(18,000)	-	-	-	18,000	(18,000)	-	-	-
Other Purchased Services	11-000-252-500	55,000	2,402	57,402	29,646	27,756	55,000	(18,371)	36,629	33,365	3,264
General Supplies	11-000-252-600	25,000	(10,616)	14,384	14,384	-	25,000	-	25,000	19,600	5,400
Total Administrative Information Technology		364,391	(6,459)	357,932	292,575	65,357	369,570	(19,371)	350,199	303,905	46,294

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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
Maintenance for School Facilities:											
Salaries	11-000-261-100	388,810	(7,151)	381,659	362,949	18,710	381,187	2,000	383,187	357,729	25,458
Cleaning, Repair & Maintenance	11-000-261-420	223,900	240,877	464,777	331,135	133,642	223,850	32,249	256,099	183,876	72,223
General Supplies	11-000-261-610	208,500	(208,500)	-	-	-	208,500	(36,530)	171,970	106,520	65,450
Total Maintenance for School Facilities		821,210	25,226	846,436	694,084	152,352	813,537	(2,281)	811,256	648,125	163,131
Custodial Services:											
Salaries	11-000-262-100	1,242,026	(196,315)	1,045,711	1,030,594	15,117	1,245,986	(78,000)	1,167,986	1,019,467	148,519
Salaries of Noninstructional Aides	11-000-262-107	-	-	-	-	-	472,753	83,500	556,253	553,273	2,980
Cleaning, Repair & Maintenance Services	11-000-262-420	335,485	(91,091)	244,394	178,740	65,654	253,890	(82,127)	171,763	132,936	38,827
Other Purchased Property Services	11-000-262-490	135,000	3,000	138,000	137,938	62	100,000	36,297	136,297	136,297	-
Miscellaneous purchased services	11-000-262-590	533,210	-	533,210	533,210	-	-	-	-	-	-
Insurance	11-000-262-520	51,056	-	51,056	51,056	-	48,625	-	48,625	48,625	-
General Supplies	11-000-262-610	40,000	(1,090)	38,910	30,580	8,330	50,000	(15,278)	34,722	16,767	17,955
Energy (Heat & Electricity)	11-000-262-622	710,000	120,600	830,600	812,038	18,562	610,000	210,000	820,000	674,403	145,597
Energy (Natural Gas)	11-000-262-621	125,000	(20,600)	104,400	89,443	14,957	150,000	(50,000)	100,000	76,299	23,701
Other Objects	11-000-262-800	5,000	(3,000)	2,000	1,886	114	7,500	-	7,500	3,697	3,803
Total Custodial Services		3,176,777	(188,496)	2,988,281	2,865,485	122,796	2,938,754	104,392	3,043,146	2,661,764	381,382
Care & Upkeep of Grounds:											
Salaries	11-000-263-100	56,765	451	57,216	57,215	1	55,650	-	55,650	55,283	367
Cleaning, Repair & Maintenance Services	11-000-263-420	130,000	(5,900)	124,100	110,081	14,019	110,000	(10,000)	100,000	83,523	16,477
General Supplies	11-000-263-610	25,000	-	25,000	11,079	13,921	25,000	(9,000)	16,000	12,530	3,470
Total Care & Upkeep of Grounds		211,765	(5,449)	206,316	178,375	27,941	190,650	(19,000)	171,650	151,336	20,314
Security:											
Cleaning, Repair & Maintenance Services	11-000-266-420	45,000	3,000	48,000	45,071	2,929	50,000	-	50,000	41,654	8,346
General Supplies	11-000-266-610	10,000	(3,000)	7,000	5,256	1,744	20,000	(20,000)	-	-	-
Total Security		55,000	-	55,000	50,327	4,673	70,000	(20,000)	50,000	41,654	8,346
Total Other Operating & Maintenance of Plant Services		4,264,752	(168,719)	4,096,033	3,788,271	307,762	4,012,941	63,111	4,076,052	3,502,879	573,173

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**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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	
Student Transportation Services:											
Salaries for Non-Instructional Aides	11-000-270-107	-	-	-	-	-	78,250	(78,250)	-	-	-
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,195,988	12,170	1,208,158	1,202,027	6,131	1,168,696	197,153	1,365,849	1,323,297	42,552
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	306,770	(57,875)	248,895	214,803	34,092	409,158	(138,403)	270,755	257,522	13,233
Salaries for Pupil Transportation - (Other than Home & School)	11-000-270-162	65,967	49,705	115,672	115,670	2	65,307	41,683	106,990	106,990	-
Purchased Professional & Technical Services	11-000-270-390	31,000	24,784	55,784	51,096	4,688	26,000	-	26,000	21,337	4,663
Lease Purchase Payments - Buses	11-000-270-443	285,000	(40,570)	244,430	240,103	4,327	375,000	(170,000)	205,000	198,281	6,719
Contracted Services ESC & CTSA	11-000-270-503	201,095	(10,709)	190,386	190,386	-	175,095	115,000	290,095	282,503	7,592
Miscellaneous Purchased Services	11-000-270-593	259,886	17,775	277,661	272,890	4,771	67,500	(2,000)	65,500	58,085	7,415
Transportation Supplies	11-000-270-615	526,800	(57,292)	469,508	440,061	29,447	531,800	(58,000)	473,800	424,650	49,150
Miscellaneous Expenditures	11-000-270-800	4,650	-	4,650	2,650	2,000	4,650	-	4,650	2,670	1,980
Total Student Transportation Services		2,877,156	(62,012)	2,815,144	2,729,686	85,458	2,901,456	(92,817)	2,808,639	2,675,335	133,304
Student Transportation Services - Employee Benefits:											
Health Benefits	11-000-270-270	762,335	(62,335)	700,000	700,000	-	730,794	-	730,794	730,245	549
Total Student Transportation Services - Employee Benefits		762,335	(62,335)	700,000	700,000	-	730,794	-	730,794	730,245	549
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	11-000-291-220	415,215	70,550	485,765	485,748	17	615,830	(167,894)	447,936	447,936	-
Other Retirement Contributions											
PERS	11-000-291-241	703,441	176,279	879,720	779,085	100,635	744,800	(51,055)	693,745	691,624	2,121
Unemployment Compensation	11-000-291-250	176,279	(176,279)	-	-	-	100,000	(50,000)	50,000	-	50,000
Workmen's Compensation	11-000-291-260	226,475	-	226,475	226,475	-	223,805	-	223,805	223,228	577
Health Benefits	11-000-291-270	6,267,754	(39,740)	6,228,014	5,347,948	880,066	6,002,230	(326,407)	5,675,823	5,300,159	375,664
Tuition Reimbursement	11-000-291-280	87,152	(46,834)	40,318	36,046	4,272	92,152	(50,000)	42,152	37,876	4,276
Other Employee Benefits	11-000-291-290	263,175	72,404	335,579	281,910	53,669	338,150	(110,000)	228,150	226,160	1,990
Total Unallocated Benefits		8,139,491	56,380	8,195,871	7,157,212	1,038,659	8,116,967	(755,356)	7,361,611	6,926,983	434,628
Nonbudgeted:											
On-Bhalf TPAF:											
Post-Retirement Medical Contributions		-	-	-	1,399,844	(1,399,844)	-	-	-	-	-
Normal Pension Contributions		-	-	-	1,237,981	(1,237,981)	-	-	-	1,815,519	(1,815,519)
Reimbursed TPAF Social Security Contributions		-	-	-	1,324,802	(1,324,802)	-	-	-	1,352,201	(1,352,201)
Total Undistributed Expenditures		25,320,036	(277,152)	25,042,884	27,092,509	(2,049,625)	24,821,013	(349,086)	24,471,927	25,966,626	(1,494,699)
Total Expenditures - Current Expense		43,104,550	197,104	43,301,654	45,290,479	(1,988,825)	41,877,608	81,798	41,959,406	43,077,844	(1,118,438)

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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	
Capital Outlay											
Interest deposit to capital reserve	10-604	1,875	-	1,875	-	1,875	-	-	-	-	-
Equipment:											
Grade 6 - 8	12-130-100-730	-	-	-	-	-	2,000	(2,000)	-	-	-
Undistributed Expenditures:											
Instruction	12-000-100-730	-	-	-	-	-	176,360	(3,606)	172,754	159,245	13,509
Support Services - Students - Regular	12-000-210-730	-	-	-	-	-	5,000	(5,000)	-	-	-
Support Services - Students - Special	12-000-219-730	-	4,928	4,928	4,928	-	-	-	-	-	-
General Administration	12-000-230-730	-	-	-	-	-	-	-	-	-	-
School Administration	12-000-240-730	-	-	-	-	-	-	-	-	-	-
Administration Technology	12-000-252-730	130,000	3,365	133,365	128,587	4,778	-	-	-	-	-
Required Maintenance for School											
Facilities	12-000-261-730	10,000	-	10,000	5,709	4,291	10,000	(10,000)	-	-	-
Custodial Services	12-000-262-730	-	-	-	-	-	5,000	57,600	62,600	62,575	25
Security	12-000-266-730	-	-	-	-	-	10,000	-	10,000	-	10,000
Student Transportation - Noninstructional											
Equipment	12-000-270-732	5,625	(5,625)	-	-	-	7,500	-	7,500	6,000	1,500
Noninstructional Services	12-000-300-730	-	-	-	-	-	-	-	-	-	-
Total Equipment		145,625	2,668	148,293	139,224	9,069	215,860	36,994	252,854	227,820	25,034
Facilities Acquisition & Construction Services:											
Construction Services	12-000-400-450	35,000	970	35,970	10,970	25,000	10,000	1,825	11,825	855	10,970
Lease Purchase Agreement Principal	12-000-400-721	315,000	10,000	325,000	325,000	-	260,000	(1,825)	258,175	248,387	9,788
Buildings Other Than Lease Purchase Agreement	12-000-400-722	187,000	-	187,000	139,545	47,455	176,000	(36,600)	139,400	139,400	-
Assesment for Debt service											
On SDA funding	12-000-400-896	85,043	-	85,043	85,043	-	-	-	-	-	-
Other Objects	12-000-400-800	-	-	-	-	-	61,967	-	61,967	61,967	-
Total Facilities Acquisition & Construction Services		622,043	10,970	633,013	560,558	72,455	507,967	(36,600)	471,367	450,609	20,758
Total Capital Outlay		769,543	13,638	783,181	699,782	83,399	723,827	394	724,221	678,429	45,792
Assets Acquired Under Capital Leases (Nonbudgeted):											
Undistributed Expenditures:											
Instructional Equipment		-	-	-	183,000	(183,000)	-	-	-	828,282	(828,282)
Total Assets Acquired Under Capital Leases/ (Nonbudgeted)		-	-	-	183,000	(183,000)	-	-	-	828,282	(828,282)

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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		
Special Schools:											
Summer School - Instruction:											
Salaries of Teachers	13-422-100-101	68,800	(8,000)	60,800	50,900	9,900	62,800	-	62,800	62,800	-
Other Salaries for Instruction	13-422-100-106	18,490	-	18,490	18,148	342	15,490	-	15,490	13,869	1,621
General Supplies	13-422-100-610	1,500	39	1,539	-	1,539	1,000	-	1,000	408	592
Total Summer School - Instruction		88,790	(7,961)	80,829	69,048	11,781	79,290	-	79,290	77,077	2,213
Total Expenditures		43,962,883	202,781	44,165,664	46,242,309	(2,076,645)	42,680,725	82,192	42,762,917	44,661,632	(1,898,715)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(2,250,694)	(202,781)	(2,453,475)	(298,900)	2,154,575	(1,541,180)	(76,336)	(1,617,516)	681,513	2,299,029
Other Financing Uses/(Sources):											
Transfer to Charter Schools		(31,998)	-	(31,998)	(31,998)	-	-	-	-	-	-
Capital Leases (Nonbudgeted)		-	-	-	183,000	183,000	-	-	-	828,282	828,282
Total Other Financing Sources/(Uses)		(31,998)	-	(31,998)	151,002	183,000	-	-	-	828,282	828,282
Excess/(Deficiency) of Revenues Over/(Under) After Expenditures & Other Financing Sources/(Uses)		(2,282,692)	(202,781)	(2,485,473)	(147,898)	2,337,575	(1,541,180)	(76,336)	(1,617,516)	1,509,795	3,127,311
Fund Balances, July 1		5,754,117	-	5,754,117	5,754,117	-	4,244,322	-	4,244,322	4,244,322	-
Fund Balances, June 30		\$ 3,471,425	\$ (202,781)	\$ 3,268,644	\$ 5,606,219	\$ 2,337,575	\$ 2,703,142	\$ (76,336)	\$ 2,626,806	\$ 5,754,117	\$ 3,127,311

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	202,781
Total Budget Transfers	\$ -

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ 576,861
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,592,412
Capital Reserve	307,311
Assigned Fund Balance:	
Reserve for Encumbrances	59,260
Designated for Subsequent Year's Expenditures	1,807,044
Unassigned Fund Balance	<u>1,263,331</u>
Subtotal	5,606,219
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(378,209)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 5,228,010</u>

**MEDFORD 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) 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										
State Sources	\$ 126,763	\$ 13,159	\$ 139,922	\$ 131,801	\$ 8,121	\$ 129,065	\$ 7,246	\$ 136,311	\$ 135,811	\$ 500
Federal Sources	407,669	413,462	821,131	821,131	-	409,512	412,983	822,495	822,495	-
Total Revenues	534,432	426,621	961,053	952,932	8,121	538,577	420,229	958,806	958,306	500
EXPENDITURES:										
Instruction:										
Salaries of Teachers	87,539	40,879	128,418	128,418	-	93,524	48,618	142,142	142,142	-
Purchased Professional & Technical Services	48,018	(804)	47,214	46,663	551	56,523	2,631	59,154	59,154	-
Purchased Professional - Educational Services	20,450	20,139	40,589	34,519	6,070	-	-	-	-	-
General Supplies	2,500	9,166	11,666	10,166	1,500	1,000	1,830	2,830	2,330	500
Tuition	244,763	304,472	549,235	549,235	-	233,490	256,036	489,526	489,526	-
Textbooks	18,281	2,115	20,396	20,396	-	21,372	(3,091)	18,281	18,281	-
Total Instruction	421,551	375,967	797,518	789,397	8,121	405,909	306,024	711,933	711,433	500
Support Services:										
Purchased Professional - Educational Services	89,875	24,468	114,343	114,343	-	95,339	105,336	200,675	200,675	-
Personal Services - Employee Benefits	12,756	6,072	18,828	18,828	-	11,202	9,717	20,919	20,919	-
Supplies & Materials	10,250	20,114	30,364	30,364	-	26,127	(848)	25,279	25,279	-
Total Support Services	112,881	50,654	163,535	163,535	-	132,668	114,205	246,873	246,873	-
Total Expenditures	534,432	426,621	961,053	952,932	8,121	538,577	420,229	958,806	958,306	500
Total Outflows	534,432	426,621	961,053	952,932	8,121	538,577	420,229	958,806	958,306	500
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

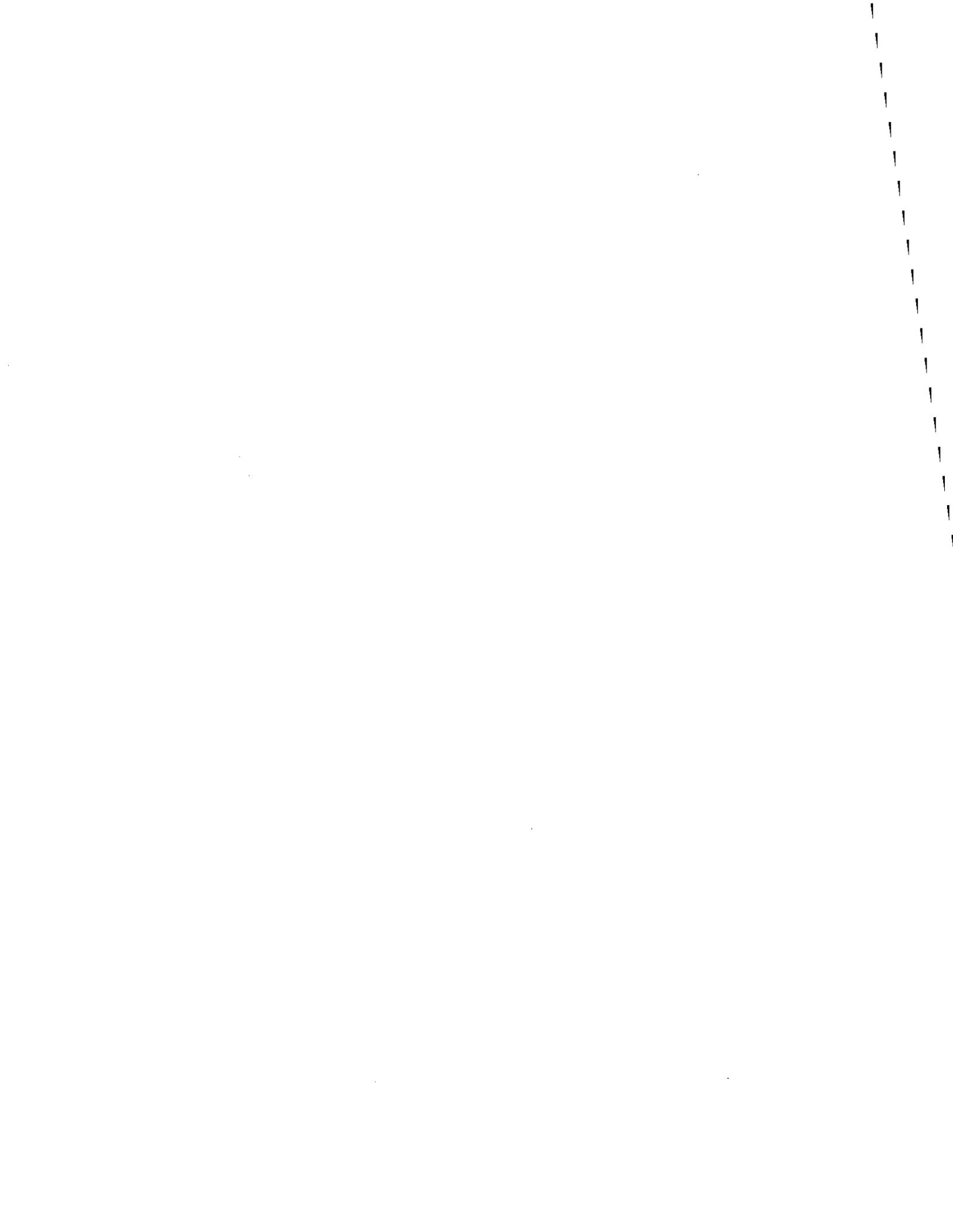


NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**MEDFORD 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**

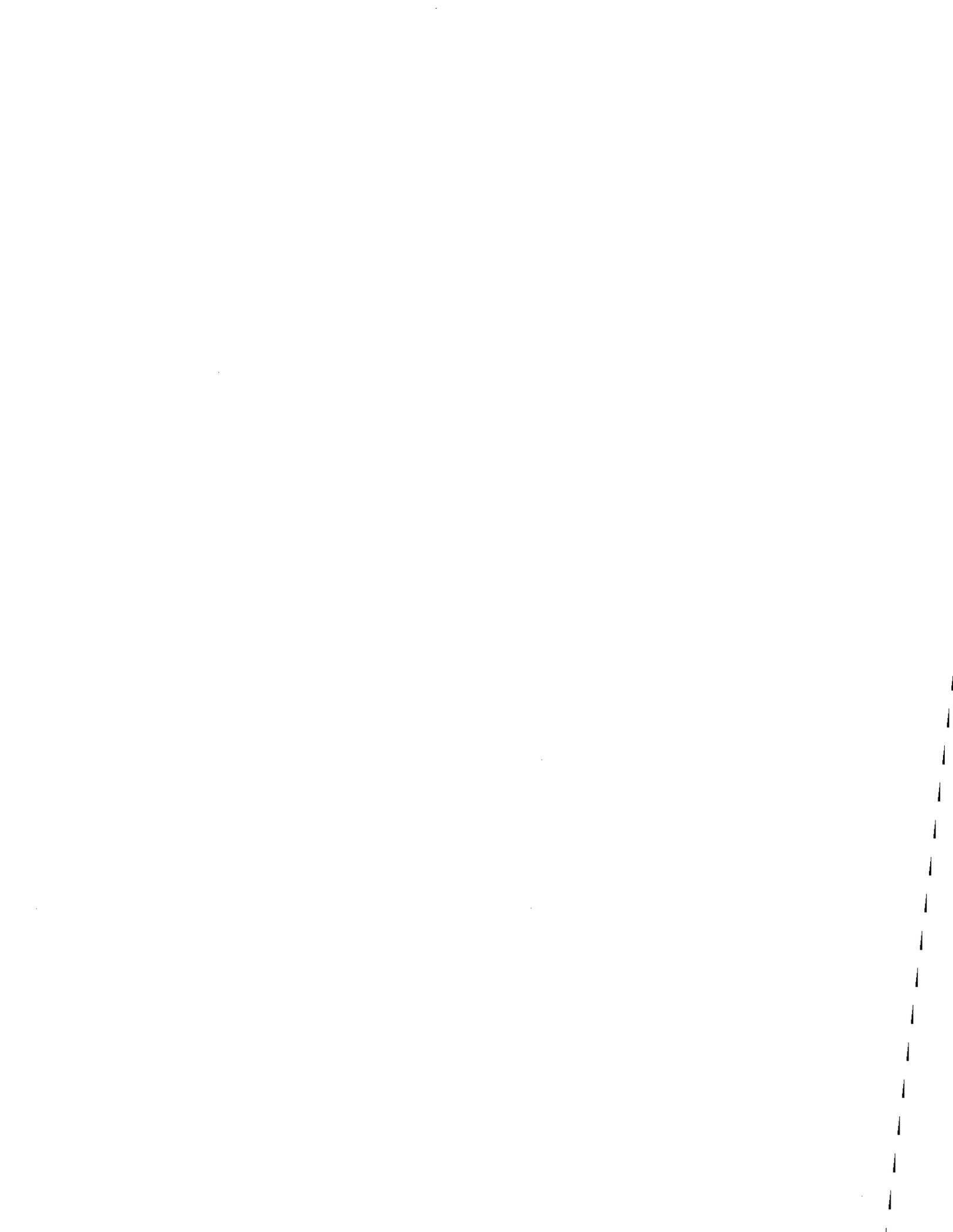
	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 45,943,409	\$ 952,932
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(378,209)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	363,017	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 45,928,217	\$ 952,932
	<hr/> <hr/>	<hr/> <hr/>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	\$ 46,242,309	\$ 952,932
	<hr/> <hr/>	<hr/> <hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 46,242,309	\$ 952,932
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OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable



E. Special Revenue Fund

**MEDFORD 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)**

	TITLE I	TITLE III	TITLE II PART A	I.D.E.A. PART B BASIC REGULAR PROGRAM	I.D.E.A. PRESCHOOL
Revenues:					
Federal Sources	\$ 75,886	\$ 14,732	\$ 57,944	\$ 638,077	\$ 34,492
Total Revenues	<u>\$ 75,886</u>	<u>\$ 14,732</u>	<u>\$ 57,944</u>	<u>\$ 638,077</u>	<u>\$ 34,492</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 55,322	\$ -	\$ 38,818	\$ -	\$ -
Purchased Professional & Technical Services	-	-	-	-	-
Purchased Professional Educational Services	-	4,223	-	-	-
General Supplies	-	-	9,998	-	-
Tuition	-	-	-	516,243	32,992
Textbooks	-	-	-	-	-
Total Instruction	<u>55,322</u>	<u>4,223</u>	<u>48,816</u>	<u>516,243</u>	<u>32,992</u>
Support Services:					
Purchased Professional Educational Services	9,500	10,509	1,000	91,834	1,500
Personal Services - Employee Benefits	11,064	-	7,764	-	-
Supplies and Materials	-	-	364	30,000	-
Total Support Services	<u>20,564</u>	<u>10,509</u>	<u>9,128</u>	<u>121,834</u>	<u>1,500</u>
Total Expenditures	<u>\$ 75,886</u>	<u>\$ 14,732</u>	<u>\$ 57,944</u>	<u>\$ 638,077</u>	<u>\$ 34,492</u>

**MEDFORD 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)**

	NJ NONPUBLIC HANDICAPPED SERVICES CH 193			NONPUBLIC AUXILIARY CH 192
	EXAMINATION & CORRECTIVE CLASSIFICATION	SPEECH	SUPPLEMENTARY INSTRUCTION	COMPENSATORY EDUCATION
Revenues:				
State Sources	\$ 10,195	\$ 18,354	\$ 9,230	\$ 37,790
Total Revenues	<u>\$ 10,195</u>	<u>\$ 18,354</u>	<u>\$ 9,230</u>	<u>\$ 37,790</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 34,278
Purchased Professional & Technical Services	-	18,354	-	-
Purchased Professional Educational Services	10,195	-	9,230	3,344
General Supplies	-	-	-	168
Tuition	-	-	-	-
Textbooks	-	-	-	-
Total Instruction	<u>10,195</u>	<u>18,354</u>	<u>9,230</u>	<u>37,790</u>
Total Expenditures	<u>\$ 10,195</u>	<u>\$ 18,354</u>	<u>\$ 9,230</u>	<u>\$ 37,790</u>

**MEDFORD 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 PROGRAM	NONPUBLIC TEXTBOOKS PROGRAM	NONPUBLIC TECHNOLOGY PROGRAM	2013	2012
Revenues:					
State Sources	\$ 28,309	\$ 20,396	\$ 7,527	\$ 131,801	\$ 135,811
Federal Sources	-	-	-	821,131	822,495
Total Revenues	28,309	20,396	7,527	952,932	958,306
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 128,418	\$ 142,142
Purchased Professional & Technical Services	28,309	-	-	46,663	59,154
Purchased Professional Educational Services	-	-	7,527	34,519	-
General Supplies	-	-	-	10,166	2,330
Tuition	-	-	-	549,235	489,526
Textbooks	-	20,396	-	20,396	18,281
Total Instruction	28,309	20,396	7,527	789,397	711,433
Support Services:					
Purchased Professional & Technical Services	-	-	-	-	-
Purchased Professional Educational Services	-	-	-	114,343	200,675
Personal Services - Employee Benefits	-	-	-	18,828	20,919
Supplies and Materials	-	-	-	30,364	25,279
Total Support Services	-	-	-	163,535	246,873
Total Expenditures	\$ 28,309	\$ 20,396	\$ 7,527	\$ 952,932	\$ 958,306

F. Capital Projects Fund

**MEDFORD 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:	
Bond Proceeds & Transfers	\$ 55
	<hr/>
Total Revenues	55
	<hr/>
Other Financing Sources Uses:	
Operating Transfers Out	(55)
	<hr/>
Total Other Financing Sources Uses:	(55)
	<hr/>
Fund Balance - Beginning	-
	<hr/>
Fund Balance - Ending	\$ -
	<hr/> <hr/>

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SOUTH ROUTE 70 ELEMENTARY SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$ 3,428,506	\$ -	\$ 3,428,506	\$ 3,428,506
Bond Proceeds & Transfers	14,642,517	55	14,642,572	14,642,572
Total Revenues	18,071,023	55	18,071,078	18,071,078
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				-
Technical Services	1,640,352	-	1,640,352	1,640,352
Land & Improvements	4,347,129	-	4,347,129	4,347,129
Construction Services	10,231,060	-	10,231,060	10,231,060
Equipment Purchases	282,984	-	282,984	282,984
Miscellaneous	534,416	-	534,416	534,416
Total Expenditures	17,035,941	-	17,035,941	17,035,941
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	1,035,082	55	1,035,137	1,035,137
Other Financing Sources/(Uses):				
Cancellation of Prior Year				
Interfund	136,273	-	136,273	136,273
Operating Transfers Out	(1,171,355)	(55)	(1,171,410)	(1,171,410)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing	\$ -	\$ -	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3080-N01-02-0150
Bond Authorization Date	05/03/02
Bonds Authorized	14,642,517
Bonds Issued	14,642,517
Original Authorized Cost	18,071,078
Revised Authorized Cost	17,035,941
Percentage Increase Over Original Authorized Cost	-5.728%
Original Target Completion Date	September 2006
Revised Target Completion Date	September 2006

G. Proprietary Funds

Enterprise Funds

MEDFORD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMPARATIVE COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>		
	FOOD SERVICE	2013	2012
Current Assets:			
Cash & Cash Equivalents	\$ 147,713	\$ 147,713	\$ 175,786
Accounts Receivable:			
State	404	404	332
Federal	7,272	7,272	4,892
Inventories	22,527	22,527	13,833
	<hr/>	<hr/>	<hr/>
Total Current Assets	177,916	177,916	194,843
Fixed Assets:			
Equipment	223,900	223,900	375,049
Accumulated Depreciation	(142,026)	(142,026)	(349,615)
	<hr/>	<hr/>	<hr/>
Total Fixed Assets	81,874	81,874	25,434
	<hr/>	<hr/>	<hr/>
Total Assets	259,790	259,790	220,277
LIABILITIES			
Prepaid Meals	21,243	21,243	22,309
Accounts Payable	45,386	45,386	34,234
	<hr/>	<hr/>	<hr/>
Total Liabilities	66,629	66,629	56,543
NET POSITION			
Investment in Capital Assets	81,874	81,874	25,434
Unrestricted	111,287	111,287	138,300
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 193,161	\$ 193,161	\$ 163,734
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MEDFORD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMPARATIVE COMBINING SCHEDULE 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 - ENTERPRISE FUNDS		
	FOOD SERVICE	2013	2012
	Operating Revenues:		
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 295,280	\$ 295,280	\$ 377,103
Daily Sales Nonreimbursable Programs	292,725	292,725	298,609
Special Functions	35,267	35,267	35,905
Total Operating Revenue	<u>623,272</u>	<u>623,272</u>	<u>711,617</u>
Operating Expenses:			
Labor	407,293	407,293	405,466
Supplies & Materials	54,028	54,028	60,739
Liability Insurance	5,763	5,763	23,412
Miscellaneous	3,349	3,349	15,882
Management Fee	47,099	47,099	50,471
Depreciation Expense	13,153	13,153	7,936
Cost of Sales	301,898	301,898	330,804
Total Operating Expenses	<u>832,583</u>	<u>832,583</u>	<u>894,710</u>
Operating Income/(Loss)	<u>(209,311)</u>	<u>(209,311)</u>	<u>(183,093)</u>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	6,330	6,330	7,820
Federal Sources:			
National School Lunch Program	103,197	103,197	110,497
Special Milk Program	1,147	1,147	1,956
Healthy Hunger-Free Kids Act	8,164	8,164	-
Food Distribution Program	49,077	49,077	43,310
Interest Revenue	1,230	1,230	3,051
Gain/(Loss) on Adjustment to Fixed Assets	69,593	69,593	-
Total Nonoperating Revenues	<u>238,738</u>	<u>238,738</u>	<u>166,634</u>
Net Income/(Loss)	29,427	29,427	(16,459)
Net Position/(Deficit) - July 1	<u>163,734</u>	<u>163,734</u>	<u>180,193</u>
Net Position/(Deficit) - June 30	<u>\$ 193,161</u>	<u>\$ 193,161</u>	<u>\$ 163,734</u>

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	2013	2012	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 623,272	\$ 623,272	\$ 717,411
Payments to Employees	(359,282)	(359,282)	(849,532)
Payments to Suppliers	(409,679)	(409,679)	-
Net Cash Provided/(Used) by Operating Activities	<u>(145,689)</u>	<u>(145,689)</u>	<u>(132,121)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	6,258	6,258	8,587
Federal Sources	110,128	110,128	158,292
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>116,386</u>	<u>116,386</u>	<u>166,879</u>
Cash Flows From Investing Activities:			
Interest Earnings	1,230	1,230	3,051
Net Cash Provided/(Used) by Investing Activities	<u>1,230</u>	<u>1,230</u>	<u>3,051</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(28,073)	(28,073)	37,809
Balances - Beginning of Year	<u>175,786</u>	<u>175,786</u>	<u>137,977</u>
Balances - End of Year	<u>\$ 147,713</u>	<u>\$ 147,713</u>	<u>\$ 175,786</u>

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

Operating Income/(Loss)	\$ (209,311)	\$ (209,311)	\$ (183,093)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Food Distribution Program	49,077	49,077	-
Depreciation & Net Amortization	13,153	13,153	7,936
(Increase)/Decrease in Interfund Receivable	-	-	5,297
Increase/(Decrease) in Prepaid	(1,066)	(1,066)	497
(Increase)/Decrease in Inventories	(8,694)	(8,694)	3,008
Increase/(Decrease) in Accounts Payable	11,152	11,152	34,234
Total Adjustments	<u>63,622</u>	<u>63,622</u>	<u>50,972</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (145,689)</u>	<u>\$ (145,689)</u>	<u>\$ (132,121)</u>

Internal Service Fund

Not Applicable

H. Fiduciary Fund

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

ASSETS	AGENCY		PRIVATE PURPOSE		2013	2012
	STUDENT ACTIVITY	PAYROLL AGENCY	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP		
Cash & Cash Equivalents	\$ 365,019	\$ 265,259	\$ 20,411	\$ 14,378	\$ 665,067	\$ 660,588
Interfund Receivable	-	-	-	-	-	3,075.00
Total Assets	365,019	265,259	20,411	14,378	665,067	663,663
LIABILITIES						
Interfund Payables	-	2,520	-	-	2,520	-
Payroll Deductions & Withholdings	-	238,493	-	-	238,493	289,498
Due to Employees - (Section 125 Plan)	-	24,246	-	-	24,246	-
Due to Student Groups	365,019	-	-	-	365,019	292,553
Total Liabilities	365,019	265,259	-	-	630,278	582,051
NET POSITION						
Held in Reserve for Unemployment Claims	-	-	20,411	-	20,411	66,356
Reserved for Scholarships	-	-	-	14,378	14,378	15,256
Total Net Position	\$ -	\$ -	\$ 20,411	\$ 14,378	\$ 34,789	\$ 81,612

**MEDFORD TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
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 FUND	UNEMPLOYMENT COMPENSATION		
ADDITIONS				
Local Sources:				
Contributions	\$ -	\$ 34,924	\$ 34,924	\$ 40,327
Interest on Investments	222	252	474	1,810
Total Additions	222	35,176	35,398	42,137
DEDUCTIONS				
Unemployment Claims	-	81,121	81,121	118,152
Scholarships	1,100	-	1,100	1,100
Total Deductions	1,100	81,121	82,221	119,252
Change in Net Position	(878)	(45,945)	(46,823)	(77,115)
Fund Balances, July 1	15,256	66,356	81,612	158,727
Fund Balances, June 30	\$ 14,378	\$ 20,411	\$ 34,789	\$ 81,612

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

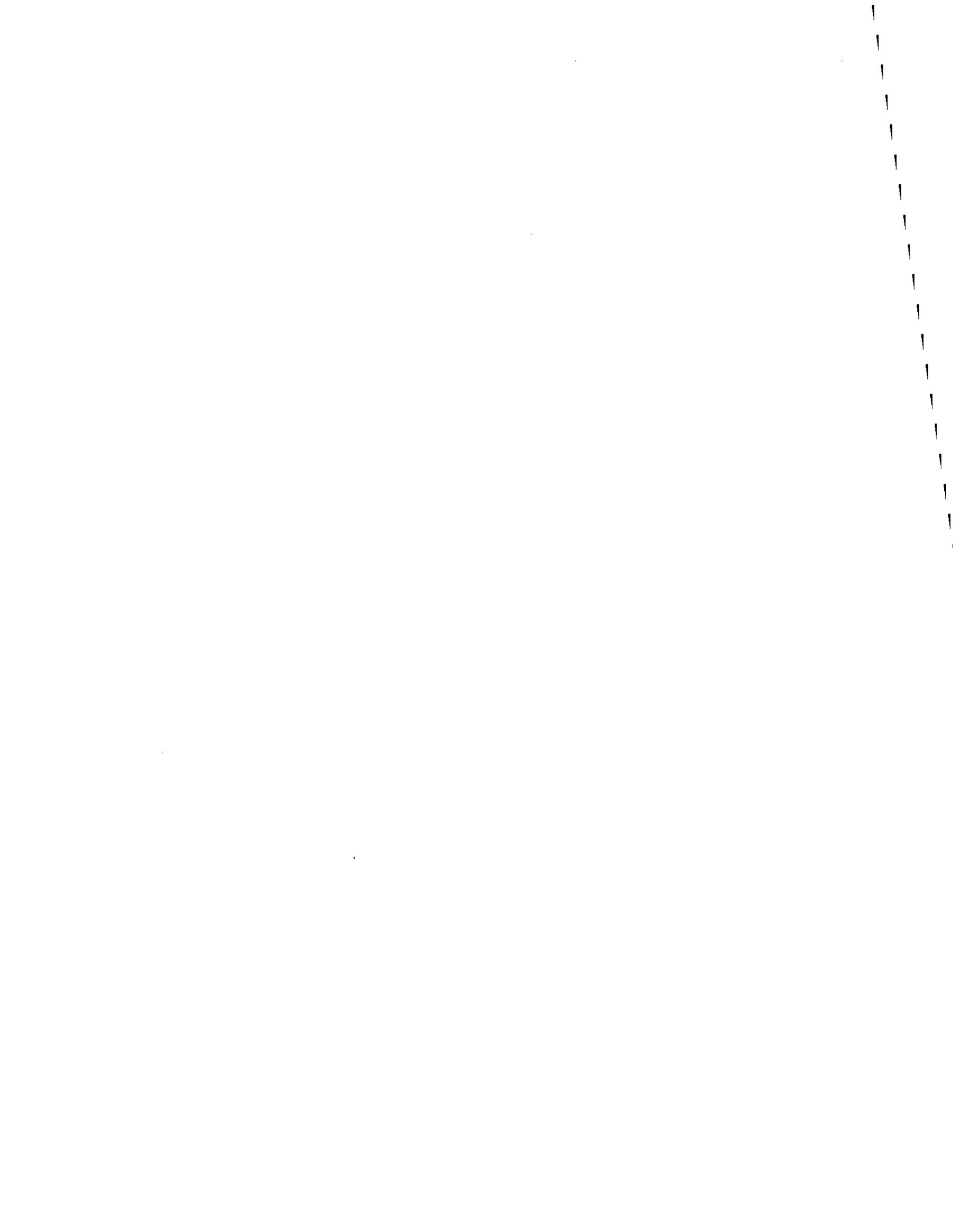
	BALANCE JUNE 30, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
Elementary Schools:				
Taunton Forge	\$ 7,304	\$ 33,659	\$ 29,368	\$ 11,595
Chairville	17,890	41,597	48,159	11,328
Haines	33,518	62,328	43,506	52,340
Cranberry Pines	36,345	28,680	33,491	31,534
Kirby's Mill	12,508	26,239	19,331	19,416
Milton H. Allen	42,688	28,922	24,429	47,181
Total Elementary Schools	<u>150,253</u>	<u>221,425</u>	<u>198,284</u>	<u>173,394</u>
Junior High School:				
Memorial	142,300	226,014	176,689	191,625
Total Junior High School	<u>142,300</u>	<u>226,014</u>	<u>176,689</u>	<u>191,625</u>
Total All Schools	<u>\$ 292,553</u>	<u>\$ 447,439</u>	<u>\$ 374,973</u>	<u>\$ 365,019</u>

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

ASSETS	BALANCE JUNE 30, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 286,423	\$ 38,616,858	\$ 38,638,022	\$ 265,259
Interfund Receivable	3,075	-	3,075	-
Total Assets.	<u>\$ 289,498</u>	<u>\$ 38,616,858</u>	<u>\$ 38,638,022</u>	<u>\$ 265,259</u>
LIABILITIES				
Net Payroll & Withholdings	\$ 270,567	\$ 38,569,856	\$ 38,601,930	\$ 238,493
Due to Employees (Section 125 Plan)	18,931	44,482	39,167	24,246
Interfund Payables:				
General Fund	-	2,520	-	2,520
Total Liabilities	<u>\$ 289,498</u>	<u>\$ 38,616,858</u>	<u>\$ 38,641,097</u>	<u>\$ 265,259</u>

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I. Long-Term Debt



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

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	RETIRED	BALANCE
			DATE	AMOUNT		JULY 1, 2012		JUNE 30, 2013
Refunding Bond Issue	01/24/2008	\$4,380,000	02/01/14	\$ 670,000	5.00%	\$ 2,005,000	\$ 680,000	\$ 1,325,000
			02/01/15	655,000	4.50%			
Refunding Bond Issue	02/07/2006	28,710,000	03/01/14	1,580,000	4.500%	27,255,000	1,515,000	25,740,000
			03/01/15	1,635,000	4.500%			
			03/01/16	1,690,000	4.500%			
			03/01/17	1,770,000	4.625%			
			03/01/18	1,840,000	4.700%			
			03/01/19	1,880,000	4.750%			
			03/01/20	1,970,000	4.750%			
			03/01/21	1,955,000	4.875%			
			03/01/22	1,945,000	4.875%			
			03/01/23	1,930,000	5.000%			
			03/01/24	1,910,000	5.000%			
			03/01/25	1,895,000	5.000%			
			03/01/26	1,880,000	5.000%			
			03/01/27	1,860,000	5.000%			
Total						\$ 29,260,000	\$ 2,195,000	\$ 27,065,000

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

DESCRIPTION	DATE OF LEASE	TERM	LAST PAYMENT DUE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2012	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2013
School Buses, Textbooks, Technology Equipment & Kitchen Equipment	7/1/2008	5 YEARS	7/1/2013	3.27%	\$ 650,000	\$ 275,000	\$ -	\$ 135,000	\$ 140,000
Copiers for Chairville, Kirby's Mill, Allen Business, Memorial	2/15/2010	5 YEARS	2/15/2014	7.00%	246,451	104,472	-	50,895	53,577
Copiers for Chairville, Allen Business, Memorial	7/15/2010	4 YEARS	7/15/2014	6.40%	42,396	21,698	-	10,508	11,190
75 Canon Copiers for Haines & Taunton Forge	7/15/2010	5 YEARS	7/15/2015	4.00%	124,445	78,309	-	24,828	53,481
Canon Copiers for Haines & Taunton Forge	10/1/2010	5 YEARS	9/1/2015	5.84%	42,465	26,949	-	8,464	18,485
Networking Equipment	1/10/2012	5 YEARS	9/10/2016	2.79%	553,577	501,018	-	112,606	388,412
2010 54 Passenger School Buses (3)	8/1/2011	4 YEARS	8/1/2014	2.90%	246,000	162,376	-	52,841	109,535
Copiers for Memorial Media Center & Haines Guidance	10/15/2011	5 YEARS	9/15/2016	5.93%	28,705	24,921	-	5,313	19,608
2010/2005 54 Passenger School Buses (3)	7/10/2012	4 YEARS	8/1/2015	2.48%	183,000	-	183,000	65,418	117,582
Total						\$ 1,194,743	\$ 183,000	\$ 465,873	\$ 911,870

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

	JUNE 30, 2013				VARIANCE FAVORABLE UNFAVORABLE	JUNE 30, 2012				VARIANCE FAVORABLE UNFAVORABLE
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$ 3,458,801	\$ -	\$ 3,458,801	\$ 3,458,801	\$ -	\$ 3,348,072	\$ -	\$ 3,348,072	\$ 3,348,072	\$ -
Total Revenues	3,458,801	-	3,458,801	3,458,801	-	3,348,072	-	3,348,072	3,348,072	-
Expenditures:										
Regular Debt Service:										
Interest	1,256,288	-	1,256,288	1,246,288	10,000	1,334,150	-	1,334,150	1,324,450	9,700
Redemption of Principal	2,205,000	-	2,205,000	2,195,000	10,000	2,045,000	-	2,045,000	2,045,000	-
Total Expenditures	3,461,288	-	3,461,288	3,441,288	20,000	3,379,150	-	3,379,150	3,369,450	9,700
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(2,487)	-	(2,487)	17,513	20,000	(31,078)	-	(31,078)	(21,378)	9,700
Other Financing Sources/(Uses):										
Operating Transfers In	-	-	-	55	55	-	-	-	215	215
Total Other Financing Sources/(Uses)	-	-	-	55	55	-	-	-	215	215
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(2,487)	-	(2,487)	17,568	20,055	(31,078)	-	(31,078)	(21,163)	9,915
Fund Balances July 1, 2011	12,402	-	12,402	12,402		33,565	-	33,565	33,565	-
Fund Balances June 30, 2012	\$ 9,915	\$ -	\$ 9,915	\$ 29,970	\$ 20,055	\$ 2,487	\$ -	\$ 2,487	\$ 12,402	\$ 9,915

**MEDFORD TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
JUNE 30, 2013**

	OUTSTANDING BALANCE 2012	DEDUCTIONS	OUTSTANDING BALANCE 2013
Compensated Absences	\$ 1,619,407	\$ (120,277)	\$ 1,499,130

STATISTICAL SECTION (Unaudited)

MEDFORD 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
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 31,015,580	\$ 35,288,542	\$ 35,375,706	\$ 35,076,157	\$ 34,052,853	\$ 33,170,798	\$ 31,307,648	\$ 29,757,339	\$ 25,788,135	\$ 6,726,626
Restricted	2,119,936	3,941,654	3,552,417	2,724,411	4,778,520	4,620,546	5,845,644	6,485,308	10,841,708	18,059,557
Unrestricted	1,252,295	(74,640)	(1,815,821)	(1,240,464)	(1,456,480)	(465,724)	311,251	(291,786)	(430,982)	8,619,841
Total Governmental Activities Net Position	\$ 34,387,811	\$ 39,155,556	\$ 37,112,302	\$ 36,560,104	\$ 37,374,893	\$ 37,325,620	\$ 37,464,543	\$ 35,950,861	\$ 36,198,861	\$ 33,406,024
Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 81,874	\$ 25,434	\$ 33,370	\$ 42,554	\$ 52,788	\$ 66,331	\$ 75,601	\$ 54,574	\$ 43,539	\$ 53,153
Unrestricted	111,287	138,300	146,823	138,442	120,281	135,634	130,458	114,297	101,039	152,564
Total Business-Type Activities Net Position	\$ 193,161	\$ 163,734	\$ 180,193	\$ 180,996	\$ 173,069	\$ 201,965	\$ 206,059	\$ 168,871	\$ 144,578	\$ 205,717
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 31,097,454	\$ 35,313,976	\$ 35,409,076	\$ 35,118,711	\$ 34,105,641	\$ 33,237,129	\$ 31,383,249	\$ 29,811,913	\$ 25,831,674	\$ 6,779,779
Restricted	2,119,936	3,941,654	3,552,417	2,724,411	4,778,520	4,620,546	5,845,644	6,485,308	10,841,708	18,059,557
Unrestricted	1,363,582	63,660	(1,668,998)	(1,102,022)	(1,336,199)	(330,090)	441,709	(177,489)	(329,943)	8,772,405
Total District Net Position	\$ 34,580,972	\$ 39,319,290	\$ 37,292,495	\$ 36,741,100	\$ 37,547,962	\$ 37,527,585	\$ 37,670,602	\$ 36,119,732	\$ 36,343,439	\$ 33,611,741

**MEDFORD 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	\$ 13,156,839	\$ 12,409,724	\$ 12,028,959	\$ 13,153,219	\$ 13,569,075	\$ 12,836,488	\$ 12,735,190	\$ 12,386,661	\$ 11,365,338	\$ 10,753,565
Special Education	5,308,220	5,033,439	4,845,628	4,370,758	4,139,178	4,159,125	3,627,369	3,583,662	3,100,456	2,702,906
Other Special Instruction	402,047	337,313	304,690	376,203	366,000	329,607	305,684	345,686	348,337	390,253
Other Instruction	120,261	42,175	13,496	124,659	123,639	161,580	116,956	116,394	110,400	105,519
Support Services & Undistributed Costs:										
Tuition	1,338,256	1,502,954	1,380,735	1,578,557	1,256,541	1,351,346	1,951,907	1,445,759	1,297,803	1,262,590
Attendance & Social Work Services	15,115	13,830	4,914	6,175	5,997	5,299	2,496	3,709	2,359	2,561
Health Services	492,596	520,812	516,355	503,881	465,904	528,467	498,063	474,629	426,771	361,836
Student & Instruction Related Services	2,841,851	2,791,267	3,090,874	3,541,219	2,629,436	3,260,812	2,123,689	2,750,085	2,183,785	2,195,090
Educational Media Services/ School Library	365,627	354,003	373,335	606,831	493,028	598,062	597,151	555,794	547,522	399,896
Instructional Staff Training	431,881	575,670	553,037	672,153	597,141	522,951	428,041	369,245	3,840	74,038
School Administrative Services	3,068,602	999,195	980,190	846,608	842,964	907,487	919,286	855,587	819,464	947,848
Other Administrative Services	828,865	2,700,993	2,453,549	2,689,154	2,621,113	2,828,830	2,620,692	2,450,195	2,321,167	1,432,777
Plant Operations & Maintenance	3,788,271	3,502,879	3,849,537	3,825,265	3,339,295	3,461,444	3,482,568	3,375,734	2,935,435	2,508,948
Pupil Transportation	3,429,686	3,405,580	3,202,868	3,280,228	2,942,096	3,214,706	2,829,355	2,513,551	2,453,555	2,025,889
Business & Other Support Services	-	-	-	-	-	-	-	-	188	374,241
Unallocated Benefits	11,119,839	10,094,703	9,943,646	10,095,072	9,661,654	10,797,442	10,017,055	8,437,677	7,615,023	6,506,231
Transfer to Charter Schools	31,998	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	1,294,440	1,358,396	1,484,245	1,404,885	1,592,479	1,578,613	1,544,203	2,181,236	2,010,787	2,056,260
Special Schools	69,048	77,077	33,983	80,512	70,828	60,199	39,698	40,202	-	179,675
Amortization of Bond Issuance Costs	14,115	14,114	14,114	14,117	14,114	3,782	3,782	3,782	-	-
Amortization of Loss on Early Retirement of Debt	-	-	-	-	-	33,218	33,218	33,218	-	-
Unallocated Nondepreciable Assets	33,218	33,218	33,218	33,218	33,218	-	259,806	-	-	-
Increase in Compensated Absences	(120,277)	12,579	101,508	36,274	418,323	234,547	(223,569)	73,204	(609,413)	282,152
Reduction in Capital Leases	(465,873)	(361,675)	(331,829)	(481,092)	-	-	-	-	-	-
Adjustment to Fixed Assets	5,829,345	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	1,748,398	2,133,778	2,133,778	1,948,724	2,057,407	1,563,965	989,041	978,225	1,792,723	1,216,633
Total Governmental Activities Expenses	55,142,368	47,552,024	47,010,830	48,706,620	47,239,430	48,437,970	44,901,681	42,974,235	38,725,540	35,778,908
Business-Type Activities:										(19,707)
Food Service	832,583	894,710	867,830	849,527	865,203	843,317	755,102	735,371	741,533	645,372
Total Business-Type Activities Expense	832,583	894,710	867,830	849,527	865,203	843,317	755,102	735,371	741,533	645,372
Total District Expenses	\$ 55,974,951	\$ 48,446,734	\$ 47,878,660	\$ 49,556,147	\$ 48,104,633	\$ 49,281,287	\$ 45,656,783	\$ 43,709,606	\$ 39,467,073	\$ 36,424,280

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**MEDFORD 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
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 952,932	\$ 958,306	\$ 924,614	\$ 1,587,530	\$ 997,396	\$ 989,112	\$ 987,128	\$ 1,013,222	\$ 976,185	\$ 925,687
Total Governmental Activities Program Revenues	952,932	958,306	924,614	1,587,530	997,396	989,112	987,128	1,013,222	976,185	925,687
Business-Type Activities:										
Charges for Services:										
Food Service	623,272	711,617	711,798	726,570	707,079	703,182	625,112	628,509	557,831	534,089
Operating Grants & Contributions	167,915	163,583	152,276	128,576	126,729	127,357	122,541	122,715	117,237	112,830
Total Business Type Activities Program Revenues	791,187	875,200	864,074	855,146	833,808	830,539	747,653	751,224	675,068	646,919
Total District Program Revenues	\$ 1,744,119	\$ 1,833,506	\$ 1,788,688	\$ 2,442,676	\$ 1,831,204	\$ 1,819,651	\$ 1,734,781	\$ 1,764,446	\$ 1,651,253	\$ 1,572,606
Net (Expense)/Revenue:										
Governmental Activities	\$ (54,189,436)	\$ (46,593,718)	\$ (46,086,216)	\$ (47,119,090)	\$ (46,242,034)	\$ (47,448,858)	\$ (43,914,553)	\$ (41,961,013)	\$ (37,749,355)	\$ (34,853,221)
Business-Type Activities	(41,396)	(19,510)	(3,756)	5,619	(31,395)	(12,778)	(7,449)	15,853	(66,465)	1,547
Total District-Wide Net Expense	\$ (54,230,832)	\$ (46,613,228)	\$ (46,089,972)	\$ (47,113,471)	\$ (46,273,429)	\$ (47,461,636)	\$ (43,922,002)	\$ (41,945,160)	\$ (37,815,820)	\$ (34,851,674)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 36,307,156	\$ 36,417,885	\$ 36,046,947	\$ 35,454,808	\$ 34,491,065	\$ 34,153,568	\$ 32,595,738	\$ 30,097,041	\$ 29,222,823	\$ 25,502,634
Taxes Levied for Debt Service	3,458,801	3,348,072	3,083,050	2,927,866	2,931,840	3,037,016	2,984,124	3,202,400	3,122,944	3,628,334
Federal & State Aid Not Restricted	9,076,950	8,154,002	6,723,025	7,114,398	8,149,046	9,457,957	9,171,373	7,804,036	7,422,063	7,013,539
Miscellaneous Income	544,166	682,395	750,773	733,606	695,745	680,138	808,788	754,021	806,774	1,030,409
Amortization of Gain on Early Retirement of Debt	34,618	34,618	34,619	34,618	34,619	-	-	-	-	-
Cancellation of Accounts Payable	-	-	-	39,005	-	-	-	-	-	-
Cancellation of EDA Receivable	-	-	-	-	(35,294)	-	(131,788)	(144,485)	-	-
Total Governmental Activities	49,421,691	48,636,972	46,638,414	46,304,301	46,267,021	47,328,679	45,428,235	41,713,013	40,574,604	37,174,916

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**MEDFORD 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
Business-Type Activities:										
Adjustment to Fixed Assets	69,593	-	-	-	-	-	-	-	-	-
Investment Earnings	1,230	3,051	2,953	2,308	2,499	8,684	10,762	8,440	5,326	1,960
Total Business-Type Activities	70,823	3,051	2,953	2,308	2,499	8,684	10,762	8,440	5,326	1,960
Total District-Wide	\$ 49,492,514	\$ 48,640,023	\$ 46,641,367	\$ 46,306,609	\$ 46,269,520	\$ 47,337,363	\$ 45,438,997	\$ 41,721,453	\$ 40,579,930	\$ 37,176,876
Change in Net Position:										
Governmental Activities	\$ (4,767,745)	\$ 2,043,254	\$ 552,198	\$ (814,789)	\$ 24,987	\$ (120,179)	\$ 1,513,682	\$ (248,000)	\$ 2,825,249	\$ 2,321,695
Business-Type Activities	29,427	(16,459)	(803)	7,927	(28,896)	(4,094)	3,313	24,293	(61,139)	3,507
Total District	\$ (4,738,318)	\$ 2,026,795	\$ 551,395	\$ (806,862)	\$ (3,909)	\$ (124,273)	\$ 1,516,995	\$ (223,707)	\$ 2,764,110	\$ 2,325,202

**MEDFORD 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
General Fund:										
Restricted	\$ 2,476,585	\$ 2,935,478	\$ 1,338,338	\$ 1,022,157	\$ 4,774,637	\$ 4,154,668	\$ 4,937,825	\$ 4,637,370	\$ 5,184,908	\$ 2,690,299
Assigned	1,866,304	1,447,135	1,617,516	1,902,591	-	-	-	-	-	-
Unassigned	885,122	1,008,487	1,014,529	483,659	353,293	593,063	637,427	571,363	535,559	785,736
Total General Fund	\$ 5,228,010	\$ 5,391,100	\$ 3,970,383	\$ 3,408,407	\$ 5,127,930	\$ 4,747,731	\$ 5,575,252	\$ 5,208,733	\$ 5,720,467	\$ 3,476,035
All Other Governmental Funds:										
Assigned	\$ 29,970	\$ 12,402	\$ 33,565	\$ 250,000	\$ 441,284	\$ -	\$ 477,117	\$ 400,663	\$ 3,881,556	\$ 12,889,489
Unassigned:										
Capital Projects Fund	-	-	-	-	128,279	567,703	1,086,538	2,086,767	2,244,034	1,574,466
Debt Service Fund	-	-	-	31,078	-	441,284	441,284	-	185,243	886,596
Permanent Fund	-	-	-	-	-	-	18,744	18,850	18,746	18,707
Total All Other Governmental Funds	\$ 29,970	\$ 12,402	\$ 33,565	\$ 281,078	\$ 569,563	\$ 1,008,987	\$ 2,023,683	\$ 2,506,280	\$ 6,329,579	\$ 15,369,258

MEDFORD 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
Revenues:										
Tax Levy	\$ 39,765,957	\$ 39,765,957	\$ 39,129,997	\$ 38,382,674	\$ 37,422,905	\$ 37,190,584	\$ 35,579,862	\$ 33,299,441	\$ 32,345,767	\$ 29,130,968
Miscellaneous	544,166	682,395	750,773	733,606	695,745	680,138	808,788	754,021	806,774	1,030,409
State Sources	9,208,751	8,097,046	6,845,006	6,688,886	8,316,989	9,617,272	9,350,643	8,024,788	7,597,777	7,192,990
Federal Sources	821,131	1,015,262	802,633	2,013,042	829,453	829,797	807,858	792,470	800,471	746,236
Total Revenue	50,340,005	49,560,660	47,528,409	47,818,208	47,265,092	48,317,791	46,547,151	42,870,720	41,550,789	38,100,603
Expenditures:										
Current Expense:										
Instruction	18,987,367	17,822,651	17,192,773	18,024,839	18,197,892	17,467,920	16,785,199	16,432,403	14,924,531	13,952,242
Undistributed Expenditures	27,256,044	26,213,499	26,088,073	27,645,143	25,078,803	27,316,280	25,562,370	22,535,603	20,595,797	18,091,946
Capital Outlay	882,782	1,506,711	775,374	1,002,028	1,246,592	1,883,489	1,681,124	5,078,241	9,805,461	22,953,306
Special Schools	69,048	77,077	33,983	80,512	70,828	60,199	39,698	40,202	32,413	19,707
Debt Service	3,441,288	3,369,450	3,333,050	3,359,150	3,344,908	3,416,036	3,527,418	3,605,269	3,587,834	3,618,334
Total Expenditures	50,636,529	48,989,388	47,423,253	50,111,672	47,939,023	50,143,924	47,595,809	47,691,718	48,946,036	58,635,535
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(296,524)	571,272	105,156	(2,293,464)	(673,931)	(1,826,133)	(1,048,658)	(4,820,998)	(7,395,247)	(20,534,932)
Other Financing Sources/(Uses):										
Cancellation of EDA										
Receivable	-	-	-	-	(35,294)	-	(131,788)	(144,485)	-	-
Cancellation of Accounts Payal	-	-	-	39,005	-	-	-	-	-	-
Eminent Domain Settlement	-	-	-	-	-	-	-	350,000	-	-
Transfer to Charter Schools	(31,998)	-	-	-	-	-	-	-	-	-
Capital Leases (Nonbudget)	183,000	828,282	209,307	246,451	650,000	487,992	579,045	280,450	600,000	-
Total Other Financing Sources/ (Uses)	151,002	828,282	209,307	285,456	614,706	487,992	447,257	485,965	600,000	-
Net Change in Fund Balances	\$ (145,522)	\$ 1,399,554	\$ 314,463	\$ (2,008,008)	\$ (59,225)	\$ (1,338,141)	\$ (601,401)	\$ (4,335,033)	\$ (6,795,247)	\$ (20,534,932)
Debt Service as a Percentage of Noncapital Expenditures	6.9%	7.1%	7.1%	6.8%	7.2%	7.1%	7.7%	8.5%	9.2%	10.1%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**MEDFORD 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,	TUITION	TRANSPORTATION AGREEMENTS	INTEREST ON INVESTMENT	ON PRIOR YEAR REFUNDS	MISCELLANEOUS	MUNICIPAL CONTRIBUTION	TRACK DONATION	SALE & TRANSPORTATION FEES	FEDERAL REIMBURSEMENT	REBATES FOR ENERGY CONSERVATION	INSURANCE SETTLEMENT	TOTAL
2013	\$ 18,533	\$ -	\$ 49,433	\$ -	\$ 476,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 544,111
2012	71,309	62,258	93,590	-	455,023	-	-	-	-	-	-	682,180
2011	74,326	54,663	85,238	22,532	427,470	-	-	38,334	45,723	-	-	748,286
2010	109,297	57,147	98,828	2,351	391,027	-	-	-	-	68,430	-	727,080
2009	83,904	93,302	93,658	3,751	335,862	-	-	-	-	76,330	-	686,807
2008	80,042	51,886	268,613	11,948	149,230	-	-	-	-	77,134	-	638,853
2007	51,965	66,883	369,629	10,478	127,347	-	10,000	-	-	98,171	10,978	745,451
2006	68,124	49,924	109,624	13,410	307,797	-	10,000	-	-	139,878	-	698,757
2005	11,031	-	136,607	375,164	231,437	-	10,000	42,535	-	-	-	806,774
2004	673	-	42,028	58,157	235,050	300,000	10,000	-	-	-	-	645,908

**MEDFORD 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	\$ 28,587,900	\$ 2,552,413,700	\$ 40,497,600	\$ 2,933,500	\$ 270,483,900	\$ 16,368,800	\$ 56,932,200	\$ 2,968,217,600	\$ 7,676,777	\$ 2,975,894,377	2.020	\$ 3,120,094,011
2012	33,786,000	2,563,221,000	41,927,400	2,838,700	282,365,000	22,014,400	63,483,400	3,009,635,900	8,901,541	3,018,537,441	1.915	3,190,029,902
2011	17,360,100	1,541,272,500	21,760,600	3,023,000	149,260,800	9,287,700	29,815,900	1,771,780,600	5,092,638	1,776,873,238	3.224	3,190,029,902
2010	17,529,990	1,543,351,150	21,166,210	2,814,750	151,250,400	9,632,700	29,815,900	1,775,561,100	5,574,837	1,781,135,937	3.153	3,419,519,452
2009	18,184,300	1,545,481,100	21,002,200	2,795,800	150,000,300	9,632,700	29,815,900	1,776,912,300	5,060,019	1,781,972,319	3.068	3,497,216,064
2008	19,490,900	1,543,120,700	20,985,600	2,371,800	148,612,500	9,632,700	29,815,900	1,774,030,100	4,312,379	1,778,342,479	3.009	3,392,905,370
2007	19,726,600	1,540,876,800	20,521,400	2,390,000	148,084,500	8,942,700	29,815,900	1,770,357,900	4,368,758	1,774,726,658	3.019	3,216,151,933
2006	18,501,400	1,533,665,400	20,779,600	2,678,600	147,051,200	8,942,700	29,815,900	1,761,434,800	3,857,376	1,765,292,176	2.906	2,885,232,105
2005	21,187,300	1,508,864,000	20,565,900	2,499,700	145,992,900	8,842,900	29,815,900	1,737,768,600	4,556,478	1,742,325,078	2.774	2,575,228,327
2004	24,717,600	1,491,676,400	20,774,400	2,508,000	146,420,700	8,636,100	29,815,900	1,724,549,100	5,294,504	1,729,843,604	2.689	2,291,536,280

Source: Burlington County Abstract of Ratables

**MEDFORD 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	REGIONAL	TOTAL	TOWNSHIP	BURLINGTON	MUNICIPAL	
	SCHOOL	SCHOOL	DIRECT	MEDFORD TOWNSHIP	COUNTY	OPEN SPACE	
2013	1.374	0.646	2.020	0.412	0.395	0.029	2.856
2012	1.318	0.597	1.915	0.413	0.401	0.029	2.758
2011	2.238	0.986	3.224	0.521	0.695	0.030	4.470
2010	2.197	0.956	3.153	0.495	0.729	0.030	4.407
2009	2.154	0.914	3.068	0.495	0.715	0.030	4.308
2008	2.104	0.905	3.009	0.495	0.743	0.030	4.277
2007	2.096	0.923	3.019	0.498	0.763	0.030	4.310
2006	2.016	0.890	2.906	0.499	0.726	0.030	4.161
2005	1.911	0.863	2.774	0.469	0.676	0.030	3.949
2004	1.870	0.819	2.689	0.469	0.621	0.030	3.809

Source: Municipal Tax Collector

**MEDFORD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2013		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
The Estaugh	\$ 34,238,500	1	1.15%
Sharp Run, LLC	15,344,900	2	0.52%
Medford Associates	12,659,000	3	0.43%
Medford Supermarket Properties	9,401,500	4	0.32%
Verizon - NJ	8,901,541	5	0.30%
Medford Center Assoc.	8,712,000	6	0.29%
Haynes Run Apartments	8,458,400	7	0.28%
Medford Convalescent	8,100,000	8	0.27%
Medford Medical Group	7,842,400	9	0.26%
Depetris Family LTD Partnership	7,015,500	10	0.24%
Total	<u>\$ 120,673,741</u>		<u>4.06%</u>

TAXPAYER	2004		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
The Estaugh	\$ 18,350,900	1	1.06%
Wharton Hardware	8,480,000	2	0.49%
Medford Associates, LLP	7,000,000	3	0.41%
Medford Supermarket Properties	6,000,000	4	0.35%
Medford Convalescent & Nursing Center	5,800,000	5	0.34%
Haynes Run Apartments	4,507,000	6	0.26%
Medford Investors Associates	4,275,000	7	0.25%
Medford Medical Group	4,100,000	8	0.24%
Depetris Family LTD Patnrship	3,740,000	9	0.22%
Medford Center Associates	3,500,000	10	0.20%
Total	<u>\$ 65,752,900</u>		<u>3.81%</u>

**MEDFORD 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	\$ 39,765,957	\$ 39,765,957	100.00%
2012	39,765,957	39,765,957	100.00%
2011	39,129,997	39,129,997	100.00%
2010	38,382,674	38,382,674	100.00%
2009	37,422,905	37,422,905	100.00%
2008	37,190,584	37,190,584	100.00%
2007	35,579,862	35,579,862	100.00%
2006	33,299,441	33,299,441	100.00%
2005	32,345,767	32,345,767	100.00%
2004	29,130,968	29,130,968	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	CAPITAL LEASES			
2013	\$ 27,065,000	\$ 911,870	\$ 27,976,870	N/A	
2012	29,260,000	1,194,743	30,454,743	1,311	
2011	31,305,000	728,136	32,033,136	1,388	
2010	33,230,000	850,659	34,080,659	1,480	
2009	35,100,000	1,085,300	36,185,300	1,592	
2008	36,875,000	886,064	37,931,064	1,664	
2007	38,795,000	854,013	39,649,013	1,740	
2006	40,500,000	574,949	41,074,949	1,772	
2005	41,346,000	549,438	41,895,438	1,801	
2004	42,911,000	156,962	43,067,962	1,844	

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statement.

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2013	\$ 27,065,000	\$ -	\$ 27,065,000	0.91%	N/A
2012	29,260,000	-	29,260,000	0.97%	1,260
2011	31,305,000	-	31,305,000	1.76%	1,357
2010	33,230,000	-	33,230,000	1.87%	1,443
2009	35,100,000	-	35,100,000	1.97%	1,544
2008	36,875,000	-	36,875,000	2.07%	1,618
2007	38,795,000	-	38,795,000	2.19%	1,702
2006	40,500,000	-	40,500,000	2.29%	1,747
2005	41,346,000	-	41,346,000	2.37%	1,777
2004	42,911,000	-	42,911,000	2.48%	1,837

**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:			
Lenape Regional High School	\$ 80,345,000	17.57%	\$ 14,116,705
Medford Township	27,068,872	100%	27,068,872
Burlington County	336,576,327	6.64%	22,348,668
Subtotal, Overlapping Debt			63,534,246
Medford Township Board of Education Debt			27,065,000
Total Direct & Overlapping Debt			\$ 90,599,246

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

**MEDFORD 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	\$ 96,548,371	\$ 98,669,564	\$ 101,646,063	\$ 102,730,334	\$ 100,526,487	\$ 94,165,294	\$ 85,867,210	\$ 76,364,285	\$ 67,746,747	\$ 60,435,284
Total Net Debt Applicable to Limit	<u>27,065,000</u>	<u>29,260,000</u>	<u>31,305,000</u>	<u>33,230,000</u>	<u>35,100,000</u>	<u>37,045,000</u>	<u>38,795,000</u>	<u>40,500,000</u>	<u>41,346,000</u>	<u>42,911,000</u>
Legal Debt Margin	<u>\$ 69,483,371</u>	<u>\$ 69,409,564</u>	<u>\$ 70,341,063</u>	<u>\$ 69,500,334</u>	<u>\$ 65,426,487</u>	<u>\$ 57,120,294</u>	<u>\$ 47,072,210</u>	<u>\$ 35,864,285</u>	<u>\$ 26,400,747</u>	<u>\$ 17,524,284</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (3.0%)	0.841%	0.890%	0.924%	0.970%	1.047%	1.180%	1.355%	1.591%	1.831%	2.130%

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis	
2012	\$ 3,200,425,948
2011	3,184,937,264
2010	<u>3,269,473,918</u>
	<u>\$ 9,654,837,130</u>
Average Equalized Valuation of Taxable Property	<u>\$ 3,218,279,043</u>
Debt Limit (3 % of Average Equalization Value)	\$ 96,548,371
Net Bonded School Debt	<u>27,065,000</u>
Legal Debt Margin	<u>\$ 69,483,371</u>

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

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

YEAR	POPULATION (a)	BURLINGTON COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE (d)
2013	N/A	N/A	N/A
2012	23,227	N/A	5.7%
2011	23,077	48,318	5.5%
2010	23,033	47,391	5.7%
2009	22,726	46,496	5.3%
2008	22,794	47,673	5.3%
2007	22,788	45,420	1.7%
2006	23,181	43,365	2.4%
2005	23,261	40,686	2.2%
2004	23,356	39,516	4.3%

Source:

US Department of Commerce

PRINCIPAL EMPLOYERS

	2013 <u>EMPLOYEES</u>
Medford Township Board of Education	522
The Estaugh	386
Shop Rite	222
Medford Convalescent	180
Acme	179
McDonalds	93
Total	<u><u>1,582</u></u>

**MEDFORD TOWNSHIP PUBLIC SCHOOLS
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Regular	212	212	214	238	238	240	239	240	239	219
Special Education	48	48	48	49	49	48	45	45	43	42
Other Special Education	118	118	118	120	121	121	118	119	109	91
Support Services:										
School Administrative Services	18	18	18	20	20	20	20	20	19	14
General & Business Administrative Services	6	6	6	6	7	7	7	7	7	6
Plant Operations & Maintenance	27	27	27	30	32	35	36	37	33	31
Pupil Transportation	50	50	50	56	57	59	59	57	55	49
Business & Other Support Services	5	5	5	5	5	5	5	5	5	5
Total	484	484	486	524	529	535	529	530	510	457

Source: District Personnel Records

**MEDFORD TOWNSHIP PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURE; (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL				
2013	2,933	\$ 46,312,459	15,790	0.0074%	260	1:13	1:16	2,936	2,818	-2.56%	96.08%
2012	3,017	44,113,227	14,622	0.0074%	265	1:14	1:17	3,013	2,897	-1.82%	96.02%
2011	3,076	43,314,829	14,082	0.0065%	267	1:19	1:22	3,069	2,953	-1.54%	96.00%
2010	3,118	45,750,494	14,673	0.0074%	287	1:17	1:19	3,117	2,986	1.10%	95.77%
2009	3,074	43,347,523	14,101	0.0079%	287	1:14	1:19	3,083	2,969	0.78%	96.58%
2008	3,067	40,914,612	13,340	0.0071%	288	1:13	1:18	3,059	2,953	-1.06%	96.28%
2007	3,093	42,387,267	13,704	0.0086%	284	1:14	1:19	3,092	2,979	0.12%	96.31%
2006	3,096	39,008,208	12,601	0.0092%	285	1:14	1:19	3,088	2,975	1.51%	96.10%
2005	3,046	35,552,741	11,673	0.0102%	282	1:14	1:18	3,042	2,972	1.71%	97.58%
2004	2,996	32,063,895	10,704	0.0111%	261	1:16	1:18	2,991	2,965	0.37%	98.98%

Sources: District records

**MEDFORD TOWNSHIP PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Elementary Schools:										
Chairville School (2004):										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (Students)	500	500	500	500	500	500	500	500	500	500
Enrollment	463	503	495	476	454	442	424	420	423	420
Cranberry Pines School (1979):										
Square Feet	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231
Capacity (Students)	479	479	479	479	479	479	479	479	479	479
Enrollment (a)	355	362	378	392	406	424	456	453	467	453
Kirby's Mill School (2004):										
Square Feet	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Capacity (Students)	515	515	515	515	515	515	500	500	500	500
Enrollment	327	331	364	394	407	396	387	384	396	373
Milton Allen School (1926):										
Square Feet	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396
Capacity (Students)	486	486	486	486	486	486	486	486	486	486
Enrollment	376	388	389	392	392	397	405	403	388	364
Taunton Forge School (1975):										
Square Feet	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772
Capacity (Students)	447	447	447	447	447	447	447	447	447	447
Enrollment	310	327	347	378	385	362	367	365	374	375
Middle School:										
Haines 6th Grade Center (1960):										
Square Feet	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363
Capacity (Students)	461	461	461	461	461	461	461	461	461	461
Enrollment	350	369	377	348	357	356	337	336	346	354
Memorial Middle School (1968):										
Square Feet	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750
Capacity (Students)	1131	1131	1131	1131	1131	1131	1131	1131	1131	1131
Enrollment	749	737	726	741	673	682	715	713	697	689
Other Buildings:										
Transportation Center (2003):										
Square Feet	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400
Warehouse: Old Bus Garage (1946):										
Square Feet	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420

Number of Schools at June 30, 2012:

 Elementary = 5

 Middle School = 1

 Sixth Grade Center = 1

 Other = 2

Source: District Facilities Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on the annual October District count.

**MEDFORD TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

	CHAIRVILLE SCHOOL	CRANBERRY PINES SCHOOL	HAINES 6TH GRADE CENTER	KIRBY'S MILL SCHOOL	MEMORIAL MIDDLE SCHOOL	MILTON ALLEN SCHOOL	TAUNTON FORGE SCHOOL	TOTAL
2013	\$ 54,389	\$ 79,857	\$ 85,913	\$ 60,108	\$ 209,699	\$ 101,942	\$ 102,177	\$ 694,085
2012	58,330	73,886	71,941	53,978	179,811	109,904	100,275	648,125
2011	45,540	72,597	76,925	44,991	176,664	108,539	104,596	629,852
2010	55,536	88,240	93,567	54,501	215,078	132,121	127,556	766,599
2009	54,259	108,678	124,562	56,745	210,357	141,241	117,117	812,959
2008	63,590	128,905	144,794	66,559	358,048	153,721	128,271	1,043,888
2007	91,090	119,110	143,302	106,618	259,585	180,382	146,516	1,046,603
2006	140,694	137,308	154,051	136,402	186,732	160,169	163,831	1,079,187
2005	54,732	131,777	127,625	54,075	332,729	137,997	97,314	936,249
2004	-	143,166	139,243	-	316,543	148,301	110,417	857,670
<hr/>								
Total School Facilities	\$ 618,160	\$ 1,083,524	\$ 1,161,923	\$ 633,977	\$ 2,445,246	\$ 1,374,317	\$ 1,198,070	\$ 8,515,217

Source: District records

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

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):		
Property / Auto Physical Damage / Crime	\$ 9,850,000	\$ 500
General Liability / Auto Liability	9,850,000	-
Educator's Legal Liability	10,000,000	-
Excess Workers' Compensation/Employees' Liability		
Property / Automobile Physical Damage	150,000,000	500
Boiler and Machinery	125,000,000	1,000
Crime	500,000	500
Hazardous Substances	N/A	N/A
Selective Insurance:		
Surety Bond Coverage:		
Board Secretary - Chad Fires	250,000	-
Treasurer of School Monies - N. Janet Cooper	325,000	-

Source: District records.

SINGLE AUDIT SECTION





HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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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
Medford Township
County of Burlington
Medford, New Jersey 08055

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 activities, the business-type activities, each major fund, and the aggregate remaining fund information of Medford Township Board of Education, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Medford Township Board of Education's basic financial statements, and have issued our report thereon dated October 15, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Medford Township 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 Medford Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Medford Township 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 Medford Township 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 Medford 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.

A handwritten signature in black ink, appearing to read "Kevin Frenia", is written over a light blue horizontal line.

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

Medford, New Jersey
October 15, 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
Medford Township
County of Burlington
Medford, New Jersey 08055

Report on Compliance for Each Major Federal and State Program

We have audited Medford Township 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. Medford Township 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 Medford Township 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 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 Medford Township 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 Medford Township Board of Education's compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, Medford Township 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 Medford Township 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 Medford Township 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 Medford Township 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.

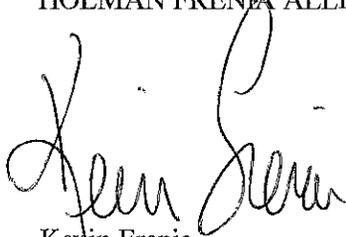
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Medford 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 FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin Frenia", is written over the typed name.

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

Medford, New Jersey
October 15, 2013

**MEDFORD 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	GRANT OR STATE PROJECT NUMBER	PROGRAM AWARD AMOUNT	GRANT PERIOD	BALANCE			(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013	DUE TO GRANTOR AT JUNE 30, 2013
					AT JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES		
U.S. DEPARTMENT OF AGRICULTURE PASS - THROUGH STATE DEPARTMENT OF EDUCATION:									
Food Distribution Program	10.550	N/A	\$49,077	7/1/12-6/30/13	\$ -	\$ 49,077	\$ (49,077)	\$ -	\$ -
National School Lunch Program	10.555	N/A	110,497	7/1/01-6/30/12	(4,788)	4,788	-	-	-
National School Lunch Program	10.555	N/A	103,197	7/1/12-6/30/13	-	96,575	(103,197)	(6,622)	-
Special Milk Program	10.556	N/A	1,956	7/1/01-6/30/12	(104)	104	-	-	-
Special Milk Program	10.556	N/A	1,147	7/1/12-6/30/13	-	1,067	(1,147)	(80)	-
Healthy Hunger-Free Kids Act	10.551	N/A	8,164	7/1/12-6/30/13	-	7,594	(8,164)	(570)	-
Total U.S. Department of Agriculture					(4,892)	159,205	(161,585)	(7,272)	-
U.S. DEPARTMENT OF EDUCATION PASS - THROUGH STATE DEPARTMENT OF EDUCATION:									
Title I	84.010	NCLB336013	75,886	9/1/12-8/31/13	-	75,714	(75,886)	(172)	-
Title II Part A	84.281	NCLB336013	57,944	9/1/12-8/31/13	-	47,946	(57,944)	(9,998)	-
Title III	84.281	NCLB336013	19,955	9/1/12-8/31/13	-	14,145	(14,732)	(587)	-
I.D.E.A. Part B, Basic Regular	84.027	FT336012	634,273	9/1/11-8/31/12	12,012	-	-	-	12,012
I.D.E.A. Part B, Basic Regular	84.027	FT336013	638,077	9/1/12-8/31/13	-	464,004	(638,077)	(174,073)	-
I.D.E.A. Preschool	84.173	FT336013	34,492	9/1/12-8/31/13	-	-	(34,492)	(34,492)	-
Total U.S. Department of Education					12,012	601,809	(821,131)	(219,322)	12,012
Total					\$ 7,120	\$ 761,014	\$ (982,716)	\$ (226,594)	\$ 12,012

MEDFORD 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			BALANCE AT JUNE 30, 2013			MEMO	
				JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
General Fund:											
Categorical Special Education Aid	495-034-5120-089	\$ 1,671,114	7/1/12-6/30/13	\$ -	\$ 1,671,114	\$ (1,671,114)	\$ -	\$ -	\$ -	\$ 134,767	\$ 1,671,114
Equalization Aid	495-034-5120-078	2,707,649	7/1/12-6/30/13	-	2,707,649	(2,707,649)	-	-	-	218,359	2,707,649
Security Aid	495-034-5120-084	75,095	7/1/12-6/30/13	-	75,095	(75,095)	-	-	-	6,056	75,095
Transportation Aid	495-034-5120-014	235,930	7/1/12-6/30/13	-	235,930	(235,930)	-	-	-	19,027	235,930
Extraordinary Aid	495-034-5120-044	550,013	7/1/11-6/30/12	(550,013)	550,013	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	421,397	7/1/12-6/30/13	-	-	(421,397)	(421,397)	-	-	-	421,397
Nonpublic Transportation Aid	495-034-5120-015	8,178	7/1/11-6/30/12	(8,178)	8,178	-	-	-	-	-	-
Nonpublic Transportation Aid	495-034-5120-015	-	7/1/12-6/30/13	-	-	-	-	-	-	-	-
Homeless Tuition Aid	N/A	9,565	7/1/11-6/30/12	(9,565)	9,565	-	-	-	-	-	-
Homeless Tuition Aid	N/A	18,330	7/1/12-6/30/13	-	-	(18,330)	(18,330)	-	-	-	18,330
On Behalf TPAF Pension											
Contributions (Non-Budgeted)	100-034-5095-001	1,237,981	7/1/12-6/30/13	-	1,237,981	(1,237,981)	-	-	-	-	1,237,981
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	1,399,844	7/1/12-6/30/13	-	1,399,844	(1,399,844)	-	-	-	-	1,399,844
Reimbursed TPAF Social Security Contributions	100-034-5095-002	1,324,802	7/1/12-6/30/13	-	1,258,301	(1,324,802)	(66,501)	-	-	-	1,324,802
Total General Fund Assistance				(567,756)	9,153,670	(9,092,142)	(506,228)	-	-	378,209	9,092,142
Special Revenue Fund:											
NJ Schools to Watch Grant	N/A	3,000	7/1/11-6/30/12	3,000	-	-	-	3,000	-	-	-
Nonpublic Aid:											
Textbooks	100-034-5120-064	20,396	7/1/12-6/30/13	-	20,396	(20,396)	-	-	-	-	20,396
Nursing	100-034-5120-070	28,309	7/1/12-6/30/13	-	28,309	(28,309)	-	-	-	-	28,309
Technology	100-034-5120-373	7,527	7/1/12-6/30/13	-	7,527	(7,527)	-	-	-	-	7,527
Home Instruction	100-034-5120-067	1,500	7/1/11-6/30/12	(1,000)	1,000	-	-	-	-	-	-
Supplemental Instruction	100-034-512c-066	11,795	7/1/12-6/30/13	-	11,795	(9,230)	-	-	2,565	-	9,230
Supplemental Instruction	100-034-512c-066	13,329	7/1/11-6/30/12	(4,296)	4,296	-	-	-	-	-	-
Compensatory Education	100-034-5120-067	37,790	7/1/12-6/30/13	-	37,790	(37,790)	-	-	-	-	37,790
Speech	100-034-512a-066	18,905	7/1/12-6/30/13	-	18,905	(18,354)	-	-	551	-	18,354
Examination & Classification	100-034-512b-066	13,700	7/1/12-6/30/13	-	13,700	(10,195)	-	-	3,505	-	10,195
Examination & Classification	100-034-512b-066	16,585	7/1/11-6/30/12	(5,934)	5,934	-	-	-	-	-	-
Total Special Revenue Fund Assistance				(8,230)	149,652	(131,801)	-	3,000	6,621	-	131,801
Enterprise Fund:											
National School Lunch Program (State Share)	100-034-5120-122	7,820	7/1/11-6/30/12	(332)	332	-	-	-	-	-	-
National School Lunch Program (State Share)	100-034-5120-122	6,330	7/1/12-6/30/13	-	5,926	(6,330)	(404)	-	-	-	6,330
Total Enterprise Fund Assistance				(332)	6,258	(6,330)	(404)	-	-	-	6,330
Total State Financial Assistance				\$ (576,318)	\$ 9,309,580	(9,230,273)	\$ (506,632)	\$ 3,000	\$ 6,621	\$ 378,209	\$ 9,230,273
Less: Grants Not Subject to New Jersey OMB Circular 04-04:											
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-001	1,237,981	7/1/12-6/30/13			1,237,981					
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	1,399,844	7/1/12-6/30/13				1,399,844				
Total State Financial Assistance subject to New Jersey OMB Circular 04-04						\$ (6,592,448)					

**MEDFORD 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, Medford Township 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 (\$15,192) for the general fund and \$-0- 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:

**MEDFORD 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	\$ 9,076,950	\$ -	\$ 9,076,950
Special Revenue Fund	131,801	821,131	952,932
Food Service Fund	6,330	161,585	167,915
Total Financial Assistance	<u>\$ 9,215,081</u>	<u>\$ 982,716</u>	<u>\$ 10,197,797</u>

4. Relationship to Federal and State Financial Reports

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

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 Medford Township Board of Education had no loan balance outstanding at June 30, 2013.

**MEDFORD 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 510(A) of Circular A-133	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster (IDEA)

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

**MEDFORD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
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:	\$300,000
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	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5095-089	Special Education Aid
495-034-5095-084	Security Aid

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

**MEDFORD 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.

Finding 2012-02:

Condition:

It was noted during our audit that an analysis of capital asset additions, deletions and depreciation is not being properly updated and maintained on an ongoing basis.

Current Status:

Finding has been corrected.