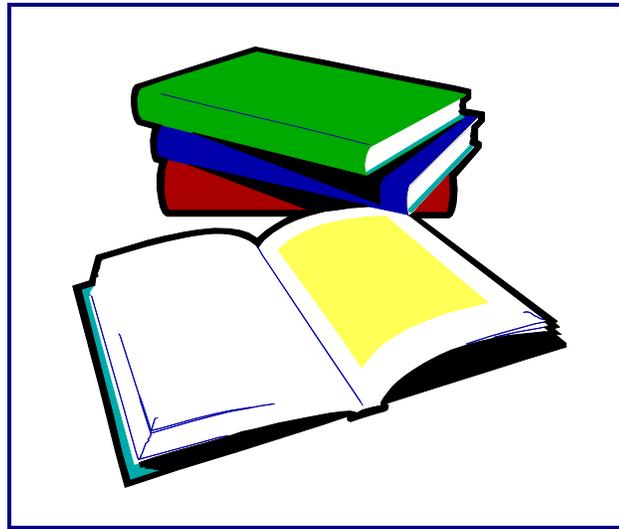


**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE
SCHOOL DISTRICT
WILLIAMSTOWN, NEW JERSEY**



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

TOWNSHIP OF MONROE SCHOOL DISTRICT
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INTRODUCTORY SECTION



Monroe Township Public Schools

**MAPLE GROVE ADMINISTRATION BUILDING
75 E. ACADEMY STREET
WILLIAMSTOWN, NJ 08094
(856) 629-6400 • Fax (856) 262-2499**

CHARLES M. EARLING
Superintendent of Schools
RALPH E. ROSS, SR.
Interim Assistant Superintendent/Secondary
ANTHONY T. PETRUZZELLI, Ed.D.
Assistant Superintendent/Elementary
LISA SCHULZ
Business Administrator/Board Secretary
JOHN L. BERSH, Ed.D.
Supervisor of Special Services
JOHN T. GRYCKIEWICZ, JR.
Supervisor of Child Study Teams
STANLEY W. KRZYMINSKI
Director of Curriculum
D. DIANE MCGIVNEY
Supervisor of Technology
DAVID S. SULLIVAN
Director of Plant Operations
MICHAEL J. DEANGELIS
Supervisor of Transportation

November 12, 2013

Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Township of Monroe 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 presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the District's Management's Discussion and Analysis, financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the State of New Jersey Circular 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on compliance and on internal control with applicable laws and regulations and findings and recommendations, over financial reporting and administrative findings - financial, compliance and performance, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Township of Monroe 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 Township of Monroe 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 K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2012-13 fiscal year with an average daily enrollment of 6,003.8 students, which is 52 students less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last thirteen years.

1. REPORTING ENTITY AND ITS SERVICES (Cont'd.):

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-2013	6,003.8	-0.86%
2011-2012	6,055.8	.016%
2010-2011	6,056.76	-0.47%
2009-2010	6,085.4	-.27%
2008-2009	6,102.0	.61%
2007-2008	6,065.0	.29%
2006-2007	6,047.0	4.73%
2005-2006	5,774.0	6.10%
2004-2005	5,442.0	2.22%
2003-2004	5,324.0	3.85%
2002-2003	5,126.5	4.45%
2001-2002	4,902.2	.46%
2000-2001	4,879.8	2.39%
1999-2000	4,780.6	2.29%
1998-1999	4,673.4	2.81%

2. ECONOMIC CONDITION AND OUTLOOK: The Monroe Township area is experiencing a period of moderate development and expansion which is expected to continue. The national economic conditions' slow growth results in little increase in the tax base, both residential and commercial. This condition is expected to continue which suggests that the Monroe Township area will continue to maintain the status quo.

3. DISTRICT ASSESSMENT RESULTS AND INITIATIVES: Monroe Township Public School's total population scores, for the 2012-13 school year, on the following New Jersey assessments:

Grade/Subject	Partially Proficient	Proficient	Advanced Proficient	Total % Proficient & Advance Proficient
3rd Grade				
LAL	25.9	72.5	1.6	74.1%
Math	14.2	41.6	44.3	85.9%
4th Grade				
LAL	39.7	54.7	5.6	60.3%
Math	15.2	50.7	34.1	84.8%
Science	8.4	46.4	45.2	91.6%
5th Grade				
LAL	47.6	48.9	3.4	52.3%
Math	24.7	47.1	28.2	75.3%
6th Grade				
LAL	36.1	61.8	2.0	63.8%
Math	23.7	54.4	21.9	76.3%
7th Grade				
LAL	37.7	54.0	8.3	62.3%
Math	40.9	39.9	19.2	59.1%
8th Grade				
LAL	16.8	76.1	7.1	83.2%
Math	32.4	43.9	23.7	67.6%
Science	18.1	54.0	27.9	81.9%

Grade/Subject	Partially Proficient	Proficient	Advanced Proficient	Total % Proficient & Advance Proficient
HSPA				
11th Grade				
LAL	7.1	76.0	16.9	92.9%
Math	17.6	62.7	19.7	82.4%
12th Grade				
LAL	50.0	50.0	0	50.0%
Math	72.2	27.8	0	27.8%
Biology	56.3	39.5	4.3	43.8%

√ **Provide Support for School Professional Development Committees**

- Online ASCD Best Practice Research Library
- District support materials for SPDC research and study groups
- CEU district program option availability
- Teaching and Learning time devoted to each school

√ **Continued District Professional Development Focus on:**

- Implementation of Common Core State Standards for ELA and Math
- Alignment of curriculum to CCSS
- New district teacher evaluation model (Marzano/iObservation)
- Data Analysis
- Differentiated Instruction
- Ongoing Integration of Technology into Instruction
- District-wide Articulation
- In-Class Mentoring and Coaching through Instructional Support Coaches
- Improving Student Achievement

√ **NCLB Program Status**

- Increased Parent Involvement
- Anti-Bullying Awareness
- Focus on Student Achievement
- Ongoing, Sustained Professional Development
- Implementation of Common Core Standards for ELA and Math

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

As a recipient of federal and state 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.

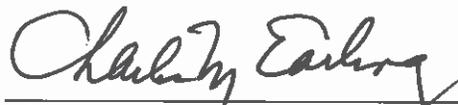
As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including the portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and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

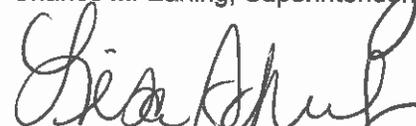
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be included as re-appropriated are reported as reservations 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. **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 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The Law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company LLP was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and the State of New Jersey Circular 04-04-OMB. The auditor's report on the general purpose financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Township of Monroe Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

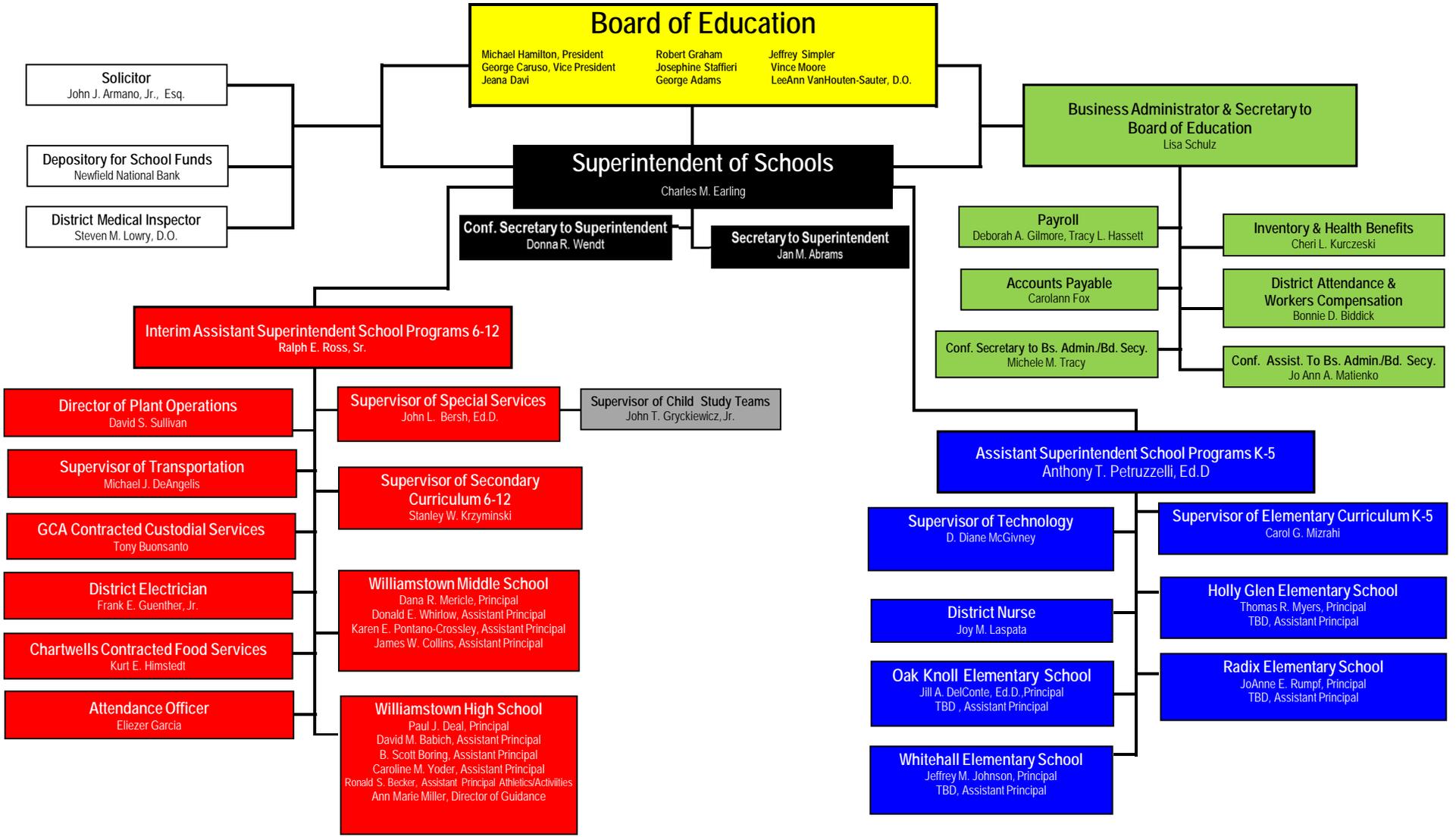


Charles M. Earling, Superintendent



Lisa Schulz/Board Secretary
Business Administrator

MONROE TOWNSHIP PUBLIC SCHOOLS Organization Table



**BOARD OF EDUCATION OF THE
TOWNSHIP OF MONROE
WILLIAMSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael Hamilton, President	2015
George Caruso, Vice President	2013
George Adams	2015
Jeana Davi	2014
Robert Graham	2013
Vince Moore	2015
Josephine Staffieri	2013
Jeff Simpler	2014
Dr. Lee Ann Van Houten- Sauter	2014

Other Officials

Charles E. Earling, Superintendent

Lisa Schulz, School Business
Administrator/Board Secretary

Bonnie Biddick, Board Designee

John J. Armano Jr., Esq., Solicitor

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE**

Consultants and Advisors

Audit Firm

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

Attorney

Mr. John J. Armano, Jr.
Washington Professional Campus
900 Route 168
Suites B1 – B2
Turnersville, NJ 08012

Official Depository

Newfield Bank
18 West Boulevard
Newfield, NJ 08344-9599

Insurance Agent

Hardenbergh Insurance Group
PO Box 1000
Main Street Plaza 1000, Suite 100
Voorhees, NJ 08043

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Monroe School District in the County of Gloucester, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2013 on our consideration of the Township of Monroe School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Monroe School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Michael D. Cesaro

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

Voorhees, New Jersey
November 12, 2013

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 12, 2013.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 School District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as finding no. 2013-2 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as finding no. 2013-1 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Monroe School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey and which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as findings no.: 2013-1 and 2013-2.

The Township of Monroe School District's Response to Findings

The Township of Monroe School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

Bowman - Company LLP
BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

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

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF MONROE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013 (Unaudited)

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2013 are as follows:

- In total, net position increased \$2,562,620, mainly attributable to an increase in Federal Aid, State Aid and Operating Grants and Contributions.
- General revenues accounted for \$84,736,817 in revenue or 91% of all governmental activity revenues. Program specific revenues in the form of charges for services, and operating grants and contributions, accounted for \$8,350,513 or 9% of total revenues for governmental activities of \$93,087,329.
- The School District had \$92,558,182 in total expenses; \$10,737,877 of these expenses were offset by program specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$85,030,120 in revenues and \$83,445,369 in expenditures. The General Fund's balance increased \$1,248,211 over 2012 mainly due to the entire budget not being spent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited-Cont'd)**

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business – type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, Debt Service and the Capital Projects Fund; the School District has no Permanent Fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

THE SCHOOL DISTRICT AS A WHOLE

The Statement of Net Position provides the perspective of the School District as a whole.

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited-Cont'd)**

Table 1 provides a summary of the School District's net position for 2013 and 2012.

	2013	2012
Assets		(Restated)
Current and Other Assets	\$ 14,760,337.82	\$ 13,827,696.68
Capital Assets	95,092,437.56	97,228,967.10
Total Assets	<u>109,852,775.38</u>	<u>111,056,663.78</u>
Deferred Outflows of Resources		
Deferred Loss on Defeasance	<u>223,184.78</u>	<u>304,930.72</u>
Liabilities		
Noncurrent Liabilities	67,684,090.65	70,238,210.19
Other Liabilities	2,432,591.73	3,726,727.34
Total Liabilities	<u>70,116,682.38</u>	<u>73,964,937.53</u>
Net Position		
Investment in Capital Assets	35,812,802.99	35,060,615.77
Restricted	11,220,189.87	8,280,620.48
Unrestricted	(7,073,715.08)	(5,944,579.28)
Total Net Position	<u>\$ 39,959,277.78</u>	<u>\$ 37,396,656.97</u>

Table 2 shows a summary of the School District's changes in net position for fiscal year 2013 and 2012.

	2013	2012
Program Revenues:		(Restated)
Charges for Services	\$ 493,982.10	\$ 440,587.29
Operating Grants and Contributions	7,847,524.60	6,573,587.39
Capital Grants and Contributions	9,006.12	18,527.00
General Revenues:		
Property Taxes	46,874,002.00	46,167,090.00
Federal and State Aid, Not Restricted	37,600,591.30	36,882,482.11
Other	262,223.27	318,560.99
Total Revenues	<u>\$ 93,087,329.39</u>	<u>\$ 90,400,834.78</u>
Program Expenses		
Governmental Activities:		
Instruction	\$ 33,238,343.67	\$ 32,646,763.46
Support Services:		
Student Administrative Services	13,321,293.52	11,541,560.65
School Administrative Services	3,164,329.54	3,111,906.65
General and Business Administrative Services	2,812,589.86	2,830,610.10
Plant Operation and Maintenance	7,668,365.15	7,859,434.91
Pupil Transportation	5,413,802.96	5,010,696.89
Unallocated Benefits	18,871,589.20	17,282,058.87
Transfer to Charter Schools	34,400.00	22,495.00
Unallocated Depreciation	3,067,967.48	3,052,166.51
Interest on Long-Term Debt	2,561,990.25	2,662,704.31
Loss on Disposal of Fixed Assets	353,592.91	18,093.00
Total Expenses, Governmental Activities	<u>90,508,264.54</u>	<u>86,038,490.35</u>
Change in Governmental Activities Net Position	<u>\$ 2,579,064.85</u>	<u>\$ 4,362,344.43</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited-Cont'd)**

Changes in Net Position (Cont'd)

	2013	2012
Business-Type Activities Net Income:		
Food Service	\$ 2,165,882.87	\$ 2,259,366.88
Transportation	221,481.00	218,613.06
Total Net Income, Business - Type Activities	2,387,363.87	2,477,979.94
Business-Type Activities Expenses	(2,403,807.91)	(2,407,897.53)
Change in Business-Type Activities Net Position	\$ (16,444.04)	\$ 70,082.41

Governmental Activities

Municipal appropriations, state aid and federal aid made up 99% of revenues for governmental activities for the School District for fiscal year 2013.

Instruction comprises 37% of District governmental expenses. Support services expenses (excluding debt service costs) make up 57% of the governmental expenses. Debt service expenses are 6% of the governmental expenses.

The Statement of Activities shows the cost of the governmental activities' program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2013. That is, it identifies the cost of these services supported by general revenues.

Table 3

	Total Cost of Services	Net Cost of Services
Instruction	\$ 33,238,343.67	\$ 31,084,516.12
Support Services:		
Student and Instruction Related Services	13,321,293.52	12,281,364.59
School Administrative Services	3,164,329.54	3,164,329.54
General and Business Administrative Services	2,812,589.86	2,812,589.86
Plant Operation and Maintenance	7,668,365.15	7,668,365.15
Pupil Transportation	5,413,802.96	5,413,802.96
Unallocated Benefits	18,871,589.20	14,469,818.20
Transfer to Charter Schools	34,400.00	34,400.00
Unallocated Depreciation	3,067,967.48	3,067,967.48
Interest on Long-Term Debt	2,561,990.25	1,807,004.91
Loss on Disposal of Fixed Assets	353,592.91	353,592.91
Total Expenses	\$ 90,508,264.54	\$ 82,157,751.72

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

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

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited-Cont'd)**

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

Operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Business and other support services include activities for support not classified elsewhere, including support services for business activities and support services for central activities.

Employee benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health benefits and other employee benefits.

The dependence upon municipal appropriations and state aid is apparent. The local communities and the state, are the primary support for the Monroe Township School District.

THE SCHOOL DISTRICT'S FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$93,087,329, expenditures of \$91,578,091.

GENERAL FUND BUDGETING HIGHLIGHTS

This fund is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

During the course of the 2013 fiscal year, the School District modified its General Fund budget numerous times as needed for including:

- Staffing changes based on student needs
- Additional cost for Purchased Professional Educational Services
- Changes in appropriations to prevent budget overruns

For the General Fund, the original budget basis revenue estimate was \$77,751,437 and the final budget basis revenue was 77,871,074.

During fiscal year 2013, the School District budgeted \$42,914,688 and \$34,469,748 for municipal appropriations and state aid revenues, respectively. The School District also budgeted \$117,993 for federal aid revenues. The School District also received \$2,399,073 in reimbursed TPAF Social Security aid, \$4,401,771 in reimbursed TPAF pension aid, and other un-budgeted state aid of \$80,260 resulting in a favorable revenue variance for the fiscal year.

The original and final budget basis expenditure appropriation estimate remained the same at 84,828,006.

TOWNSHIP OF MONROE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited-Cont'd)**

CAPITAL ASSETS

At the end of the fiscal year 2013, the School District had \$128,147,789 invested in land, buildings, furniture and equipment.

Table 4 shows a summary of the fiscal 2013 balances.

Table 4

Land	\$ 1,639,800.00
Construction in Progress	1,047,134.45
Buildings and Improvements	119,948,099.21
Furniture and Equipment	<u>5,512,755.67</u>
Totals	<u>\$ 128,147,789.33</u>

Overall capital assets increased \$1,181,645 from fiscal year 2012 to fiscal year 2013 due to the continued renovations and additions to the Williamstown Middle School 5-6 building and several elementary schools from proceeds from a 2007 bond issue and the purchase of new computer equipment.

DEBT ADMINISTRATION

The School District receives state aid and municipal tax levy funds for the payment of debt.

CURRENT FINANCIAL ISSUES AND CONCERNS

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey and the numerous defeated budgets by the community, the district manages to provide an excellent educational opportunity for all School District students. The School District's general fund budget has grown steadily over the past five years due to the growth of the township housing developments. The 2002-03 actual expenses were \$56,433,791 while the 2013-2014 budget contemplates spending \$93,532,008 an increase of 66%. These increases are the result of salary increases, additions to staff resulting from higher enrollments, significant increases for health benefits and transportation costs without any corresponding increase in state aid for the past few years.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Lisa Schulz Secretary to the Board of Education and School Business Administrator at: MONROE TOWNSHIP BOARD OF EDUCATION, 75 East Academy Street, Williamstown, New Jersey 08094.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF MONROE SCHOOL DISTRICT

Statement of Net Position

As of June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 12,632,241.95	\$ 411,110.25	\$ 13,043,352.20
Other Receivables		4,407.93	4,407.93
Intergovernmental Receivables	1,531,123.51	31,863.69	1,562,987.20
Internal Balances	59,244.48	36,762.55	96,007.03
Inventories		35,130.69	35,130.69
Restricted Assets:			
Restricted Cash and Cash Equivalents	18,452.77		18,452.77
Capital Assets, net	94,802,063.56	290,374.00	95,092,437.56
Total Assets	109,043,126.27	809,649.11	109,852,775.38
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Defeasance	223,184.78		223,184.78
LIABILITIES:			
Accounts Payable and Other Current Liabilities	1,036,768.63	82,435.57	1,119,204.20
Internal Balances		36,762.50	36,762.50
Intergovernmental Payable	52,475.67		52,475.67
Unearned Revenue	298,294.22	45,290.74	343,584.96
Accrued Interest Payable	880,564.40		880,564.40
Noncurrent Liabilities:			
Due within One Year	3,957,363.76		3,957,363.76
Due Beyond One Year	63,726,726.89		63,726,726.89
Total Liabilities	69,952,193.57	164,488.81	70,116,682.38
Net Position:			
Net Investment in Capital Assets	35,522,428.99	290,374.00	35,812,802.99
Restricted for:			
Capital Reserve Account	550.00		550.00
Excess Surplus	7,858,758.70		7,858,758.70
Capital Projects	1,000,000.00		1,000,000.00
Special Revenue	346,589.02		346,589.02
Other Purposes	2,014,292.15		2,014,292.15
Unrestricted (Deficit)	(7,428,501.38)	354,786.30	(7,073,715.08)
Total Net Position	\$ 39,314,117.48	\$ 645,160.30	\$ 39,959,277.78

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 23,096,242.86	\$ 493,982.10	\$ 1,659,845.45	\$ (20,942,415.31)		\$ (20,942,415.31)	
Special Education	7,359,154.62			(7,359,154.62)		(7,359,154.62)	
Other Special Instruction	1,616,899.70			(1,616,899.70)		(1,616,899.70)	
Vocational	99,880.32			(99,880.32)		(99,880.32)	
Other Instruction	1,066,166.17			(1,066,166.17)		(1,066,166.17)	
Support Services:							
Student and Instruction Related Services	13,321,293.52		1,030,922.81	\$ 9,006.12	(12,281,364.59)	(12,281,364.59)	
School Administrative Services	3,164,329.54				(3,164,329.54)	(3,164,329.54)	
General and Business Administrative Services	2,812,589.86				(2,812,589.86)	(2,812,589.86)	
Plant Operations and Maintenance	7,668,365.15				(7,668,365.15)	(7,668,365.15)	
Pupil Transportation	5,413,802.96				(5,413,802.96)	(5,413,802.96)	
Unallocated Benefits	18,871,589.20		4,401,771.00		(14,469,818.20)	(14,469,818.20)	
Transfer to Charter Schools	34,400.00				(34,400.00)	(34,400.00)	
Unallocated Depreciation	3,067,967.48				(3,067,967.48)	(3,067,967.48)	
Interest Expense	2,561,990.25		754,985.34		(1,807,004.91)	(1,807,004.91)	
Total Governmental Activities	90,154,671.63	493,982.10	7,847,524.60	9,006.12	(81,804,158.81)	-	(81,804,158.81)
Business-Type Activities:							
Food Service	2,182,028.91	1,185,759.46	980,123.41		\$ (16,146.04)	(16,146.04)	
Transportation Service	221,481.00	221,481.00					
Total Business-Type Activities	2,403,509.91	1,407,240.46	980,123.41	-	(16,146.04)	(16,146.04)	
Total Primary Government	\$ 92,558,181.54	\$ 1,901,222.56	\$ 8,827,648.01	\$ 9,006.12	\$ (81,804,158.81)	\$ (16,146.04)	\$ (81,820,304.85)
General Revenues:							
Local Tax Levy				\$ 46,874,002.00		\$ 46,874,002.00	
Federal and State Aid				37,600,591.30		37,600,591.30	
Investment Earnings				80,971.10		80,971.10	
Miscellaneous Income				181,252.17		181,252.17	
Loss on Disposal of Capital Assets				(353,592.91)	\$ (298.00)	(353,890.91)	
Total General Revenues, Special Items, Extraordinary Items and Transfers				84,383,223.66	(298.00)	84,382,925.66	
Change in Net Position				2,579,064.85	(16,444.04)	2,562,620.81	
Net Position - Beginning - Before Cumulative Effects of Changes in Accounting Principles				36,920,602.41	661,604.34	37,582,206.75	
Cumulative Effects of Changes in Accounting Principles (See Note #18)				(185,549.78)		(185,549.78)	
Net Position - Beginning - As Adjusted for Cumulative Effects of Changes in Accounting Principles				36,735,052.63	661,604.34	37,396,656.97	
Net Position - Ending				\$ 39,314,117.48	\$ 645,160.30	\$ 39,959,277.78	

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 23,096,242.86	\$ 493,982.10	\$ 1,659,845.45		\$ (20,942,415.31)		\$ (20,942,415.31)
Special Education	7,359,154.62				(7,359,154.62)		(7,359,154.62)
Other Special Instruction	1,616,899.70				(1,616,899.70)		(1,616,899.70)
Vocational	99,880.32				(99,880.32)		(99,880.32)
Other Instruction	1,066,166.17				(1,066,166.17)		(1,066,166.17)
Support Services:							
Student and Instruction Related Services	13,321,293.52		1,030,922.81	\$ 9,006.12	(12,281,364.59)		(12,281,364.59)
School Administrative Services	3,164,329.54				(3,164,329.54)		(3,164,329.54)
General and Business Administrative Services	2,812,589.86				(2,812,589.86)		(2,812,589.86)
Plant Operations and Maintenance	7,668,365.15				(7,668,365.15)		(7,668,365.15)
Pupil Transportation	5,413,802.96				(5,413,802.96)		(5,413,802.96)
Unallocated Benefits	18,871,589.20		4,401,771.00		(14,469,818.20)		(14,469,818.20)
Transfer to Charter Schools	34,400.00				(34,400.00)		(34,400.00)
Unallocated Depreciation	3,067,967.48				(3,067,967.48)		(3,067,967.48)
Interest Expense	2,561,990.25		754,985.34		(1,807,004.91)		(1,807,004.91)
Total Governmental Activities	90,154,671.63	493,982.10	7,847,524.60	9,006.12	(81,804,158.81)	-	(81,804,158.81)
Business-Type Activities:							
Food Service	2,182,028.91	1,185,759.46	980,123.41			\$ (16,146.04)	(16,146.04)
Transportation Service	221,481.00	221,481.00					
Total Business-Type Activities	2,403,509.91	1,407,240.46	980,123.41	-	-	(16,146.04)	(16,146.04)
Total Primary Government	\$ 92,558,181.54	\$ 1,901,222.56	\$ 8,827,648.01	\$ 9,006.12	\$ (81,804,158.81)	\$ (16,146.04)	\$ (81,820,304.85)
General Revenues:							
Local Tax Levy					\$ 46,874,002.00		\$ 46,874,002.00
Federal and State Aid					37,600,591.30		37,600,591.30
Investment Earnings					80,971.10		80,971.10
Miscellaneous Income					181,252.17		181,252.17
Loss on Disposal of Capital Assets					(353,592.91)	\$ (298.00)	(353,890.91)
Total General Revenues, Special Items, Extraordinary Items and Transfers					84,383,223.66	(298.00)	84,382,925.66
Change in Net Position					2,579,064.85	(16,444.04)	2,562,620.81
Net Position - Beginning - Before Cumulative Effects of Changes in Accounting Principles					36,920,602.41	661,604.34	37,582,206.75
Cumulative Effects of Changes in Accounting Principles (See Note #18)					(185,549.78)		(185,549.78)
Net Position - Beginning - As Adjusted for Cumulative Effects of Changes in Accounting Principles					36,735,052.63	661,604.34	37,396,656.97
Net Position - Ending					\$ 39,314,117.48	\$ 645,160.30	\$ 39,959,277.78

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
 Balance Sheet
 As of June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 12,632,241.95		\$ 18,431.59	\$ 21.18	\$ 12,650,694.72
Due from Other Funds			979,568.41	19,042.20	998,610.61
Intergovernmental Accounts Receivable:					
State	490,984.40	\$ 8,381.55			499,365.95
Federal	2,956.00	959,392.37			962,348.37
Other	67,409.19		2,000.00		69,409.19
Total Assets	\$ 13,193,591.54	\$ 967,773.92	\$ 1,000,000.00	\$ 19,063.38	\$ 15,180,428.84
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 885,187.07	\$ 151,581.56			\$ 1,036,768.63
Due to Other Funds	820,532.68	118,833.45			939,366.13
Payable to State Government		52,475.67			52,475.67
Unearned Revenue		298,294.22			298,294.22
Total Liabilities	1,705,719.75	621,184.90			2,326,904.65
Fund Balances:					
Restricted:					
Capital Reserve Account	550.00				550.00
Excess Surplus	7,858,758.70				7,858,758.70
Capital Projects			\$ 1,000,000.00		1,000,000.00
Special Revenue		346,589.02			346,589.02
Assigned:					
Other Purposes	2,014,292.15				2,014,292.15
Subsequent Year's Expenditure	0.09			\$ 19,063.38	19,063.47
Unassigned	1,614,270.85				1,614,270.85
Total Fund Balances	11,487,871.79	346,589.02	1,000,000.00	19,063.38	12,853,524.19
Total Liabilities and Fund Balances	\$ 13,193,591.54	\$ 967,773.92	\$ 1,000,000.00	\$ 19,063.38	

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 are \$128,147,789.33 and the accumulated depreciation is \$33,345,725.77. 94,802,063.56

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds. 223,184.78

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds. (880,564.40)

Postemployment benefits other than pension are accrued during an employees tenure and not due and payable in the current period and therefore are not reported as liabilities in the funds. (4,169,000.00)

Long-term liabilities, including compensated absences and pension deferrals, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (63,515,090.65)

Net Position of governmental activities \$ 39,314,117.48

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 42,914,688.00			\$ 3,959,314.00	\$ 46,874,002.00
Miscellaneous Revenue	756,205.37	\$ 154,988.81			911,194.18
State Sources	41,165,648.52	384,885.86		1,398,121.00	42,948,655.38
Federal Sources	193,578.12	2,159,899.71			2,353,477.83
Total Revenues	85,030,120.01	2,699,774.38	-	5,357,435.00	93,087,329.39
EXPENDITURES:					
Current:					
Regular Instruction	21,527,018.94	1,588,279.63			23,115,298.57
Special Education Instruction	7,522,903.14				7,522,903.14
Other Special Instruction	1,595,164.60				1,595,164.60
Vocational Programs	96,423.74				96,423.74
Other Instruction	1,061,882.24				1,061,882.24
Support Services and Undistributed Costs:					
Student and Instruction Related Services	12,201,571.84	1,030,922.81			13,232,494.65
School Administrative Services	3,141,848.90				3,141,848.90
Other Administrative Services	2,704,970.41				2,704,970.41
Plant Operations and Maintenance	7,603,882.03				7,603,882.03
Pupil Transportation	5,384,896.49				5,384,896.49
Unallocated Benefits	18,806,638.20				18,806,638.20
Transfer Funds to Charter Schools	34,400.00				34,400.00
Debt Service:					
Principal				2,824,473.68	2,824,473.68
Interest and Other Charges				2,603,301.66	2,603,301.66
Capital Outlay	1,763,768.45	9,006.12	\$ 76,737.64		1,849,512.21
Total Expenditures	83,445,368.98	2,628,208.56	76,737.64	5,427,775.34	91,578,090.52
Excess (Deficiency) of Revenues over Expenditures	1,584,751.03	71,565.82	(76,737.64)	(70,340.34)	1,509,238.87
OTHER FINANCING SOURCES (USES):					
Capital Leases	663,459.51				663,459.51
Operating Transfers:					
Transfers (to) from other Governmental Funds	(1,000,000.00)		980,957.80	19,042.20	
Total Other Financing Sources and Uses	(336,540.49)	-	980,957.80	19,042.20	663,459.51
Net Change in Fund Balances	1,248,210.54	71,565.82	904,220.16	(51,298.14)	2,172,698.38
Fund Balance -- July 1	10,239,661.25	275,023.20	95,779.84	70,361.52	10,680,825.81
Fund Balance -- June 30	\$ 11,487,871.79	\$ 346,589.02	\$ 1,000,000.00	\$ 19,063.38	\$ 12,853,524.19

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2013

Total Net Change in Fund Balances - Governmental Funds	\$ 2,172,698.38
<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 actual capital outlays exceeded depreciation in the period.</p>	
Depreciation Expense	\$ (3,604,957.84)
New Capital Leases	(663,459.51)
Disposal of Capital Assets	(353,592.91)
Capital Asset Additions	<u>1,849,512.21</u>
	(2,772,498.05)
<p>Repayment of capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.</p>	684,333.90
<p>In the statement of activities, postemployment benefits other than pension that are unpaid or unfunded are accrued while an employee is employed by the District. In the governmental funds, postemployment benefits other than pension are recorded as expenditures when the benefits are paid to the retirees.</p>	(73,000.00)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	2,875,891.37
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>	43,031.41
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>	<u>(351,392.16)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 2,579,064.85</u></u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Net Position
As of June 30, 2013

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 411,110.25		\$ 411,110.25
Intergovernmental Accounts Receivable:			
State	2,057.65		2,057.65
Federal	29,806.04		29,806.04
Other Accounts Receivable	4,407.93		4,407.93
Due from Other Funds		\$ 36,762.55	36,762.55
Inventories	35,130.69		35,130.69
Total Current Assets	482,512.56	36,762.55	519,275.11
Plant Property & Equipment: (Net of Accumulated Depreciation)	290,374.00		290,374.00
Total Assets	772,886.56	36,762.55	809,649.11
LIABILITIES:			
Current Liabilities:			
Due to Other Funds		36,762.50	36,762.50
Accounts Payable	82,435.57		82,435.57
Unearned Revenue	45,290.74		45,290.74
Total Liabilities	127,726.31	36,762.50	164,488.81
Net Position:			
Net Investment in Capital Assets	290,374.00		290,374.00
Unrestricted	354,786.25	0.05	354,786.30
Total Net Position	\$ 645,160.25	\$ 0.05	\$ 645,160.30

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,185,759.46		\$ 1,185,759.46
Services Provided to Other Funds		\$ 221,481.00	221,481.00
Total Operating Revenues	1,185,759.46	221,481.00	1,407,240.46
OPERATING EXPENSES:			
Salaries	966,079.45		966,079.45
Other Purchased Services	139,982.64	221,481.00	361,463.64
Management Fees	140,945.36		140,945.36
Cost of Sales	905,253.46		905,253.46
Depreciation	29,768.00		29,768.00
Total Operating Expenses	2,182,028.91	221,481.00	2,403,509.91
Operating Loss	(996,269.45)	-	(996,269.45)
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	21,376.49		21,376.49
Federal Sources:			
National School Lunch Program	691,124.26		691,124.26
National School Breakfast Program	104,238.36		104,238.36
National School Milk Program	5,987.54		5,987.54
Food Distribution Program	157,396.76		157,396.76
Loss on Disposal of Fixed Assets	(298.00)		(298.00)
Total Non-operating Revenue	979,825.41	-	979,825.41
Change in Net Position	(16,444.04)	-	(16,444.04)
Net Position July 1	661,604.29	0.05	661,604.34
Net Position June 30	\$ 645,160.25	\$ 0.05	\$ 645,160.30

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Food Service</u>	<u>Transportation Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 1,199,578.03	\$ 190,920.21	\$ 1,390,498.24
Payments to Employees	(966,079.45)		(966,079.45)
Payments to Suppliers	(1,019,426.07)	(190,920.21)	(1,210,346.28)
Net Cash Used for Operating Activities	(785,927.49)	-	(785,927.49)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	19,850.95		19,850.95
Federal Sources	948,422.92		948,422.92
Capital Acquisitions	(2,575.00)		(2,575.00)
Net Cash Provided by Non-Capital Financing Activities	965,698.87	-	965,698.87
Net (Decrease) in Cash and Cash Equivalents	179,771.38	-	179,771.38
Cash and Cash Equivalents -- July 1	231,338.87	-	231,338.87
Cash and Equivalents -- June 30	\$ 411,110.25	\$ -	\$ 411,110.25
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	\$ (996,269.45)	\$ -	\$ (996,269.45)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:			
Depreciation	29,768.00		29,768.00
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	7,890.81	\$ (30,560.79)	(22,669.98)
(Increase) Decrease in Interfund Receivable	157,619.07		157,619.07
(Increase) Decrease in Inventory	5,008.49		5,008.49
Increase (Decrease) in Unearned Revenue	919.27		919.27
Increase (Decrease) in Accounts Payable	9,136.32	30,560.79	39,697.11
Net Cash Used for Operating Activities	\$ (785,927.49)	\$ -	\$ (785,927.49)

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
 Statement of Fiduciary Net Position
 As of June 30, 2013

	Trust Funds		Agency Funds	
	Unemployment Compensation <u>Trust</u>	Private- Purpose <u>Scholarship</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 135,753.76	\$ 119,536.75	\$ 386,303.78	\$ 348,671.78
Due from Other Funds		15,317.61		3,771.58
Total Assets	135,753.76	134,854.36	386,303.78	352,443.36
LIABILITIES:				
Due to Other Funds	3,771.58		52,080.16	22,582.58
Payable to State	3,861.67			
Payroll Deductions and Withholdings Payable to Student Groups			334,223.62	329,961.38
Total Liabilities	7,633.25	-	\$ 386,303.78	\$ 352,543.96
Net Position:				
Reserved for Scholarships		134,854.36		
Held in Trust for Unemployment Claims and Other Purposes	128,120.51			
Total Net Position	\$ 128,120.51	\$ 134,854.36		

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2013

	<u>Private Purpose Scholarship</u>	<u>Unemployment Compensation Insurance</u>
ADDITIONS:		
Local Sources:		
Interest on Investments	\$ 720.28	\$ 411.07
Donations	59,700.66	
Deductions from Employees' Salaries		67,944.88
Total Additions	<u>60,420.94</u>	<u>68,355.95</u>
DEDUCTIONS:		
Scholarship Payments	27,650.00	
Unemployment Compensation Claims		21,806.78
Total Deductions	<u>27,650.00</u>	<u>21,806.78</u>
Change in Net Position	<u>32,770.94</u>	<u>46,549.17</u>
Net Position, July 1	<u>102,083.42</u>	<u>81,571.34</u>
Net Position, June 30	<u>\$ 134,854.36</u>	<u>\$ 128,120.51</u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through high school at the School District's six schools. The School District has an approximate enrollment at June 30, 2013 of 6,004.

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

Component Units

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Proprietary Funds

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

The School District maintains the following enterprise funds:

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

Transportation Fund - This fund accounts for the financial transactions related to transportation for extra-curricular activities.

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

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

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

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

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for students, which are awarded in accordance with the trust requirements.

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

Basis of Accounting

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

Modified Accrual

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

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

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

Accrual

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

Revenue Recognition

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

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

Budgets / Budgetary Control

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

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

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

Inventories

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

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

Short-Term Interfund Receivables / Payables

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

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

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

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

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

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

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

Net Position

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

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

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

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

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

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

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

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

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

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

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education.

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

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

Interfund Activity

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

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

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

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

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

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

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

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

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65 materially affected the classification of certain balances on the statement of net position. (See Note 18)

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

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2013, the School District's bank balances of \$16,679,216 were exposed to custodial credit risk as follows:

Insured	\$ 288,751
Uninsured and collateralized with securitites held by pledging financial institutions	15,525,243
Uninsured and uncollateralized	865,222
	<u>\$ 16,679,216</u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2013, the School District's deposits with the New Jersey Cash Management Fund were \$824,262.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District during the fiscal year ended June 30, 1995 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance July 1, 2012		\$ 500,400
Increased by:		
Interest Earnings	\$ 150	
Deposits:		
Transferred from Unexpended Budget	<u>1,000,000</u>	
		<u>1,000,150</u>
		<u>1,500,550</u>
Decreased by:		
Transfer to Capital Projects Fund	1,000,000	
Utilized as Revenue in General Fund	<u>500,000</u>	
		<u>1,500,000</u>
Ending Balance June 30, 2013		<u><u>\$ 550</u></u>

The June 30, 2013 LRFP balance of local support costs of uncompleted projects at June 30, 2013 is \$6,461,000. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Total
Receivables:					
Intergovernmental	\$ 561,350	\$ 967,774		\$ 31,864	\$ 1,560,987
Other			\$ 2,000	4,408	6,408
Total	<u>\$ 561,350</u>	<u>\$ 967,774</u>	<u>\$ 2,000</u>	<u>\$ 36,272</u>	<u>\$ 1,567,395</u>

Note 5: INVENTORY

There was no Inventory in the General Fund at June 30, 2013.

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food and Supplies	<u>\$ 35,131</u>
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Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental Activities:					
Land	\$ 1,639,800				\$ 1,639,800
Construction in Progress	625,169	\$ 498,702	\$ (76,737)		1,047,134
Total Capital Assets not being Depreciated	<u>\$ 2,264,969</u>	<u>\$ 498,702</u>	<u>\$ (76,737)</u>	<u>\$ -</u>	<u>\$ 2,686,934</u>
Building and Improvements	\$ 119,871,362		\$ 76,737		\$ 119,948,099
Equipment	4,829,813	1,350,810		\$ 667,867	5,512,756
Total Historical Cost	<u>124,701,175</u>	<u>1,350,810</u>	<u>76,737</u>	<u>667,867</u>	<u>125,460,855</u>
Less Accumulated Depreciation:					
Building and Improvements	27,556,743	3,035,716			30,592,459
Equipment	2,498,299	569,242		314,275	2,753,266
Total Accumulated Depreciation	<u>30,055,042</u>	<u>3,604,958</u> *	<u>-</u>	<u>314,275</u>	<u>33,345,725</u>
Governmental Activities Capital Assets, Net	<u>\$ 96,911,102</u>	<u>\$ (1,755,446)</u>	<u>\$ -</u>	<u>\$ 353,592</u>	<u>\$ 94,802,064</u>
Business-Type Activities:					
Equipment	\$ 567,200	\$ 2,575		\$ 2,970	\$ 566,805
Less Accumulated Depreciation:	249,335	29,768		2,672	276,431
Business-Type Activities Capital Assets, Net	<u>\$ 317,865</u>	<u>\$ (27,193)</u>	<u>\$ -</u>	<u>\$ 298</u>	<u>\$ 290,374</u>

Note 6: CAPITAL ASSETS (CONT'D)

*Depreciation expense was charged to governmental functions as follows:

Depreciation expense was charged to governmental functions as follows:	
Instruction	\$ 361,791
Other Instruction	35,055
Support Services	17,766
School Administration	5,615
General and Business Administrative Services	93,099
Plant Operations and Maintenance	23,665
Unallocated	<u>3,067,967</u>
 Total Depreciation Expense	 <u><u>\$ 3,604,958</u></u>

Note 7: LONG-TERM LIABILITIES

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

Governmental Activities:	Principal Outstanding June 30, 2012	Additions	Reductions	Principal Outstanding June 30, 2013	Due Within One Year
Bonds & Loans	\$ 61,215,947		\$ (2,824,473)	\$ 58,391,474	\$ 2,959,474
Premium on Bonds	540,376		(125,115)	415,261	
PERS Deferral	155,166		(8,049)	147,117	9,002
OPEB	4,096,000	\$ 983,000	(910,000)	4,169,000	
Obligations under Capital Leases	716,959	663,459	(684,334)	696,084	532,325
Compensated Absences	3,513,763	758,061	(406,669)	3,865,155	456,563
 Governmental Activity Long-term Liabilities	 <u>\$ 70,238,211</u>	 <u>\$ 2,404,520</u>	 <u>\$ (4,958,640)</u>	 <u>\$ 67,684,091</u>	 <u>\$ 3,957,364</u>

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

On November 15, 1993, the School District issued \$15,998,000 in general obligation bonds at 5.2% interest for the new high school. The final maturity of the bonds is 2018. On June 1, 2002 the District issued \$17,897,000 for various projects in connection with the Schools Construction Corporation programs. The bonds carried interest rates ranging from 4.25% to 4.70% and were refunded in 2010 and fully matured in 2011. On March 23, 2007 the school district issued an additional \$43,639,000 in general obligation bonds for various school construction additions. The bonds carry interest rates ranging from 4.125% to 4.50% and mature in 2032. Additionally, on May 5, 2010 the school district issued \$11,995,000 in general obligation bonds to advance refund \$12,127,000 of the \$13,812,000 outstanding 2002 bonds. The bonds carry interest rates ranging from 2.00% to 5.00% and mature in 2032.

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

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,959,474	\$ 2,500,010	\$ 5,459,484
2015	2,315,000	2,413,789	4,728,789
2016	2,500,000	2,310,739	4,810,739
2017	2,685,000	2,209,539	4,894,539
2018	2,900,000	2,090,751	4,990,751
2019-2023	15,053,000	8,488,698	23,541,698
2024-2028	14,810,000	5,382,050	20,192,050
2029-2032	15,169,000	1,749,195	16,918,195
	<u>\$ 58,391,474</u>	<u>\$ 27,144,771</u>	<u>\$ 85,536,245</u>

Bonds Authorized But Not Issued - As of June 30, 2013, the Board had no authorized but not issued bonds.

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

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability are required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a pay off amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment is only an option for the 2008-09 fiscal year. Commencing in fiscal year 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

On April 2, 2009 the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$162,225. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25%.

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Deferral</u> <u>Payment</u>	<u>Interest</u>	<u>Total</u> <u>Projected</u> <u>Payment</u>
2014	\$ 9,002	\$ 14,639	\$ 23,641
2015	11,510	13,743	25,253
2016	11,510	12,598	24,108
2017	11,510	11,453	22,962
2018	11,510	10,307	21,817
2019-2023	57,548	34,358	91,906
2024-2026	34,529	6,872	41,400
	<u>\$ 147,117</u>	<u>\$ 103,971</u>	<u>\$ 251,087</u>

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

Capital Leases Payable - The School District is leasing computer equipment totaling \$2,124,099 under capital leases. The capital leases are for terms of 4 years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2013.

Fiscal Year	Principal	Interest	Total
Ending June 30			
2014	\$ 532,325	\$ 35,695	\$ 568,019
2015	163,759	7,333	171,093
	<u>\$ 696,084</u>	<u>\$ 43,028</u>	<u>\$ 739,112</u>

Note 8: OPERATING LEASES

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

Fiscal Year	Amount
Ending June 30	
2014	\$ 5,400
2015	5,400
2016	5,400
2017	1,350
	<u>\$ 17,550</u>

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$398,091.

Note 9: PENSION PLANS

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

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

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

Note 9: PENSION PLANS (CONT'D)

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

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

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

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

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Paid by District</u>
2013	\$ 178,888	\$ 355,898	534,786	\$ 23,489	558,275
2012	202,432	339,897	542,329	23,187	565,516
2011	246,767	328,502	575,269	-	575,269

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

Note 9: PENSION PLANS (CONT'D)

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

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

<u>Fiscal Year</u>		<u>Total Liability</u>		<u>Paid by School District</u>
2013	\$	15,692	\$	15,692
2012		14,039		14,039
2011		5,778		5,778

Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS

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

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**Plan Description**

Administrators retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable, for life. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any administrator who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for three administrators who were grandfathered, and two administrators who will be eligible to receive dental benefits.

Secretaries retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable. Upon the death of retiree, coverage does not continue for the surviving spouse. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any secretary who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for two secretaries who were grandfathered.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**Plan Description (Cont'd)**

Teachers retiring after twenty-five (25) years of service with the School District will have prescription drug and dental benefits provided for both the retiree and spouse, where applicable, until the retiree attains age 65 upon which they enter the New Jersey School Employees Health Benefits Program. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2009, any teacher who retires on or after July 1, 2009 will not be eligible to receive prescription drug and dental benefits from the School District.

Full-time paraprofessionals are not eligible for postretirement welfare benefits from the School District.

No benefits are payable upon pre-retirement death or disability if the employee has less than 25 years of service. As of June 30, 2013, there were 96 retirees and surviving spouses and 7 active employees who qualify for benefits. 78 of the retirees have dependents who qualified for additional benefits.

Funding Policy

The contribution requirement of the District is established by the policy of the District and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year 2012, the District contributed \$910,000 to the plan for current premiums. Plan members are not required to make any contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the School District Plan, and changes in the District's net OPEB obligation to the District Plan:

Normal cost without interest	\$ 33,000
Amortization payment	<u>1,027,000</u>
Annual required contribution (expense)	1,060,000
Interest on Net OPEB Obligation	180,000
Adjustments to the Annual Required Contribution	<u>(257,000)</u>
Annual OPEB Cost	983,000
Contributions made	<u>(910,000)</u>
Net Change in OPEB Obligation	73,000
Net OPEB obligation-beginning of year	<u>4,096,000</u>
Net OPEB obligation-end of year	<u><u>\$ 4,169,000</u></u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**Funded Status and Funding Progress**

As of June 30, 2011, the most recent actuarial valuation date, the District Plan was 0% funded. The actuarial accrued liability, including interest on the net OPEB obligation, for benefits was \$17,479,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$17,479,000. The covered payroll (annual payroll of active employees covered by the plan) was \$743,000, and the ratio of the UAAL to the covered payroll was 2,352.49%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Monroe Township Board of Education Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Monroe Township Board of Education Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions included a 4.5% discount rate of return and an annual healthcare cost trend rate of 9.0% initially, reducing by decrements to an ultimate rate of 5% after 10 years. The assumptions also include prescription drug cost trend rate of 10.0% initially, reducing by decrements to an ultimate rate of 5% after 12 years and a dental cost trend rate of 5.0%. The actuarial value of the Monroe Township Board of Education Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The District's Plan unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2013, was twenty-five years.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$2,065,834 and \$2,335,937, respectively.

Note 12: RISK MANAGEMENT

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

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

Note 12: RISK MANAGEMENT (CONT'D)

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

The following is a summary of 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 fiscal years:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>District</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2013	\$ 67,945	\$ 411		\$ 21,806	\$ 128,121
2012	66,138	414		96,816	81,571
2011	62,087	950		209,950	111,835

Note 13: DEFERRED COMPENSATION

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

*Washington
Prudential
Equitable
Travelers*

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, the estimated liability for compensated absences in the governmental activities was \$3,865,384.46.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as of June 30, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 59,295	1,000,072
Special Revenue		
Capital Projects	1,000,021	
Debt Service		
Proprietary		
Fiduciary	55,852	115,096
	<u>\$ 1,115,168</u>	<u>\$ 1,115,168</u>

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

Interfund Transfers:

<u>Transfer Out:</u>	Transfer In:					
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Fiduciary Fund</u>
General	\$ (55,520,044.06)	\$ (216,434.68)	\$ 1,975,025.14	\$ 5,216,458.09	\$ 968,273.87	\$ 47,360,286.96
Special Revenue						
Capital Projects	216,434.68					
Debt Service						
Proprietary						
Fiduciary						
	<u>\$ (55,303,609.38)</u>	<u>\$ (216,434.68)</u>	<u>\$ 1,975,025.14</u>	<u>\$ 5,216,458.09</u>	<u>\$ 968,273.87</u>	<u>\$ 47,360,286.96</u>

Note 16: DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2013, a deficit of \$7,428,501.38 existed in the Unrestricted Net Position of the Governmental Activities. This deficit is attributable to the recording of capital assets, post employment benefits payable and long term liabilities including compensated absences, pension deferrals, bonds and capital leases payable which are not recorded in the fund financial statements

Note 17: FUND BALANCES

RESTRICTED

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

Note 17: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund -**

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$7,858,758.70. Of this, \$4,713,888 of excess fund balance, which was generated during 2011-2012, has been restricted and designated for utilization in the 2013-2014 budget.

For Capital Reserve Account - As of June 30, 2013, the balance in the capital reserve account is \$550. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund - On March 23, 2007, the School District issued \$43,639,000 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law") and (ii) a resolution adopted by the Board. The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the School District. The bond issuance was approved by the voters for additions and alterations to the High School, Middle School and Elementary Schools. As of June 30, 2013, all projects associated with these bonds have been finalized and the remaining balance has been transferred to the debt service fund for the payment of the bonds.

As of June 30, 2013, the restricted fund balance in the capital projects fund was \$1,000,000. This balance is a result of a transfer from capital reserve fund balance for the purchase of a new administration building.

Special Revenue Fund - of June 30, 2013, \$346,589 of special revenue fund balance was restricted.

ASSIGNED

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014 \$0.09 of general fund balance at June 30, 2013.

Other Purposes - As of June 30, 2013, the School District had \$2,014,292 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Debt Service Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014 \$19,063 of debt service fund balance at June 30, 2013.

Note 17: FUND BALANCES (CONT'D)**UNASSIGNED**

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

General Fund - As of June 30, 2013, \$1,614,270.85 of general fund balance was unassigned.

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

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

Net Position, June 30, 2012	\$ 36,920,602
Expense of Bond Issuance Costs ^a	<u>(185,550)</u>
Net Position, June 30, 2012 (Restated)	<u><u>\$ 36,735,053</u></u>

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

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 42,914,688.00		\$ 42,914,688.00	\$ 42,914,688.00	
Tuition	102,484.00		102,484.00	493,982.10	\$ 391,498.10
Miscellaneous	149,480.00	\$ 116,681.00	266,161.00	262,223.27	(3,937.73)
Total - Local Sources	43,166,652.00	116,681.00	43,283,333.00	43,670,893.37	387,560.37
State Sources:					
Equalization Aid	30,013,562.00		30,013,562.00	30,013,562.00	
Categorical Special Education Aid	3,252,749.00		3,252,749.00	3,252,749.00	
Categorical Security Aid	602,702.00		602,702.00	602,702.00	
Extraordinary Aid	198,450.00		198,450.00	218,062.00	19,612.00
Categorical Transportation Aid	402,285.00		402,285.00	402,285.00	
Additional Nonpublic School Transportation Aid				55,037.54	55,037.54
Other Transportation Aid				5,611.06	5,611.06
On-behalf TPAF Pension Contributions - Normal Cost (non-budgeted)				2,065,834.00	2,065,834.00
On-behalf TPAF Pension Contributions - Post Retirement Costs (non-budgeted)				2,335,937.00	2,335,937.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,399,072.92	2,399,072.92
Total - State Sources	34,469,748.00	-	34,469,748.00	41,350,852.52	6,881,104.52
Federal Sources:					
Education Jobs Fund		2,956.00	2,956.00	2,956.00	
Unrestricted Grants in Aid	115,037.00		115,037.00	190,622.12	75,585.12
Total - Federal Sources	115,037.00	2,956.00	117,993.00	193,578.12	75,585.12
Total Revenues	77,751,437.00	119,637.00	77,871,074.00	85,215,324.01	7,344,250.01

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES:					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 605,359.90	\$ 9,891.74	\$ 615,251.64	\$ 597,258.18	\$ 17,993.46
Grades 1-5	6,898,383.00	(405,874.60)	6,492,508.40	6,118,765.12	373,743.28
Grades 6-8	5,269,896.00	128,684.81	5,398,580.81	5,096,283.61	302,297.20
Grades 9-12	6,892,545.00	174,847.46	7,067,392.46	6,729,830.89	337,561.57
Regular Programs - Home Instruction:					
Salaries of Teachers	100,000.00	20,112.69	120,112.69	107,142.75	12,969.94
Purchased Professional/Educational Services	75,000.00		75,000.00	66,967.41	8,032.59
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	179,908.22	28,324.51	208,232.73	176,923.56	31,309.17
Purchased Professional/Educational Services	89,325.00	(663.00)	88,662.00	88,662.00	
Purchased Technical Services	412,912.95	(218,703.88)	194,209.07	166,801.44	27,407.63
Other Purchased Services	1,262,580.00	217,821.58	1,480,401.58	1,478,209.82	2,191.76
General Supplies	892,186.27	100,232.84	992,419.11	821,519.33	170,899.78
Textbooks	107,351.00	(27,562.15)	79,788.85	76,789.35	2,999.50
Other Objects	8,378.00	(2,852.00)	5,526.00	1,865.48	3,660.52
Total Regular Programs	22,793,825.34	24,260.00	22,818,085.34	21,527,018.94	1,291,066.40
Learning Disabilities:					
Salaries of Teachers	502,395.00	10,561.20	512,956.20	499,954.20	13,002.00
Other Salaries for Instruction	205,037.00	45,981.11	251,018.11	218,462.90	32,555.21
General Supplies	16,096.00	(5,440.00)	10,656.00	9,903.43	752.57
Textbooks	1,000.00		1,000.00	851.00	149.00
Total Learning Disabilities	724,528.00	51,102.31	775,630.31	729,171.53	46,458.78

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 273,968.00		\$ 273,968.00	\$ 246,581.01	\$ 27,386.99
Other Salaries for Instruction	159,831.00	\$ (1,554.14)	158,276.86	111,803.47	46,473.39
General Supplies	500.00		500.00	269.30	230.70
Textbooks	-	-	-	-	-
Total Behavioral Disabilities	434,299.00	(1,554.14)	432,744.86	358,653.78	74,091.08
Multiple Disabilities:					
Salaries of Teachers	346,580.00	60,136.81	406,716.81	339,989.82	66,726.99
Other Salaries for Instruction	318,807.00	(44,679.78)	274,127.22	254,963.13	19,164.09
General Supplies	7,915.00	(750.00)	7,165.00	6,699.27	465.73
Textbooks	-	-	-	-	-
Total Multiple Disabilities	673,302.00	14,707.03	688,009.03	601,652.22	86,356.81
Resource Room/Center:					
Salaries of Teachers	4,600,556.00	(274,095.99)	4,326,460.01	4,225,986.91	100,473.10
Other Salaries for Instruction	505,268.00	(10,000.00)	495,268.00	458,270.37	36,997.63
Purchased Technical Services	515.00		515.00	-	515.00
Other Purchased Services	750.00		750.00	-	750.00
General Supplies	37,885.00	5,948.40	43,833.40	38,901.51	4,931.89
Textbooks	11,759.00	(6,005.43)	5,753.57	4,253.57	1,500.00
Total Resource Room/Center	5,156,733.00	(284,153.02)	4,872,579.98	4,727,412.36	145,167.62

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Autism:					
Salaries of Teachers	\$ 524,932.00	\$ (2,924.68)	\$ 522,007.32	\$ 491,360.08	\$ 30,647.24
Other Salaries for Instruction	505,185.00	(147,207.88)	357,977.12	337,815.55	20,161.57
General Supplies	16,760.00	3,600.00	20,360.00	16,845.25	3,514.75
Textbooks	8,344.00	(4,000.00)	4,344.00		4,344.00
Total Autism	1,055,221.00	(150,532.56)	904,688.44	846,020.88	58,667.56
Preschool Disabilities - Part-Time:					
Salaries of Teachers	158,655.00	3,959.18	162,614.18	155,543.96	7,070.22
Other Salaries for Instruction	126,641.00		126,641.00	102,968.96	23,672.04
General Supplies	1,500.00		1,500.00	1,479.45	20.55
Total Preschool Disabilities - Part-Time	286,796.00	3,959.18	290,755.18	259,992.37	30,762.81
Total Special Education	8,330,879.00	(366,471.20)	7,964,407.80	7,522,903.14	441,504.66
Basic Skills					
Salaries of Teachers	1,118,691.00	415,599.89	1,534,290.89	1,428,854.84	105,436.05
Bilingual Education:					
Salaries of Teachers	137,362.00	8,312.82	145,674.82	139,454.10	6,220.72
Other Salaries for Instruction	20,790.00	145.20	20,935.20	20,935.20	
General Supplies	4,872.00	600.00	5,472.00	5,130.70	341.30
Textbooks	1,416.00	(600.00)	816.00	789.76	26.24
Total Bilingual Education	164,440.00	8,458.02	172,898.02	166,309.76	6,588.26

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Vocational Programs - Instruction					
Salaries of Teachers	\$ 70,350.00	\$ (199.92)	\$ 70,150.08	\$ 69,000.08	\$ 1,150.00
Other Salaries for Instruction	31,734.38		31,734.38	23,539.06	8,195.32
Other Purchased Services	1,708.01		1,708.01	861.80	846.21
General Supplies	3,010.00	91.66	3,101.66	3,022.80	78.86
Textbooks	577.00		577.00		577.00
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Total Vocational Programs - Instruction	107,379.39	(108.26)	107,271.13	96,423.74	10,847.39
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School Sponsored Co Curricular Activities:					
Salaries	248,632.00	15,898.86	264,530.86	263,881.40	649.46
Other Purchased Services	22,279.00	856.80	23,135.80	22,717.85	417.95
Supplies and Materials	45,908.00	5,000.00	50,908.00	46,428.21	4,479.79
Other Objects	57,012.00	(6,491.80)	50,520.20	37,281.74	13,238.46
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Total School Sponsored Co curricular Activities	373,831.00	15,263.86	389,094.86	370,309.20	18,785.66
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School Sponsored Athletics:					
Salaries	322,759.81	6,666.64	329,426.45	329,162.45	264.00
Purchased Services	172,661.00	(2,400.00)	170,261.00	148,581.05	21,679.95
Supplies and Materials	67,685.99	5,000.00	72,685.99	68,644.98	4,041.01
Other Objects	58,615.00	(2,600.00)	56,015.00	48,568.86	7,446.14
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Total School Sponsored Athletics	621,721.80	6,666.64	628,388.44	594,957.34	33,431.10
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Summer School :					
Salaries	101,170.75	(2,375.00)	98,795.75	44,528.37	54,267.38
Supplies and Materials	2,325.00	-	2,325.00	2,161.44	163.56
Other Objects	2,660.00	160.00	2,820.00	2,600.00	220.00
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Total Summer School	106,155.75	(2,215.00)	103,940.75	49,289.81	54,650.94
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(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Community Services :					
Salaries	\$ 4,000.00	\$ 14,396.00	\$ 18,396.00	\$ 16,696.00	\$ 1,700.00
Work Study:					
Salaries	50,000.00	987.81	50,987.81	30,629.89	20,357.92
Total Instruction	33,670,923.28	116,837.76	33,787,761.04	31,803,392.66	1,984,368.38
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	33,346.00	117,515.53	150,861.53	108,867.55	41,993.98
Tuition to Other LEAs Within the State-Special	33,541.00	92,788.24	126,329.24	126,110.50	218.74
Tuition to County Voc School Dist - Regular	269,842.00	(55,890.31)	213,951.69	199,160.00	14,791.69
Tuition to CSSD & Regional Day Schools	2,472,769.00	(352,275.55)	2,120,493.45	1,861,981.87	258,511.58
Tuition to Private School for the Handicapped-State	1,086,916.00	(1,865.91)	1,085,050.09	898,146.15	186,903.94
Tuition to Private School and Other LEAs - Outside State	78,948.00	(25,834.00)	53,114.00	30,636.00	22,478.00
Tuition - State Facilities	103,200.00		103,200.00	103,200.00	
Tuition - Other	235,818.00	19,702.00	255,520.00	255,520.00	
Total Undistributed Expenditures - Instruction	4,314,380.00	(205,860.00)	4,108,520.00	3,583,622.07	524,897.93
Undistributed Expenditures - Attendance and Social Work:					
Salaries	29,812.00	736.14	30,548.14	28,933.08	1,615.06
Other Purchased Services	759.00	-	759.00	758.97	0.03
Total Attendance and Social Work	30,571.00	736.14	31,307.14	29,692.05	1,615.09
Undistributed Expenditures - Health Services:					
Salaries	642,359.00	14,552.03	656,911.03	628,653.83	28,257.20
Purchased Professional and Technical Services.	779,584.33	(285,899.45)	493,684.88	230,162.75	263,522.13
Other Purchased Services	70.00		70.00	69.75	0.25
Supplies and Materials	16,724.00	1,073.07	17,797.07	14,963.20	2,833.87
Total Undistributed Expenditures - Health Services	1,438,737.33	(270,274.35)	1,168,462.98	873,849.53	294,613.45

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Other Support -Students - Other Related Services					
Salaries	\$ 879,102.00	\$ 9,558.00	\$ 888,660.00	\$ 836,502.79	\$ 52,157.21
Purchased Professional Educational Services	20,000.00	1,000.00	21,000.00	16,453.78	4,546.22
Supplies and Materials	23,500.00	(8,500.00)	15,000.00		15,000.00
Other Objects	1,260.00		1,260.00	540.00	720.00
	<u>923,862.00</u>	<u>2,058.00</u>	<u>925,920.00</u>	<u>853,496.57</u>	<u>72,423.43</u>
Total Other Support -Student - Related Services					
Undistributed Expenditures - Other Support Student-Regular:					
Salaries of Other Professional Staff	1,076,996.00	(15,699.71)	1,061,296.29	1,002,492.07	58,804.22
Salaries of Secretarial and Clerical Assistants	340,913.00	121.00	341,034.00	308,274.63	32,759.37
Other Salaries	43,984.00	9,451.14	53,435.14	19,190.14	34,245.00
Purchased Professional Educational Services	2,000.00	(400.00)	1,600.00	1,562.60	37.40
Other Purchased Professional and Technical Services	490.00		490.00	480.00	10.00
Other Purchased Services	500.00	(500.00)			
Supplies and Materials	54,932.52	(458.59)	54,473.93	52,456.57	2,017.36
Other Objects	1,430.00	260.00	1,690.00	1,545.00	145.00
	<u>1,521,245.52</u>	<u>(7,226.16)</u>	<u>1,514,019.36</u>	<u>1,386,001.01</u>	<u>128,018.35</u>
Total Other Support Student-Regular					
Undistributed Expenditures - Other Support Student-Special:					
Salaries of Other Professional Staff	1,151,648.00	26,284.00	1,177,932.00	1,146,206.49	31,725.51
Salaries of Secretarial and Clerical Assistants	252,512.13	-	252,512.13	213,842.68	38,669.45
Other Salaries	133,931.00		133,931.00	93,160.26	40,770.74
Purchased Professional Educational Services	70,300.00	(5,779.99)	64,520.01	30,763.05	33,756.96
Other Purchased Professional & Technical Services	31,500.00		31,500.00	21,845.86	9,654.14
Residential Costs	40,953.00		40,953.00		40,953.00
Other Purchased Services					
Supplies and Materials	14,500.00	3,279.99	17,779.99	14,216.16	3,563.83
Other Objects	34,420.00		34,420.00	4,504.86	29,915.14
	<u>1,729,764.13</u>	<u>23,784.00</u>	<u>1,753,548.13</u>	<u>1,524,539.36</u>	<u>229,008.77</u>
Total Other Support Student-Special					

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Improvement Instructional Services:					
Salaries of Supervisors of Instruction	\$ 261,243.00	\$ 4,566.80	\$ 265,809.80	\$ 255,964.82	\$ 9,844.98
Salaries of Secretarial and Clerical Assistants	173,616.00	(4,566.80)	169,049.20	122,369.96	46,679.24
Other Salaries for Instruction	29,512.00	4,882.31	34,394.31	13,475.75	20,918.56
Salaries of Facilitators, Math Coaches, Literacy Coaches and Master Teachers	256,358.00	1,797.42	258,155.42	246,500.42	11,655.00
Purchased Professional Educational Services	806,895.56	458,299.45	1,265,195.01	1,042,567.40	222,627.61
Other Purchased Professional & Technical Services	-	-	-	-	-
Total Improvement Instructional Services	1,527,624.56	464,979.18	1,992,603.74	1,680,878.35	311,725.39
Undistributed Expenditures - Educational Media/Library:					
Salaries	1,147,135.00	106,652.28	1,253,787.28	1,154,310.25	99,477.03
Salaries of Tech Coordinators	365,090.00	(102,456.96)	262,633.04	257,620.04	5,013.00
Purchased Professional & Technical Services	35,916.00	(21,407.17)	14,508.83	9,010.70	5,498.13
Supplies and Materials	116,577.60	20,099.00	136,676.60	131,252.09	5,424.51
Total Educational Media/Library	1,664,718.60	2,887.15	1,667,605.75	1,552,193.08	115,412.67
Undistributed Expenditures - Instructional Staff Training Services					
Other Salaries	119,515.38	3,519.85	123,035.23	121,104.56	1,930.67
Purchased Professional Educational Services	45,800.00	189.00	45,989.00	42,674.00	3,315.00
Other Purchased Professional & Technical Services	188,000.00	(41,372.04)	146,627.96	146,627.96	-
Other Purchased Services	4,500.00	(3,247.31)	1,252.69	1,244.76	7.93
Supplies and Materials	1,099,620.50	22,021.13	1,121,641.63	397,793.27	723,848.36
Other Objects	10,500.00	(1,824.00)	8,676.00	7,855.27	820.73
Total Instructional Staff Training Services	1,467,935.88	(20,713.37)	1,447,222.51	717,299.82	729,922.69

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Support Services-General Admin.:					
Salaries	\$ 466,812.00	\$ 234,259.22	\$ 701,071.22	\$ 586,088.34	\$ 114,982.88
Legal Services	210,000.00		210,000.00	182,923.71	27,076.29
Audit Fees	64,139.00	4,446.00	68,585.00	68,585.00	
Other Purchased Professional Services	176,119.00	(63,113.96)	113,005.04	100,247.71	12,757.33
Purchased Technical Services	6,741.00	6,190.00	12,931.00	7,895.07	5,035.93
Communications/Telephone	262,694.90	(109,242.75)	153,452.15	151,394.85	2,057.30
BOE Other Purchased Services	2,075.00	(561.98)	1,513.02	643.00	870.02
Other Purchased Services	241,049.00	11,448.49	252,497.49	247,197.68	5,299.81
General Supplies	92,811.09	(60,525.58)	32,285.51	17,147.26	15,138.25
Miscellaneous Expenditures	48,201.55	(5,209.75)	42,991.80	34,447.98	8,543.82
BOE Membership Dues and Fees	38,207.25	(1,558.75)	36,648.50	34,598.14	2,050.36
Total Support Services-General Admin.	1,608,849.79	16,130.94	1,624,980.73	1,431,168.74	193,811.99
Undistributed Expenditures - Support Services-School Admin.:					
Salaries of Principals/Assistant Principals	1,879,404.00	69,122.45	1,948,526.45	1,819,915.32	128,611.13
Salaries of Secretarial and Clerical Assistants	1,143,703.54	39,142.24	1,182,845.78	1,084,940.66	97,905.12
Other Salaries	162,081.10	(7,328.08)	154,753.02	86,447.60	68,305.42
Purchased Professional & Technical Services	41,080.00	(5,440.00)	35,640.00	1,784.86	33,855.14
Other Purchased Services	13,606.48	5,953.00	19,559.48	4,830.39	14,729.09
Supplies and Materials	185,884.42	(13,901.16)	171,983.26	114,670.33	57,312.93
Other Objects	56,635.92	(9,672.00)	46,963.92	29,259.74	17,704.18
Total Support Services-School Admin.	3,482,395.46	77,876.45	3,560,271.91	3,141,848.90	418,423.01

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Central Services					
Salaries	\$ 553,420.00	\$ (13,591.96)	\$ 539,828.04	\$ 516,664.63	\$ 23,163.41
Purchased Professional Services		89,116.15	89,116.15	89,116.15	
Purchased Technical Services	27,500.00	20,752.34	48,252.34	48,087.62	164.72
Supplies and Materials	23,103.00	218.97	23,321.97	23,321.97	
Interest on Lease Purchases Agreements	48,736.00	(3,482.25)	45,253.75	45,253.75	
Miscellaneous Expenditures	1,000.00	(830.75)	169.25		169.25
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Total Central Services	653,759.00	92,182.50	745,941.50	722,444.12	23,497.38
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Undistributed Expenditures - Administration Information Technology					
Salaries	232,565.55	32,906.05	265,471.60	264,744.09	727.51
Purchased Professional Services	3,000.00	(601.00)	2,399.00	1,999.00	400.00
Purchased Professional and Technical Services	219,913.72	(4,807.63)	215,106.09	209,511.19	5,594.90
Other Purchased Services	3,445.00	(1,813.90)	1,631.10	1,631.10	
Supplies and Materials	77,728.59	(6,785.97)	70,942.62	67,772.17	3,170.45
Other Objects	8,935.00	(3,235.00)	5,700.00	5,700.00	
	<hr/>				
Total Administration Information Technology	545,587.86	15,662.55	561,250.41	551,357.55	9,892.86
	<hr/>				
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	122,841.00	4,724.65	127,565.65	122,840.91	4,724.74
Cleaning, Repair, and Maintenance Service	442,435.24	(31,811.52)	410,623.72	265,840.12	144,783.60
General Supplies	32,391.00	-	32,391.00	6,502.50	25,888.50
	<hr/>				
Total Required Maintenance for School Facilities	597,667.24	(27,086.87)	570,580.37	395,183.53	175,396.84

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Operations of Plant Services:					
Salaries	\$ 72,436.00		\$ 72,436.00	\$ 71,015.88	\$ 1,420.12
Salaries of Non Instructional Aides	241,289.00	\$ (1,000.00)	240,289.00	205,387.07	34,901.93
Cleaning, Repair, and Maintenance Service	3,876,906.39	16,451.79	3,893,358.18	3,418,321.80	475,036.38
Other Purchased Property Services	413,600.00	7,282.16	420,882.16	410,045.86	10,836.30
Insurance	139,000.00	(9,325.46)	129,674.54	1,119.00	128,555.54
Misc Purchased Services	3,000.00		3,000.00		3,000.00
General Supplies	480,733.49	(107,375.34)	373,358.15	308,547.49	64,810.66
Energy (Natural Gas)	928,200.00		928,200.00	511,407.93	416,792.07
Energy (Electricity)	1,950,000.00		1,950,000.00	1,681,242.27	268,757.73
Energy (Oil)	5,800.00	3,096.24	8,896.24	7,846.26	1,049.98
Other Objects	16,203.00	2,967.02	19,170.02	16,046.10	3,123.92
Total Operations of Plant Services	8,127,167.88	(87,903.59)	8,039,264.29	6,630,979.66	1,408,284.63
Undistributed Expenditures - Care/Upkeep of Grounds					
Cleaning, Repair, and Maintenance Service	348,482.20	-	348,482.20	233,264.18	115,218.02
General Supplies	84,090.00	(4,375.00)	79,715.00	13,462.29	66,252.71
Total Care/Upkeep of Grounds	432,572.20	(4,375.00)	428,197.20	246,726.47	181,470.73
Undistributed Expenditures - Security					
Other Purchased Services	200,718.00	(7,893.25)	192,824.75	180,000.00	12,824.75
Cleaning, Repair, and Maintenance Service	100,899.00	12,543.26	113,442.26	107,948.34	5,493.92
General Supplies	40,753.00	6,546.99	47,299.99	43,044.03	4,255.96
Total Security	342,370.00	11,197.00	353,567.00	330,992.37	22,574.63

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Student Transportation:					
Salaries for Pupil Transportation					
(Other Than Between Home & School)	\$ 195,341.00	\$ 11,076.44	\$ 206,417.44	\$ 194,261.43	\$ 12,156.01
Purchased Professional & Technical Services	12,500.00		12,500.00	8,155.00	4,345.00
Cleaning, Repair, and Maintenance Service	1,500.00		1,500.00		1,500.00
Contracted Services (Between Home & School) -Vendors	2,833,024.00	(53,518.84)	2,779,505.16	2,762,067.43	17,437.73
Contr'ed Services (Other Than Between Home & School) Vendors	282,790.00	45,362.45	328,152.45	218,525.14	109,627.31
Contracted Services (Home & School) - Joint Agreements	1,770.00		1,770.00	1,377.60	392.40
Contracted Services (Special Ed. Students) - Vendors	2,100,112.00	(33,467.58)	2,066,644.42	1,849,550.51	217,093.91
Contracted Services (Special Ed. Students) - Joint Agreements	54,025.00	105,026.69	159,051.69	159,051.69	
Contracted Services - Aid in Lieu Payments	182,104.00	17,243.00	199,347.00	186,566.30	12,780.70
Supplies and Materials	4,500.00	1,834.12	6,334.12	4,218.06	2,116.06
Other Objects	2,000.00		2,000.00	1,123.33	876.67
Total Undistributed Expenditures - Student Transportation	5,669,666.00	93,556.28	5,763,222.28	5,384,896.49	378,325.79
Undistributed Expenditures - Unallocated Benefits					
Social Security Contributions	680,000.00	84,575.00	764,575.00	755,108.82	9,466.18
Other Retirement Contributions - PERS	638,252.00	(1,877.00)	636,375.00	535,373.68	101,001.32
Other Retirement Contributions - Deferred PERS Payment	23,187.00	302.00	23,489.00	23,489.00	
Other Retirement Contributions - Regular	26,044.00		26,044.00	21,943.47	4,100.53
Unemployment Compensation	155,037.00		155,037.00	3,817.44	151,219.56
Workman's Compensation	337,849.96		337,849.96	252,197.75	85,652.21
Health Benefits	10,830,534.00	(845,319.46)	9,985,214.54	9,177,828.17	807,386.37
Tuition Reimbursement	203,890.00	-	203,890.00	132,960.78	70,929.22
Other Employee Benefits	439,900.42	461,838.46	901,738.88	1,103,075.17	(201,336.29)
Total - Other Support Services	13,334,694.38	(300,481.00)	13,034,213.38	12,005,794.28	1,028,419.10

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
On-behalf TPAF Pension Contributions (non-budgeted):					
Normal				\$ 2,065,834.00	\$ (2,065,834.00)
Post Retirement Costs				2,335,937.00	(2,335,937.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,399,072.92	(2,399,072.92)
	<hr/>				
Total Undistributed Expenditures	\$ 49,413,568.83	\$ (122,870.16)	\$ 49,290,698.68	49,843,807.87	(553,109.20)
	<hr/>				
Total General Current Expense	83,084,492.11	(6,032.40)	83,078,459.72	81,647,200.53	1,431,259.19
	<hr/>				
Capital Outlay:					
Interest deposit to Capital Reserve	100.00	(100.00)			
	<hr/>				
School - Sponsored Athletics					
Instructional Equipment					
Non - Instructional Equipment	2,090.00	3,286.00	5,376.00	1,930.00	3,446.00
	<hr/>				
Total School - Sponsored Athletics	2,090.00	3,286.00	5,376.00	1,930.00	3,446.00
	<hr/>				
Undistributed Expenditures - Equipment:					
Instruction	15,000.00	(15,000.00)			
Non - Instructional	9,793.00	20,495.40	30,288.40	30,243.89	44.51
	<hr/>				
Total Undistributed Expenditures - Equipment	24,793.00	5,495.40	30,288.40	30,243.89	44.51
	<hr/>				
Undistributed Expenditures - Required Maintenance:					
Equipment	676,170.00	11,235.00	687,405.00	646,170.00	41,235.00
	<hr/>				
Undistributed Expenditures - Facilities Acquisition and Construction Services:					
Construction Services	475,000.00	(125,016.00)	349,984.00	279,872.05	70,111.95
Land Improvements	395,000.00	105,000.00	500,000.00		500,000.00
Other Objects	142,093.00		142,093.00	142,093.00	
	<hr/>				
Total Undistributed Expenditures - Facilities Acquisition and Construction Services	1,012,093.00	(20,016.00)	992,077.00	421,965.05	570,111.95
	<hr/>				

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Capital Outlay (Cont'd):					
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures - Equipment				\$ 663,459.51	\$ (663,459.51)
Total Capital Outlay	\$ 1,715,246.00	\$ (99.60)	\$ 1,715,146.40	1,763,768.45	(48,622.05)
Transfer Funds to Charter Schools	28,268.00	6,132.00	34,400.00	34,400.00	-
Total Expenditures	84,828,006.11	0.00	84,828,006.12	83,445,368.98	1,382,637.14
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,076,569.11)	119,637.00	(6,956,932.12)	1,769,955.03	8,726,887.15
Other Financing Sources (Uses):					
Capital Leases (Non-Budgeted)				663,459.51	(663,459.51)
Capital Reserve - Transfer to Capital Projects (Non Budget)				(1,000,000.00)	1,000,000.00
Total Other Financing Sources (Uses)	-	-	-	(336,540.49)	336,540.49
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(7,076,569.11)	119,637.00	(6,956,932.12)	1,433,414.54	9,063,427.64
Fund Balances - July 1,	13,289,883.25		13,289,883.25	13,289,883.25	
Fund Balances - June 30,	\$ 6,213,314.14	\$ 119,637.00	\$ 6,332,951.13	\$ 14,723,297.79	\$ 9,063,427.64

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Recapitulation of Fund Balance:					
Restricted Fund Balances:					
Capital Reserve				\$ 550.00	
Excess Surplus - Designated for Subsequent Year Expenditures				4,713,887.91	
Excess Surplus - Current Year				6,380,296.79	
Assigned Fund Balance:					
Reserved for Encumbrances				2,014,292.15	
Designated for Subsequent Year's Expenditure				0.09	
Unassigned Fund Balance				<u>1,614,270.85</u>	
				14,723,297.79	
Reconciliation to Governmental Funds Statements (GAAP):					
Last FY State Aid Payment not recognized on GAAP basis				<u>(3,235,426.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 11,487,871.79</u>	

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule - Education Jobs Fund
GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
REVENUES:					
Federal Sources:					
Education Jobs Fund	\$ -	\$ 2,956.00	\$ 2,956.00	\$ 2,956.00	\$ -
EXPENDITURES:					
General Current Expense:					
Undistributed Expenditures - Unallocated Benefits					
Health Benefits	-	2,956.00	2,956.00	2,956.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balances - July 1,					
Fund Balances - June 30,	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources		\$ 104,083.83	\$ 104,083.83	\$ 83,422.99	\$ (20,660.84)
Total - Local Sources	\$ -	104,083.83	104,083.83	83,422.99	(20,660.84)
State Sources:					
Compensatory Education	150,891.15	8,799.85	159,691.00	151,734.00	(7,957.00)
Transportation	46,307.00	(11,529.00)	34,778.00	31,246.92	(3,531.08)
Home Instruction		10,148.13	10,148.13	8,381.55	(1,766.58)
Nonpublic Textbooks	26,716.00	(190.00)	26,526.00	26,526.00	
Nonpublic Auxiliary Services	2,784.60	2,160.40	4,945.00	4,945.08	0.08
Nonpublic Technology		9,789.00	9,789.00	9,785.45	(3.55)
Nonpublic Handicapped Services	124,916.85	31,517.15	156,434.00	115,449.96	(40,984.04)
Nonpublic Nursing Services	38,161.00	(1,344.00)	36,817.00	36,816.90	(0.10)
Total - State Sources	389,776.60	49,351.53	439,128.13	384,885.86	(54,242.27)
Federal Sources:					
Title I	477,680.00	562,595.86	1,040,275.86	495,169.33	(545,106.53)
Title II	187,300.00	99,992.75	287,292.75	259,495.10	(27,797.65)
Title III	11,160.00	(315.72)	10,844.28	6,241.88	(4,602.40)
I.D.E.A.	1,275,084.00	907,742.52	2,182,826.52	1,620,184.37	(562,642.15)
Carl D. Perkins Vocational and Technical Education	27,332.40	8,968.60	36,301.00	36,301.00	
Total - Federal Sources	1,978,556.40	1,578,984.01	3,557,540.41	2,417,391.68	(1,140,148.73)
Total Revenues	2,368,333.00	1,732,419.37	4,100,752.37	2,885,700.53	(1,215,051.84)

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries	\$ 676,140.00	\$ (264,820.68)	\$ 411,319.32	\$430,872.27	\$ (19,552.95)
Other Purchased Services		159,154.00	159,154.00	48,246.37	110,907.63
Tuition	1,275,084.00	(650,084.00)	625,000.00	600,000.00	25,000.00
General Supplies	27,332.40	635,060.05	662,392.45	161,092.03	501,300.42
Textbooks	26,716.00	(190.00)	26,526.00	26,526.00	
Misc Expenditures	324,899.60	41,096.53	365,996.13	321,542.96	44,453.17
Total Instruction	2,330,172.00	(79,784.10)	2,250,387.90	1,588,279.63	662,108.27
Support Services:					
Salaries		574,083.22	574,083.22	491,337.22	82,746.00
Personnel Services-Employee Benefits		300,630.37	300,630.37	158,164.84	142,465.53
Other Purchased Services		545,926.75	545,926.75	385,134.56	160,792.19
General Supplies		313,202.54	313,202.54	154,887.23	158,315.31
Misc Expenditures	38,161.00	68,710.59	106,871.59	98,890.93	7,980.66
Total Support Services	38,161.00	1,802,553.47	1,840,714.47	1,288,414.78	552,299.69
Facilities Acquisition and Construction Services:					
Instructional Equipment		9,650.00	9,650.00	9,006.12	643.88
Total Expenditures	2,368,333.00	1,732,419.37	4,100,752.37	2,885,700.53	1,215,051.84
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2013

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 85,215,324.01	\$ 2,885,700.53
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis.		71,565.82
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(257,491.97)
The last two 2011-12 State aid payment was recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.	3,050,222.00	
The last two 2012-13 State aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.	(3,235,426.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 85,030,120.01	\$ 2,699,774.38
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 83,445,368.98	\$ 2,885,700.53
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(257,491.97)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 83,445,368.98	\$ 2,628,208.56

REQUIRED SUPPLEMENTARY INFORMATION
PART III

MONROE TOWNSHIP BOARD OF EDUCATION
 Required Supplementary Information
 Schedule of Funding Progress for the OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability - (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2011	\$ 0	\$17,479,000	\$ 17,479,000	0 %	\$ 743,000	2352.49%

Schedule RSI-2

MONROE TOWNSHIP BOARD OF EDUCATION
 Required Supplementary Information
 Schedule of Employer Contributions to the OPEB Plan

Year Ended June 30.	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2013	\$ 1,060,000	85.85%
2012	1,060,000	85.85%
2011	1,060,000	91.04%

MONROE TOWNSHIP BOARD OF EDUCATION

Note to Required Supplementary Information
For the Year Ended June 30, 2013

Other Postemployment Benefits

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent open
Remaining Amortization Period	25 years
Asset Valuation Method	N/A
Actuarial Assumptions:	
Discount Rate	4.5%
Health Care Cost Rates:	
Medical	8.0% grading to 5.0% over 10 years
Prescription Drug	9.0% grading to 5.0% over 12 years
Dental	5.0%

For determining the ARC, the rate of employer contributions to the Authority Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2013

REVENUES:	
Local Sources	\$ 83,422.99
State Sources	384,885.86
Federal Sources	<u>2,417,391.68</u>
 Total Revenues	 <u><u>\$ 2,885,700.53</u></u>
EXPENDITURES:	
Instruction:	
Salaries of Teachers	\$ 430,872.27
Other Purchased Services	48,246.37
Tuition	600,000.00
General Supplies	161,092.03
Textbooks	26,526.00
Misc Expenditure	<u>321,542.96</u>
 Total Instruction	 <u>1,588,279.63</u>
Support Services:	
Salaries	491,337.22
Personnel Services-Employee Benefits	158,164.84
Other Purchased Services	385,134.56
General Supplies	154,887.23
Misc Expenditure	<u>98,890.93</u>
 Total Support Services	 <u>1,288,414.78</u>
Facilities Acquisition and Construction Services:	
Instructional Equipment	<u>9,006.12</u>
 Total Expenditures	 <u><u>\$ 2,885,700.53</u></u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Total	NCLB				Carl D. Perkins Grant	Total Brought Forward
		Title I Part A 2012-2013	Title II Part A 2012-2013	Title II Part D 2012-2013	Title III 2012-2013		
REVENUES:							
Local Sources	\$ 83,422.99						\$ 83,422.99
State Sources	384,885.86						384,885.86
Federal Sources	2,417,391.68	\$ 495,169.33	\$ 258,625.20	\$ 869.90	\$ 6,241.88	\$ 36,301.00	1,620,184.37
Total Revenues	\$ 2,885,700.53	\$ 495,169.33	\$ 258,625.20	\$ 869.90	\$ 6,241.88	\$ 36,301.00	\$ 2,088,493.22
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 430,872.27	\$ 285,586.45	\$ 138,436.60				\$ 6,849.22
Other Purchased Services	48,246.37	5,457.37				\$ 8,189.00	34,600.00
Tuition	600,000.00						600,000.00
General Supplies	161,092.03	35,783.37	269.45		\$ 4,019.89	25,797.05	95,222.27
Textbooks	26,526.00						26,526.00
Misc Expenditure	321,542.96						321,542.96
Total Instruction	1,588,279.63	326,827.19	138,706.05	\$ -	4,019.89	33,986.05	1,084,740.45
Support Services:							
Salaries	491,337.22	12,709.00	10,246.50				468,381.72
Personnel Services-Employee Benefits	158,164.84	88,819.47	23,872.21				45,473.16
Other Purchased Services	385,134.56	23,519.00	66,838.00		1,412.58		293,364.98
General Supplies	154,887.23	43,294.67	18,962.44	869.90	809.41	164.95	90,785.86
Misc Expenditure	98,890.93						98,890.93
Total Support Services	1,288,414.78	168,342.14	119,919.15	869.90	2,221.99	164.95	996,896.65
Facilities Acquisition and Construction Services:							
Instructional Equipment	9,006.12					2,150.00	6,856.12
Total Expenditures	\$ 2,885,700.53	\$ 495,169.33	\$ 258,625.20	\$ 869.90	\$ 6,241.88	\$ 36,301.00	\$ 2,088,493.22

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Total Carried Forward	I.D.E.A.		N.J. Nonpublic Auxiliary Services, Ch. 192, L.1977			Total Brought Forward
		Basic 2012-2013	Preschool 2012-2013	Compensatory Education	Home Instruction	Transportation	
REVENUES:							
Local Sources	\$ 83,422.99						\$ 83,422.99
State Sources	384,885.86			\$ 151,734.00	\$ 8,381.55	\$ 31,246.92	193,523.39
Federal Sources	1,620,184.37	\$ 1,569,280.51	\$ 50,903.86				-
Total Revenues	\$ 2,088,493.22	\$ 1,569,280.51	\$ 50,903.86	\$ 151,734.00	\$ 8,381.55	\$ 31,246.92	\$ 276,946.38
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 6,849.22						\$ 6,849.22
Other Purchased Services	34,600.00	\$ 9,600.00	\$ 25,000.00				
Tuition	600,000.00	600,000.00					
General Supplies	95,222.27	84,653.05	10,388.57				180.65
Textbooks	26,526.00						26,526.00
Misc Expenditure	321,542.96			\$ 151,734.00	\$ 8,381.55	\$ 31,246.92	130,180.49
Total Instruction	1,084,740.45	694,253.05	35,388.57	151,734.00	8,381.55	31,246.92	163,736.36
Support Services:							
Salaries	468,381.72	468,381.72					
Personnel Services-Employee Benefits	45,473.16	45,473.16					
Other Purchased Services	293,364.98	283,169.98	6,745.00				3,450.00
General Supplies	90,785.86	78,002.60	1,914.17				10,869.09
Misc Expenditure	98,890.93						98,890.93
Total Support Services	996,896.65	875,027.46	8,659.17	-	-	-	113,210.02
Facilities Acquisition and Construction Services:							
Instructional Equipment	6,856.12		6,856.12				
Total Expenditures	\$ 2,088,493.22	\$ 1,569,280.51	\$ 50,903.86	\$ 151,734.00	\$ 8,381.55	\$ 31,246.92	\$ 276,946.38

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures -- Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

	Total Carried Forward	N.J. Nonpublic Nursing	N.J. Nonpublic Textbook Aid, Ch. 194, L. 1979	N.J. Handicapped Services, Ch. 193, L.1977			Total Brought Forward
				Corrective Speech	Examination and Classification	Supplemental Instruction	
REVENUES:							
Local Sources	\$ 83,422.99						\$ 83,422.99
State Sources	193,523.39	\$ 36,816.90	\$ 26,526.00	\$ 54,605.88	\$ 35,034.72	\$ 25,809.36	14,730.53
Federal Sources	-						
Total Revenues	\$ 276,946.38	\$ 36,816.90	\$ 26,526.00	\$ 54,605.88	\$ 35,034.72	\$ 25,809.36	\$ 98,153.52
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 6,849.22						\$ 6,849.22
Other Purchased Services							
Tuition							
General Supplies	180.65						180.65
Textbooks	26,526.00		\$ 26,526.00				
Misc Expenditure	130,180.49			\$ 54,605.88	\$ 35,034.72	\$ 25,809.36	14,730.53
Total Instruction	163,736.36	\$ -	26,526.00	54,605.88	35,034.72	25,809.36	21,760.40
Support Services:							
Salaries							
Personnel Services-Employee Benefits							
Other Purchased Services	3,450.00						3,450.00
General Supplies	10,869.09						10,869.09
Misc Expenditure	98,890.93	\$ 36,816.90					62,074.03
Total Support Services	113,210.02	36,816.90	-	-	-	-	76,393.12
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Expenditures	\$ 276,946.38	\$ 36,816.90	\$ 26,526.00	\$ 54,605.88	\$ 35,034.72	\$ 25,809.36	\$ 98,153.52

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Total Carried <u>Forward</u>	N.J. Nonpublic <u>Technology</u>	N.J. Auxiliary Ch. 192, L.1977 <u>E.S.L.</u>	Local Grants
REVENUES:				
Local Sources	\$ 83,422.99			\$ 83,422.99
State Sources	14,730.53	\$ 9,785.45	\$ 4,945.08	
Federal Sources	-			
	<hr/>			
Total Revenues	<u>\$ 98,153.52</u>	<u>\$ 9,785.45</u>	<u>\$ 4,945.08</u>	<u>\$ 83,422.99</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	\$ 6,849.22			\$ 6,849.22
Other Purchased Services				
Tuition				
General Supplies	180.65			180.65
Textbooks				
Misc Expenditure	14,730.53	\$ 9,785.45	\$ 4,945.08	
	<hr/>			
Total Instruction	<u>21,760.40</u>	<u>9,785.45</u>	<u>4,945.08</u>	<u>7,029.87</u>
Support Services:				
Salaries				
Personnel Services-Employee Benefits				
Other Purchased Services	3,450.00			3,450.00
General Supplies	10,869.09			10,869.09
Misc Expenditure	62,074.03			62,074.03
	<hr/>			
Total Support Services	<u>76,393.12</u>	<u>-</u>	<u>-</u>	<u>76,393.12</u>
Facilities Acquisition and Construction Services:				
Instructional Equipment				
	<hr/>			
Total Expenditures	<u>\$ 98,153.52</u>	<u>\$ 9,785.45</u>	<u>\$ 4,945.08</u>	<u>\$ 83,422.99</u>

CAPITAL PROJECTS FUND

Township of Monroe School District
CAPITAL PROJECTS FUND
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2013

<u>Project Title</u>	<u>Original Date</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Total Expenditures</u>	<u>Unexpended Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>		
(a) Additions & Alterations to the Williamstown High School	03/23/07	\$ 9,787,167.79	\$ 9,722,791.40	\$ 64,376.39	\$ 9,787,167.79	
i Additions & Alterations to the Williamstown Middle School	03/23/07	8,750,611.21	8,750,611.21	-	8,750,611.21	
ii Additions & Alterations to the Holly Glen Elementary School	03/23/07	4,346,154.23	4,333,792.98	12,361.25	4,346,154.23	
iii Additions & Alterations to the Oak Knoll Elementary School	03/23/07	12,360,113.28	12,360,113.28	-	12,360,113.28	
iv Additions & Alterations to the Radix Elementary School	03/23/07	4,975,689.57	4,975,689.57	-	4,975,689.57	
v Additions & Alterations to the White Hall Elementary School	03/23/07	3,400,221.72	3,400,221.72	-	3,400,221.72	
(b) Acquisition and Renovation of an Administration Building	06/27/13	1,000,000.00		-		\$ 1,000,000.00
		<u>\$ 44,619,957.80</u>	<u>\$ 43,543,220.16</u>	<u>\$ 76,737.64</u>	<u>\$ 43,619,957.80</u>	<u>\$ 1,000,000.00</u>
Reserved for Encumbrances						\$ 350,000.00
Designated for Subsequent Years' Expenditures						650,000.00
						<u>\$ 1,000,000.00</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

Revenues and Other Financing Sources

Transfer from Capital Reserve	<u>\$ 1,000,000.00</u>
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Expenditures and Other Financing Uses

Purchased Professional and Technical Services	\$ 2,950.07
Construction Services	73,787.57
Transfer to Repayment of Debt	<u>19,042.20</u>

Total Expenditures and Other Financing Uses	<u>95,779.84</u>
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Deficiency of Revenues Under Expenditures	904,220.16
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Fund Balance -- July 1	<u>95,779.84</u>
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Fund Balance -- June 30	<u>\$ 1,000,000.00</u>
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TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at the Williamstown High School
For the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 10,167,755.51		\$ (380,587.72)	\$ 9,787,167.79	\$ 9,787,167.79
Total Revenues	10,167,755.51	\$ -	(380,587.72)	9,787,167.79	9,787,167.79
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	869,160.60	1,238.82		870,399.42	870,399.42
Construction Services	8,853,630.80	63,137.57		8,916,768.37	8,916,768.37
Total Expenditures	9,722,791.40	64,376.39	-	9,787,167.79	9,787,167.79
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 444,964.11	\$ (64,376.39)	\$ (380,587.72)	\$ -	\$ -
Additional Project Information:					
Project Number	3280-050-06-1000				
Grant Date	N/A				
Bond Authorization Date	03/23/07				
Bonds Authorized	\$ 10,202,198.00				
Bonds Issued	10,202,198.00				
Original Authorized Cost	10,202,198.00				
Additional Authorized Cost	(415,030.21)				
Revised Authorized Cost	9,787,167.79				
Percentage Increase over Original Authorized Cost	-4.07%				
Percentage Completion	100.00%				

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Addition and Alterations to the Williamstown Middle School
For the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 8,715,707.38		\$ 34,903.83	\$ 8,750,611.21	\$ 8,750,611.21
Total Revenues	8,715,707.38	\$ -	34,903.83	8,750,611.21	8,750,611.21
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	884,086.23			884,086.23	884,086.23
Construction Services	7,866,524.98			7,866,524.98	7,866,524.98
Total Expenditures	8,750,611.21	-	-	8,750,611.21	8,750,611.21
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (34,903.83)	\$ -	\$ 34,903.83	\$ -	\$ -
Additional Project Information:					
Project Number	3280-110-06-1000				
Grant Date	N/A				
Bond Authorization Date	03/23/07				
Bonds Authorized	\$ 11,054,207.00				
Bonds Issued	11,054,207.00				
Original Authorized Cost	11,054,207.00				
Additional Authorized Cost	(2,303,595.79)				
Revised Authorized Cost	8,750,611.21				
Percentage Increase over Original Authorized Cost	-20.84%				
Percentage Completion	100.00%				

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at Holly Glen Elementary School
For the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 4,278,136.49		\$ 68,017.74	\$ 4,346,154.23	\$ 4,346,154.23
Total Revenues	4,278,136.49	\$ -	68,017.74	4,346,154.23	4,346,154.23
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	445,355.33	1,711.25		447,066.58	447,066.58
Construction Services	3,888,437.65	10,650.00		3,899,087.65	3,899,087.65
Total Expenditures	4,333,792.98	12,361.25	-	4,346,154.23	4,346,154.23
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (55,656.49)	\$ (12,361.25)	\$ 68,017.74	\$ -	\$ -
Additional Project Information:					
Project Number	3280-075-06-1000				
Grant Date	N/A				
Bond Authorization Date	03/23/07				
Bonds Authorized	\$ 4,343,136.00				
Bonds Issued	4,343,136.00				
Original Authorized Cost	4,343,136.00				
Additional Authorized Cost	3,018.23				
Revised Authorized Cost	4,346,154.23				
Percentage Increase over Original Authorized Cost	0.07%				
Percentage Completion	100.00%				

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations to the Oak Knoll Elementary School
For the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 12,329,727.45		\$ 30,385.83	\$ 12,360,113.28	\$ 12,360,113.28
Total Revenues	12,329,727.45	\$ -	30,385.83	12,360,113.28	12,360,113.28
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	832,358.53			832,358.53	832,358.53
Construction Services	11,527,754.75			11,527,754.75	11,527,754.75
Total Expenditures	12,360,113.28	-	-	12,360,113.28	12,360,113.28
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (30,385.83)	\$ -	\$ 30,385.83	\$ -	\$ -
Additional Project Information:					
Project Number	3280-090-06-1000				
Grant Date	N/A				
Bond Authorization Date	03/23/07				
Bonds Authorized	\$ 9,794,728.00				
Bonds Issued	9,794,728.00				
Original Authorized Cost	9,794,728.00				
Additional Authorized Cost	2,565,385.28				
Revised Authorized Cost	12,360,113.28				
Percentage Increase over Original Authorized Cost	26.19%				
Percentage Completion	100.00%				

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at Radix Elementary School
For the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 4,693,300.18		\$ 282,389.39	\$ 4,975,689.57	\$ 4,975,689.57
Total Revenues	4,693,300.18	\$ -	282,389.39	4,975,689.57	4,975,689.57
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	448,016.51			448,016.51	448,016.51
Construction Services	4,527,673.06			4,527,673.06	4,527,673.06
Total Expenditures	4,975,689.57	-	-	4,975,689.57	4,975,689.57
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (282,389.39)	\$ -	\$ 282,389.39	\$ -	\$ -
Additional Project Information:					
Project Number	3280-095-06-1000				
Grant Date	N/A				
Bond Authorization Date	03/23/07				
Bonds Authorized	\$ 4,745,358.00				
Bonds Issued	4,745,358.00				
Original Authorized Cost	4,745,358.00				
Additional Authorized Cost	230,331.57				
Revised Authorized Cost	4,975,689.57				
Percentage Increase over Original Authorized Cost	4.85%				
Percentage Completion	100.00%				

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Additions and Alterations at the White Hall Elementary School
For the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Reclassification</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds and Transfers	\$ 3,454,372.99		\$ (54,151.27)	\$ 3,400,221.72	\$ 3,400,221.72
Total Revenues	3,454,372.99	\$ -	(54,151.27)	3,400,221.72	3,400,221.72
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	322,307.42			322,307.42	322,307.42
Construction Services	3,077,914.30			3,077,914.30	3,077,914.30
Total Expenditures	3,400,221.72	-	-	3,400,221.72	3,400,221.72
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 54,151.27	\$ -	\$ (54,151.27)	\$ -	\$ -
Additional Project Information:					
Project Number	3280-100-06-1000				
Grant Date	N/A				
Bond Authorization Date	03/23/07				
Bonds Authorized	\$ 3,496,373.00				
Bonds Issued	3,496,373.00				
Original Authorized Cost	3,496,373.00				
Additional Authorized Cost	(96,151.28)				
Revised Authorized Cost	3,400,221.72				
Percentage Increase over Original Authorized Cost	-2.75%				
Percentage Completion	100.00%				

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Acquisition and Renovation of an Administration Building
For the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve		\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Total Revenues	\$ -	1,000,000.00	1,000,000.00	1,000,000.00
Expenditures and Other Financing Uses				
Construction Services				1,000,000.00
Total Expenditures	-	-		1,000,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 1,000,000.00	\$ 1,000,000.00	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,000,000.00
Additional Authorized Cost	-
Revised Authorized Cost	1,000,000.00
Estimated Completion Date	6/30/2017
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%

PROPRIETARY FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Net Position
As of June 30, 2013

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 411,110.25		\$ 411,110.25
Intergovernmental Accounts Receivable:			
State	2,057.65		2,057.65
Federal	29,806.04		29,806.04
Other Accounts Receivable	4,407.93		4,407.93
Due from Other Funds		\$ 36,762.55	36,762.55
Inventories	35,130.69		35,130.69
Total Current Assets	482,512.56	36,762.55	519,275.11
Plant Property & Equipment: (Net of Accumulated Depreciation)	290,374.00		290,374.00
Total Assets	772,886.56	36,762.55	809,649.11
LIABILITIES:			
Current Liabilities:			
Due to Other Funds		36,762.50	36,762.50
Accounts Payable	82,435.57		82,435.57
Unearned Revenue	45,290.74		45,290.74
Total Liabilities	127,726.31	36,762.50	164,488.81
NET POSITION:			
Net Investment in Capital Assets	290,374.00		290,374.00
Unrestricted	354,786.25	0.05	354,786.30
Total Net Position	\$ 645,160.25	\$ 0.05	\$ 645,160.30

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,185,759.46		\$ 1,185,759.46
Services Provided to Other Funds		\$ 221,481.00	221,481.00
Total Operating Revenues	1,185,759.46	221,481.00	1,407,240.46
OPERATING EXPENSES:			
Salaries	966,079.45		966,079.45
Other Purchased Services	139,982.64	221,481.00	361,463.64
Management Fees	140,945.36		140,945.36
Cost of Sales	905,253.46		905,253.46
Depreciation	29,768.00		29,768.00
Total Operating Expenses	2,182,028.91	221,481.00	2,403,509.91
Operating Loss	(996,269.45)	-	(996,269.45)
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	21,376.49		21,376.49
Federal Sources:			
National School Lunch Program	691,124.26		691,124.26
National School Breakfast Program	104,238.36		104,238.36
National School Milk Program	5,987.54		5,987.54
Food Distribution Program	157,396.76		157,396.76
Loss on Disposal of Fixed Assets	(298.00)		(298.00)
Total Non-operating Revenue	979,825.41	-	979,825.41
Change in Net Position	(16,444.04)	-	(16,444.04)
Net Position - Beginning	661,604.29	0.05	661,604.34
Net Position - Ending	\$ 645,160.25	\$ 0.05	\$ 645,160.30

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>	<u>Transportation Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 1,199,578.03	\$ 190,920.21	\$ 1,390,498.24
Payments to Employees	(966,079.45)		(966,079.45)
Payments to Suppliers	(1,019,426.07)	(190,920.21)	(1,210,346.28)
Net Cash Used for Operating Activities	<u>(785,927.49)</u>	-	<u>(785,927.49)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	19,850.95		19,850.95
Federal Sources	948,422.92		948,422.92
Capital Acquisitions	(2,575.00)		(2,575.00)
Net Cash Provided by Non-Capital Financing Activities	<u>965,698.87</u>	-	<u>965,698.87</u>
Net (Decrease) in Cash and Cash Equivalents	179,771.38	-	179,771.38
Cash and Cash Equivalents -- July 1	<u>231,338.87</u>	-	<u>231,338.87</u>
Cash and Equivalents -- June 30	<u>\$ 411,110.25</u>	<u>\$ -</u>	<u>\$ 411,110.25</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	\$ (996,269.45)		\$ (996,269.45)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:			
Depreciation	29,768.00		29,768.00
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	7,890.81	\$ (30,560.79)	(22,669.98)
(Increase) Decrease in Interfund Receivable	157,619.07		157,619.07
(Increase) Decrease in Inventory	5,008.49		5,008.49
Increase (Decrease) in Unearned Revenue	919.27		919.27
Increase (Decrease) in Accounts Payable	9,136.32	30,560.79	39,697.11
Net Cash Used for Operating Activities	<u>\$ (785,927.49)</u>	<u>\$ -</u>	<u>\$ (785,927.49)</u>

FIDUCIARY FUNDS

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

	Trust Funds		Agency Funds		Total
	Unemployment Trust	Private- Scholarship	Student Activity	Payroll	
ASSETS:					
Cash and Cash Equivalents	\$ 135,753.76	\$119,536.75	\$386,303.78	\$348,671.78	\$ 990,266.07
Due from Other Funds		15,317.61		3,821.88	19,139.49
Total Assets	<u>135,753.76</u>	<u>134,854.36</u>	<u>386,303.78</u>	<u>352,493.66</u>	<u>1,009,405.56</u>
LIABILITIES:					
Due to Other Funds	3,771.58		52,080.16	22,532.28	78,384.02
Payable to State	3,861.67				3,861.67
Payroll Deductions and Withholdings				329,961.38	329,961.38
Payable to Student Groups			334,223.62		334,223.62
Total Liabilities	<u>7,633.25</u>	<u>-</u>	<u>\$ 386,303.78</u>	<u>\$ 352,493.66</u>	<u>746,430.69</u>
Net Position:					
Reserved for Scholarships		134,854.36			134,854.36
Held in Trust for Unemployment Claims and Other Purposes	<u>128,120.51</u>				<u>128,120.51</u>
Total Net Position	<u>\$ 128,120.51</u>	<u>\$134,854.36</u>			<u>\$ 262,974.87</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2013

	<u>Private Purpose Scholarship</u>	<u>Unemployment Compensation Insurance</u>	<u>Total</u>
ADDITIONS:			
Local Sources:			
Interest on Investments	\$ 720.28	\$ 411.07	\$ 1,131.35
Donations	59,700.66		59,700.66
Deductions from Employees' Salaries		67,944.88	67,944.88
Total Additions	<u>60,420.94</u>	<u>68,355.95</u>	<u>128,776.89</u>
DEDUCTIONS:			
Scholarship Payments	27,650.00		27,650.00
Unemployment Compensation Claims		21,806.78	21,806.78
Total Deductions	<u>27,650.00</u>	<u>21,806.78</u>	<u>49,456.78</u>
Change in Net Position	<u>32,770.94</u>	<u>46,549.17</u>	<u>79,320.11</u>
Net Position - Beginning	<u>102,083.42</u>	<u>81,571.34</u>	<u>183,654.76</u>
Net Position - Ending	<u>\$ 134,854.36</u>	<u>\$ 128,120.51</u>	<u>\$ 262,974.87</u>

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

<u>School</u>	<u>Balance June 30, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2013</u>
Holly Glen	\$ 3,059.87	\$ 13,196.65	\$ 11,907.85	\$ 4,348.67
Radix	4,391.11	1,296.49	1,352.35	4,335.25
Oak Knoll	687.34	416.66	613.34	490.66
Whitehall	3,023.21	16,413.56	17,169.99	2,266.78
Williamstown Middle School	104,966.30	199,084.86	175,575.29	128,475.87
Williamstown High School	133,612.63	683,425.91	679,390.49	137,648.05
Due to Scholarship Account	15,472.81	27,494.80	27,650.00	15,317.61
Athletic Account	66,142.39	104,496.48	77,217.98	93,420.89
	<u>\$ 331,355.66</u>	<u>\$ 1,045,825.41</u>	<u>\$ 990,877.29</u>	<u>\$ 386,303.78</u>

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

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 455,447.77	\$ 47,360,286.96	\$ 47,467,062.95	\$ 348,671.78
Due from Other Funds	3,872.03	68,975.78	69,025.93	3,821.88
Total Assets	<u>\$ 459,319.80</u>	<u>\$ 47,429,262.74</u>	<u>\$ 47,536,088.88</u>	<u>\$ 352,493.66</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 313,073.88	\$ 19,781,186.23	\$ 19,764,298.73	\$ 329,961.38
Due to Other Funds	146,245.92	925,741.54	1,049,455.18	22,532.28
Net Payroll		26,722,334.97	26,722,334.97	
Total Liabilities	<u>\$ 459,319.80</u>	<u>\$ 47,429,262.74</u>	<u>\$ 47,536,088.88</u>	<u>\$ 352,493.66</u>

LONG-TERM DEBT

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Serial Bonds and Loans Payable
 For the Fiscal Year Ended June 30, 2013

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2012</u>	<u>Retired</u>	<u>Balance June 30, 2013</u>
Construction of New High School	11/15/93	\$15,998,000	08/01/13	\$ 775,000.00	5.20%			
			08/01/14	825,000.00	5.20%			
			08/01/15	825,000.00	5.20%			
			08/01/16	875,000.00	5.20%			
			08/01/17	875,000.00	5.20%			
			08/01/18	898,000.00	5.20%			
				<u>5,073,000.00</u>				\$ 5,823,000.00
New Jersey Economic Development Authority Loan - Construction of New High School	08/15/93	15,000,000	07/15/13	<u>789,473.68</u>	1.50%			
				<u>789,473.68</u>			1,578,947.36	789,473.68
Construction of Additions to Various Schools	03/01/07	43,639,000	03/01/14	390,000.00	4.125%			
			03/01/15	440,000.00	4.125%			
			03/01/16	600,000.00	4.125%			
			03/01/17	710,000.00	4.125%			
			03/01/18	900,000.00	4.125%			
			03/01/19	1,060,000.00	4.125%			
			03/01/20	1,830,000.00	4.125%			
			03/01/21	2,020,000.00	4.125%			
			03/01/22	2,180,000.00	4.250%			
			03/01/23	2,450,000.00	4.250%			
			03/01/24	2,590,000.00	4.250%			
			03/01/25	2,770,000.00	4.250%			
			03/01/26	2,950,000.00	4.250%			
			03/01/27	3,150,000.00	4.250%			
03/01/28	3,350,000.00	4.250%						
03/01/29	3,560,000.00	4.500%						

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Serial Bonds and Loans Payable
 For the Fiscal Year Ended June 30, 2013

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2012</u>	<u>Retired</u>	<u>Balance June 30, 2013</u>
Construction of Additions to Various Schools (Cont'd)	03/01/07	\$43,639,000	03/01/30	\$ 3,630,000.00	4.500%			
			03/01/31	3,865,000.00	4.500%			
			03/01/32	<u>4,114,000.00</u>	4.500%			
				<u>42,559,000.00</u>		\$ 42,879,000.00	\$ 320,000.00	\$ 42,559,000.00
Refunding Bonds, Series 2010	05/12/10	11,995,000	03/01/14	1,005,000.00	2.25%			
			03/01/15	1,050,000.00	4.00%			
			03/01/16	1,075,000.00	3.00%			
			03/01/17	1,100,000.00	4.00%			
			03/01/18	1,125,000.00	4.25%			
			03/01/19	1,135,000.00	5.00%			
			03/01/20	1,145,000.00	4.50%			
			03/01/21	1,150,000.00	5.00%			
			03/01/22	<u>1,185,000.00</u>	5.00%			
				<u>9,970,000.00</u>		10,935,000.00	965,000.00	9,970,000.00
					<u>\$ 61,215,947.36</u>	<u>\$ 2,824,473.68</u>	<u>\$ 58,391,473.68</u>	
							Add: Premium	<u>\$ 415,261.43</u>
								<u>\$ 58,806,735.11</u>

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

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate</u> <u>Payable</u>	<u>Amount Outstanding</u> <u>June 30, 2012</u>	<u>Additions</u> <u>Current Year</u>	<u>Reductions</u> <u>Current Year</u>	<u>Amount</u>
			<u>Principal</u>	<u>Interest</u>					<u>Amount Outstanding</u> <u>June 30, 2013</u>
Eplus	7/12/2010	4 Years	\$ 1,460,639.13	\$ 78,943.56	5.69%	\$ 716,958.63		\$ 348,393.33	\$ 368,565.30
Eplus	7/2/2012	4 Years	663,459.51	25,264.85	4.36%		\$ 663,459.51	335,940.57	327,518.94
						<u>\$ 716,958.63</u>	<u>\$ 663,459.51</u>	<u>\$ 684,333.90</u>	<u>\$ 696,084.24</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
DEBT SERVICE FUND
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 3,959,314.00	\$ 3,959,314.00	
State Sources:			
Debt Service Aid Type II	1,398,121.00	1,398,121.00	
Total Revenues	5,357,435.00	5,357,435.00	\$ -
EXPENDITURES:			
Regular Debt Service:			
Interest	2,603,302.00	2,603,301.66	0.34
Redemption of Principal	2,824,494.00	2,824,473.68	20.32
Total Regular Debt Service	5,427,796.00	5,427,775.34	20.66
Total Expenditures	5,427,796.00	5,427,775.34	20.66
Excess (Deficiency) of Revenues Over Expenditures	(70,361.00)	(70,340.34)	20.66
Other Financing Sources:			
Transfer from Capital Projects Fund		19,042.20	19,042.20
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(70,361.00)	(51,298.14)	19,062.86
Fund Balance July 1, 2012	70,361.52	70,361.52	
Fund Balance June 30, 2013 -- Unreserved Designated for Subsequent Year	\$ 0.52	\$ 19,063.38	\$ 19,062.86
Restricted for:			
Debt Service - Designated for Subsequent Year's Expenditure (Fiscal Year 2014)		\$ 21.00	
Debt Service - Designated for Subsequent Year's Expenditure (Fiscal Year 2015)		19,042.38	
		\$ 19,063.38	

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that in fiscal year 2013, the School District implemented Governmental Accounting Standards Boards Statement 63 and 65. Exhibits J-1 and J-2 do not reflect the cumulative effects of the changes in accounting principles that are a result of GASB 63 and 65 in years prior to 2013.

Township of Monroe Board of Education
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:										
Investment in Capital Assets	\$ 35,522,429	\$ 34,928,301	\$ 33,586,840	\$ 32,052,982	\$ 22,859,005	\$ 31,997,727	\$ 34,523,971	\$ 32,376,220	\$ 61,645,012	\$ 12,060,383
Restricted	11,220,190	8,280,620	8,502,897	6,400,976	2,113,885	1,593,775	1,992,071	3,476,815	5,978,669	23,152,191
Unrestricted (Deficit)	(7,428,501)	(6,288,319)	(9,515,280)	(10,043,591)	1,854,868	(2,717,481)	(3,634,106)	(2,929,321)	(2,383,514)	(972,477)
Total Governmental Activities Net Position	\$ 39,314,117	\$ 36,920,602	\$ 32,574,457	\$ 28,410,367	\$ 26,827,758	\$ 30,874,022	\$ 32,881,936	\$ 32,923,714	\$ 65,240,168	\$ 34,240,097
Business-type Activities:										
Net Investment in Capital Assets	\$ 290,374	\$ 317,865	\$ 255,545	\$ 284,243	\$ 138,157	\$ 138,157	\$ 153,632	\$ 149,881	\$ 218,707	\$ 148,480
Unrestricted	354,786	343,739	335,977	280,432	294,097	335,430	316,467	16,858	15,323	83,035
Total Business-type Activities Net Position	\$ 645,160	\$ 661,604	\$ 591,522	\$ 564,675	\$ 432,254	\$ 473,587	\$ 470,099	\$ 166,739	\$ 234,030	\$ 231,515
District-wide:										
Net Investment in Capital Assets	\$ 35,812,803	\$ 35,246,166	\$ 33,842,385	\$ 32,337,225	\$ 22,997,162	\$ 32,135,884	\$ 34,677,603	\$ 32,526,101	\$ 61,863,720	\$ 12,208,863
Restricted	11,220,190	8,280,620	8,502,897	6,400,976	2,113,885	1,593,775	1,992,071	3,476,815	5,978,669	23,152,191
Unrestricted	(7,073,715)	(5,944,580)	(9,179,303)	(9,763,159)	2,148,965	(2,382,050)	(3,317,640)	(2,912,463)	(2,368,191)	(889,442)
Total District-wide Net Position	\$ 39,959,277	\$ 37,582,206	\$ 33,165,979	\$ 28,975,042	\$ 27,260,012	\$ 31,347,609	\$ 33,352,035	\$ 33,090,453	\$ 65,474,198	\$ 34,471,612

Township of Monroe Board of Education
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 23,096,243	\$ 22,623,828	\$ 22,834,580	\$ 24,185,844	\$ 23,684,838	\$ 23,789,884	\$ 22,662,294	\$ 21,933,942	\$ 18,770,149	\$ 18,135,953
Special Education	7,359,155	7,319,381	6,688,837	6,491,757	7,071,804	6,604,007	6,037,375	6,414,697	5,565,576	3,977,496
Other Special Instruction	1,616,900	1,617,349	126,907	124,038	96,779	127,193	167,165	84,111	27,017	27,347
Vocational	99,880	83,503	71,921	51,373	35,875	66,190	125,134	93,812	90,587	74,502
Other Instruction	1,066,166	1,002,703	1,707,506	1,475,145	1,979,439	1,520,893	858,607	828,082	707,587	726,154
Support Services:										
Tuition										3,189,117
Student and Instruction Related Services	13,321,294	11,541,560	10,698,606	10,220,473	9,982,333	9,649,091	8,866,873	7,744,772	7,964,382	5,697,390
School Administrative Services	3,164,330	3,111,907	2,983,636	3,080,612	3,405,484	3,155,515	3,311,850	3,101,872	2,992,929	3,156,445
General and Business Administrative Services	2,812,590	2,830,610	2,529,713	2,456,035	2,321,711	2,472,561	2,346,489	2,469,274	2,313,769	1,432,185
Plant Operations and Maintenance	7,668,365	7,859,435	8,025,792	7,977,816	7,694,982	7,133,599	6,389,645	6,039,492	5,140,369	4,985,908
Pupil Transportation	5,413,803	5,010,697	5,436,657	5,526,479	5,417,884	5,439,734	4,800,555	4,385,100	3,924,235	3,677,251
Business and Other Support Services										303,964
Unallocated Benefits	18,871,589	17,282,059	16,537,269	17,297,252	16,639,661	14,737,600	13,876,066	10,884,205	12,517,729	8,675,540
Transfer to Charter Schools	34,400	22,495								
Amortization of Debt Issue Costs		16,199	16,199	2,319	2,319	2,319	4,617	3,825	3,825	3,850
Capital Outlay Expensed				80,936	2,003,522					
Interest Expense	2,561,990	2,662,704	2,613,224	2,769,025	3,564,543	2,329,942	2,103,438	2,515,786	1,455,741	2,108,719
Unallocated Depreciation	3,067,967	3,052,166	2,993,292	1,608,783	2,035,612	1,912,966	1,932,313	440,758	39,174	1,445,479
Total Governmental Activities Expenses	90,154,672	86,036,596	83,264,139	83,347,887	85,936,786	78,941,494	73,482,420	66,939,730	61,513,069	57,617,300
Business-type Activities:										
Food Service	2,182,029	2,189,284	2,104,658	2,119,545	2,079,704	2,311,067	1,983,783	2,174,218	1,945,673	1,676,138
Other	221,481	218,613	237,050	220,949	220,544	245,665	231,689	141,757	118,784	
Total Business-type Activities Expense	2,403,510	2,407,897	2,341,708	2,340,493	2,300,248	2,556,733	2,215,472	2,315,975	2,064,457	1,676,138
Total District Expenses	\$ 92,558,182	\$ 88,444,493	\$ 85,605,847	\$ 85,688,381	\$ 88,237,034	\$ 81,498,227	\$ 75,697,893	\$ 69,255,705	\$ 63,577,526	\$ 59,293,438

(Continued)

Township of Monroe Board of Education
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction: Tuition	\$ 493,982	\$ 440,587	\$ 524,301	\$ 370,346	\$ 275,373	\$ 121,298	\$ 63,413	\$ 150,976	\$ 49,931	\$ 70,486
Operating Grants and Contributions	7,847,525	6,573,587	6,597,101	8,611,555	9,579,948	10,850,064	10,029,252	7,999,289	7,617,924	3,831,250
Capital Grants and Contributions	9,006	18,527	45,323			9,022	171,683	29,463	25,324	
Total Governmental Activities Program Revenues	<u>8,350,513</u>	<u>7,032,701</u>	<u>7,166,725</u>	<u>8,981,901</u>	<u>9,855,321</u>	<u>10,980,385</u>	<u>10,264,348</u>	<u>8,179,728</u>	<u>7,693,179</u>	<u>3,901,736</u>
Business-type activities:										
Charges for services										
Food Service	1,185,759	1,316,040	1,313,400	1,318,729	1,332,495	1,371,604	1,382,495	1,342,584	1,193,776	1,172,813
Other	221,481	218,613	237,050	220,949	287,497	291,660	231,673	141,757	118,554	
Operating Grants and Contributions	980,123	943,327	823,107	934,939	798,064	745,051	642,443	636,170	514,772	490,373
Total Business-type Activities Program Revenues	<u>2,387,364</u>	<u>2,477,980</u>	<u>2,373,557</u>	<u>2,474,617</u>	<u>2,418,057</u>	<u>2,408,315</u>	<u>2,256,611</u>	<u>2,120,512</u>	<u>1,827,103</u>	<u>1,663,186</u>
Total District Program Revenues	<u>\$ 10,737,877</u>	<u>\$ 9,510,681</u>	<u>\$ 9,540,282</u>	<u>\$ 11,456,518</u>	<u>\$ 12,273,378</u>	<u>\$ 13,388,700</u>	<u>\$ 12,520,959</u>	<u>\$ 10,300,239</u>	<u>\$ 9,520,281</u>	<u>\$ 5,564,922</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (81,804,159)	\$ (79,003,895)	\$ (76,097,414)	\$ (74,365,986)	\$ (76,081,465)	\$ (67,961,109)	\$ (63,218,072)	\$ (58,760,002)	\$ (53,819,890)	\$ (53,715,564)
Business-type Activities	(16,146)	70,083	31,849	134,123	117,809	(148,417)	41,138	(195,464)	(237,354)	(12,952)
Total District-wide Net Expense	<u>\$ (81,820,305)</u>	<u>\$ (78,933,812)</u>	<u>\$ (76,065,565)</u>	<u>\$ (74,231,863)</u>	<u>\$ (75,963,656)</u>	<u>\$ (68,109,527)</u>	<u>\$ (63,176,933)</u>	<u>\$ (58,955,466)</u>	<u>\$ (54,057,245)</u>	<u>\$ (53,728,516)</u>

(Continued)

Township of Monroe Board of Education
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 46,167,090	\$ 46,167,090	\$ 45,367,831	\$ 42,200,832	\$ 38,763,923	\$ 38,764,596	\$ 36,770,924	\$ 33,865,573	\$ 29,367,845	\$ 27,084,055
Unrestricted Grants and Contributions	36,882,482	36,882,482	34,843,390	34,295,635	31,429,531	26,487,778	25,714,865	25,324,919	25,216,600	28,253,318
Investment Earnings	64,961	64,961	48,913	105,442	788,385	1,820,498	688,473	185,560	120,385	184,126
Miscellaneous Income	253,600	253,600	100,401	219,243	941,689	131,050	356,631	342,740	299,730	260,530
Miscellaneous Expenses			(16,903)							
Loss on Disposal of Capital Assets	(18,093)	(18,093)	(65,988)	(98,497)		(368,199)	(51,558)	(528,334)		
Cancellation of Accounts Receivable/Duplicate Payables			(16,140)	(716,558)	(1,669)	(687,632)				
Transfers				(57,502)	113,342	(194,896)	(303,041)	(181,620)	(185,790)	(11,103)
Total Governmental Activities	83,350,040	83,350,040	80,261,504	75,948,595	72,035,201	65,953,195	63,176,294	59,008,838	54,818,769	55,770,926
Business-type Activities:										
Investment Earnings					1,381	4,264	902			
Cancellation of Accounts Receivable/Duplicate Payables				(1,266)						
Loss on Disposal of Capital Assets			(5,002)	(436)	(160,524)	147,643	261,319	181,620	147,013	11,103
Transfers										
Total Business-type Activities	-	-	(5,002)	(1,702)	(159,142)	151,906	262,221	181,620	147,013	11,103
Total District-wide	\$ 83,350,040	\$ 83,350,040	\$ 80,256,502	\$ 75,946,893	\$ 71,876,058	\$ 66,105,101	\$ 63,438,515	\$ 59,190,458	\$ 54,965,782	\$ 55,782,029
Change in Net Position:										
Governmental Activities	\$ 1,545,881	\$ 4,346,145	\$ 4,164,090	\$ 1,582,610	\$ (4,046,264)	\$ (2,007,914)	\$ (41,778)	\$ 248,836	\$ 998,879	\$ 2,055,362
Business-type Activities	(16,146)	70,083	26,847	132,421	(41,333)	3,489	303,360	(13,843)	(90,341)	(1,849)
Total District	\$ 1,529,735	\$ 4,416,228	\$ 4,190,937	\$ 1,715,031	\$ (4,087,598)	\$ (2,004,425)	\$ 261,582	\$ 234,992	\$ 908,538	\$ 2,053,513

Source: District Records (Exhibit A-2)

Township of Monroe Board of Education
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:										
Restricted:										
Capital Reserve Account	\$ 550	\$ 500,400	\$ 594,046	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375	\$ 20,375
Excess Surplus	7,913,796	5,532,084	5,801,016	3,410,057	1,477,459	1,234,289	2,160,027	2,100,866	1,163,644	1,576,093
Assigned:										
Other Purposes	2,014,292	1,877,333	971,837							
Subsequent Year's Expenditure		830,818	541,553							
Unassigned (Deficit)	1,559,233	1,499,026	(1,404,538)	(1,021,361)	(1,704,253)	330,777	1,475,942	1,438,551	2,233,481	422,098
Reserved										
Other				1,173,670	616,051	117,773	214,206		111,325	
Total General Fund	\$ 11,487,872	\$ 10,239,661	\$ 6,503,914	\$ 3,582,741	\$ 409,632	\$ 1,703,214	\$ 3,870,550	\$ 3,559,793	\$ 3,528,825	\$ 2,018,566
All Other Governmental Funds:										
Restricted:										
Capital Projects Fund	\$ 1,000,000	\$ 95,780	\$ 939,417	1,796,874	11,141,484	32,846,842	43,610,522	\$ 1,373,399	4,794,650	21,347,568
Special Revenue Fund	346,589	275,023	196,581	212,067	218,308	67,109	82,101			
Debt Service Fund	19,063	70,362		178,994	224,082	1,643,352	4	3	1	1
Permanent Fund										117,528
Unassigned (Deficit) - Debt Service Fund			(68,335)							
Unassigned (Deficit) - Special Revenue Fund									\$ (26,101)	\$ (26,101)
Total All Other Governmental Funds	\$ 1,365,652	\$ 441,165	\$ 1,067,663	\$ 2,187,936	\$ 11,583,875	\$ 34,557,303	\$ 43,692,627	\$ 1,373,401	\$ 4,768,551	\$ 21,438,996

Township of Monroe Board of Education
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Tax Levy	\$ 46,874,002	\$ 46,167,090	\$ 45,367,831	\$ 42,200,832	\$ 38,763,923	\$ 38,764,596	\$ 36,770,924	\$ 33,865,573	\$ 29,367,845	\$ 27,084,055
Miscellaneous	911,194	904,805	828,284	764,222	2,009,545	2,077,294	45,009,896	727,147	587,726	515,142
State Sources	42,948,655	39,576,638	38,189,996	34,767,652	38,671,344	34,883,050	33,297,671	30,698,389	30,015,639	29,283,548
Federal Sources	2,353,478	3,752,302	3,141,149	8,070,348	2,334,037	2,459,367	2,470,718	2,607,411	2,689,273	2,801,020
Total Revenue	93,087,329	90,400,835	87,527,260	85,803,054	81,778,849	78,184,306	117,549,209	67,898,520	62,660,483	59,683,765
Expenditures:										
Instruction										
Regular Instruction	23,115,299	22,909,128	23,417,601	24,444,586	24,376,422	23,308,504	22,374,821	20,095,175	18,570,932	18,135,953
Special Education Instruction	7,522,903	7,587,860	7,151,922	6,549,798	7,221,994	6,646,826	5,987,028	6,414,697	5,565,576	3,977,496
Other Special Instruction	1,595,165	1,628,382	155,393	153,058	146,843	141,466	116,817	84,111	27,017	27,347
Vocational	96,424	90,941	90,699	80,394	85,938	80,463	74,787	93,812	90,587	74,502
Other Instruction	1,061,882	1,015,413	1,772,693	1,465,040	1,966,319	1,496,371	780,842	799,065	707,587	726,154
Support Services:										
Student and Instruction Related Serv	13,232,495	11,558,848	10,867,189	10,211,163	9,971,001	9,646,530	8,751,832	8,288,185	8,251,633	8,886,507
School Administrative Services	3,141,849	3,112,649	3,025,027	3,073,330	3,399,253	3,159,859	3,181,625	3,081,492	2,980,973	3,156,445
Other Administrative Services	2,704,970	2,616,917	2,476,014	2,391,131	2,288,386	2,428,299	2,202,270	2,404,803	2,314,206	1,432,185
Plant Operations and Maintenance	7,603,882	7,853,489	8,134,807	7,947,870	7,668,271	7,138,672	6,316,738	6,009,282	5,115,956	4,985,908
Pupil Transportation	5,384,896	5,022,229	5,527,274	5,526,479	5,417,884	5,466,917	4,800,105	4,384,650	3,923,679	3,981,215
Unallocated Benefits	18,806,638	17,216,119	16,482,269	15,422,348	14,150,971	14,737,600	13,871,716	11,175,259	9,706,342	8,608,929
Transfer to Charter Schools	34,400	22,495								
Capital Outlay	1,849,512	1,259,624	2,623,647	8,574,363	24,157,460	10,931,586	2,725,642	4,816,181	17,025,398	11,732,376
Debt Service:										
Principal	2,824,474	2,714,473	2,709,474	2,469,474	2,399,474	2,194,474	2,129,474	2,059,474	2,034,474	2,009,474
Interest and Other Charges	2,603,302	2,683,019	2,687,001	2,942,792	4,910,839	1,226,871	1,302,488	1,374,893	1,445,586	2,108,719
Total Expenditures	91,578,091	87,291,586	87,121,010	91,251,824	108,161,054	88,604,438	74,616,186	71,081,081	77,759,944	69,843,210
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,509,238.87	3,109,249.00	406,250.00	(5,448,770.44)	(26,382,204.50)	(10,420,131.82)	42,933,023.55	(3,182,561.28)	(15,099,461.29)	(10,159,445.00)
Other Financing Sources (Uses):										
Premiums on Bond Anticipation Notes									37,255	
Accounts Receivable/Payable Canceled			(65,988)	(716,558)	(1,669)	(687,632)				
Capital Leases	663,460		1,460,639		2,003,522					576,273
Transfers In					160,524				20,516	123,704
Transfers Out				(57,502)	(47,182)	(194,896)	(303,041)	(181,620)	(206,307)	(134,807)
Total Other Financing Sources (Uses)	663,460	-	1,394,651	(774,060)	2,115,194	(882,528)	(303,041)	(181,620)	(148,536)	565,170
Net Change in Fund Balances	\$ 2,172,698	\$ 3,109,249	\$ 1,800,901	\$ (6,222,830)	\$ (24,267,010)	\$ (11,302,659)	\$ 42,629,982	\$ (3,364,182)	\$ (15,247,997)	\$ (9,594,275)
Debt Service as a Percentage of Noncapital Expenditures	6.0%	6.3%	6.4%	6.5%	8.7%	4.4%	4.8%	5.2%	5.7%	7.1%

Source: District Records (Exhibit B-2)

Township of Monroe Board of Education
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tuition	\$ 493,982	\$ 440,587	\$ 524,301	\$ 370,346	\$ 275,373	\$ 121,298	\$ 63,413	\$ 150,976	\$ 49,931	\$ 75,372
South Jersey Tax Rebate									151,800	
Interest on Investments	80,971	64,961	48,913	46,481	77,654	177,151	803,441	185,560	99,868	60,422
Refund of Prior Year Expenditures	43,180	135,825	10,523	21,121	15,681	40,257	12,439	1,454	150,652	72,522
Athletic Gate Receipts	17,499	20,713	4,950			3,223	235	16,373	15,656	12,481
Building Rental									46,211	
Lost Book Fees	2,997	3,579	5,342	4,879	6,151	5,918	6,449	6,005	6,463	6,863
Insurance and Claims					358,019					85,380
Miscellaneous	114,668	93,483	54,663	193,243	113,257	81,652	337,508	167,932	43,493	138
	<u>\$ 753,297</u>	<u>\$ 759,148</u>	<u>\$ 648,692</u>	<u>\$ 636,071</u>	<u>\$ 846,136</u>	<u>\$ 429,499</u>	<u>\$ 1,223,485</u>	<u>\$ 528,300</u>	<u>\$ 564,073</u>	<u>\$ 313,178</u>

Source: District Records

Revenue Capacity

Revenue Capacity is intended to assist users in understanding the revenue environment within which the School District operates. Please refer to the following exhibits for a historical view revenue statistics and factors prevalent in the location in which the School District operates.

Township of Monroe Board of Education
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
Unaudited

Year Ended <u>Dec. 31</u>	Total Assessed <u>Value</u>	Public Utilities (1)	Net Valuation <u>Taxable</u>	Tax-Exempt <u>Property</u>	Estimated (County Equalized) <u>Value</u>	Total Direct School Tax <u>Rate (2)</u>
2013	\$ 2,706,694,800	\$ 8,494,571	\$ 2,715,189,371	\$ 216,209,000	\$ 2,527,518,461	1.74
2012	2,851,419,800	9,480,951	2,860,900,751	214,680,700	2,760,682,073	1.63
2011	2,871,410,400	10,446,211	2,881,856,611	203,351,100	2,885,341,969	1.59
2010	2,888,020,100	9,728,263	2,898,748,363	203,898,700	3,033,060,120	1.51
2009	2,874,088,300	9,293,958	2,881,250,038	200,961,400	3,105,787,267	1.41
2008	2,842,526,900	9,878,892	2,852,405,792	199,862,900	2,892,526,900	1.36
2007	1,430,956,860	5,158,349	1,436,115,209	122,471,150	2,646,265,600	2.63
2006	1,369,209,660	5,813,908	1,375,023,568	120,450,750	2,196,426,660	2.57
2005	1,308,058,020	7,027,276	1,315,085,296	117,809,250	1,835,470,068	2.36
2004	1,260,705,060	7,879,158	1,268,584,218	106,676,750	1,618,341,751	2.23

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

(2) Tax rates are per \$100

Source: Gloucester County Board of Taxation

Township of Monroe Board of Education
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Special Districts</u>	<u>Township of Monroe</u>	<u>Gloucester County</u>	
2013	\$ 1.597	\$ 0.147	\$ 1.744	N/A	\$ 0.828	\$ 0.557	\$ 3.129
2012	1.490	0.137	1.627	N/A	0.717	0.529	2.873
2011	1.455	0.134	1.589	N/A	0.704	0.537	2.830
2010	1.386	0.125	1.511	N/A	0.691	0.576	2.778
2009	1.309	0.096	1.405	N/A	0.678	0.592	2.675
2008	1.271	0.088	1.359	N/A	0.628	0.562	2.549
2007	2.460	0.170	2.630	N/A	1.123	1.015	4.768
2006	2.445	0.124	2.569	N/A	1.098	0.943	4.610
2005	2.253	0.105	2.358	N/A	1.065	0.895	4.318
2004	2.094	0.131	2.225	N/A	0.907	0.795	3.927

Source: Municipal Tax Collector

Township of Monroe Board of Education
Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

<u>Taxpayer</u>	<u>2013</u>			<u>2004</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Valuation Taxable</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Wall Mart Real Estate Business Trust	\$ 22,346,400	1	0.82%			
Williamstown Inc Suisse/Walmart	13,270,200	2	0.49%			
Nationwide MHC	11,411,400	3	0.42%			
CPL (Meadowview)	10,450,000	4	0.38%			
Jefferson Village	10,250,000	5	0.38%			
Williamstown Friendly Village	9,887,700	6	0.36%			
Gardon Partnership	8,979,600	7	0.33%			
Verizon - New Jersey	8,494,571	8	0.31%			
Laurelton Village Realty	8,339,100	9	0.31%			
JWN Real Estate Investments Inc	6,327,000	10	0.23%			
Total	\$ 109,755,971		4.04%	\$ -		

Source: District CAFR & County Tax Assessor

Township of Monroe Board of Education
 Property Tax Levies and Collections
 Last Ten Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2013	\$ 46,874,002	\$ 46,874,002	100.00%
2012	46,167,090	46,167,090	100.00%
2011	45,367,831	45,367,831	100.00%
2010	42,200,832	42,200,832	100.00%
2009	38,763,923	38,763,293	100.00%
2008	38,764,596	38,764,596	100.00%
2007	36,770,924	36,770,919	100.00%
2006	33,865,573	31,426,526	100.00%
2005	29,367,845	31,002,406	100.00%
2004	27,084,055	28,225,950	100.00%

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

Debt Capacity

Debt Capacity information is intended present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future. Please refer to the following exhibits for a historical view of the debt capacity statistics and factors prevalent in the location in which the School District operates.

Township of Monroe Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (2)	Outstanding Debt Per Capital (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2013	\$ 58,806,735	-	\$ 696,084	-	-	\$ 59,502,819	Unavailable	1,642
2012	61,451,393	-	716,958	-	-	62,168,351	Unavailable	1,716
2011	63,930,421	-	1,433,328	-	-	65,363,749	4.28%	1,807
2010	66,639,895	-	837,288	-	-	67,477,183	4.91%	2,028
2009	69,241,368	-	1,301,613	-	-	70,542,981	5.33%	2,134
2008	71,640,842	-	299,361	-	-	71,940,203	5.44%	2,200
2007	73,835,316	-	584,821	-	-	74,420,137	6.11%	2,329
2006	32,970,787	-	1,183,805	-	-	34,154,592	2.98%	1,089
2005	35,005,261	-	602,091	-	-	35,607,352	3.34%	1,151
2004	37,039,735	-	970,797	-	-	38,010,532	3.80%	1,253

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

Township of Monroe Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 58,806,735	\$ -	\$ 58,806,735	2.17%	1,623
2012	61,451,393	-	61,451,393	2.15%	1,696
2011	63,930,421	-	63,930,421	2.22%	1,768
2010	66,639,895	-	66,639,895	2.30%	2,003
2009	69,241,368	-	69,241,368	2.40%	2,095
2008	71,640,842	-	71,640,842	2.51%	2,190
2007	73,835,316	-	73,835,316	5.14%	2,311
2006	32,970,787	-	32,970,787	2.40%	1,051
2005	35,005,261	-	35,005,261	2.66%	1,131
2004	37,039,735	-	37,039,735	2.92%	1,221

Sources:

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

Township of Monroe Board of Education
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis (1)

2012	2,764,959,461
2011	2,764,959,461
2010	<u>2,886,710,731</u>
	<u>\$ 8,416,629,653</u>

Average equalized valuation of taxable property \$ 2,805,543,218

Debt limit (4% of average equalization value) (2) 112,221,729
 Total Net Debt Applicable to Limit 58,806,735

Legal Debt Margin \$ 53,414,994

Fiscal Year Ended June 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$ 112,221,729	\$ 115,356,384	\$ 119,287,199	\$ 118,751,621	\$ 112,390,289	\$ 99,445,110	\$ 86,423,140	\$ 71,766,979	\$ 62,092,343	\$ 55,333,233
Total net debt applicable to limit (3)	<u>58,806,735</u>	<u>61,451,393</u>	<u>63,930,421</u>	<u>66,639,895</u>	<u>69,241,368</u>	<u>71,640,842</u>	<u>73,835,316</u>	<u>30,886,313</u>	<u>32,970,787</u>	<u>35,005,261</u>
Legal debt margin	<u>\$ 53,414,994</u>	<u>\$ 53,904,991</u>	<u>\$ 55,356,778</u>	<u>\$ 52,111,726</u>	<u>\$ 43,148,920</u>	<u>\$ 27,804,268</u>	<u>\$ 12,587,824</u>	<u>\$ 40,880,666</u>	<u>\$ 29,121,556</u>	<u>\$ 20,327,972</u>
Total net debt applicable to the limit as a percentage of debt limit	52.40%	53.27%	53.59%	56.12%	72.04%	85.43%	43.04%	53.10%	63.26%	63.26%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

Demographic and Economic Information

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

Township of Monroe Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2013	36,597	Unavailable	Unavailable	10.40%
2012	36,232	Unavailable	Unavailable	10.30%
2011	36,163	1,527,091,164	42,228	11.40%
2010	33,276	1,375,530,012	41,337	10.80%
2009	33,057	1,323,932,850	40,050	6.40%
2008	32,707	1,321,231,972	40,396	5.40%
2007	31,956	1,217,331,864	38,094	5.40%
2006	31,356	1,145,309,256	36,526	5.00%
2005	30,940	1,067,399,060	34,499	5.40%
2004	30,347	1,000,479,896	32,968	4.20%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

MONROE TOWNSHIP BOARD OF EDUCATION
 Principal Employers (Monroe Township)
 Current Year and Ten Years Ago
Unaudited

<u>2013</u>	<u>2013 (1)</u>			<u>2004 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>
MTS Systems Corporation	1,000	1	5.73%			
Monroe Township School District	877	2	5.03%			
County of Gloucester	350	3	2.01%			
Rowan University	300	4	1.72%			
Kennedy Memorial Hospital	250	5	1.43%		N/A	
Missa Bay, LLC	200	6	1.15%			
Monroe Township School District	200	7	1.15%			
U.S. Foodservices	140	8	0.80%			
DGI Services	120	9	0.69%			
Delaware Valley Wholesale Florist	80	10	0.46%			
			<u>20.16%</u>			

(1) Township Wide Information

(2) Unavailable

Source: Monroe

Operating Information

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

Township of Monroe Board of Education
 Full-time Equivalent District Employees by Function/Program
 Last Nine Fiscal Years
Unaudited

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>								
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction									
Regular	359.7	348.0	344.9	325.7	338.0	331.0	314.6	322.0	295.0
Special education	105.0	104.2	96.4	94.0	93.0	92.0	88.0	81.0	71.0
Other special education	96.0	99.2	85.8	35.0	35.0	8.0	6.5	6.0	6.0
Vocational	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other instruction	33.8	26.0	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Nonpublic school programs						5.0	5.0		
Adult/continuing education programs									
Support Services:									
Solicitor	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Student & instruction related services	119.4	107.9	91.1	50.8	63.5	42.0	39.0	43.0	35.0
General administrative services	10.6	8.0	6.8	8.0	9.0	8.0	13.0	50.0	46.0
School administrative services	45.3	61.5	65.7	191.0	203.5	218.0	203.0	142.0	119.0
Business administrative services	9.6	9.6	9.0	10.0	10.0	9.0	7.0	26.0	29.0
Plant operations and maintenance	2.0	2.0	12.2	2.0	2.0	2.0	2.0	2.0	2.0
Pupil transportation	4.8	4.6	4.6	4.0	4.0	5.0	5.0	2.0	2.0
Admin Info Tech	4.0	4.0	8.0	15.0	12.0	11.0	10.0	9.0	9.0
Total	<u>792.2</u>	<u>777.0</u>	<u>729.4</u>	<u>740.5</u>	<u>775.0</u>	<u>737.0</u>	<u>699.1</u>	<u>689.0</u>	<u>620.0</u>

Source: District Records

Township of Monroe Board of Education
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2013	6,004	\$ 91,578,091	\$15,253	4.16%	439	1:14	1:13	1:14	6,003.8	5,470.5	-0.86%	91.12%
2012	5,961	87,291,586	14,644	1.79%	452	1:15	1:13	1:13	6,055.8	5,758.2	-0.02%	95.09%
2011	6,059	87,166,235	14,386	-4.07%	443	1:15	1:13	1:12	6,056.8	5,758.9	1.38%	95.08%
2010	6,085	91,251,824	14,996	-18.43%	490	1:9	1:13	1:10	5,974.1	5,697.5	1.55%	95.37%
2009	5,883	108,161,054	18,385	25.85%	443	1:15	1:13	1:12	5,883.1	5,601.0	-3.00%	95.21%
2008	6,065	88,604,438	14,609	17.61%	468	1:15	1:13	1:12	6,065.0	5,601.4	0.30%	92.36%
2007	6,007	74,616,186	12,422	2.19%	452	1:15	1:13	1:12	6,047.0	5,441.0	4.73%	89.98%
2006	5,848	71,081,081	12,155	-16.31%	445	1:13	1:13	1:12	5,774.0	5,593.0	6.10%	96.87%
2005	5,354	77,759,944	14,524	11.34%	445	1:13	1:13	1:12	5,442.0	5,271.0	2.22%	96.86%
2004	5,354	69,843,210	13,045	10.10%	445	1:13	1:13	1:12	5,324.0	5,011.5	3.85%	94.13%

Sources: District Records

Township of Monroe Board of Education
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Elementary</u>										
Oak Knoll 1917 (1954, 1970)										
Square Feet	51,775									
Capacity (students)	363									
Enrollment	564	564	518	505	522	503	530	520	576	583
Whitehall 1967 (1970)										
Square Feet	44,823									
Capacity (students)	321									
Enrollment ^a	397	397	391	394	409	376	413	381	435	418
Holly Glen 1967 (1978,1991)										
Square Feet	60,500									
Capacity (students)	488									
Enrollment	571	571	680	697	673	692	645	576	660	631
Radix 1981										
Square Feet	75,500									
Capacity (students)	560									
Enrollment	728	728	760	676	760	753	714	708	818	837
<u>Williamstown Middle School (1958)</u>										
Square Feet	277,820									
Capacity (students)	1,598									
Enrollment	1,911	1,911	1,914	1,879	1,877	1,834	1,857	1,857	1,373	1,339
<u>Williamstown High School (1997)</u>										
Square Feet	305,000									
Capacity (students)	1,443									
Enrollment	1,790	1,790	1,796	1,772	1,756	1,879	1,811	1,732	1,580	1,546
<u>Other</u>										
Maple Grove Administration Building										
Square Feet	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281
Number of Schools at June 30, 2013										
Elementary = 4										
Middle School = 1										
High School = 1										
Other = 1										

Source: District Records

Township of Monroe Board of Education
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

<u>School Facilities</u>	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Williamstown HS	\$ 86,794	\$ 124,907	\$ 104,485	\$ 80,852	\$ 129,430	\$ 219,207	\$ 228,048	\$ 104,343	\$ 114,751	\$ 127,611
Holly Glen Elementary	23,569	28,748	243,064	43,433	43,547	59,249	34,913	23,910	22,763	25,313
Oak Knoll Elementary	38,437	46,170	61,296	36,629	22,693	37,133	23,513	16,728	19,480	21,663
Radix Elementary	24,311	56,561	17,323	29,605	13,582	36,147	57,091	29,644	28,409	31,589
Whitehall Elementary	20,269	13,764	20,763	23,463	17,019	44,459	21,083	10,121	16,866	18,754
Williamstown MS	714,065	164,145	7,701	101,529	128,429	213,888	121,400	77,411	104,553	116,239
Undistributed	133,909	117,581								
Total School Facilities	1,041,354	551,876	454,632	315,510	354,701	\$ 610,082	\$ 486,049	\$ 262,157	\$ 306,822	\$ 341,169

* School Facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Township of Monroe Board of Education
 Insurance Schedule
 June 30, 2013
Unaudited

	<u>Coverage</u>	<u>Deductable</u>
General & Auto Insurance - School Alliance Insurance Fund (SAIF)	\$ 5,000,000	\$1,000
Property and Auto Physical Damage - SAIF	250,000,000	1,000
Boiler and Machinery - SAIF	100,000,000	1,000
Comprehensive Crime Coverage - School Alliance Insurance Fund		
Money and Securities	50,000	1,000
Blanket Dishonesty Bond		
Including Faithful Performance	100,000 / 500,000	1,000
Computer Fraud	50,000	1,000
Forgery and Alteration	50,000	1,000
Environmental Impairment Liability - SCIA	1,000,000 / 25,000,000	1,000
Excess Liability - SCIA	5,000,000	1,000
Professional Liability - SCIA	5,000,000 / 5,000,000	1,000
Workers Compensation - NJSBA Insurance	40,314,418	
Employer's Liability	2,000,000	
Board Designee	373,000	
Business Administrator/ Board Secretary	373,000	

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB and which is described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as finding no.: 2013-3. Our opinion on each major federal and state program is not modified with respect to these matters.

The School District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
November 12, 2013

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

<u>Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Project Number</u>	<u>Program or Award Amount</u>	<u>Local Match</u>	<u>Grant Period</u>	
					<u>From</u>	<u>To</u>
General Fund:						
U.S. Department of Health and Human Services:						
Passed-through the State Department of Education:						
Special Education--Medicaid Initiative	93.778	N/A	153,199.25	N/A	7-1-12	6-30-13
U.S. Department of Education:						
Passed-through State Department of Education:						
Education Jobs Fund	84.410	N/A	2,956.00	N/A	7-1-12	9-30-12
Education Jobs Fund	84.410	N/A	1,184,454.00	N/A	7-1-11	9-30-12
Total General Fund						
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
I.A.S.A. (N.C.L.B.)						
Title I	84.010	IASA540012	585,475.00	N/A	9-1-12	8-31-13
Title II - Part A	84.367	IASA540012	204,933.00	N/A	9-1-12	8-31-13
Title II - Part D	84.318	IASA540012	872.00	N/A	9-1-11	8-31-12
Title III	84.365	IASA540012	9,921.00	N/A	9-1-12	8-31-13
I.D.E.A. Part B:						
Basic	84.027	IDEA540012	1,440,181.00	N/A	9-1-11	8-31-12
ARRA Basic	84.391	ARRA552012	1,473,993.00	N/A	9-1-09	8-31-11
Pre-School	84.173	IDEA540012	59,918.00	N/A	9-1-11	8-31-12
ARRA Pre School	84.392	ARRA552012	53,175.00	N/A	9-1-09	8-31-11
Carl D. Perkins - Secondary	84.048	PERK328-012	36,301.00	N/A	7-1-12	6-30-13
Total Special Revenue Fund						
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	N/A	157,861.60	N/A	7-1-12	6-30-13
National School Lunch Program	10.555	N/A	174,564.65	N/A	7-1-11	6-30-12
Cash Assistance:						
School Breakfast Program	10.553	N/A	104,238.31	N/A	7-1-12	6-30-13
School Breakfast Program	10.553	N/A	93,668.84	N/A	7-1-11	6-30-12
National School Lunch Program	10.555	N/A	691,127.31	N/A	7-1-12	6-30-13
National School Lunch Program	10.555	N/A	645,815.26	N/A	7-1-11	6-30-12
Special Milk Program	10.556	N/A	5,984.54	N/A	7-1-12	6-30-13
Special Milk Program	10.556	N/A	6,530.11	N/A	7-1-11	6-30-12
Total Enterprise Fund						
Total Federal Financial Assistance						

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

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

<u>Balance June 30, 2012</u>		<u>Balance June 30, 2013</u>						
<u>Deferred Revenue (Accounts Receivable)</u>	<u>Due to Grantor</u>	<u>Cash Received</u>	<u>Adjustments</u>	<u>Repayment of Prior Years' Balances</u>	<u>Budgetary Expenditures</u>	<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>Due to Grantor</u>
		\$ 190,622.12			\$ 190,622.12			
(546,362.80)		546,362.80			2,956.00	\$ (2,956.00)		
(546,362.80)	-	736,984.92	-		193,578.12	(2,956.00)	-	-
\$ (52,384.89)		293,574.00			495,169.33	(253,980.22)		
(37,734.55)		226,090.00			258,625.20	(70,269.75)		
		872.00	\$ (2.10)		869.90			
1,901.22		3,853.00			6,241.88	(487.66)		
(416,916.37)		1,431,655.00			1,569,280.51	(554,541.88)		
(8,538.10)	25,414.98			25,414.98				
(4,611.00)	2,803.39	15,522.00		2,803.39	50,903.86	(43,919.96)		
(518,283.69)	28,218.37	4,717.00	(106.00)		36,301.00	(36,301.00)		
		1,976,283.00	(108.10)	28,218.37	2,417,391.68	(959,500.47)		
28,068.55		157,861.60			129,328.21		28,533.39	
					28,068.55			
(2,574.55)		99,891.01			104,238.31	(4,347.30)		
(16,185.14)		2,574.55						
		665,847.95			691,127.31	(25,279.36)		
(257.51)		16,185.14						
		5,805.16			5,984.54	(179.38)		
		257.51						
9,051.35		948,422.92			958,746.92	(29,806.04)	28,533.39	
\$ (1,055,595.14)	\$ 28,218.37	\$ 3,661,690.84	\$ (108.10)	\$ 28,218.37	\$ 3,569,716.72	\$ (992,262.51)	\$ 28,533.39	\$ -

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

State Grantor/ Program Title	State Project Number	Program or Award Amount	Matching	Grant Period		Balance June 30, 2012	
				From	To	Deferred Revenue/ (Accounts Receivable)	Due to Grantor
General Fund:							
State Department of Education:							
Equalization Aid	13-495-034-5120-078	\$30,013,562.00	N/A	7-1-12	6-30-13		
Equalization Aid	12-495-034-5120-078	28,805,949.00	N/A	7-1-11	6-30-12	\$ (2,708,288.45)	
Special Education Categorical Aid	13-495-034-5120-089	3,252,749.00	N/A	7-1-12	6-30-13		
Special Education Categorical Aid	12-495-034-5120-089	3,090,797.00	N/A	7-1-11	6-30-12	(290,591.71)	
Transportation Aid	13-495-034-5120-014	402,285.00	N/A	7-1-12	6-30-13		
Security Aid	13-495-034-5120-084	602,702.00	N/A	7-1-12	6-30-13		
Security Aid	12-495-034-5120-084	546,083.00	N/A	7-1-11	6-30-12	(51,341.84)	
Extraordinary Aid	13-100-034-5120-473	218,062.00	N/A	7-1-12	6-30-13		
Extraordinary Aid	12-100-034-5120-473	188,824.00	N/A	7-1-11	6-30-12	(188,824.00)	
Additional Nonpublic School Transportation Aid	13-495-034-5120-014	55,037.54	N/A	7-1-12	6-30-13		
Additional Nonpublic School Transportation Aid	12-495-034-5120-014	40,405.30	N/A	7-1-11	6-30-12	(40,405.30)	
Other Transportation Aid	Unknown	5,611.06	N/A	7-1-11	6-30-12		
State Education	Unknown	2,908.06	N/A	7-1-11	6-30-12	(2,908.06)	
T.P.A.F. Social Security Aid	13-495-034-5095-002	2,399,072.92	N/A	7-1-12	6-30-13		
T.P.A.F. Social Security Aid	12-495-034-5095-002	2,358,498.04	N/A	7-1-11	6-30-12	(746.56)	
Total General Fund						(3,283,105.92)	-
Special Revenue Fund:							
State Department of Education:							
Nonpublic Aid:							
Nursing Services	13-100-034-5120-070	36,817.00	N/A	7-1-12	6-30-13		
Nursing Services	12-100-034-5120-070	44,895.00	N/A	7-1-11	6-30-12		\$ 8,980.00
Textbook Aid (Ch. 194, L. 1977)	13-100-034-5120-064	26,526.00	N/A	7-1-12	6-30-13		
Textbook Aid (Ch. 194, L. 1977)	12-100-034-5120-064	31,430.00	N/A	7-1-11	6-30-12		4,701.00
Technology Initiative	13-100-034-5120-373	9,789.00	N/A	7-1-12	6-30-13		
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	13-100-034-512a-067	159,691.00	N/A	7-1-12	6-30-13		
Compensatory Education	12-100-034-512a-067	177,519.00	N/A	7-1-11	6-30-12		52,410.00
English as a Second Language	13-100-034-512b-067	4,945.00	N/A	7-1-12	6-30-13		
English as a Second Language	12-100-034-512b-067	3,276.00	N/A	7-1-11	6-30-12		
Transportation	13-100-034-5120-068	34,778.00	N/A	7-1-12	6-30-13		
Transportation	12-100-034-5120-068	54,491.00	N/A	7-1-11	6-30-12		
Home Instruction	13-100-034-5120-066	8,382.00	N/A	7-1-12	6-30-13		
Home Instruction	12-100-034-5120-066	6,191.00	N/A	7-1-11	6-30-12	(6,191.00)	
Handicapped Services (Ch. 193, L. 1977)							
Examination and Classification	13-100-034-512c-067	53,516.00	N/A	7-1-12	6-30-13		
Examination and Classification	13-100-034-512c-067	44,130.00	N/A	7-1-11	6-30-12		2,095.00
Corrective Speech	13-100-034-512a-066	70,308.00	N/A	7-1-12	6-30-13		
Corrective Speech	12-100-034-512a-066	72,666.00	N/A	7-1-11	6-30-12		10,268.00
Supplementary Instruction	13-100-034-512c-066	32,610.00	N/A	7-1-12	6-30-13		
Supplementary Instruction	12-100-034-512c-066	30,165.00	N/A	7-1-11	6-30-12		4,209.00
Total Special Revenue Fund						(6,191.00)	82,663.00
Debt Service Fund:							
State Department of Education:							
Debt Service Aid	13-495-034-5120-075	1,398,121.00	N/A	7-1-12	6-30-13		
Enterprise Fund:							
State School Lunch Aid	13-100-010-3350-023	21,376.49	N/A	7-1-12	6-30-13		
State School Lunch Aid	12-100-010-3350-023	21,565.31	N/A	7-1-11	6-30-12	(532.11)	
Total Enterprise Fund						(532.11)	
Total State Financial Assistance						\$ (3,289,829.03)	\$ 82,663.00

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

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

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2013			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2013	Cumulative Total Expenditures
\$ 27,180,093.05		\$ 30,013,562.00		\$ (2,833,468.95)			\$ (2,833,468.95)	\$ 30,013,562.00
2,708,288.45								28,805,949.00
2,945,669.04		3,252,749.00		(307,079.96)			(307,079.96)	3,252,749.00
290,591.71								3,090,797.00
364,306.77		402,285.00		(37,978.23)			(37,978.23)	402,285.00
545,803.14		602,702.00		(56,898.86)			(56,898.86)	602,702.00
51,341.84								546,083.00
		218,062.00		(218,062.00)			(218,062.00)	218,062.00
188,824.00								188,824.00
		55,037.54		(55,037.54)			(55,037.54)	55,037.54
40,405.30								40,405.30
2,893.62		5,611.06		(2,717.44)			(2,717.44)	5,611.06
2,908.06								2,908.06
2,183,905.50		2,399,072.92		(215,167.42)			(215,167.42)	2,399,072.92
746.56								2,358,498.04
36,505,777.04	-	36,949,081.52	-	(3,726,410.40)	-	-	(3,726,410.40)	5,050,356.92
36,817.00		36,816.90				\$ 0.10		36,816.90
26,526.00		26,526.00	\$ 8,980.00			-		35,915.00
9,789.00		9,785.45	4,701.00			-		26,526.00
159,691.00		151,734.00				7,957.00		26,729.00
4,945.00		4,945.08	52,410.00			-		151,734.00
34,778.00		31,246.92				(0.08)		125,109.00
6,191.00		8,381.55		(8,381.55)		-		3,276.00
53,516.00		35,034.72				3,531.08		54,491.00
70,308.00		54,605.88	2,095.00			-	(8,381.55)	6,191.00
32,610.00		25,809.36	10,268.00			18,481.28		35,034.72
435,171.00	-	384,885.86	82,663.00	(8,381.55)	-	52,475.69		42,035.00
1,398,121.00		1,398,121.00				-		54,605.88
19,318.84		21,376.49	4,209.00			15,702.12		62,398.00
532.11						-		25,809.36
19,850.95		21,376.49				6,800.64		25,956.00
\$ 38,358,919.99	\$ -	\$ 38,753,464.87	\$ 82,663.00	\$ (3,736,849.60)	\$ -	\$ 52,475.69	\$ (8,381.55)	712,626.86
								1,398,121.00
								1,398,121.00
								21,376.49
								21,565.31
								42,941.80
								\$ 7,204,046.58

TOWNSHIP OF MONROE SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2013

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$185,204.00 for the general fund and \$185,926.15 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$257,491.97 for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 193,578.12	\$ 41,165,648.52	\$ 41,359,226.64
Special Revenue	2,159,899.71	384,885.86	2,544,785.57
Debt Service		1,398,121.00	1,398,121.00
Food Service	<u>958,746.92</u>	<u>21,376.49</u>	<u>980,123.41</u>
	<u>\$ 3,312,224.75</u>	<u>\$ 42,970,031.87</u>	<u>\$ 46,282,256.62</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent rounding differences between actual amounts spent and the amounts reported to the grantor.

Note 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2013.

Note 7: MAJOR PROGRAMS

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

**MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u> X </u> yes <u> </u> no
Significant deficiency(ies) identified?	<u> X </u> yes <u> </u> none reported
Noncompliance material to financial statements noted?	<u> X </u> yes <u> </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u> </u> yes <u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u> </u> yes <u> X </u> no
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>NCLB - Title I</u>
<u>84.027</u>	<u>IDEA Part B--Basic</u>
<u>84.173</u>	<u>IDEA Part B--Preschool</u>
<u>10.555</u>	<u>National School Lunch Program - Food Distribution</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>Special Milk Program</u>

Dollar threshold used to determine Type A programs	\$ <u>300,000.00</u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> X </u> no

MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes x no

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5095-002	T.P.A.F. Social Security Aid
495-034-5120-075	Debt Service Aid

Dollar threshold used to determine Type A programs \$ 1,162,604.00

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

MONROE TOWNSHIP BOARD OF EDUCATION
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2013

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2013-1

Criteria or Specific Requirement

The District is required to deposit all student activities money into bank accounts and those deposits must be made in a timely manner.

Condition

Some student activity class advisors were not depositing checks in a timely manner and were not depositing or reconciling cash receipts.

Context

When students paid cash for various fundraisers and events, the advisors for the class of 2014 and 2015 did not deposit the money into the school activity bank accounts. In addition, the records maintained by the advisors were insufficient to reconcile the cash they collected nor did they maintain receipts to show how they spent the cash.

Effect

Student activity funds were not properly maintained by school staff and recordkeeping was incomplete.

Cause

The board lacks documentation of procedures for class advisors to follow and there is insufficient monitoring of class advisors by the Board. The class advisors stated they were unaware that they had to deposit the money into school accounts on a timely basis. They also were not aware of the need for proper record keeping to account for student funds.

Recommendation

The School District should implement better internal controls and policies over student activities. These written policies and controls should be adopted by the board and incorporated into the schools policy and procedures hand book. We recommend the District consider the following:

1. Implement a fundraiser form to be completed by the class advisor for every fundraiser.
2. Require class advisors to keep proper records of all cash and check receipts that include the amount paid, payee and date of payment. These records would then be used to reconcile student payments for class trips and other events.
3. Maintain copies of all class advisor records at year end.
4. Implement a limit on teacher and class advisor reimbursements.
5. Educate all teachers and staff that depositing funds (including cash receipts) within 48 hours is required and non-compliance is considered a finding in the audit report. Repeat findings of this nature may result in a reduction of state aid.
6. The net income on fundraisers and events could be used to offset class expenses.
7. Institute procedures to ensure students are not significantly overcharged for events and trips.
8. Reimbursing the general fund for payments made to teachers for chaperoning class events.
9. Review insurance coverage and consider bonding all employees who handle student activity money.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and have implemented the new procedures as of September 2013.

MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2013-2

Criteria or Specific Requirement

The District is required to maintain an effective encumbrance and purchase order system to ensure all bills are paid in a timely manner.

Condition

Multiple and material invoices from prior year that were not paid were discovered by the finance department during the year and they had to be charged against the current year budget. They also discovered multiple and material invoices after the year end that had to be recorded as accounts payable through audit adjustments.

Context

After a personnel change, and the establishment of new controls over accounts payable, the finance department found numerous invoices that were never recorded in the finance system.

Effect

A material misstatement in the financial statements could go undetected or not be corrected in a timely manner.

Cause

The controls and procedures in place during the first half of the year were insufficient to ensure all invoices were paid in a timely manner.

Recommendation

The finance department should implement new controls and monitoring to ensure unpaid invoices are identified in a timely basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding has already implemented controls to track the status of unpaid invoices going forward and is attempting to identify any unpaid invoices from prior periods.

MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None

MONROE TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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

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

Finding No. 2013-3

Information on the State Program

Equalization Aid (GMIS Number 495-034-5120-078)
Special Education Categorical Aid (GMIS Number 495-034-5120-089)
Security Aid (GMIS Number 495-034-5120-084)

Condition

The Board Secretary Reports were not completed on a timely basis.

Context

These reports were not submitted on time due to ongoing issues the district had with its computer system. However, all bank accounts were reconciled to the general ledger in a timely manner.

Effect

Noncompliance with the State requirement to file a Board Secretary's Report.

Cause

During the prior year the district switched to a new computer system, including new server hardware and financial software. The Board Secretary Report was not set up properly in the system to comply with the State reporting requirements.

Recommendation

None. The Board switched to a new accounting system as of June 2013 and all Board Secretary Reports are now being filed timely.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding has already corrected the finding.

MONROE TOWNSHIP BOARD OF EDUCATION
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2012-1

Condition

The general ledger maintained by the District required numerous and material audit adjustments. Further, the warrant account reconciliation and Board Secretary Reports were not completed on a timely basis.

Current Status

The general ledger and warrant account reconciliations were in satisfactory condition during the year. However, the Board Secretary Reports were not completed on a timely basis and the condition continued to exist as finding 2013-3, which was corrected in June 2013.

FEDERAL AWARDS

Finding No. 2012-2

Information on the Federal Program

Food Distribution Program (CFDA Number 10.550)
School Breakfast Program (CFDA Number 10.553)
National School Lunch Program (CFDA Number 10.555)
Special Milk Program (CFDA Number 10.556)

Condition

The District did not bid the rehabilitation of the Radix cafeteria which cost \$53,884.69.

Current Status

This condition has been corrected.

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2012-1

Condition

The general ledger maintained by the District required numerous and material audit adjustments. Further, the warrant account reconciliation and Board Secretary Reports were not completed on a timely basis.

Current Status

The general ledger and warrant account reconciliations were in satisfactory condition during the year. However, the Board Secretary Reports were not completed on a timely basis and the condition continued to exist as finding 2013-3, which was corrected in June 2013.

