

BOARD OF EDUCATION
OF THE
TOWNSHIP OF TABERNACLE
SCHOOL DISTRICT
TABERNACLE, NEW JERSEY

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

**TABERNACLE SCHOOL DISTRICT
Table of Contents**

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	11
Roster of Officials	12
Consultants and Advisors	13
FINANCIAL SECTION	
Independent Auditor's Report	15
Required Supplementary Information – Part I Management’s Discussion and Analysis	21
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	30
A-2 Statement of Activities	31
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	33
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	34
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Proprietary Funds:	
B-4 Statement of Net Position	36
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	37
B-6 Statement of Cash Flows	38
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	39
B-8 Statement of Changes in Fiduciary Net Position	40
Notes to the Financial Statements	41
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	68
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Education Jobs Fund Program – Budget and Actual	76
C-2 Budgetary Comparison Schedule – Special Revenue Fund	77
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	78

TABERNACLE SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	81
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	83
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis	84
F-2a- Schedule(s) of Project Revenues, Expenditures, Project Balance and 2b Project Status -Budgetary Basis	85
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	88
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	89
G-3 Combining Statement of Cash Flows	90
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	92
H-2 Combining Statement of Changes in Fiduciary Net Position	93
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	94
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	95

TABERNACLE SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	97
I-2 Schedule of Obligations under Capital Leases	98
I-3 Debt Service Fund Budgetary Comparison Schedule	99
 STATISTICAL SECTION (Unaudited) 	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Position by Component	102
J-2 Changes in Net Position	103
J-3 Fund Balances—Governmental Funds	105
J-4 Changes in Fund Balances—Governmental Funds	106
J-5 General Fund Other Local Revenue by Source	107
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	109
J-7 Direct and Overlapping Property Tax Rates	110
J-8 Principal Property Taxpayers	111
J-9 Property Tax Levies and Collections	112
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	114
J-11 Ratios of General Bonded Debt Outstanding	115
J-12 Direct and Overlapping Governmental Activities Debt	116
J-13 Legal Debt Margin Information	117
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	119
J-15 Principal Employers	120
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	122
J-17 Operating Statistics	123
J-18 School Building Information	124
J-19 Schedule of Required Maintenance Expenditures by School Facility	125
J-20 Insurance Schedule	126
 SINGLE AUDIT SECTION 	
K-1 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 Standard	18
K-2 Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB	128
K-3 Schedule of Expenditures of Federal Awards, Schedule A	130
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	132
K-5 Notes to the Schedules of Awards and Financial Assistance	134
K-6 Schedule of Findings and Questioned Costs	136
K-7 Summary Schedule of Prior Audit Findings	142

INTRODUCTORY SECTION



Tabernacle Township Schools

132 New Road Tabernacle, NJ 08088

October 9, 2013

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

Dear Board of Education Members:

The Comprehensive Annual Financial Report of the Tabernacle Township School District, for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, findings and questioned costs, is included in the single audit section of this report.

- 1.) **REPORTING ENTITY AND ITS SERVICES:** Tabernacle Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement 14. All funds and account groups of the District are included in this report. The Tabernacle Township Board of Education and its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels preschool disabilities through eight. These include regular education as well as special education for disabled children. The District's enrollment is 807. The following details the changes in the student enrollment of the District over the last ten years:

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2003/2004	953.7
2004/2005	969.3
2005/2006	938.9
2006/2007	886.0
2007/2008	880.0
2008/2009	896.0
2009/2010	873.0
2010/2011	870.0
2011/2012	828.0
2012/2013	807.0

The District is a constituent member of the Lenape Regional High School District. The District’s students in grades 9-12 attend Seneca High School located in Tabernacle Township.

2.) **ECONOMIC CONDITION AND OUTLOOK:** Tabernacle Township is a rural, residential community located in the southwestern portion of Burlington County. The Township is approximately 49.55 square miles and approximately twenty-six miles from Philadelphia. Wharton Tract covers 28.5% of the township’s 30,489 acres. Tabernacle Township is located within the Pinelands Preservation area with development highly regulated. The population for 2012 was 6,978 compared to 6,992 in 2011. The population density in 2012 was 140.8 persons per square mile. The percent of tax levy collected for 2013 was 100.00%. The unemployment rate for 2012 was 5.2%.

3.) **MAJOR INITIATIVES:**

Assessments: Students in grades one and two were evaluated with the TerraNova Multiple Assessments. This was the Tabernacle District’s ninth year using this assessment tool. Performance per subject area was above the average national performance for both of these grade levels. Students in grades three and four were assessed using the New Jersey Assessment of Skills and Knowledge (NJASK3 and NJASK4). Students in fourth grade were assessed in language arts, mathematics, and science. Students in grades five through seven were assessed with the state assessment NJASK5-7 in the areas of language arts and mathematics. Students in grade eight were assessed in language arts, mathematics, and science using the state developed NJASK8 (formerly GEPA). The target proficiency has increased for the state assessments this year. At the time of printing, the 2012-2013 District Performance rates were unavailable for the NJDOE, as a result both the 2011-2012 and 2012-2013 school years are listed. District results are as follows:

SCHOOLS	Target Proficiency 2012-2013	District Performance 2012-2013	Met Performance Goal
Tabernacle Elementary Grades 3 & 4 – school wide results			
Language Arts	78.31%	Not Released Yet	Unavailable
Math	88.8%	Not Released Yet	Unavailable

Kenneth R. Olson Middle School	Target Proficiency 2012-2013	District Performance 2012-2013	Met Performance Goal
Grades 5, 6, 7, 8 school wide results			
Language Arts	76.8%	Not Released Yet	Unavailable
Math	84.2%	Not Released Yet	Unavailable

SCHOOLS	Target Proficiency 2011-2012	District Performance 2011-2012	Met Performance Goal
Tabernacle Elementary Grades 3 & 4 – school wide results			
Language Arts	76.1%	63.6%	NO
Math	87.6%	87.7%	YES
Kenneth R. Olson Middle School			
Grades 5, 6, 7, 8 school wide results			
Language Arts	74.5%	75.3%	YES
Math	82.6%	81.7%	YES (Safe Harbor)

The data used includes the **Target Proficiency** established by the New Jersey Department of Education.

Language Arts: The District writing program continues to include KidWriting in kindergarten and the Great Source Language Program in grades one through eight. Additional writing resources offering ideas for mini lessons have been purchased for teachers. Writing activities are correlated with the reading/literature program of each grade level. The Writers' Workshop model of instruction has been implemented district-wide in a effort to raise student achievement in Language Arts Literacy.

Mathematics: The EnVision Math program is in use in kindergarten through fifth grade. The EnVision Math program targets student understanding and meets the individual needs of students through balanced and accurately paced lesson, printed materials, manipulatives, and technology integration.

The Progressive Mathematics Initiative (PMI) is used for math instruction in grades six and seven. Select student groups in grades seven and eight continue to use the algebra texts and syllabi from the Lenape Regional High School district. All other eighth grade students are instructed through the PMI.

Science: The elementary school continues to use the McGraw Hill Science program. Grade one uses the big book format, grades two and three the single text format, and grade four the modular format. All topics were aligned with the recently revised New Jersey Core Curriculum Content Standards (NJCCCS) for science. The middle school science department is in its seventh year with Holt Science & Technology. The program is modular and allows for flexibility of instructional topics within the middle school grade levels. It also has an extensive technology resource component for students and instructors. Middle school science instructors also have one of the technology labs organized with Virtual Investigations. The program now includes virtual experiments and student online access to the textbook.

Social Studies: Grades three, four, five, six, seven and eight are currently using the History Alive program. Call to Freedom is used as a supplemental resource by the eighth grade. In addition, current events is incorporated to provide timely and appropriate topics for classroom discussion. Grades K-2 teach social studies through the Nystrom Program, which offers a hands on approach to social studies.

Technology: The technology department released a new standardized load set for all computers used in the district. A “load set” is a snapshot of a hard drive that contains a computer operating system and commonly used applications. In the past we were unable to easily reload computers that developed software problems. Now, the system can be reloaded using an automated process in about an hour. Most of this time is unattended which leave the technician available to perform other tasks while the reload operation is running.

The new load set has is more user friendly for students. Icons for the most frequently used applications and sites now appear on the desktop for all users. The new load set has been deployed on all student-facing machines.

A new integrated Science Technology Engineering and Mathematics (iSTEM) lab is equipped with eight Dell OptiPlex 790 desktop computers. The 790’s are the fastest machines we have in the Tabernacle School District and designed to meet the demands of the iSTEM program. Additionally, all student machines now feature Google SketchUp 2013. The school has been granted a free license for up to 300 simultaneous users. This application was requested during the planning of the iSTEM curriculum and program.

A new virtual server hosts the districts newly adopted transportation software known as the Bus Boss application. The virtual server is hosted in the high-availability cluster and will serve the transportation department.

The district utilizes Study Island for benchmarking and for creating individual learning plans based on student performance on the NWEA Measures of Academic classes have been created for all grade levels.

Google Apps has been deployed district-wide. All users’ email has been migrated to Google Mail. The new email system appears identical to Gmail, which many of our users are already using for personal email accounts. Over, 1,000,000 emails, calendar events, and contacts were migrated to Google from the Exchange server as part of the migration.

A technology named Domain Key Identified Mail (DKIM) has been deployed to help spam filters outside of our network authenticate the email we send. In the past there was some difficulty sending email to certain companies because spam filters were unable to check the validity of the sender. DKIM allows the validity check to occur and helps ensure the email we send makes it to the intended destination.

The Tabernacle School District is running a windows environment, running windows 7 Professional, and operating Office Professional 2007. Tabernacle's technology network consists of copper internal and external cabling with switches that transport data at a speed of a full GB to the desktop per second.

Every staff member and student has their own folder space on the district network and every staff member has an email address as well as a secure remote desktop connection.

The academic software enriches the program content within the Tabernacle School District. All grade levels utilize the Education Technology Curriculum K-8 to maintain a clear focus for the integration of technology in all subject content. The State of New Jersey has enforced a new assessment on Computer Literacy where students in grades 4 and 8 are assessed. All students have technology portfolios. It is a district goal for all teachers to utilize technology regularly to ensure success on this assessment.

Software for kindergarten through grade one instruction emphasized grade level content knowledge in language arts, mathematics, and science. Kindergarten through eighth grade use programs from Houghton Mifflin.

An Information Technology-Media Science course is provided in grades 5-8 and emphasizes higher level thinking skills in the areas of technology, mathematics, and science. The media specialist provides each social studies class instruction in utilizing reference/research skills as well as on-line database/reference technology.

Reading/Literature: Kindergarten through eighth grade continues to implement change from basal texts to the use of authentic literature as the primary source of instructional materials. Teacher resources involving literature circles and incorporating novels into the classroom were also continued in the middle school. The Personal Choice Reading (PCR) model of instruction has been introduced and implemented in all grades. The Tabernacle School District is underway with a major literacy initiative to fully develop a well-balanced literacy program to include: 1.) a core literature component, 2.) guided reading, 3.) writers workshop, 4.) personal choice reading, and 5.) word study. All materials are aligned with the Common Core State Standards for ELA.

Report Cards: The school district completes its report cards electronically through the District's technology resources. There were no revisions to any elementary level report cards.

Staff Development: Staff development continues to be a District priority. Topics for presentations were based on curriculum changes, school objectives, and the District's local professional development plan. Tabernacle staff has professional development opportunities through in-service programs, Lenape Regional Consortium programs, Burlington County Curriculum Consortium programs, after-school courses, off-site professional workshops/conferences, in-house training sessions, and tuition reimbursement for college level graduate courses.

World Language: Each school in the District has its own world language instructor. Each teacher has purchased a variety of resources based on the grade level they instruct. The elementary students use elementary level materials available like SALSA (NJ Department of Education) and the Spanish Alphabet Books (Zaner-Bloser Publishing Company). The Middle School Spanish classroom focuses on learning the language through comprehensible input and cooperative learning. Language instruction at the middle school is delivered utilizing resources associated with the Teaching Proficiency Through Reading and Storytelling (TPRS) method which allows students to learn a language using a more natural approach. The district will be purchasing more resources from TPRS Publishing for the upcoming school year for grades 5-8, as they have found this method to be quite successful, and select eighth grade students participate in the full year program using the text used by first year Spanish students in Seneca High School the Spanish I students in 8th Grade use ¡Avancemos! (Holt McDougal), ¿Qué tal? (Scholastic Spanish Magazine Series) and a Spanish class novel from TPRS Publishing, Inc.

Integrated Science Technology Engineering and Mathematics (iSTEM) Program: The school district has partnered with the College of New Jersey's Center for Excellence in STEM Education to successfully implement a best practice model of an integrated STEM program at the Kenneth R. Olson Middle School. The district is utilizing the Engineering by Design curriculum as a model for programming design challenges for student in 5th through 8th grade.

Special Educational Services: The District strives to provide the least restrictive environment for its students. Approximately three quarters of the special needs students are in general education classrooms and receive their special education services through in-class support of the regular teacher assisted by a special education teacher. During the 2001/2002 school year the State of New Jersey Department of Education reviewed and approved the District's special education improvement plan. The District continues to meet with its Special Education Advisory Committee to review and improve services. This Committee also arranges speakers on various special educational topics for parent information sessions.

District Information: Tabernacle students grades kindergarten through fourth, including a preschool disabilities class, are housed in the Tabernacle Elementary School. Students in grades fifth through eighth are housed in the Kenneth R. Olson Middle School. As of July 1, 2000 the District's third school, the Tabernacle Intermediate School, was leased to the Lenape Regional High School District for use as a transition high school. After extensive renovations to the school were completed by the Lenape District, the building opened to high school students for the 2001/2002 school year. At that time the building was dedicated as Sequoia Transition High School.

The District was successfully monitored during January 2001 by the State of New Jersey Department of Education under N.J.S.A. 18A:7A-1 et seq. and N.J.A.C. 6A:30 et seq. This resulted in certification for a period of seven years. This monitoring process included a review of data, interviews of staff, inspection of facilities, and visits to the District's schools.

The District's Long-Range Facilities Plan was revised and approved by the Board of Education at its October 10, 2005 meeting. This plan is a requirement of the Educational Facilities Construction and Financing Act, P.L. 2000, c.72, N.J.A.C. 6A:26-1.1 and the Facilities Efficiency Standards. The Plan covers years October 2008 to October 2013. The district has submitted amendments and updates to the current LRFP to accommodate for future projects anticipated in the 2013-2014 school year and beyond.

On March 9, 2004 the District held a bond referendum in the amount of \$11,673,195 for the replacement of the middle school roof and various upgrades to the major systems of the middle school and elementary school. The referendum was defeated. The Board of Education held another referendum on September 28, 2004 in the amount of \$9,743,980.00, which did receive voter approval. A second question on the ballot was defeated with a tie vote. The projects began during the Spring of 2005 with major work scheduled for the Summer of 2006 and 2007. Upgrades to the district's waste water treatment plant are began during the 2008/2009 school year.

During October 2003 closing took place for the refinancing of the balance of the District's 1996 bond issue. The savings to the District is approximately \$251,948 and the average interest rate of the bonds went from 5.475% to 3.894%. The retirement date of the bonds is the 2020/2021 school year. On February 2005 bonds were again issued in the amount of \$5,673,000 with a net interest rate of 3.9713%. The retirement date of this debt is the 2024/2025 school year.

- 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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, if applicable, 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 insure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. 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 included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

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

- 7.) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

- 8.) **DEBT ADMINISTRATION:** At June 30, 2013, the District's outstanding debt issues included \$7,068,000 of general obligation bonds.

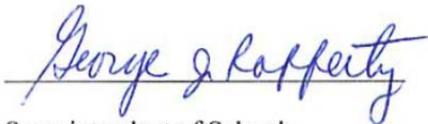
- 9.) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under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

- 10.) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The District is a member of the Burlington County Insurance Pool Joint Insurance Fund of which twenty-four school Districts from Burlington, Gloucester, Camden and Mercer counties participate.

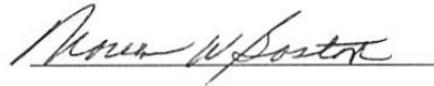
- 11.) **OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In May 2013, the Board of Education appointed the firm of Bowman & Company, LLP as the District's auditors. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12.) **ACKNOWLEDGMENTS:** The success of this Comprehensive Annual Financial Report of the Tabernacle School District would not exist without the continued support of the administration, staff, parents and the community, but most certainly the efforts of the Tabernacle Board of Education to continually provide fiscal accountability to the citizens and taxpayers of the School District. The Board of Education is to be commended for their support and for setting high standards for the School District. The Board's dedication and determination to providing quality education to the students of the Township of Tabernacle for a lifetime has been outstanding. We sincerely express our appreciation for their efforts for the development and maintenance of the District's educational and financial operations. It also must be noted that the preparation of this report could not have been accomplished without the efforts, dedication, and professionalism of our District administration and their staff, and especially, the staff of the Business Office. Their continuing efforts year after year that demonstrate their dedication and commitment to the pursuit of excellence are outstanding. Therefore, their work is acknowledged and greatly appreciated.

Respectfully submitted,



Superintendent of Schools



Business Administrator
Board Secretary

**TABERNACLE TOWNSHIP BOARD OF EDUCATION
132 NEW ROAD
TABERNACLE, NEW JERSEY 08088**

**ROSTER OF OFFICIALS
JUNE 30, 2013**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Douglas S. Hess, President	2014
Michael J. Lee, Vice President	2015
John Bulina	2013
Laura Clapps	2013
Tina Marie Coolidge	2014
Stephen M. Pickholtz	2013
Stephen T. Price	2014
Julia T. Stewart	2015
Dr. Heidi Freeman	2013

OTHER OFFICIALS

George J. Rafferty – Superintendent
Carol A. Mascioli – Interim Business Administrator/Board Secretary 10/8/12 – 6/30/13
Chad Fires – Business Administrator/Board Secretary 7/1/12 – 10/7/12
Karen Albanese – Treasurer of School Monies 4/15/13 – Present
Judith Jackson – Treasurer of School Monies 7/1/12 – 4/14/13

TABERNACLE TOWNSHIP BOARD OF EDUCATION
132 New Road
Tabernacle, New Jersey

CONSULTANTS AND ADVISORS

Architect

Regan, Young, England, Butera
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Mt. Holly, New Jersey 08060

Audit Firm

Bowman & Company, LLP
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Attorney

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Stephen J. Mushinski
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Mount Laurel, NJ 08054

Labor Consultants

Taylor, Whalen and Hybbenenth
Bruce Taylor
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Howell, New Jersey 07731

Official Depository

Beneficial Bank
1484 US 206
Tabernacle, New Jersey 08088

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Tabernacle
Tabernacle, New Jersey 08088

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 21 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2013 on our consideration of the Township of Tabernacle 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 Tabernacle School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

Voorhees, New Jersey
October 9, 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 Tabernacle School District
County of Burlington
Tabernacle, New Jersey 08088

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 Tabernacle School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 9, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Tabernacle 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 Tabernacle School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance that we consider to be a significant deficiency and is identified as finding number 2013-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Tabernacle 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 finding numbers 2013-1 and 2013-2.

The Township of Tabernacle School District's Response to Findings

The Township of Tabernacle School District's responses to the findings identified in our audit are 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

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

Voorhees, New Jersey
October 9, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

As management of the Tabernacle Township Public School District, we offer readers of the Tabernacle Township Public School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the Tabernacle Township Public School District's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Tabernacle Township Public School District's financial performance.

Financial Highlights

- The assets of the Tabernacle Township Public School District exceeded its liabilities at the close of the most recent fiscal year by \$9,273,624 (net position).
- The Tabernacle Township Public School District's total net position increased by \$517,966. This increase is primarily attributable to the Tabernacle Township Public School District's decrease in long-term liabilities.
- As of the close of the current fiscal year, the Tabernacle Township Public School District's governmental funds reported combined ending fund balances of \$2,215,194, a decrease of \$129,636 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$338,061 which is an increase of \$338,061 in comparison with the prior year.
- The Tabernacle Township Public School District's total debt decreased by \$659,353 as a result of budgeted debt and lease payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Tabernacle Township Public School District's basic financial statements. The Tabernacle Township Public School District's basic financial statements comprise three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements themselves.

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

The statement of net position presents information on all of the Tabernacle Township Public School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Tabernacle Township Public School District is improving or deteriorating.

The statement of activities presents information showing how the Tabernacle Township Public School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave). Both of the district-wide financial statements distinguish functions of the Tabernacle Township Public School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

District-wide financial statements (Cont'd) - The governmental activities of the Tabernacle Township Public School District include the education of students in grades Kindergarten through eight at the Tabernacle Township Public School District's two schools. The business-type activities of the Tabernacle Township Public School District include a food service program and a community education program.

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

Governmental Funds - Most of the Tabernacle Township Public 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 Tabernacle Township Public 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 Tabernacle Township Public School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and debt service fund.

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.

Also, the Tabernacle Township Public School District adopts an annual budget for its general fund, special revenue fund, and debt service fund. Budgetary comparison schedules have been provided to demonstrate compliance with the budgets.

Proprietary Funds - The Tabernacle Township Public School District maintains one type of proprietary funds. Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services and are used to report the same functions presented as business-type activities in the district-wide financial statements. The Tabernacle Township Public School District uses enterprise funds to account for its food service program and its community education program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service program and community education program.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Tabernacle Township Public School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statement - The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Tabernacle Township Public School District School District, assets exceeded liabilities by \$9,273,624 at the close of the most recent fiscal year.

The largest portion of the Tabernacle Township Public School District School District's net position (81 percent) reflects its investment in capital assets (i.e., land, buildings, equipment); less any related debt used to acquire those assets that are still outstanding. The Tabernacle Township Public School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Tabernacle Township Public School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWNSHIP OF TABERNACLE SCHOOL DISTRICT'S NET POSITION						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$ 2,215,194	\$ 2,609,145	\$ 32,645	\$ 72,261	\$ 2,247,839	\$ 2,681,406
Capital Assets	14,336,219	14,628,214	66,279	29,904	14,402,498	14,658,118
Total Assets	16,551,413	17,237,359	98,924	102,165	16,650,337	17,339,524
Deferred Outflows of Resources	192,046	216,052	-	-	192,046	216,052
Long-term Liabilities Outstanding	7,471,518	8,619,449			7,471,518	8,619,449
Other Liabilities	94,454	147,423	2,788	33,046	97,242	180,469
Total Liabilities	7,565,972	8,766,872	2,788	33,046	7,568,760	8,799,918
Net Position:						
Invested in Capital Assets, Net of Related Debt	7,405,988	6,706,453	66,279	29,904	7,472,267	6,736,357
Restricted	1,783,326	1,980,119			1,783,326	1,980,119
Unrestricted	(11,827)	(33)	29,857	39,215	18,030	39,182
Total Net Position	\$ 9,177,487	\$ 8,686,539	\$ 96,136	\$ 69,119	\$ 9,273,623	\$ 8,755,658

A portion of the Tabernacle Township Public School District's net position (19.4 percent) represents resources that are subject to external restrictions on how they may be used.

There was an increase of \$27,017 in overall net position for the Tabernacle Township Public School District's business-type activities. The primary reason was the transfer of assets to the business-type activity programs.

The Tabernacle Township Public School District's net position increased by \$490,948. This primarily was as a result of a decrease in long-term liabilities.

TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

Governmental Activities - Governmental activities increased the net position by \$490,948 and Business-Type Activities increased the net position by \$27,017 accounting for 100 percent of the total growth in net position of the Tabernacle Township Public School District. Key elements of this increase are as follows:

TOWNSHIP OF TABERNACLE SCHOOL DISTRICT'S CHANGES IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 156,142	\$ 311,182	\$ 186,880	\$ 181,649	\$ 343,022	\$ 492,831
Operating Grants and Contributions	1,569,696	395,306	69,720	77,606	1,639,416	472,912
Capital Grants and Contributions			33,924		33,924	
General Revenues:						
Property Taxes	7,284,097	7,226,887			7,284,097	7,226,887
Grants and Contributions not Restricted to Specific Programs	5,597,545	6,663,788			5,597,545	6,663,788
Other	119,556	104,321	227	478	119,783	104,799
Total Revenues	14,727,036	14,701,484	290,751	259,733	15,017,787	14,961,217
Expenses:						
Instruction	5,777,440	7,027,642			5,777,440	7,027,642
Support Services	7,966,632	5,865,608			7,966,632	5,865,608
Unallocated Depreciation		966,925				966,925
Interest on Debt	348,610	357,633			348,610	357,633
Food Service			263,734	258,656	263,734	258,656
Community Education						
Total Expenses	14,092,682	14,217,808	263,734	258,656	14,356,416	14,476,464
Increase in Net Assets before Transfers	634,354	483,676	27,017	1,077	661,371	484,753
Transfers	(143,406)	-	-	-	(143,406)	-
Increase in Net Assets	490,948	483,676	27,017	1,077	517,965	484,753
Net Position, July 1	8,686,539	8,202,863	69,119	68,042	8,755,658	8,270,905
Net Position, June 30	\$ 9,177,487	\$ 8,686,539	\$ 96,136	\$ 69,119	\$ 9,273,623	\$ 8,755,658

- Property taxes increased by \$57,210 (0.79 percent) during the year.
- Other revenues decreased by \$14,984 (14.29 percent). This was mainly due to a reduction of interest on investments and deposits.

TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

Governmental Activities (Cont'd) - The overall \$490,948 increase in net position was mainly attributable to a decrease in expenses.

Business-Type Activities - Business-type activities increased the Tabernacle Township Public School District's net position by \$27,017.

Financial Analysis of the Government's Funds

As stated earlier, the Tabernacle Township Public School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Tabernacle Township Public School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Tabernacle Township Public School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Tabernacle Township Public School District's governmental funds reported combining ending fund balances of \$2,215,194, an increase of \$129,636 in comparison with the prior year.

Of the combined ending fund balances of \$2,215,194, the unassigned fund balance is \$338,061. The remainder of fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been committed (1) restricted for future tax relief (\$1,171,163), (2) restricted for future capital expenditures (\$605,282.26) and (3) restricted for emergencies (\$100,688).

The general fund is the main operating fund of the Tabernacle Township Public School District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$338,061, while total fund balance was \$2,073,923.

The special revenue fund had no fund balance.

The capital projects fund had a fund balance at the end of the current fiscal year of \$153,484.

The debt service fund had a deficit in fund balance at fiscal year-end of (\$12,213).

Proprietary Funds - The Tabernacle Township Public School District's proprietary funds provide the same type of information found in the district-wide financial statements, but in more detail.

Unrestricted net position consisted of a positive balance of \$96,136 for the food service program and no balance in the Community Education program. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Tabernacle Township Public School District's business-type activities.

TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

General Fund Budgetary Highlights

During the preparation of the budget for the of the 2013 fiscal year, the Tabernacle Township Public School District had one major goal; to improve the educational progress of its students through curriculum initiatives and the professional development of teachers.

During fiscal year 2013, the Tabernacle Township Public School District budgeted \$7,284,097 and \$5,533,264 for property taxes (local tax levy) and state aid revenues, respectively. The Tabernacle Township Public School District also received \$1,729,959 and \$2,270,577 reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The Tabernacle Township Public School District's expenditures also include the reimbursed TPAF Social Security Aid and T.P.A.F. Pension and Medical Contributions of \$397,849 and \$785,573 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

Capital Asset and Debt Administration

Capital Assets - The Tabernacle Township Public School District's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounts to \$14,402,498 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net increase in the Tabernacle Township Public School District's investment in capital assets for the current fiscal year of 2.22 percent. The net increase was the result of the acquisition of equipment and completion of construction projects.

TOWNSHIP OF TABERNACLE SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)						
	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 36,388	\$ 40,742			\$ 36,388	\$ 40,742
Building Improvements	13,962,988	14,219,329			13,962,988	14,219,329
Equipment	336,843	368,144	\$ 66,279	\$ 29,904	403,122	398,048
Total	\$ 14,336,219	\$ 14,628,215	\$ 66,279	\$ 29,904	\$ 14,402,498	\$ 14,658,119

Additional information on the Tabernacle Township Public School District's capital assets can be found in Note 7 to the financial statements.

Long-term Debt - At the end of the current fiscal year, the Tabernacle Township Public School District had total bonded debt outstanding of \$7,068,000. The entire Tabernacle Township Public School District's bonded debt is governmental as opposed to business-type. The 2014 adopted budget has an appropriation of \$595,000 representing the payment of the annual principal. The 2003 bonds will mature on October 1, 2021 and the 2005 Bonds will mature on February 1, 2025.

TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited) (Cont'd)

Economic Factors and Next Year's Budget

For the 2013-14 school-year, the Tabernacle Township Public School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 51.1 percent of total revenue is from local tax levy and 40.7 percent of the Tabernacle Township Public School District's revenue is from federal and state aid (restricted and not restricted).

Requests for Information

This financial report is designed to provide a general overview of the Tabernacle Township Public School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Noreen Boston, Business Administrator/ Board Secretary at the Tabernacle Township School District, 132 New Road, Tabernacle, New Jersey 08088.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TABERNACLE TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,588,294.75	\$ 20,641.20	\$ 1,608,935.95
Receivables, net	250,344.61	3,858.72	254,203.33
Restricted Cash and Cash Equivalents	376,554.82		376,554.82
Inventory		8,144.90	8,144.90
Capital Assets, net (Note 7)	<u>14,336,219.28</u>	<u>66,279.41</u>	<u>14,402,498.69</u>
Total Assets	<u>16,551,413.46</u>	<u>98,924.23</u>	<u>16,650,337.69</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Refunding	<u>192,046.06</u>	<u>-</u>	<u>192,046.06</u>
LIABILITIES:			
Accounts Payable		391.72	391.72
Accrued Interest	94,453.86		94,453.86
Unearned Revenue		2,396.67	2,396.67
Noncurrent Liabilities (Note 8):			
Due within One Year	633,818.39		633,818.39
Due beyond One Year	<u>6,837,699.60</u>		<u>6,837,699.60</u>
Total Liabilities	<u>7,565,971.85</u>	<u>2,788.39</u>	<u>7,568,760.24</u>
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	7,405,988.04	66,279.41	7,472,267.45
Restricted for:			
Debt Service	(106,019.83)		(106,019.83)
Capital Projects	153,483.98		153,483.98
Other Purposes	1,735,861.99		1,735,861.99
Unrestricted (Deficit)	<u>(11,826.51)</u>	<u>29,856.43</u>	<u>18,029.92</u>
Total Net Position	<u>\$ 9,177,487.67</u>	<u>\$ 96,135.84</u>	<u>\$ 9,273,623.51</u>

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

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

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,360,444.46	\$ 156,141.70	\$ 228,963.02		\$ (4,360,444.46)	\$	\$ (4,360,444.46)
Special Education	1,144,121.59				(759,016.87)		(759,016.87)
Other Special Instruction	202,107.90				(202,107.90)		(202,107.90)
Other Instruction	70,765.77				(70,765.77)		(70,765.77)
Support Services:							
Student and Instruction Related Services	1,459,591.98		121,253.98		(1,338,338.00)		(1,338,338.00)
School Administrative Services	356,561.58				(356,561.58)		(356,561.58)
Other Administrative Services	674,442.09				(674,442.09)		(674,442.09)
Plant Operations and Maintenance	1,202,391.17				(1,202,391.17)		(1,202,391.17)
Pupil Transportation	503,174.22				(503,174.22)		(503,174.22)
Allocated and Unallocated Benefits	2,587,049.43				(2,587,049.43)		(2,587,049.43)
Reimbursed TPAF Pension and Social Security	1,183,421.93		1,183,421.93		(312,552.41)		(312,552.41)
Interest on Long-Term Debt	348,609.80		36,057.39				
Total Governmental Activities	14,092,681.92	156,141.70	1,569,696.32	-	(12,366,843.90)	-	(12,366,843.90)
Business-Type Activities:							
Food Service	263,733.64	186,880.20	69,719.40	\$ 33,924.38		\$ 26,790.34	26,790.34
Community Program							
Total Business-Type Activities	263,733.64	186,880.20	69,719.40	33,924.38		26,790.34	26,790.34
Total Primary Government	\$ 14,356,415.56	\$ 343,021.90	\$ 1,639,415.72	\$ 33,924.38	(12,366,843.90)	26,790.34	(12,340,053.56)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					6,504,183.00		6,504,183.00
Taxes Levied for Debt Service					779,914.00		779,914.00
Federal and State Aid Not Restricted					5,526,032.46		5,526,032.46
Federal and State Aid Restricted					71,512.61		71,512.61
Miscellaneous Income					119,556.12	226.50	119,782.62
Cancellation of Receivables					(143,405.62)		(143,405.62)
Total General Revenues, Special Items, Extraordinary Items and Transfers					12,857,792.57	226.50	12,858,019.07
Change in Net Assets					490,948.67	27,016.84	517,965.51
Net Position (Restated) -- July 1					8,686,539.00	69,119.00	8,755,658.00
Net Position -- June 30					9,177,487.67	96,135.84	9,273,623.51

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

FUND FINANCIAL STATEMENTS

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,588,294.75		\$ 376,554.82		\$ 1,964,849.57
Receivables, net:					
Interfunds Receivable:					
Special Revenue Fund	28,838.00				28,838.00
Capital Projects	292,545.00			\$ 6,398.00	298,943.00
Debt Service	18,610.66				18,610.66
Payroll	1,668.00				1,668.00
Receivables from Other Governments:					
Federal		\$ 28,838.00			28,838.00
State of NJ -- Non-Public Transportation Aid	5,310.46				5,310.46
State of NJ -- FICA	19,084.63				19,084.63
State of NJ -- Extraordinary Aid	90,110.00				90,110.00
State of NJ -- SCC Grants			75,872.16		75,872.16
Other Receivables	29,461.36				29,461.36
Total Assets	<u>\$ 2,073,922.86</u>	<u>\$ 28,838.00</u>	<u>\$ 452,426.98</u>	<u>\$ 6,398.00</u>	<u>\$ 2,561,585.84</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfunds Payable:					
General Fund		\$ 28,838.00	\$ 292,545.00	\$ 18,610.66	\$ 339,993.66
Debt Service Fund			6,398.00		6,398.00
Total Liabilities	<u>-</u>	<u>28,838.00</u>	<u>298,943.00</u>	<u>18,610.66</u>	<u>346,391.66</u>
Fund Balances:					
Restricted:					
Capital Reserve	\$ 451,798.28				451,798.28
Emergency Reserve	100,687.68				100,687.68
Excess Surplus	183,376.03				183,376.03
Excess Surplus Designated for Subsequent Year's Expenditures	801,666.00				801,666.00
Debt Service				(12,212.66)	(12,212.66)
Capital Projects			153,483.98		153,483.98
Assigned:					
Subsequent Year's Expenditures	198,334.00				198,334.00
Unassigned	338,060.87				338,060.87
Total Fund Balances	<u>2,073,922.86</u>	<u>-</u>	<u>153,483.98</u>	<u>(12,212.66)</u>	<u>2,215,194.18</u>
Total Liabilities and Fund Balances	<u>\$ 2,073,922.86</u>	<u>\$ 28,838.00</u>	<u>\$ 452,426.98</u>	<u>\$ 6,398.00</u>	

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

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,314,934.26 and the accumulated depreciation is \$10,978,714.98. 14,336,219.28
- Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. (7,471,517.99)
- Deferred loss on refundings are not financial resources and therefore are not reported in the funds. 192,046.06
- Accrued interest on bonds payable and capital leases is not due and payable in the current period and therefore are not reported as liabilities in the funds. (94,453.86)

Net position of governmental activities \$ 9,177,487.67

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 6,504,183.00			\$ 779,914.00	\$ 7,284,097.00
Other Local Revenue	156,141.70	140.98			140.98
Tuition	6,703,384.39				156,141.70
State Sources	6,070.00	350,076.02		107,570.00	6,810,954.39
Federal Sources	119,556.12				356,146.02
Miscellaneous					119,556.12
Total Revenues	<u>13,489,335.21</u>	<u>350,217.00</u>	<u>-</u>	<u>887,484.00</u>	<u>14,727,036.21</u>
EXPENDITURES:					
Regular Instruction	4,099,105.50				4,099,105.50
Special Education Instruction	976,350.00	228,963.02			1,205,313.02
Other Special Instruction	202,107.90				202,107.90
Other Instruction	70,765.77				70,765.77
Support Services and Undistributed Costs:					
Student and Instruction Related Services	1,338,338.00	121,253.98			1,459,591.98
School Administrative Services	367,014.34				367,014.34
Other Administrative Services	674,442.09				674,442.09
Plant Operations and Maintenance	1,133,483.60				1,133,483.60
Pupil Transportation	498,070.61				498,070.61
Allocated and Unallocated Benefits	2,587,049.43				2,587,049.43
Reimbursed TPAF Pension and Social Security	1,183,421.93				1,183,421.93
Debt Service:					
Principal				590,000.00	590,000.00
Interest				297,483.66	297,483.66
Capital Outlay	185,293.18				185,293.18
Total Expenditures	<u>13,315,442.35</u>	<u>350,217.00</u>	<u>160,123.60</u>	<u>887,483.66</u>	<u>14,713,266.61</u>
Excess (Deficiency) of Revenues over Expenditures	<u>173,892.86</u>	<u>-</u>	<u>(160,123.60)</u>	<u>0.34</u>	<u>13,769.60</u>
OTHER FINANCING SOURCES (USES):					
Cancellation of Grant Receivable	(7,455.00)		(143,405.62)		(150,860.62)
Transfers To and From Capital Projects Fund	(7,455.00)		7,455.00		
Total Other Financing Sources and Uses	<u>(7,455.00)</u>	<u>-</u>	<u>(135,950.62)</u>	<u>-</u>	<u>(143,405.62)</u>
Net Change in Fund Balances	166,437.86		(296,074.22)	0.34	(129,636.02)
Fund Balance (Deficit)-- July 1	1,907,485.00		449,558.20	(12,213.00)	2,344,830.20
Fund Balance (Deficit)-- June 30	<u>\$ 2,073,922.86</u>	<u>-</u>	<u>153,483.98</u>	<u>(12,212.66)</u>	<u>\$ 2,215,194.18</u>

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

TABERNACLE TOWNSHIP 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		\$ (129,636.02)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (534,197.02)	
Debt Service Assessment Charged to Capital Outlay	(31,827.00)	
Assets Transferred to Food Service	(63,828.38)	
Capital Outlays	<u>345,416.78</u>	
		(284,435.62)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		590,000.00
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 the difference in the treatment of the long-term debt related items. Amortization of Loss on Early Retirement of Debt		(24,005.94)
In the statement of activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)		(7,560.00)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		69,352.70
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)		4,707.14
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 (+).		<u>272,526.75</u>
Change in Net Position of Governmental Activities		<u>\$ 490,949.01</u>

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Net Position
 June 30, 2013

	<u>Food Service</u>	<u>Community Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 20,641.20		\$ 20,641.20
Accounts Receivable:			
State	163.86		163.86
Federal	3,553.62		3,553.62
Other	141.24		141.24
Inventories	8,144.90		8,144.90
Total Current Assets	32,644.82	-	32,644.82
Noncurrent Assets:			
Restricted Cash and Cash Equivalents			
Furniture, Machinery and Equipment	165,120.00		165,120.00
Less Accumulated Depreciation	(98,840.59)		(98,840.59)
Total Noncurrent Assets	66,279.41	-	66,279.41
Total Assets	98,924.23	-	98,924.23
LIABILITIES:			
Current Liabilities:			
Accounts Payable	391.72		391.72
Unearned Revenue	2,396.67		2,396.67
Total Current Liabilities	2,788.39	-	2,788.39
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	66,279.41	-	66,279.41
Unrestricted	29,856.43	-	29,856.43
Total Net Position	\$ 96,135.84	-	\$ 96,135.84

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Proprietary 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>Community Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 100,545.51		\$ 100,545.51
Daily Sales - Non-Reimbursable Programs	82,639.29		82,639.29
Special Functions	3,695.40		3,695.40
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	186,880.20	-	186,880.20
OPERATING EXPENSES:			
Salaries	98,891.33		98,891.33
Employee Benefits	19,307.54		19,307.54
General Supplies	8,786.15		8,786.15
Depreciation	10,018.97		10,018.97
Administrative Fee	24,034.92		24,034.92
Purchased Professional Services			
Purchased Property Services	7,084.24		7,084.24
Cost of Sales	95,057.42		95,057.42
Miscellaneous	553.07		553.07
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	263,733.64	-	263,733.64
Operating Income / (Loss)	<hr/> <u>(76,853.44)</u>	<hr/> <u>-</u>	<hr/> <u>(76,853.44)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	2,313.42		2,313.42
Federal Sources:			
National School Lunch Program	50,784.62		50,784.62
Food Distribution Program	16,621.36		16,621.36
Interest Revenue	226.50		226.50
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	69,945.90	-	69,945.90
Income (Loss) before Contributions and Transfers	(6,907.54)		(6,907.54)
Capital Contributions	33,924.38	-	33,924.38
Change in Net Position	27,016.84		27,016.84
Net Position -- July 1	69,119.00	-	69,119.00
Net Position -- June 30	<hr/> <u>\$ 96,135.84</u>	<hr/> <u>-</u>	<hr/> <u>\$ 96,135.84</u>

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>	<u>Community Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 187,600.63		\$ 187,600.63
Payments to Employees	(98,891.33)		(98,891.33)
Payments for Employee Benefits	(19,307.54)		(19,307.54)
Payments for Supplies and Services	(165,400.18)		(165,400.18)
Net Cash Provided by (used for) Operating Activities	<u>(95,998.42)</u>	<u>-</u>	<u>(95,998.42)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	2,289.56		2,289.56
Federal Sources	66,904.36		66,904.36
Operating Subsidies and Transfers to Other Funds	(6,677.80)	\$ (1,277.00)	(7,954.80)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>62,516.12</u>	<u>(1,277.00)</u>	<u>61,239.12</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	12,470.00	-	12,470.00
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	226.50	-	226.50
Net Increase (Decrease) in Cash and Cash Equivalents	(20,785.80)	(1,277.00)	(22,062.80)
Cash and Cash Equivalents -- July 1	41,427.00	1,277.00	42,704.00
Cash and Equivalents -- June 30	<u>\$ 20,641.20</u>	<u>-</u>	<u>\$ 20,641.20</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	\$ (76,853.44)		\$ (76,853.44)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	10,018.97		10,018.97
(Increase) Decrease in Accounts Receivable	(141.24)		(141.24)
(Increase) Decrease in Inventories	(42.10)		(42.10)
Increase (Decrease) in Accounts Payable	(29,842.28)		(29,842.28)
Increase (Decrease) in Unearned Revenue	861.67		861.67
Total Adjustments	<u>(19,144.98)</u>	<u>-</u>	<u>(19,144.98)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (95,998.42)</u>	<u>-</u>	<u>\$ (95,998.42)</u>

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

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

	Trust Fund		Agency Funds		Total
	Scholarship Trust	Unemployment Compensation Trust	Student Activity	Payroll	
ASSETS:					
Cash and Cash Equivalents	\$ 11,902.90	\$ 141,838.99	\$ 55,549.17	\$ 6,621.01	\$ 215,912.07
Accounts Receivable:					
Interfund Accounts Receivable:					
Due Unemployment Fund	-	-	-	4,604.60	4,604.60
Total Assets	11,902.90	141,838.99	\$ 55,549.17	\$ 11,225.61	220,516.67
LIABILITIES:					
Accounts Payable		7,733.09			7,733.09
Interfund Accounts Payable:					
Due General Fund				\$ 1,668.00	1,668.00
Due Payroll Fund		4,604.60			4,604.60
Payable to Student Groups			\$ 55,549.17		55,549.17
Payroll Deductions and Withholdings				9,557.61	9,557.61
Total Liabilities	-	12,337.69	\$ 55,549.17	\$ 11,225.61	79,112.47
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes	\$ 11,902.90	\$ 129,501.30			\$ 141,404.20

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Fiscal Year Ended June 30, 2013

	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS:		
Contributions and Donations from Payroll Deductions Withheld		\$ 12,293.16
Scholarship Donations	\$ 1,300.00	
Investment Earnings: Interest	69.47	998.43
Total Additions	1,369.47	13,291.59
DEDUCTIONS:		
Scholarship Awards		
Unemployment Claims		26,531.50
Total Deductions	-	26,531.50
Change in Net Position	1,369.47	(13,239.91)
Net Position -- July 1	10,533.43	142,741.21
Net Position -- June 30	\$ 11,902.90	\$ 129,501.30

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

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

Description of the Reporting Entity

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of 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 eight at its two schools. The School District has an approximate enrollment at June 30, 2013 of 807.

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

Component Units

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

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

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

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

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

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

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

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

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

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

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

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.

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.

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)****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.

Community Service Fund - This fund's financial activity was restricted to liquidating the prior year accounts payables. The fund was closed at year-end.

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, if any, represent scholarships for future teachers, 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.

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

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

Modified Accrual

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

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

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.

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

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

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

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

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

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.

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

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

Cash, Cash Equivalents and Investments

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

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

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

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.

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

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	3 - 15 Years
Motor Vehicles	5 - 10 Years
Audio / Video Materials and Software	3 - 5 Years
Buildings and Improvements	15 - 50 Years
Land Improvements	15 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, 2013 and 2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

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

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

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

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

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

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

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

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

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65 materially affected the classification of several balances on the statement of net position. (**see note 21**)

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2013, the School District's bank balances of \$2,413,722.30 were exposed to custodial credit risk as follows:

Insured	\$ 345,714.33
Collateralized by securities held by the pledging financial institution	-
Collateralized by securities held by the pledging financial institution's trust department or agent but not in the depositor- government's name	<u>2,068,007.97</u>
	<u>\$2,413,722.30</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District during the 1999-2000 fiscal-year 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:

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

Beginning Balance, July 1, 2012		\$ 1,786.00
Increased by:		
Interest Earnings	\$ 12.28	
Deposits:		
Board Resolution (6/17/13)	<u>450,000.00</u>	
		<u>450,012.28</u>
		451,798.28
Decreased by:		
Withdrawals		<u>-</u>
Ending Balance, June 30, 2013		<u>\$ 451,798.28</u>

The June 30, 2013 LRF balance of local support costs of uncompleted projects is \$1,125,895.05. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRF.

Note 4: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2013, the School District transferred \$153,457.95 to the capital outlay accounts for equipment.

Note 5: ACCOUNTS RECEIVABLE

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

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

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Intergovernmental	\$ 114,505.09	\$ 28,838.00	\$ 75,872.16	\$ 3,717.48	\$ 222,932.73
Other	29,461.36			141.24	29,602.60
	<u>\$ 143,966.45</u>	<u>\$ 28,838.00</u>	<u>\$ 75,872.16</u>	<u>\$ 3,858.72</u>	<u>\$ 252,535.33</u>

Note 6: INVENTORY

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

Food	\$ 6,015.30
Supplies	<u>2,129.60</u>
	<u>\$ 8,144.90</u>

Note 7: CAPITAL ASSETS

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

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2013</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Construction in Progress	-	\$ 160,123.60	-	\$ 160,123.60
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 2,699,181.10	123,824.95	\$ (233,850.00)	2,589,156.05
Buildings and Improvements	22,423,212.38	29,641.23		22,452,853.61
Land Improvements	112,801.00			112,801.00
Total Capital Assets, being Depreciated	<u>25,235,194.48</u>	<u>153,466.18</u>	<u>(233,850.00)</u>	<u>25,154,810.66</u>
Total Capital Assets, Cost	<u>25,235,194.48</u>	<u>313,589.78</u>	<u>(233,850.00)</u>	<u>25,314,934.26</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(2,331,037.24)	(83,738.19)	162,461.62	(2,252,313.81)
Buildings and Improvements	(8,203,883.37)	(446,105.28)		(8,649,988.65)
Land Improvements	(72,058.97)	(4,353.55)		(76,412.52)
Total Accumulated Depreciation	<u>(10,606,979.58)</u>	<u>(534,197.02)</u>	<u>162,461.62</u>	<u>(10,978,714.98)</u>
Total Capital Assets, being Depreciated, Net	<u>14,628,214.90</u>	<u>(380,730.84)</u>	<u>(71,388.38)</u>	<u>14,176,095.68</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,628,214.90</u>	<u>\$(220,607.24)</u>	<u>\$ (71,388.38)</u>	<u>\$ 14,336,219.28</u>
	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2013</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 87,900.00	\$ 12,470.00	\$ 64,750.00	\$ 165,120.00
Less Accumulated Depreciation	<u>(57,996.00)</u>	<u>(10,018.97)</u>	<u>(30,825.62)</u>	<u>(98,840.59)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 29,904.00</u>	<u>\$ 2,451.03</u>	<u>\$ 33,924.38</u>	<u>\$ 66,279.41</u>

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

Governmental Activities:	
Instruction	\$ 6,811.58
Support Administration	29,277.24
Transportation	27,166.31
Plant Operations and Maintenance	5,079.19
Unallocated	<u>465,862.70</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 534,197.02</u>
Business-Type Activities:	
Food Service	<u>\$ 10,018.97</u>

Note 8: LONG-TERM LIABILITIES

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

	<u>Balance July 1, 2012</u>	<u>Adjustments/ Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 7,658,000.00		\$ (590,000.00)	\$ 7,068,000.00	\$ 595,000.00
Other Liabilities:					
Obligations under Capital Lease	123,630.00		(69,352.70)	54,277.30	38,818.39
Compensated Absences	621,767.00		(272,526.31)	349,240.69	
Total Other Liabilities	<u>745,397.00</u>	<u>-</u>	<u>(341,879.01)</u>	<u>403,517.99</u>	<u>38,818.39</u>
Governmental Activity Long-Term Liabilities	<u>\$ 8,403,397.00</u>	<u>-</u>	<u>\$ (931,879.01)</u>	<u>\$ 7,471,517.99</u>	<u>\$ 633,818.39</u>

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

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

On October 1, 2003, the School District issued \$5,335,000.00 of Refunding School Bonds to provide funding to advance refund the callable portion of the outstanding 1996 Bond Issue. The Refunding Bonds were issued at interest rates varying from 2.00% to 4.30%. The final maturity of these bonds is September 1, 2021.

On February 1, 2005, the District issued \$5,673,000.00 of School Bonds. The purpose of the Bonds is to undertake the construction of various renovations and improvements to Kenneth R. Olson Middle School and Tabernacle Elementary School in order to correct various health and safety deficiencies and make necessary offsite improvements. The Bonds maturing prior to March 1, 2016 are not subject to redemption prior to their maturity date. Bonds maturing after March 1, 2016 are redeemable at the option of the Board in whole or in part on or after March 1, 2015. The Bond bears interest rates from 2.5% to 4.3% with final maturity on February 1, 2025.

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

Principal and interest due on bonds outstanding is as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 595,000.00	\$ 275,646.50	\$ 870,646.50
2015	630,000.00	252,796.50	882,796.50
2016	635,000.00	228,566.50	863,566.50
2017	645,000.00	203,866.50	848,866.50
2018	675,000.00	178,021.50	853,021.50
2019-2023	3,175,000.00	476,710.00	3,651,710.00
2024-2025	713,000.00	43,173.00	756,173.00
	<u>\$ 7,068,000.00</u>	<u>\$ 1,658,780.50</u>	<u>\$ 8,726,780.50</u>

Bonds Authorized but not Issued - As of June 30, 2013, the School District had authorization to issue additional bonded debt in the amount of \$450,000.00.

Obligations under Capital Lease - The School District is leasing copiers and two school buses totaling \$320,128.00 under capital leases. All capital leases are for terms of three to five 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 <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 38,818.39	\$ 1,543.61	\$ 40,362.00
2015	15,458.91	595.09	16,054.00
	<u>\$ 54,277.30</u>	<u>\$ 2,138.70</u>	<u>\$ 56,416.00</u>

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

Note 9: OPERATING LEASES

At June 30, 2013, the School District had operating lease agreements in effect for postage machines and a computer system. The present value of the future minimum rental payments under the operating lease agreements are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Amount</u>
2014	\$ 73,896.80
2015	73,896.80
2016	38,058.40
2017	2,220.00
2018	1,665.00
	<u>\$ 189,737.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$72,231.80.

Note 10: PENSION PLANS

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

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

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund ("TPAF") is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66. The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years, which began July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

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

Note 10: PENSION PLANS (CONT'D)

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 Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2013	\$ 48,962.00	\$ 117,070.00	\$166,032.00	\$ 9,882.00	\$ 175,914.00
2012	58,739.00	117,479.00	176,218.00	11,227.00	187,445.00
2011	63,163.00	100,644.00	163,807.00	12,441.00	176,248.00

Note 11: STATE POST-RETIREMENT MEDICAL BENEFITS

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

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

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$368,684.00 and \$416,889.00, respectively.

Note 13: RISK MANAGEMENT

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

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

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.

Note 13: RISK MANAGEMENT (CONT'D)

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2013	-	\$ 10,520.60	\$ 998.43	\$ 24,758.94	\$129,501.30
2012	-	-	2,481.00	47,220.00	142,741.21
2011	\$ 12,571.00	-	2,537.00	56,149.00	187,480.21

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

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles
- Boiler and Machinery
- Crime

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the School District with the following coverage:

- Property - Blanket Building and Grounds
- General and Automobile Liability
- Boiler and Machinery
- Crime Coverage
- Worker's Compensation
- Educator's Legal Liability
- Pollution and Mold Legal Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

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

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

Note 14: DEFERRED COMPENSATION

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

AXA Equitable
ING Life Insurance & Annuity
Lincoln Investment Planning
MetLife

Note 15: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2013, the liability for compensated absences reported on the government-wide statement of net position was \$349,240.69.

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$341,661.66	
Special Revenue		\$ 28,838.00
Capital Projects		298,943.00
Debt Service	6,398.00	18,610.66
Fiduciary	4,604.60	6,272.60
	<u>\$352,664.26</u>	<u>\$352,664.26</u>

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

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)

Interfund Transfers:

	Transfers					
	General Fund	Debt Service Fund	Capital Projects Fund	Proprietary Fund	Special Revenue Fund	Fiduciary Fund
<u>Transfers</u>						
General Fund		\$(311,512.34)	\$(7,455.00)	\$18,178.00	\$28,838.00	\$(48,141.00)
Special Revenue Fund	\$(28,838.00)					
Capital Projects Fund	7,455.00					
Debt Service Fund	311,512.34					
Fiduciary Fund	48,141.00					
Food Service Fund	(18,178.00)					
Total Transfers	<u>\$320,092.34</u>	<u>\$(311,512.34)</u>	<u>\$(7,455.00)</u>	<u>\$18,178.00</u>	<u>\$28,838.00</u>	<u>\$(48,141.00)</u>

Note 17: DEFICIT UNRESTRICTED NET ASSETS

The Governmental Funds had a deficit in unrestricted net assets of \$11,826.51 as of June 30, 2013. This deficit is attributable to the allocation of compensated absences balances.

Note 18: DEFICIT RESTRICTED NET ASSETS

There was a deficit in the restricted net assets for debt service at June 30, 2013 of \$106,019.83. This deficit is mainly attributable to accrued interest.

Note 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$12,212.66 in the debt service fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). This deficit is not a result of a delay in the June payments of state. The District expects that this deficit will be funded in a future year's budget.

Note 20: 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 20: 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 \$183,376.03. Additionally, \$801,666.00 of excess fund balance generated during 2011-2012 has been restricted and designated for utilization in the 2013-2014 Budget.

For Capital Reserve Account - As of June 30, 2013, the balance in the capital reserve account is \$451,798.28. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Emergency Reserve - As of June 30, 2013, the balance in the emergency reserve is \$100,687.68. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the reserve is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

Capital Projects Fund - On February 1, 2005, the School District authorized \$9,743,980.00 of capital projects. These projects consisted of rehabilitation and upgrades to the Tabernacle Elementary School and the Kenneth R. Olsen Middle School. These projects were funded by the issuance of \$5,673,000.00 of Bonds, State of New Jersey SCC Grants of \$3,087,190.00 and Local Contributions of \$983,790.00. As of June 30, 2013, the restricted fund balance amount was \$153,483.98.

Debt Service Fund - As of June 30, 2013, the balance in the debt service fund is (\$12,212.66). This deficit will be raised in future year's budgets.

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 \$198,334.00 of general fund balance at June 30, 2013.

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, \$338,060.87 of general fund balance was unassigned.

Note 21: 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	\$ 8,895,789.00
Expense of Bond Issuance Costs ^a	<u>(140,131.00)</u>
Net Position, June 30, 2012 (Restated)	<u><u>\$ 8,755,658.00</u></u>

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

Note 22: LITIGATION

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

Note 23: SUBSEQUENT EVENTS

On September 18, 2013 the District issued \$6,250,000.00 of Refunding Bonds with an interest rate ranging from 2.00% to 3.00%. The proceeds of the Issue were utilized to currently refund all or portions of all of the callable and outstanding bonds dated October 1, 2003 and to advance refund all or portions of all of the callable and outstanding bonds dated February 1, 2005.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,504,183.00		\$ 6,504,183.00	6,504,183.00	
Interest Earned on Capital Reserve Funds	9.00		9.00	12.28	\$ 3.28
Interest Earned on Emergency Reserve Funds				687.68	687.68
Unrestricted Miscellaneous Revenues	60,000.00		60,000.00	118,856.16	58,856.16
Tuition	100,952.00		100,952.00	156,141.70	55,189.70
Total - Local Sources	6,665,144.00	-	6,665,144.00	6,779,880.82	114,736.82
State Sources:					
Equalization Aid	3,411,702.00		3,411,702.00	3,411,702.00	
Categorical Special Education Aid	461,264.00		461,264.00	461,264.00	
Categorical Security Aid	66,302.00		66,302.00	66,302.00	
Adjustment Aid	1,147,797.00		1,147,797.00	1,147,797.00	
Categorical Transportation Aid	338,629.00		338,629.00	338,629.00	
Excess Non-Public Transportation Aid				5,310.46	5,310.46
Extraordinary Aid				90,110.00	90,110.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				397,848.93	397,848.93
On-behalf TPAF Medical Contributions (non-budgeted)				416,889.00	416,889.00
On-behalf TPAF Pension Contributions (non-budgeted)				368,684.00	368,684.00
Total - State Sources	5,425,694.00	-	5,425,694.00	6,704,536.39	1,278,842.39
Federal Sources:					
Education Jobs Funds		\$ 6,070.00	6,070.00	6,070.00	-
Total Revenues	12,090,838.00	6,070.00	12,096,908.00	13,490,487.21	1,393,579.21

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:	\$ 305,778.00	\$ (3,000.00)	\$ 305,778.00	\$ 298,215.95	\$ 7,562.05
Preschool/Kindergarten	2,062,877.00	(53,689.40)	2,069,877.00	1,916,597.29	143,279.71
Grades 1 - 5	1,333,996.00		1,280,326.60	1,106,187.34	174,139.26
Grades 6 - 8					
Regular Programs - Home Instruction:					
Salaries of Teachers	2,819.00	9,192.51	12,011.51	12,010.55	0.96
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	99,767.00	(19,760.60)	80,006.40	69,083.87	10,922.53
Purchased Professional/Educational Services	104,861.84	58,707.49	163,569.33	159,237.57	4,331.66
Other Purchased Services	30,726.00	72,977.00	103,703.00	97,619.16	6,083.84
General Supplies	597,391.77	(172,138.92)	425,252.85	401,344.66	23,908.19
Textbooks	58,500.00	(23,900.00)	34,600.00	33,018.52	1,581.48
Other Objects	12,150.00	(1,000.00)	11,150.00	5,790.49	5,359.51
Total Regular Programs	4,608,866.61	(132,591.92)	4,476,274.69	4,099,105.50	377,169.19
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	88,964.00	249.00	89,213.00	89,193.00	20.00
Other Salaries for Instruction	20,443.00	390.00	20,833.00	20,579.00	254.00
Total - Learning and/or Language Disabilities	109,407.00	639.00	110,046.00	109,772.00	274.00
Multiple Disabilities:					
Salaries of Teachers	73,042.00	6,671.27	79,713.27	66,329.91	13,383.36
Other Salaries for Instruction	50,056.00	(1,499.00)	48,557.00	44,268.63	4,288.37
General Supplies		138.86	138.86	138.86	
Total - Multiple Disabilities	123,098.00	5,311.13	128,409.13	110,737.40	17,671.73
Resource Room/Center					
Salaries of Teachers	548,102.00	(46,700.00)	501,402.00	499,007.20	2,394.80
Other Salaries for Instruction	158,426.00	(23,823.80)	134,602.20	130,775.49	3,826.71
General Supplies		3,374.85	3,374.85	3,374.85	
Total - Resource Room/Center	706,528.00	(67,148.95)	639,379.05	633,157.54	6,221.51
Preschool Disabilities - Part-Time:					
Salaries of Teachers	87,619.00	(35,000.00)	52,619.00	51,980.50	638.50
Other Salaries for Instruction	47,378.00	17,325.00	64,703.00	60,076.90	4,626.10
Purchased Professional - Educational Services	2,500.00	3,413.53	5,913.53	5,913.53	
General Supplies	3,750.00	981.39	4,731.39	4,712.13	19.26
Total - Preschool Disabilities - Part-Time	141,247.00	(13,280.08)	127,966.92	122,683.06	5,283.86
Total - Special Education	1,080,280.00	(74,478.90)	1,005,801.10	976,350.00	29,451.10

(Continued)

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Basic Skills/Remedial:					
Salaries of Teachers	\$ 135,122.00	\$ 78,872.89	\$ 213,994.89	\$ 189,546.15	\$ 24,448.74
Other Salaries for Instruction	39,153.00	(3,892.99)	35,260.01	11,627.00	23,633.01
General Supplies	6,000.00	(500.00)	5,500.00	851.13	4,648.87
Total - Basic Skills/Remedial	180,275.00	74,479.90	254,754.90	202,024.28	52,730.62
Bilingual Education:					
General Supplies	607.58	-	607.58	83.62	523.96
School Sponsored Cocurricular Activities - Instruction:					
Salaries	38,868.00	(2,400.00)	36,468.00	23,135.20	13,332.80
Purchased Services (300-500 series)	2,300.00	2,300.00	2,300.00	1,942.69	357.31
Supplies and Materials	3,000.00	(400.00)	2,600.00	2,055.61	544.39
Other Objects		500.00	500.00	500.00	
Total - School Sponsored Cocurricular Activities - Instruction	41,868.00	-	41,868.00	27,633.50	14,234.50
School-Sponsored Athletics - Instruction:					
Salaries	40,802.00	(2,991.00)	37,811.00	31,648.81	6,162.19
Purchased Services (300-500 series)	5,000.00		5,000.00	4,397.00	603.00
Supplies and Materials	2,200.00	3,000.00	5,200.00	4,873.23	326.77
Total - School Sponsored Athletics - Instruction	48,002.00	9.00	48,011.00	40,919.04	7,091.96
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within State-Special	18,000.00	(18,000.00)			
Tuition to CSSD & Reg. Day Schools		53,000.00	53,000.00	2,213.23	50,786.77
Tuition to Private School for the Disabled within State	47,500.00	(35,000.00)	12,500.00		12,500.00
Total Undistributed Expenditures - Instruction	65,500.00	-	65,500.00	2,213.23	63,286.77
Total - Instruction	6,025,399.19	(132,581.92)	5,892,817.27	5,348,329.17	544,488.10

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures:					
Attendance and Social Work:					
Salaries	\$ 925.00	-	\$ 925.00	\$ 872.00	\$ 53.00
Health Services:					
Salaries	134,288.00	\$ (3,620.00)	130,668.00	128,842.32	1,825.68
Purchased Professional and Technical Services	950.00	3,800.00	4,750.00	4,731.00	19.00
Other Purchased Services	600.00	(180.00)	420.00	398.00	22.00
Supplies and Materials	3,580.00		3,580.00	3,166.59	413.41
Total Health Services	139,418.00	-	139,418.00	137,137.91	2,280.09
Speech, OT, PT & Related Services:					
Salaries	144,857.00		144,857.00	143,893.66	963.34
Purchased Professional - Educational Services		6,795.50	6,795.50	4,432.50	2,363.00
Supplies and Materials	4,000.00	(795.50)	3,204.50		3,204.50
Total Speech, OT, PT& Related Services	148,857.00	6,000.00	154,857.00	148,326.16	6,530.84
Other Support Services-Students-Related Services:					
Salaries	180,610.00	(6,000.00)	174,610.00	172,236.06	2,373.94
Guidance:					
Salaries of Other Professional Staff	134,767.00	(1,000.00)	133,767.00	130,872.49	2,894.51
Purchased Professional - Educational Services	1,500.00	600.00	2,100.00	1,500.00	600.00
Other Purchased Services	500.00		500.00	125.00	375.00
Supplies and Materials	3,000.00	(2,800.00)	200.00	200.00	
Total Other Support Services - Students - Regular	139,767.00	(3,200.00)	136,567.00	132,697.49	3,869.51
Child Study Teams:					
Salaries of Other Professional Staff	290,800.00	(6,480.00)	284,320.00	283,632.00	688.00
Salaries of Secretarial and Clerical Assistants	42,586.00	600.00	43,186.00	42,924.84	261.16
Purchased Professional - Educational Services	50,000.00	(19,105.00)	30,895.00	30,878.72	16.28
Miscellaneous Purchased Services	3,760.00	(815.00)	2,945.00	2,228.37	716.63
Supplies and Materials	28,773.00	(22,600.00)	6,173.00	5,953.35	219.65
Other Objects	3,000.00	(2,500.00)	500.00	462.00	38.00
Total Other Support Services - Students - Regular	418,919.00	(50,900.00)	368,019.00	366,079.28	1,939.72

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Improvement of Instruction Services/Other Support Services - Instructional Staff:					
Salaries of Other Professional Staff	\$ 16,000.00	\$ 14,380.70	\$ 30,380.70	\$ 30,380.70	\$ 0.40
Salaries of Secretary and Clerical Assistants	21,190.00	1,225.00	22,415.00	22,414.60	29.00
Purchased Professional - Educational Services	5,075.00	47,500.00	47,500.00	47,471.00	764.48
Other Purchased Services	800.00	5,075.00	5,075.00	4,310.52	291.02
Supplies and Materials		800.00	800.00	508.98	
Total Improvement of Instruction Services/Other Support Services - Instructional Staff	43,065.00	63,105.70	106,170.70	105,085.80	1,084.90
Educational Media Services/School Library:					
Salaries	190,353.00	2,606.00	192,959.00	192,004.17	954.83
Purchased Professional and Technical Services	8,500.00	(8,000.00)	500.00	64.00	436.00
Other Purchased Services	3,500.00	5,494.00	8,994.00	4,750.97	4,243.03
Supplies and Materials	38,500.00	(4,650.00)	33,850.00	28,672.87	5,177.13
Total Educational Media Services/School Library	240,853.00	(4,550.00)	236,303.00	225,492.01	10,810.99
Instructional Staff Training Services:					
Salaries of Secretary and Clerical Assistants	21,190.00	200.00	21,390.00	21,347.52	42.48
Purchased Professional- Educational Services	81,000.00	(42,625.00)	38,375.00	28,620.89	9,754.11
Other Purchased Services	2,500.00	(2,155.70)	344.30	222.13	122.17
Supplies and Materials	3,000.00	(1,025.00)	1,975.00	145.75	1,829.25
Other Objects	1,000.00		1,000.00	75.00	925.00
Total Instructional Staff Training Services	108,690.00	(45,605.70)	63,084.30	50,411.29	12,673.01
Support Services General Administration:					
Salaries	202,329.00		202,329.00	201,093.37	1,235.63
Legal Services	28,900.00		28,900.00	27,673.13	1,226.87
Audit Fees	22,000.00		19,000.00	18,985.82	14.18
Architectural / Engineering Services		(3,000.00)	7,900.00	7,661.35	238.65
Other Purchased Professional Services	34,000.00		27,900.00	26,915.00	985.00
Purchased Technical Services		1,000.00	300.00	300.00	700.00
Communications/Telephone/Postage	49,500.00	(6,900.00)	42,600.00	42,179.37	420.63
Miscellaneous Purchased Services	25,825.00	1,000.00	26,825.00	24,886.66	1,938.34
General Supplies	3,530.00		3,530.00	3,209.38	320.62
BOE In-House Training/Meeting Supplies	300.00		300.00	150.00	150.00
Miscellaneous Expenditures	7,460.00	(900.00)	6,560.00	4,796.74	1,763.26
BOE Membership Dues and Fees	9,600.00		9,600.00	9,163.52	436.48
Total Support Services General Administration	383,444.00	(7,000.00)	376,444.00	367,014.34	9,429.66

(Continued)

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	\$ 218,290.00	\$ 38,784.78	\$ 218,290.00	\$ 218,284.84	\$ 5.16
Salaries of Other Professionals Staff	174,654.00	3,580.60	38,784.78	1,874.42	36,910.36
Salaries of Secretarial and Clerical Assistants	5,671.00	(1,000.00)	178,234.60	174,711.78	3,522.82
Other Purchased Services	18,635.00	(4,180.60)	4,671.00	3,535.56	1,135.44
Supplies and Materials		14,454.40	13,652.69	13,652.69	801.71
Other Objects		1,600.00	1,600.00	1,600.00	
Total Support Services School Administration	417,250.00	38,784.78	456,034.78	413,659.29	42,375.49
Central Services:					
Salaries	181,218.00	4,265.22	185,483.22	181,440.15	4,043.07
Purchased Professional Services	5,000.00	(3,850.00)	1,150.00	700.00	450.00
Purchased Technical Services	3,000.00	51,550.00	54,550.00	54,497.40	52.60
Miscellaneous Purchased Services	8,710.00	(1,600.00)	7,110.00	5,302.95	1,807.05
Supplies and Materials	4,500.00	(1,550.00)	2,950.00	2,869.08	80.92
Miscellaneous Expenditures	2,000.00	50.00	2,050.00	1,638.19	411.81
Total Central Services	204,428.00	48,865.22	253,293.22	246,447.77	6,845.45
Administration of Information Technology:					
Other Purchased Services	16,000.00	(4,350.00)	11,650.00	11,019.00	631.00
Supplies and Materials		3,350.00	3,350.00	3,316.03	33.97
Total Administration of Information Technology	16,000.00	(1,000.00)	15,000.00	14,335.03	664.97
Required Maintenance for School Facilities:					
Salaries	223,976.00		223,976.00	135,031.86	88,944.14
Cleaning, Repair & Maintenance Services	117,770.00	(16,171.00)	101,599.00	73,326.62	28,272.38
General Supplies	21,450.00		21,450.00	4,329.73	17,120.27
Total - Required Maintenance for School Facilities	363,196.00	(16,171.00)	347,025.00	212,688.21	134,336.79
Custodial Services:					
Salaries	385,078.00		385,078.00	352,555.13	32,522.87
Purchased Professional and Technical Services	11,285.00	14,710.00	25,995.00	25,785.35	209.65
Cleaning, Repair, and Maintenance Services	123,569.25	(20,220.00)	103,349.25	81,229.42	22,119.83
Other Purchased Property Services		2,035.00	2,035.00	1,898.15	136.85
Insurance	47,960.00	3,100.00	51,060.00	51,056.00	4.00
Miscellaneous Purchased Services	3,000.00	(550.00)	2,450.00	2,015.00	435.00
General Supplies	76,678.90	8,685.97	85,364.87	84,213.42	1,151.45
Energy (Electricity)	285,000.00	(107,762.00)	177,238.00	177,237.35	0.65
Energy (Natural Gas)	125,000.00	62,867.00	187,867.00	144,805.57	43,061.43
Total - Other Operation and Maintenance of Plant Services	1,057,571.15	(37,134.03)	1,020,437.12	920,795.39	99,641.73
Total - Operation and Maintenance of Plant Services	1,420,767.15	(53,305.03)	1,367,462.12	1,133,483.60	233,978.52

(Continued)

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	\$ 345,882.00	\$ (21,672.63)	\$ 324,209.37	\$ 290,292.52	\$ 33,916.85
Salaries for Pupil Transportation (Between Home & School) - Special	13,024.00	(2,052.70)	10,971.30	4,675.78	10,971.30
Salaries for Pupil Transportation (Other than Between Home & School)		4,725.50	4,725.50	397.80	49.72
Management Fee - ESC & CTSA Programs	1,400.00	1,000.00	1,000.00	1,145.65	602.20
Other Purchased Professional and Technical Services	42,000.00	42,000.00	42,000.00	30,831.33	254.35
Cleaning, Repair, and Maintenance Services	72,054.00	(6,528.37)	65,525.63	31,935.00	11,168.67
Lease Purchase Payments - School Bused	6,000.00	2,000.00	8,000.00	7,956.00	33,590.63
All for Non-Public	1,000.00		1,000.00		44.00
Contracted Services (Other than Between Home & School) - Vendor		10,000.00	10,000.00	6,693.50	1,000.00
Contract Services (Special Ed.)	28,500.00	850.00	29,350.00	29,308.11	3,306.50
Contracted Services (Regular Students) - ESC's and CTSA's	19,200.00	(10,000.00)	9,200.00		41.89
Contracted Services (Special Education Students) - ESC's and CTSA's	12,990.00		12,990.00	188.70	9,200.00
Miscellaneous Purchased Services - Transportation	115,200.00	8,000.00	123,200.00	93,463.11	12,801.30
Transportation Supplies	1,750.00		1,750.00	1,183.11	29,736.89
Other Objects					566.89
Total Student Transportation Services	659,000.00	(13,678.20)	645,321.80	498,070.61	147,251.19
Allocated Benefits - Employee Benefits:					
Workmen's Compensation	25,300.00	13,677.20	38,977.20	38,956.00	21.20
Other Employee Benefits	1,500.00		1,500.00	178.80	1,321.20
Total allocated Benefits - Employee Benefits	26,800.00	13,677.20	40,477.20	39,134.80	1,342.40
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	144,000.00	30,565.77	174,565.77	174,565.77	
Other Retirement Contributions - PERS	187,445.00	(300.00)	187,145.00	175,914.00	11,231.00
Workmen's Compensation	42,281.00		42,281.00	42,281.00	
Health Benefits	2,298,147.00	(150,265.77)	2,147,881.23	1,975,063.34	172,817.89
Tuition Reimbursement	50,700.00	(2,000.00)	48,700.00	14,856.00	33,844.00
Other Employee Benefits	50,000.00	122,000.00	172,000.00	165,234.52	6,765.48
Total unallocated Benefits - Employee Benefits	2,772,573.00	-	2,772,573.00	2,547,914.63	224,658.37
TPAF Contributions:					
Reimbursed TPAF Social Security Contributions				397,848.93	(397,848.93)
On-behalf TPAF Medical Contributions				416,889.00	(416,889.00)
On-behalf TPAF Pension Contributions				368,684.00	(368,684.00)
Total TPAF Contributions	-	-	-	1,183,421.93	(1,183,421.93)
Total Undistributed Expenses	7,386,866.15	(14,806.03)	7,372,060.12	7,784,033.23	(411,973.11)
Total Expenditures - Current Expense	13,346,765.34	(147,387.95)	13,199,377.39	13,130,149.17	69,228.22

(Continued)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	9.00	(9.00)	-	-	-
Equipment:					
Undistributed Expended - Required Maintenance of School Facilities		129,683.92	\$ 129,683.92	\$ 129,683.15	\$ 0.77
Undistributed Expended - Custodial Services		23,783.03	23,783.03	23,783.03	
Total - Equipment		153,466.95	153,466.95	153,466.18	0.77
Facilities Acquisition and Construction Services:					
Other Objects	31,827.00	-	31,827.00	31,827.00	-
Total Capital Outlay	31,836.00	153,457.95	185,293.95	185,293.18	0.77
Total Expenditures	13,378,601.34	6,070.00	13,384,671.34	13,315,442.35	69,228.99
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,287,763.34)	-	(1,287,763.34)	175,044.86	(1,462,808.20)
Other Financing Sources (Uses):					
Transfer to Capital Projects to Fund Deficit				(7,455.00)	(7,455.00)
Total - Other Financing Sources (Uses)	-	-	-	(7,455.00)	(7,455.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,287,763.34)	-	(1,287,763.34)	167,589.86	1,455,353.20
Fund Balances, July 1	2,446,435.00	-	2,446,435.00	2,446,435.00	-
Fund Balances, June 30	1,158,671.66	-	1,158,671.66	2,614,024.86	1,455,353.20
Reconciliation:					
Restricted Fund Balance:					
Excess Surplus				\$ 723,478.03	
Excess Surplus -- Designated for Subsequent Year's Expenditures				801,666.00	
Emergency Reserve				100,687.68	
Capital Reserve				451,798.28	
Assigned Fund Balance:				198,334.00	
Designated for Subsequent Year's Expenditures				338,060.87	
Unassigned Fund Balance					
Reconciliation to Governmental Funds Statements (GAAP):				2,614,024.86	
Last State Aid Payment Not Recognized on GAAP Basis				(540,102.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,073,922.86	

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund -- Education Jobs Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Funds	-	6,070.00	6,070.00	6,070.00	-
	-	6,070.00	6,070.00	6,070.00	-
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Special Education:					
Multiple Disabilities:					
Other Salaries for Instruction	-	6,070.00	6,070.00	6,070.00	-
	-	-	-	-	-
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	-	-	-	-	-

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

REVENUES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Local Sources:					
Revenue from Local Sources	-	945.98	945.98	140.98	(805.00)
Federal Sources:					
Title I	49,337.00	28,295.00	77,632.00	77,632.00	
Title II Part A	22,208.00	13,295.00	35,503.00	35,503.00	
Race to the Top		4,911.00	4,911.00		(4,911.00)
I.D.E.I.A., Part B Basic	161,502.00	55,970.00	217,472.00	217,472.00	
I.D.E.I.A., Part B, Preschool		14,313.00	14,313.00	14,313.00	
Total - Federal Sources	233,047.00	116,784.00	349,831.00	344,920.00	(4,911.00)
Total Revenues	\$ 233,047.00	\$ 117,729.98	\$ 350,776.98	\$ 345,060.98	\$ (5,716.00)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	68,146.40	13,770.60	81,917.00	81,917.00	
Other Salaries for Instruction		14,560.00	14,560.00	14,560.00	
Purchased Professional - Educational Services		20,522.00	20,522.00	20,522.00	
Other Purchased Services	10,401.81	1,598.19	12,000.00	12,000.00	
Tuition	46,808.16	18,437.64	65,245.80	65,245.80	
General Supplies	20,592.12	8,970.08	29,562.20	29,562.20	
Total Instruction	145,948.49	77,858.51	223,807.00	223,807.00	-
Support Services:					
Personal Services - Employee Benefits	11,105.11	22,262.89	33,368.00	33,368.00	
Purchased Professional - Technical Services	74,067.57	16,368.43	90,436.00	85,525.00	\$ 4,911.00
Other Purchased Services	192.20	27.80	220.00	220.00	
Supplies and Materials	1,733.63	1,212.35	2,945.98	2,140.98	805.00
Total Support Services	87,098.51	39,871.47	126,969.98	121,253.98	5,716.00
Total Expenditures	\$ 233,047.00	\$ 117,729.98	\$ 350,776.98	\$ 345,060.98	\$ 5,716.00

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 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	\$ 13,490,487.21	\$ 345,060.98
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		5,156.02
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2012.	538,950.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2013.	<u>(540,102.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 13,489,335.21</u></u>	<u><u>\$ 350,217.00</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 13,315,442.35	\$ 345,060.98
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>5,156.02</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 13,315,442.35</u></u>	<u><u>\$ 350,217.00</u></u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	N.C.L.B.	I.D.E.I.A. Part B			
	Title I	Title II A	Basic	Preschool	Math Grant
REVENUES:	Total				
Federal Sources	\$ 344,920.00	\$ 77,632.00	\$ 35,503.00	\$ 217,472.00	\$ 14,313.00
Local Sources	<u>140.98</u>				<u>\$ 140.98</u>
Total Revenues	<u>\$ 345,060.98</u>	<u>\$ 77,632.00</u>	<u>\$ 35,503.00</u>	<u>\$ 217,472.00</u>	<u>\$ 14,313.00</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 81,917.00	\$ 43,500.00	\$ 21,000.00	\$ 17,417.00	
Other Salaries for Instruction	14,560.00			14,560.00	
Purchased Professional - Educational Services	20,522.00	12,209.00		\$ 8,313.00	
Other Purchased Services	12,000.00			12,000.00	
General Supplies	29,562.20		5,455.00	24,107.20	
Tuition	65,245.80			65,245.80	
Total Instruction	<u>223,807.00</u>	<u>55,709.00</u>	<u>26,455.00</u>	<u>133,330.00</u>	<u>8,313.00</u>
Support Services:					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits	33,368.00	16,398.00	8,828.00	2,142.00	6,000.00
Purchased Professional - Technical Services	85,525.00	5,525.00		80,000.00	
Other Purchased Services	220.00		220.00		
Supplies and Materials	<u>2,140.98</u>			<u>2,000.00</u>	<u>\$ 140.98</u>
Total Support Services	<u>121,253.98</u>	<u>21,923.00</u>	<u>9,048.00</u>	<u>84,142.00</u>	<u>140.98</u>
Total Expenditures	<u>\$ 345,060.98</u>	<u>\$ 77,632.00</u>	<u>\$ 35,503.00</u>	<u>\$ 217,472.00</u>	<u>\$ 14,313.00</u>

CAPITAL PROJECTS FUND

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

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancellations</u>	<u>Unexpended Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Rehabilitation and Upgrade of Tabernacle Elementary School	2/1/2005	\$ 2,033,460.00	\$ 2,033,460.00			
Rehabilitation and Upgrade of Kenneth R. Olsen Middle School	2/1/2005	7,717,975.00	7,260,961.00	\$ 160,123.40	\$ 143,405.62	\$ 153,484.98
Total		\$ 9,751,435.00	\$ 9,294,421.00	\$ 160,123.40	\$ 143,405.62	\$ 153,484.98
Restricted -- Designated for Subsequent Years Expenditures						\$ 153,484.98
Cancellation of SCC Grant					\$ 143,405.62	

TABERNACLE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

For the Fiscal Year Ended June 30, 2013

Revenues and Other Financing Sources

State Sources--SCC Grant		\$ (143,405.62)
Bond Proceeds and Transfers		
Miscellaneous Revenue -- Interest		
Transfer from Capital Reserve		
Transfer from General Fund		<u>7,455.00</u>
Total Revenues		<u>(135,950.62)</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services		
Miscellaneous		
Construction Services	\$ 160,123.60	
General Supplies		
Other Objects		
Total Expenditures		<u>\$ 160,123.60</u>
Other Financing Uses:		
Cancellation of SCC Grant		
Transfer to General Fund -- Capital Reserve		
Total Other Financing Uses		<u>-</u>
Total Expenditures and Other Financing Uses		<u>160,123.60</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures		(296,074.22)
Fund Balance -- July 1		<u>449,558.20</u>
Fund Balance -- June 30		<u><u>\$ 153,483.98</u></u>

TABERNACLE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

Rehabilitation and Upgrade of Tabernacle Elementary School

For the Inception and for the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--SCC Grant	\$ 810,402.00		\$ 810,402.00	\$ 810,402.00
Bond Proceeds and Transfers	1,179,538.00		1,179,538.00	1,179,538.00
Transfer from Capital Reserve	36,065.00		36,065.00	36,065.00
Transfer from General Fund		\$ 7,455.00	7,455.00	7,455.00
Total Revenues	2,026,005.00	7,455.00	2,033,460.00	2,033,460.00
Expenditures and Other Financing Uses				
Construction Services	1,638,277.00		1,638,277.00	1,638,277.00
General Supplies	62,247.00		62,247.00	62,247.00
Purchased Professional and Technical Services	330,660.00		330,660.00	330,660.00
Miscellaneous	2,276.00		2,276.00	2,276.00
Total Expenditures	2,033,460.00	-	2,033,460.00	2,033,460.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,455.00)	\$ 7,455.00	-	-

Additional Project Information:

Project Number	5130-060-05-1000
Grant Date	8/17/2004
Bond Authorization Date	2/1/2005
Bonds Authorized	\$ 1,179,538.00
Bonds Issued	\$ 1,179,538.00
Original Authorized Cost	\$ 2,026,005.00
Additional Authorized Cost	\$ 7,455.00
Revised Authorized Cost	\$ 2,033,460.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	Sept. 2007
Revised Target Completion Date	Sept. 2007

TABERNACLE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Rehabilitation and Upgrade of Kenneth R. Olsen Middle School
 For the Inception and for the Fiscal Year Ended June 30, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--SCC Grant	\$ 3,087,190.00	\$ (143,405.62)	\$ 2,943,784.38	\$ 3,087,190.00
Bond Proceeds and Transfers	4,493,462.00		4,493,462.00	4,493,462.00
Transfer from Capital Reserve	137,323.00		137,323.00	137,323.00
Total Revenues	7,717,975.00	(143,405.62)	7,574,569.38	7,717,975.00
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	1,526,951.00		1,526,951.00	1,526,951.00
Miscellaneous	33,517.00		33,517.00	33,517.00
Construction Services	5,600,481.00	160,123.40	5,760,604.40	6,057,495.00
General Supplies	94,117.00		94,117.00	94,117.00
Other Objects	5,895.00		5,895.00	5,895.00
Total Expenditures	7,260,961.00	160,123.40	7,421,084.40	7,717,975.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 457,014.00</u>	<u>\$ (303,529.02)</u>	<u>\$ 153,484.98</u>	<u>-</u>
Additional Project Information:				
Project Number	5130-040-05-1000			
Grant Date	8/17/2004			
Bond Authorization Date	2/1/2005			
Bonds Authorized	\$ 4,493,462.00			
Bonds Issued	\$ 4,493,462.00			
Original Authorized Cost	\$ 7,717,975.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 7,717,975.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	98%			
Original Target Completion Date	Sept. 2007			
Revised Target Completion Date	June 2015			

PROPRIETARY FUNDS

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

	<u>Food Service</u>	<u>Community Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 20,641.20		\$ 20,641.20
Accounts Receivable:			
State	163.86		163.86
Federal	3,553.62		3,553.62
Other	141.24		141.24
Inventories	8,144.90		8,144.90
Total Current Assets	32,644.82	-	32,644.82
Noncurrent Assets:			
Restricted Cash and Cash Equivalents			
Furniture, Machinery and Equipment	165,120.00		165,120.00
Less Accumulated Depreciation	(98,840.59)		(98,840.59)
Total Noncurrent Assets	66,279.41	-	66,279.41
Total Assets	98,924.23	-	98,924.23
LIABILITIES:			
Current Liabilities:			
Accounts Payable	391.72		391.72
Unearned Revenue	2,396.67		2,396.67
Total Current Liabilities	2,788.39	-	2,788.39
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	66,279.41	-	66,279.41
Unrestricted	29,856.43	-	29,856.43
Total Net Position	\$ 96,135.84	-	\$ 96,135.84

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

	<u>Food Service</u>	<u>Community Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 100,545.51		\$ 100,545.51
Daily Sales - Non-Reimbursable Programs	82,639.29		82,639.29
Special Functions	3,695.40		3,695.40
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	186,880.20		186,880.20
OPERATING EXPENSES:			
Salaries	98,891.33		98,891.33
Employee Benefits	19,307.54		19,307.54
General Supplies	8,786.15		8,786.15
Depreciation	10,018.97		10,018.97
Administrative Fee	24,034.92		24,034.92
Purchased Professional Services			
Other Purchased Services	7,084.24		7,084.24
Cost of Sales	95,057.42		95,057.42
Miscellaneous	553.07		553.07
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	263,733.64	-	263,733.64
Operating Income / (Loss)	<hr/> (76,853.44)	<hr/> -	<hr/> (76,853.44)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	2,313.42		2,313.42
Federal Sources:			
National School Lunch Program	50,784.62		50,784.62
Food Distribution Program	16,621.36		16,621.36
Interest Revenue	226.50		226.50
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	69,945.90		69,945.90
Income (Loss) before Contributions and Transfers	(6,907.54)		(6,907.54)
Capital Contributions	33,924.38	-	33,924.38
Change in Net Position:	27,016.84		27,016.84
Net Position -- July 1	69,119.00		69,119.00
Net Position -- June 30	<hr/> \$ 96,135.84	<hr/> -	<hr/> \$ 96,135.84

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

	<u>Food Service</u>	<u>Community Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 187,600.63		\$ 187,600.63
Payments to Employees	(98,891.33)		(98,891.33)
Payments for Employee Benefits	(19,307.54)		(19,307.54)
Payments for Supplies and Services	(165,400.18)		(165,400.18)
Net Cash Provided by (used for) Operating Activities	<u>(95,998.42)</u>	<u>-</u>	<u>(95,998.42)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	2,289.56		2,289.56
Federal Sources	66,904.36		66,904.36
Operating Subsidies and Transfers to Other Funds	(6,677.80)	\$ (1,277.00)	(7,954.80)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>62,516.12</u>	<u>(1,277.00)</u>	<u>61,239.12</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	12,470.00	-	12,470.00
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	226.50	-	226.50
Net Increase (Decrease) in Cash and Cash Equivalents	(20,785.80)	(1,277.00)	(22,062.80)
Cash and Cash Equivalents -- July 1	41,427.00	1,277.00	42,704.00
Cash and Equivalents -- June 30	<u>\$ 20,641.20</u>	<u>-</u>	<u>\$ 20,641.20</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	\$ (76,853.44)	-	\$ (76,853.44)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	10,018.97		10,018.97
(Increase) Decrease in Accounts Receivable	(141.24)		(141.24)
(Increase) Decrease in Inventories	(42.10)		(42.10)
Increase (Decrease) in Accounts Payable	(29,842.28)		(29,842.28)
Increase (Decrease) in Unearned Revenue	861.67		861.67
Total Adjustments	<u>(19,144.98)</u>	<u>-</u>	<u>(19,144.98)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (95,998.42)</u>	<u>-</u>	<u>\$ (95,998.42)</u>

FIDUCIARY FUNDS

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

	Trust Fund		Agency Funds		
	Scholarship Trust	Unemployment Compensation Trust	Student Activity	Payroll	Total
ASSETS:					
Cash and Cash Equivalents	\$ 11,902.90	\$ 141,838.99	\$ 55,549.17	\$ 6,621.01	\$ 215,912.07
Accounts Receivable:					
Interfund Accounts Receivable:					
Due Unemployment Fund	-	-	-	4,604.60	4,604.60
Total Assets	<u>11,902.90</u>	<u>141,838.99</u>	<u>\$ 55,549.17</u>	<u>\$ 11,225.61</u>	<u>220,516.67</u>
LIABILITIES:					
Accounts Payable		7,733.09			7,733.09
Interfund Accounts Payable:					
Due General Fund				\$ 1,668.00	1,668.00
Due Payroll Fund		4,604.60			4,604.60
Payable to Student Groups			\$ 55,549.17		55,549.17
Payroll Deductions and Withholdings				9,557.61	9,557.61
Total Liabilities	<u>-</u>	<u>12,337.69</u>	<u>\$ 55,549.17</u>	<u>\$ 11,225.61</u>	<u>79,112.47</u>
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 11,902.90</u>	<u>\$ 129,501.30</u>			<u>\$ 141,404.20</u>

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2013

	Scholarship Trust	Unemployment Compensation Trust
ADDITIONS:		
Contributions and Donations from Payroll Deductions Withheld		\$ 12,293.16
Scholarship Donations	\$ 1,300.00	
Investment Earnings:		
Interest	69.47	998.43
Total Additions	<u>1,369.47</u>	<u>13,291.59</u>
DEDUCTIONS:		
Unemployment Claims		<u>26,531.50</u>
Total Deductions	<u>-</u>	<u>26,531.50</u>
Change in Net Position	1,369.47	(13,239.91)
Net Position -- July 1	<u>10,533.43</u>	<u>142,741.21</u>
Net Position -- June 30	<u>\$ 11,902.90</u>	<u>\$ 129,501.30</u>

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

	<u>Balance June 30, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2013</u>
ELEMENTARY SCHOOLS:				
4th Grade & Booster Club	\$ 7,688.75	\$ 17,517.31	\$ 21,221.51	\$ 3,984.55
Tabernacle Elementary School	<u>23,490.04</u>	<u>15,050.97</u>	<u>14,663.13</u>	<u>23,877.88</u>
Total Elementary Schools	<u>31,178.79</u>	<u>32,568.28</u>	<u>35,884.64</u>	<u>27,862.43</u>
MIDDLE SCHOOLS:				
8th Grade Committee	4,389.59	18,160.54	15,901.85	6,648.28
Kenneth R. Olson Middle School	<u>12,359.56</u>	<u>36,715.93</u>	<u>28,037.03</u>	<u>21,038.46</u>
Total Middle Schools	<u>16,749.15</u>	<u>54,876.47</u>	<u>43,938.88</u>	<u>27,686.74</u>
Total All Schools	<u><u>\$ 47,927.94</u></u>	<u><u>\$ 87,444.75</u></u>	<u><u>\$ 79,823.52</u></u>	<u><u>\$ 55,549.17</u></u>

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

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
ASSETS:				
Cash and Cash Equivalents	\$ 19,218.69	\$ 7,579,542.88	\$ 7,592,140.56	\$ 6,621.01
Interfund Accounts Receivable:				
Due Unemployment			(4,604.60)	4,604.60
Total Assets	\$ 19,218.69	\$ 7,579,542.88	\$ 7,587,535.96	\$ 11,225.61
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 17,550.69	\$ 2,786,610.39	\$ 2,794,603.47	\$ 9,557.61
Net Payroll		4,774,717.20	4,774,717.20	
Interfund Accounts Payable:				
Due General Fund	1,668.00	2,208.61	2,208.61	1,668.00
Due Unemployment		16,006.68	16,006.68	
Total Liabilities	\$ 19,218.69	\$ 7,579,542.88	\$ 7,587,535.96	\$ 11,225.61

LONG-TERM DEBT

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

Issue	Date of Issue	Amount of Issue	Date	Annual Maturities		Interest Rate	Balance June 30, 2012	Issued	Retired	Balance June 30, 2013			
				Amount	Rate								
2003 Refunding Bond Issue	10/1/2003	\$ 5,335,000.00	9/1/2013	\$ 330,000.00	3.500%	\$ 3,455,000.00							
			9/1/2014	350,000.00	3.700%								
			9/1/2015	345,000.00	3.800%								
			9/1/2016	340,000.00	3.850%								
			9/1/2017	355,000.00	4.000%								
			9/1/2018	360,000.00	4.000%								
			9/1/2019	355,000.00	4.100%								
			9/1/2020	345,000.00	4.200%								
			9/1/2021	340,000.00	4.300%								
										\$ 3,455,000.00		\$ 3,120,000.00	
			2005 Bonds	2/1/2005	5,673,000.00					3/1/2014	265,000.00	4.000%	4,203,000.00
3/1/2015	280,000.00	4.000%											
3/1/2016	290,000.00	4.000%											
3/1/2017	305,000.00	4.000%											
3/1/2018	320,000.00	4.000%											
3/1/2019	335,000.00	4.000%											
3/1/2020	360,000.00	4.000%											
3/1/2021	360,000.00	4.000%											
3/1/2022	360,000.00	4.000%											
3/1/2023	360,000.00	4.050%											
3/1/2024	360,000.00	4.050%											
3/1/2025	353,000.00	4.050%											
				4,203,000.00		255,000.00	3,948,000.00						
				\$ 7,658,000.00		\$ 590,000.00	\$ 7,068,000.00						

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

Series	Date of Lease	Term of Lease	Amount of Original Issue Principal	Interest	Amount Outstanding June 30, 2012(a)	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2013(a)
Ricoh Copiers	03/27/09	5 Years	\$ 198,648.00		\$ 48,007.00		\$ 39,730.00	\$ 8,277.00
School Bus	12/20/10	5 Years	74,535.00	\$ 5,735.00	44,679.00		14,334.36	30,344.64
School Bus	05/01/12	3 Years	46,975.00	1,118.00	30,944.00		15,288.34	15,655.66
					<u>\$ 123,630.00</u>	<u>-</u>	<u>\$ 69,352.70</u>	<u>\$ 54,277.30</u>

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

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 779,914.00		\$ 779,914.00	\$ 779,914.00	
State Sources:					
Debt Service Aid Type II	107,570.00		107,570.00	107,570.00	
Total Revenues	<u>887,484.00</u>	<u>-</u>	<u>887,484.00</u>	<u>887,484.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	297,484.00		297,484.00	297,483.66	\$ 0.34
Redemption of Principal	590,000.00		590,000.00	590,000.00	
Total Regular Debt Service	<u>887,484.00</u>	<u>-</u>	<u>887,484.00</u>	<u>887,483.66</u>	<u>0.34</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.34	(0.34)
Fund Balance (Deficit), July 1	<u>(12,213.00)</u>		<u>(12,213.00)</u>	<u>(12,213.00)</u>	<u>-</u>
Fund Balance (Deficit), June 30	<u>\$ (12,213.00)</u>	<u>-</u>	<u>\$ (12,213.00)</u>	<u>\$ (12,212.66)</u>	<u>\$ (0.34)</u>

STATISTICAL SECTION

Financial Trends Information

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

TABERNAACLE TOWNSHIP SCHOOL DISTRICT
 Net Assets by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 7,405,888.04	\$ 6,846,584.00	\$ 7,252,242.00	\$ 7,242,312.00	\$ 6,728,882.00	\$ 7,369,581.00	\$ 7,828,571.00	\$ 5,131,574.00	\$ 4,438,205.00	\$ 4,245,657.00
Restricted	1,783,326.14	1,980,119.00	1,290,490.00	729,758.00	2,028,103.00	2,022,046.00	4,274,475.00	6,171,572.00	6,280,895.00	863,473.00
Unrestricted	(11,826.51)	(33.00)	(184,982.00)	130,545.00	406,059.00	818,625.00	(1,785,540.00)	(1,495,959.00)	(1,321,783.00)	80,747.00
Total Governmental Activities Net Position	\$ 9,177,487.67	\$ 8,826,670.00	\$ 8,357,750.00	\$ 8,102,615.00	\$ 9,163,044.00	\$ 10,210,252.00	\$ 10,315,506.00	\$ 9,807,187.00	\$ 9,397,317.00	\$ 5,189,877.00
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 66,279.41	\$ 29,904.00	\$ -	\$ 189.00	\$ 984.00	\$ 1,779.00	\$ 2,574.00	\$ 3,369.00	\$ 4,164.00	\$ 2,270.00
Restricted	29,856.43	39,215.00	68,042.00	57,361.00	52,065.00	31,302.00	33,658.00	20,253.00	18,900.00	18,709.00
Total Business-type Activities Net Position	\$ 96,135.84	\$ 69,119.00	\$ 68,042.00	\$ 57,550.00	\$ 53,049.00	\$ 33,081.00	\$ 36,232.00	\$ 23,622.00	\$ 23,064.00	\$ 20,979.00
District-wide:										
Invested in Capital Assets, Net of Related Debt	\$ 7,472,267.45	\$ 6,876,488.00	\$ 7,252,242.00	\$ 7,242,501.00	\$ 6,729,866.00	\$ 7,371,360.00	\$ 7,829,145.00	\$ 5,134,943.00	\$ 4,442,369.00	\$ 4,247,927.00
Restricted	1,783,326.14	1,980,119.00	1,290,490.00	729,758.00	2,028,103.00	2,022,046.00	4,274,475.00	6,171,572.00	6,280,895.00	863,473.00
Unrestricted	(18,029.92)	(39,182.00)	(116,940.00)	187,906.00	458,124.00	849,927.00	(1,751,882.00)	(1,475,706.00)	(1,302,883.00)	99,456.00
Total District-wide Net Position	\$ 9,273,623.51	\$ 8,895,789.00	\$ 8,425,792.00	\$ 8,160,165.00	\$ 9,216,093.00	\$ 10,243,333.00	\$ 10,351,738.00	\$ 9,830,809.00	\$ 9,420,381.00	\$ 5,210,856.00

Source: Exhibit A-1

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

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

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 4,360,444	\$ 4,943,421	\$ 4,797,415	\$ 5,089,415	\$ 5,128,843	\$ 5,906,561	\$ 5,905,917	\$ 5,509,095	\$ 5,212,427	\$ 5,057,755
Special Education	1,144,122	1,530,608	1,506,929	1,637,390	1,565,207	1,543,988	1,441,042	1,546,040	1,397,606	1,513,409
Other Special Education	202,108	409,818	445,891	447,050	434,065	453,781	338,873	237,180	277,673	191,742
Other Instruction	70,766	120,367	127,374	115,932	96,861	79,291	79,441	56,690	71,671	55,633
Adult/Continuing Education Programs		3,920	9,131	9,285	10,359	7,601	1,353	2,735	3,722	2,726
Support Services:										
Tuition		19,508	44,072	63,339	5,280	6,148	22,381	2,309	32,373	70,922
Student and Instruction Related Services	1,459,592	2,169,711	2,117,808	2,167,241	2,041,717	1,955,614	1,652,634	1,429,966	1,456,887	1,342,790
School Administrative Services	356,562	341,410	353,877	381,803	387,935	459,005	424,724	379,523	1,199,251	1,227,679
Other Administrative Services	674,442	747,647	715,648	761,039	737,234	741,054	594,743	459,048		
Central Services		331,955	367,201	390,226	396,558	398,756	382,599	368,358		
Plant Operations and Maintenance	1,202,391	1,342,494	1,396,902	1,453,390	1,449,533	1,409,080	1,219,558	1,281,878	1,151,775	950,389
Pupil Transportation	503,174	932,392	747,688	729,917	745,176	737,023	655,323	594,178	443,835	742,394
Allocated and Unallocated Benefits	2,587,049									
Reimbursement TPAF Pension and Social Security	1,183,422									
Interest on Long-term Debt	348,610	333,628	365,898	349,244	366,445	379,798	395,636	412,826	303,349	209,982
Reduction in Compensated Absences		38,761	38,762	(73,136)	(35,268)	38,762	38,762	86,217	37,007	(123,215)
Unallocated Amortization		396,835	38,762	38,762	38,762	38,762	38,762	38,762	37,007	38,280
Capital Asset Adjustment Due To Appraisal		570,090	635,000	632,462	632,462	613,489	561,476	592,438	523,331	546,816
Unallocated Depreciation		14,232,565	13,915,972	14,193,359	14,001,169	14,889,183	13,654,462	12,897,243	12,110,907	11,827,302
Total Governmental Activities Expenses	\$ 14,092,682	\$ 14,491,221	\$ 14,192,746	\$ 14,484,892	\$ 14,290,721	\$ 15,213,138	\$ 13,984,510	\$ 13,329,708	\$ 12,503,563	\$ 12,235,886
Business-type Activities:										
Food Service	263,734	258,656	254,928	278,018	279,645	301,433	305,850	311,064	361,902	387,887
Community Program			21,846	13,515	9,907	22,522	24,198	21,401	30,774	20,697
Total Business-type Activities Expense	263,734	258,656	276,774	291,533	289,552	323,955	330,048	332,465	392,676	408,584
Total District Expenses	\$ 14,356,416	\$ 14,749,877	\$ 14,469,520	\$ 14,776,425	\$ 14,580,273	\$ 15,537,093	\$ 14,314,558	\$ 13,662,176	\$ 12,896,239	\$ 12,644,470
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 1,569,696									
Charges for Services	156,142									
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	\$ 1,725,838	\$ 395,306	\$ 540,640	\$ 442,231	\$ 519,555	\$ 488,875	\$ 363,857	\$ 420,025	\$ 408,662	\$ 378,552
Business-type activities:										
Charges for Services		186,880	195,549	214,326	235,228	238,135	237,487	237,456	248,001	259,599
Food Service			17,526	13,874	13,683	22,082	21,870	20,752	31,646	19,510
Community Program			73,562	67,448	60,503	59,513	52,564	50,633	53,287	39,395
Capital Grants and Contributions	33,924	69,719	286,637	295,648	309,414	319,730	311,921	308,841	332,934	318,504
Operating Grants and Contributions										
Total Business-type Activities Program Revenues	290,524	259,255	286,637	295,648	309,414	319,730	311,921	308,841	332,934	318,504
Total District Program Revenues	\$ 2,016,362	\$ 654,561	\$ 827,277	\$ 737,879	\$ 828,969	\$ 808,605	\$ 675,778	\$ 728,866	\$ 741,596	\$ 697,056

(continued)

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

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net (Expense)/Revenue:										
Governmental Activities	\$ (12,366,844)	\$ (13,837,259)	\$ (13,375,332)	\$ (13,751,128)	\$ (13,481,614)	\$ (14,400,308)	\$ (13,290,605)	\$ (12,577,218)	\$ (11,702,245)	\$ (11,448,750)
Business-type Activities	26,790	599	9,863	4,115	19,862	(4,225)	(18,127)	(23,624)	(59,742)	(90,080)
Total District-wide Net Expense	\$ (12,340,054)	\$ (13,836,660)	\$ (13,365,469)	\$ (13,747,013)	\$ (13,461,752)	\$ (14,404,533)	\$ (13,308,732)	\$ (12,600,842)	\$ (11,761,987)	\$ (11,538,830)
General Revenues and Other Changes in Net Assets:										
<u>Governmental Activities:</u>										
Property Taxes Levied for General Purposes, Net	\$ 6,504,183	\$ 6,439,785	\$ 6,460,884	\$ 6,438,182	\$ 6,267,454	\$ 6,111,552	\$ 5,802,533	\$ 5,502,251	\$ 5,369,769	\$ 4,993,220
Taxes Levied for Debt Service	779,914	787,102	798,527	737,458	693,803	733,988	709,250	628,003	209,708	383,475
Federal and State Aid Not Restricted	5,526,032									
Federal and State Aid Restricted	71,513									
Unrestricted Grants and Contributions		6,663,788	6,127,140	5,684,517	6,403,747	7,256,059	6,984,290	6,502,170	10,172,932	6,057,749
Tuition Received		311,182	151,921	83,717	107,928	43,901	14,964	14,239	19,626	8,483
Investment Earnings								330,578	198,131	79,302
Miscellaneous	119,566	104,322	91,995	79,948	73,942	149,810	179,167	(23,428)	(61,481)	(86,603)
Transfers						(256)	(29,337)			
Cancellation of Prior Year Accounts:										
Receivable	(143,406)				(12,930)			33,275		
Contributed Capital							139,057			
Reduction in Compensated Absences Payable										
Total Governmental Activities	12,857,793	14,306,179	13,630,467	13,023,832	13,533,944	14,295,054	13,798,924	12,987,088	15,909,685	11,435,626
<u>Business-type Activities:</u>										
Investment Earnings		478	629	386	106	818	1,400	754	346	102
Miscellaneous						256	29,337	23,428	61,481	86,603
Transfers						1,074	30,737	24,182	61,827	86,705
Total Business-type Activities	227	478	629	386	106	1,074	30,737	24,182	61,827	86,705
Total District-wide	\$ 12,858,019	\$ 14,306,657	\$ 13,631,096	\$ 13,024,218	\$ 13,534,050	\$ 14,296,128	\$ 13,829,661	\$ 13,011,270	\$ 15,971,512	\$ 11,522,331
Change in Net Position:										
Governmental Activities	\$ 490,949	\$ 468,920	\$ 255,135	\$ (727,296)	\$ 52,330	\$ (105,254)	\$ 508,319	\$ 409,870	\$ 4,207,440	\$ (13,124)
Business-type Activities	27,017	1,077	10,492	4,501	19,988	(3,151)	12,610	558	2,086	(3,375)
Total District	\$ 517,965	\$ 469,997	\$ 265,627	\$ (722,795)	\$ 72,298	\$ (108,405)	\$ 520,929	\$ 410,428	\$ 4,209,525	\$ (16,499)

Source: Exhibit A-2

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

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

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Restricted	\$ 1,537,527.99	\$ 1,741,934.00	\$ 950,417.00	\$ 1,028,564.00	\$ 1,890,016.00	\$ 760,053.00	\$ 2,128,888.00	\$ 828,958.00	\$ 564,428.00	\$ 369,566.00
Assigned	198,334.00	165,551.00	41,841.00	(577,770.00)	(320,175.00)	720,743.00	(498,758.00)	500,642.00	438,817.00	353,267.00
Unassigned	338,060.87									
Total General Fund	\$ 2,073,922.86	\$ 1,907,485.00	\$ 992,258.00	\$ 450,794.00	\$ 1,569,841.00	\$ 1,480,796.00	\$ 1,630,130.00	\$ 1,329,600.00	\$ 1,003,245.00	\$ 722,833.00
All Other Governmental Funds:										
Reserved					\$ 498,959.00	\$ 354,555.00	\$ 38,444.00	\$ 3,269,516.00	\$ 1,412,295.00	
Restricted for:										
Debt Service Fund	\$ (12,212.66)	\$ (12,213.00)	\$ (12,213.00)	\$ (14,363.00)		21,250.00	70,446.00	38,444.00	87,654.00	\$ 186,993.00
Capital Projects Fund	153,483.98	449,559.00	458,443.00	478,419.00	461,845.00	1,081,624.00	2,204,288.00	2,234,514.00	7,905,465.00	
Unassigned:										
Debt Service Fund										
Total All Other Governmental Funds	\$ 141,271.32	\$ 437,346.00	\$ 446,230.00	\$ 464,056.00	\$ 960,804.00	\$ 1,457,429.00	\$ 2,313,178.00	\$ 5,542,474.00	\$ 9,405,414.00	\$ 186,993.00
Total District	\$ 2,215,194.18	\$ 2,344,831.00	\$ 1,438,488.00	\$ 914,850.00	\$ 2,530,645.00	\$ 2,938,225.00	\$ 3,943,308.00	\$ 6,872,074.00	\$ 10,408,659.00	\$ 909,826.00

Source: Exhibit B-1

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

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

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Tax Levy	\$ 7,284,097.00	\$ 7,226,887.00	\$ 7,259,411.00	\$ 7,175,650.00	\$ 6,961,257.00	\$ 6,845,540.00	\$ 6,511,783.00	\$ 6,130,254.00	\$ 5,579,477.00	\$ 5,376,695.00
Other Local Revenue	140.98		151,921.00	83,717.00	107,928.00	43,901.00	14,964.00	14,239.00	24,763.00	30,214.00
Tuition Charges	156,141.70	311,182.00	2,149.00	645.00	6,014.00	31,776.00	80,888.00	180,148.00	77,529.00	1,966.00
Interest Earnings			89,846.00	79,303.00	67,928.00	118,034.00	98,279.00	150,430.00	78,653.00	55,576.00
Miscellaneous	119,556.12	104,322.00	6,242,201.00	5,173,646.00	6,635,390.00	7,480,811.00	7,125,012.00	6,647,316.00	10,321,984.00	6,208,532.00
State Sources	6,810,954.39	6,581,391.00	401,634.00	927,673.00	287,912.00	264,123.00	223,135.00	274,879.00	259,610.00	227,769.00
Federal Sources	356,146.02	457,374.00	23,945.00	25,429.00						
Local Sources		20,329.00								
Total Revenue	14,727,036.21	14,701,485.00	14,171,107.00	13,466,063.00	14,066,429.00	14,784,185.00	14,054,061.00	13,397,266.00	16,342,016.00	11,900,782.00
Expenditures:										
Instruction										
Regular Instruction	4,099,105.50	4,210,787.00	4,249,248.00	4,470,840.00	4,551,866.00	4,851,448.00	4,169,560.00	4,116,288.00	3,806,890.00	3,769,560.00
Special Education Instruction	1,205,313.02	919,054.00	870,902.00	998,757.00	938,948.00	969,379.00	980,032.00	935,271.00	1,038,849.00	1,113,703.00
Other Special Instruction	202,107.90	224,229.00	269,475.00	284,904.00	249,851.00	298,633.00	229,685.00	237,180.00	198,095.00	181,012.00
Other Instruction	70,765.77	61,632.00	83,127.00	72,385.00	69,847.00	48,475.00	47,302.00	56,690.00	52,991.00	53,047.00
Adult/Continuing Education			5,569.00	5,569.00	5,447.00	7,601.00		2,735.00	2,655.00	2,578.00
Support Services:										
Tuition		19,508.00	44,072.00	63,339.00	5,280.00	6,147.00	22,381.00	2,309.00	32,373.00	70,922.00
Student and Instruction Related Services	1,459,591.98	1,380,107.00	1,347,447.00	1,399,172.00	1,347,997.00	1,222,073.00	1,173,585.00	1,108,831.00	1,084,565.00	1,061,933.00
School Administrative Services	367,014.34	459,496.00	450,348.00	462,763.00	461,380.00	482,553.00	404,888.00	378,734.00	362,207.00	344,667.00
Other Administrative Services	674,442.09	310,631.00	282,967.00	321,053.00	309,165.00	375,029.00	323,067.00	354,271.00	356,441.00	646,033.00
Central Services		191,611.00	221,865.00	239,603.00	251,044.00	246,625.00	269,156.00	278,014.00	231,733.00	
Plant Operations and Maintenance	1,133,483.60	1,007,477.00	1,048,118.00	1,128,000.00	1,143,603.00	1,082,797.00	990,984.00	1,100,572.00	973,544.00	950,389.00
Pupil Transportation	498,070.61	581,363.00	520,973.00	521,010.00	571,809.00	570,259.00	546,644.00	581,544.00	621,941.00	528,365.00
Allocated and Unallocated Benefits	2,567,049.43	3,499,739.00	3,285,779.00	3,363,447.00	3,171,591.00	3,734,581.00	3,622,815.00	2,923,525.00	2,710,500.00	2,578,832.00
Reimbursed TPAF Pension and Social Security	1,183,421.93									
Debt Service:										
Principal	590,000.00	580,000.00	575,000.00	545,000.00	540,000.00	540,000.00	510,000.00	495,000.00	315,000.00	225,000.00
Interest and Other Charges	297,484.00	318,472.00	338,587.00	356,807.00	371,010.00	383,955.00	400,045.00	437,198.00	216,628.00	242,481.00
Capital Outlay	345,416.78	78,011.00	53,992.00	516,056.00	670,789.00	1,040,307.00	3,344,424.00	4,030,548.00	696,788.00	322,285.00
Total Expenditures	14,713,266.95	13,842,117.00	13,647,469.00	14,748,725.00	14,659,727.00	15,859,862.00	17,034,568.00	17,038,710.00	12,701,200.00	12,090,807.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,769.26	859,368.00	523,638.00	(1,282,662.00)	(593,298.00)	(1,075,677.00)	(2,980,507.00)	(3,641,444.00)	3,640,816.00	(190,025.00)
Other Financing Sources (Uses):										
Proceeds from Borrowing										
Payment to Escrow Agent										
Transfers in			2,149.00	626.00	6,009.00	31,750.00	77,898.00	177,492.00	250,103.00	4,955,344.00
Transfers out			(2,149.00)	(626.00)	(6,009.00)	(32,006.00)	(107,235.00)	(200,920.00)	(311,584.00)	(4,745,000.00)
Assets Acquired Under Capital Leases		46,975.00								123,494.00
Cancellation of Prior Year Accounts Receivable	(143,405.62)				(12,930.00)					(210,097.00)
Total Other Financing Sources (Uses)	(143,405.62)	46,975.00	-	(1,282,662.00)	(407,580.00)	(1,005,083.00)	(2,928,766.00)	104,859.00	5,858,017.00	123,741.00
Net Change in Fund Balances	\$ (129,636.36)	\$ 906,343.00	\$ 523,638.00	\$ (1,282,662.00)	\$ (407,580.00)	\$ (1,005,083.00)	\$ (2,928,766.00)	\$ (3,536,585.00)	\$ 9,498,833.00	\$ (66,284.00)
Debt Service as a Percentage of Noncapital Expenditures	6.2%	6.5%	6.7%	6.3%	6.5%	6.2%	6.6%	7.2%	4.4%	4.0%

Source: Exhibit B-2

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 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
Interest on Investments	\$ 16,849.70	\$ 35,364.00	\$ 21,578.00	\$ 27,799.00	\$ 17,076.00	\$ 64,448.00	\$ 50,675.00	\$ 55,659.00	\$ 19,626.00	\$ 8,483.00
Tuition	12,917.45	311,182.00	151,921.00	83,717.00	107,928.00	43,901.00	14,964.00	14,239.00	24,763.00	39,153.00
Rentals	37,400.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00
Refund of Prior Year Expenditures	16,817.86							7,320.00		
Miscellaneous	35,571.11	31,958.00	31,268.00	14,523.00	13,857.00	16,612.00	10,647.00	50,456.00	55,327.00	2,353.00
Total Miscellaneous Revenues	\$ 119,556.12	\$ 415,504.00	\$ 241,767.00	\$ 163,039.00	\$ 175,861.00	\$ 161,961.00	\$ 113,286.00	\$ 164,674.00	\$ 136,716.00	\$ 86,989.00

Source: District Records

Revenue Capacity Information

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

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2013	\$ 8,402,000.00	\$ 683,314,500.00	\$ 18,134,900.00	\$ 2,923,900.00	\$ 21,856,700.00	\$ 779,100.00	\$ 735,411,100.00	\$ 838,715.00	\$ 736,249,815.00	\$ 716,149,580.00	\$ 1.618
2012	8,517,000.00	686,007,600.00	19,298,800.00	2,921,400.00	21,868,200.00	779,100.00	739,392,100.00	914,672.00	740,306,772.00	759,811,502.00	1.602
2011	8,955,100.00	688,883,800.00	16,905,100.00	2,948,300.00	21,064,400.00	779,100.00	739,535,800.00	922,000.00	740,457,800.00	788,894,651.00	1.614
2010	9,204,600.00	691,739,700.00	16,903,500.00	2,949,300.00	21,463,200.00	779,100.00	743,039,400.00	1,147,709.00	744,187,109.00	821,321,385.00	1.587
2009	9,823,200.00	688,326,300.00	16,922,300.00	2,968,600.00	21,185,900.00	779,100.00	740,005,400.00	1,118,777.00	741,124,177.00	864,849,961.00	1.582
2008	10,979,800.00	680,403,900.00	17,835,400.00	2,739,800.00	19,451,500.00	779,100.00	732,189,500.00	1,042,750.00	733,232,250.00	743,737,175.00	1.588
2007	11,627,800.00	674,891,900.00	17,845,000.00	2,736,600.00	19,572,400.00	779,100.00	727,452,800.00	1,046,844.00	728,499,644.00	760,814,101.00	1.576
2006 (3)	12,507,600.00	668,524,000.00	18,285,900.00	2,735,500.00	19,187,800.00	779,100.00	722,019,900.00	1,063,437.00	723,083,337.00	678,250,485.00	1.512
2005	6,938,000.00	357,397,800.00	10,171,300.00	1,793,250.00	9,492,700.00	433,600.00	386,226,650.00	755,761.00	386,982,411.00	601,824,061.00	1.585
2004	5,613,000.00	354,543,000.00	10,316,300.00	1,810,050.00	9,253,000.00	433,600.00	381,970,950.00	883,510.00	382,854,460.00	520,640,482.00	1.488

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

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

(3) Revaluation

Source: Burlington County Board of Taxation

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended Dec. 31	District Direct Rate			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Local School	Regional School	Total Direct School Tax Rate	Township of Tabernacle	Burlington County	County Library	County Open Space	Fire District	
2013	\$ 0.987	\$ 0.630	\$ 1.617	\$ 0.257	\$ 0.324	\$ 0.030	\$ 0.015	\$ 0.065	\$ 2.308
2012	0.984	0.618	1.602	0.237	0.317	0.031	0.041	0.061	2.289
2011	0.978	0.636	1.614	0.237	0.328	0.032	0.043	0.044	2.298
2010	0.975	0.612	1.587	0.237	0.342	0.033	0.045	0.062	2.306
2009	0.969	0.613	1.582	0.237	0.362	0.035	0.047	0.060	2.323
2008	0.950	0.638	1.588	0.238	0.367	0.034	0.047	0.059	2.333
2007	0.940	0.636	1.576	0.213	0.373	0.035	0.043	0.053	2.293
2006	0.900	0.612	1.512	0.183	0.275	0.032	0.038	0.048	2.088
2005	1.585	1.053	2.638	0.308	0.596	0.052	0.062	0.084	3.740
2004	1.458	1.009	2.467	0.308	0.537	0.046	0.055	0.078	3.491

Source: Municipal Tax Collector

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

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Pinelands Acres, LLC	\$ 2,400,200.00	1	0.33%			
Russos Fruit & Veg. Farm, Inc.	1,918,800.00	2	0.26%	\$ 595,400.00	4	0.16%
Conte, Joseph Jr.	1,696,600.00	3	0.23%			
Tabernacle Equities, LLC	1,675,100.00	4	0.23%			
The Ess Group, Inc.	1,079,400.00	5	0.15%			
Individual Taxpayer #1	1,033,100.00	6	0.14%			
Individual Taxpayer #2	1,020,700.00	7	0.14%			
Individual Taxpayer #3	931,500.00	8	0.13%	475,000.00	6	0.12%
Individual Taxpayer #4	886,800.00	9	0.12%			
Individual Taxpayer #5	855,600.00	10	0.12%			
Verizon - New Jersey						
Tabernacle Inn				1,181,433.00	1	0.31%
Individual Taxpayer #1				863,400.00	2	0.23%
Individual Taxpayer #2				749,300.00	3	0.20%
Individual Taxpayer #3				556,300.00	5	0.15%
Individual Taxpayer #4				466,100.00	7	0.12%
Individual Taxpayer #5				452,700.00	8	0.12%
Cooperative Growers' Assoc., Inc.				422,600.00	9	0.11%
Individual Taxpayer #5				417,800.00	10	0.11%
Total	\$ 13,497,800.00		1.83%	\$ 6,180,033.00		1.61%

Source: Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2013	\$ 7,284,097.00	\$ 7,284,097.00	100.00%	-
2012	7,226,887.00	7,226,887.00	100.00%	-
2011	7,259,411.00	7,259,411.00	100.00%	-
2010	7,175,650.00	7,175,650.00	100.00%	-
2009	6,961,257.00	6,961,257.00	100.00%	-
2008	6,845,540.00	6,845,540.00	100.00%	-
2007	6,511,783.00	6,511,783.00	100.00%	-
2006	6,130,254.00	6,130,254.00	100.00%	-
2005	5,579,477.00	5,579,477.00	100.00%	-
2004	5,376,695.00	5,376,695.00	100.00%	-

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Authorized but not Issued	Capital Leases	Bond Anticipation Notes	Capital Leases	Total District		
2013	\$ 7,068,000.00	\$ 450,000.00	\$ 54,277.30	-	-	\$ 7,572,277.30	Unavailable	Unavailable
2012	7,658,000.00	-	123,630.00	-	-	7,781,630.00	Unavailable	Unavailable
2011	8,238,000.00	-	96,013.00	-	-	8,334,013.00	2.47%	\$ 48,318.00
2010	8,813,000.00	-	145,967.00	-	-	8,958,967.00	2.71%	47,391.00
2009	9,358,000.00	-	236,909.00	-	-	9,594,909.00	2.88%	46,496.00
2008	9,898,000.00	-	121,778.00	-	-	10,019,778.00	2.93%	47,673.00
2007	10,438,000.00	-	144,270.00	-	-	10,582,270.00	3.24%	45,420.00
2006	10,948,000.00	-	184,703.00	-	-	11,132,703.00	3.52%	43,365.00
2005	11,443,000.00	-	233,944.00	-	-	11,676,944.00	3.93%	40,686.00
2004	6,085,000.00	-	213,010.00	-	-	6,298,010.00	2.19%	39,516.00

Sources:

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2013	\$ 7,068,000.00	-	\$ 7,068,000.00	0.96%	Unavailable
2012	7,658,000.00	-	7,658,000.00	1.03%	\$ 1,097.45
2011	8,238,000.00	-	8,238,000.00	1.11%	1,178.20
2010	8,813,000.00	-	8,813,000.00	1.19%	1,262.07
2009	9,358,000.00	-	9,358,000.00	1.28%	1,305.16
2008	9,898,000.00	-	9,898,000.00	1.36%	1,380.86
2007	10,438,000.00	-	10,438,000.00	1.43%	1,453.36
2006	10,948,000.00	-	10,948,000.00	1.51%	1,503.23
2005	11,443,000.00	-	11,443,000.00	2.96%	1,570.33
2004	6,085,000.00	-	6,085,000.00	1.59%	834.13

Sources:

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

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Tabernacle Township</u>
Municipal Debt: (1)				
Tabernacle Township School District	\$ 7,323,000.00	\$ 7,323,000.00		
Regional High School District	3,580,368.31	3,580,368.31		
Tabernacle Township	5,997,091.00	1,748.00	\$ 5,995,343.00	\$ 5,995,343.00
	<u>16,900,459.31</u>	<u>10,905,116.31</u>	<u>5,995,343.00</u>	<u>5,995,343.00</u>
Overlapping Debt Apportioned to the Municipality:				
Tabernacle Township Fire District	80,000.00		80,000.00	80,000.00
County of Burlington: (2)				
Solid Waste Utility				
Bonds	62,496,713.00	62,496,713.00		
General:				
Bonds	270,043,353.00	26,412,514.00 (3)	243,630,839.00	3,853,707.16 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>310,740,000.00</u>	<u>310,740,000.00 (4)</u>		
	<u>643,360,066.00</u>	<u>399,649,227.00</u>	<u>243,710,839.00</u>	<u>3,933,707.16</u>
	<u>\$ 660,260,525.31</u>	<u>\$ 410,554,343.31</u>	<u>\$ 249,706,182.00</u>	<u>\$ 9,929,050.16</u>

Sources:

- (1) 2012 Annual Debt Statement
 - (2) County's 2012 Audit Report
 - (3) Includes Cash on Hand, Accounts Receivable and County College Bonds paid with State Aid.
 - (4) Deductible in accordance with N.J.S. 40:37A-80.
 - (5) Such debt is allocated as a proportion of the Township's share of the total 2012 Equalized Value, which is 1.58%.
- The source for this computation was the 2012 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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.

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2012	6,978	Unavailable	Unavailable	5.2%
2011	6,992	\$ 337,839,456.00	\$ 48,318.00	5.0%
2010	6,983	330,931,353.00	47,391.00	5.1%
2009	7,170	333,376,320.00	46,496.00	4.8%
2008	7,168	341,720,064.00	47,673.00	2.7%
2007	7,182	326,206,440.00	45,420.00	2.0%
2006	7,283	315,827,295.00	43,365.00	4.1%
2005	7,287	296,478,882.00	40,686.00	2.0%
2004	7,295	288,269,220.00	39,516.00	2.8%
2003	7,275	276,144,450.00	37,958.00	3.1%

Sources:

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Unavailable		1	NA		1	NA
Unavailable		2	NA		2	NA
Unavailable		3	NA		3	NA
Unavailable		4	NA		4	NA
Unavailable		5	NA		5	NA
Unavailable		6	NA		6	NA
Unavailable		7	NA		7	NA
Unavailable		8	NA		8	NA
Unavailable		9	NA		9	NA
Unavailable		10	NA		10	NA
	-		-	-		-

Source: Individual Employers

Operating Information

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	70	63	95	NA	NA	74	71	73	72	82
Regular & Special Education	14	16	20	NA	NA	21	21	21	3	23
Other Instruction				NA	NA					
Support Services:				NA	NA					
Student & Instruction Related Services	5	12	4	NA	NA	4	4	6	6	6
Other Support Services	3			NA	NA	6	6	5	4	5
Instructional Staff Training				NA	NA	3	2	2	2	4
Media Center	2		2	NA	NA	6	6	6	6	6
School Administrative Services	7	12	9	NA	NA	8	7	7	7	7
General Administrative Services	2	2	3	NA	NA	2	2	2	2	2
Plant Operations & Maintenance	13	13	8	NA	NA	13	13	12	19	20
Pupil transportation	13	15	16	NA	NA	17	18	16	17	20
Business & Other Support Services	4	3	3	NA	NA	4	4	4	5	4
Total	132	136	160	-	-	156	153	154	143	179

Source: District Records

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	\$ 13,480,366.17	\$ 16,704.30	9.74%	75	10.0/1	819	786	-1.09%	95.97%
2012	12,603,850.00	15,222.04	7.77%	83	10.0/1	828	794	-4.83%	95.89%
2011	12,288,327.00	14,124.51	-5.71%	78	11.2/1	870	828	-0.34%	95.17%
2010	13,077,928.00	14,980.44	2.63%	77	11.3/1	873	836	-2.57%	95.76%
2009	13,077,928.00	14,595.90	-7.57%	80	11.2/1	896	856	1.82%	95.54%
2008	13,895,601.00	15,790.46	10.71%	85	10.4/1	880	838	-1.79%	95.23%
2007	12,780,099.00	14,263.50	10.79%	85	10.4/1	896	851	-4.58%	94.98%
2006	12,075,964.00	12,874.16	8.74%	86	10.9/1	939	898	-3.10%	95.63%
2005	11,472,784.00	11,839.82	-0.05%	86	11.3/1	969	927	1.57%	95.67%
2004	11,301,041.00	11,845.95	35.43%	90	10.6/1	954	914	-82.32%	95.81%

Sources: District Records

TABERNACLE TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Fiscal Year Ended June 30,										
<u>District Buildings</u>										
<u>Elementary</u>										
Tabernacle Elementary	59,918	59,918	59,918	59,918	59,918	59,918	59,918	59,918	59,918	59,918
Square Feet	552	552	552	552	552	552	552	552	552	552
Capacity (Students)	428	444	470	440	482	468	435	499	504	479
Enrollment										
<u>Middle School</u>										
Olson Middle School	88,321	88,321	88,321	88,321	88,321	88,321	88,321	88,321	88,321	88,321
Square Feet	474	474	474	474	474	474	474	474	474	474
Capacity (Students)	379	384	400	433	414	412	448	440	466	474
Enrollment										

Number of Schools at June 30, 2013
 Elementary = 1
 Middle School = 1

Source: District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

(1) Unavailable

Source: District records, ASSA

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

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tabernacle Elementary	S1	\$ 110,213.00	\$ 29,234.00	\$ 41,366.00	\$ 55,424.00	\$ 42,293.00	\$ 41,390.00	\$ 19,372.00	\$ 54,339.00	\$ 36,267.00	\$ 29,560.00
Olson Middle School	S2	102,475.00	39,749.00	48,824.00	72,208.00	64,856.00	48,595.00	38,272.00	48,754.00	41,075.00	82,384.00
Total School Facilities		212,688.00	68,983.00	90,190.00	127,632.00	107,149.00	89,985.00	57,644.00	103,093.00	77,342.00	111,944.00
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 212,688.00	\$ 68,983.00	\$ 90,190.00	\$ 127,632.00	\$ 107,149.00	\$ 89,985.00	\$ 57,644.00	\$ 103,093.00	\$ 77,342.00	\$ 111,944.00

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

Source: District Records

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2013

Unaudited

		<u>Coverage</u>	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund			
Property, Inland Marine and Automobile Physical Damages	(A) \$	150,000,000.00	\$ 500.00
Boiler and Machinery	(A)	125,000,000.00	1,000.00
General and Automobile Liability	(A)	10,000,000.00	
Workers' Compensation		Statutory	
Crime Coverage	(A)	500,000.00	500.00
Educator's Legal Liability	(B)	10,000,000.00	
Pollution and Mold Legal Liability	(A)	3,000,000.00	25,000.00
Ohio Casualty Insurance Company			
Business Administrator/Board Secretary		100,000.00	

(A) Per Occurrence

(B) Aggregate

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 Tabernacle School District
County of Burlington
Tabernacle, New Jersey 08088

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

Voorhees, New Jersey
October 9, 2013

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

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2012</u>
				<u>From</u>	<u>To</u>	
General Fund:						
U.S. Department of Education Passed-through						
State Department of Education:						
Education Job Fund	84.410A	N/A	\$ 193,767.00	9-1-11	8-31-12	\$ (31,988.00)
Education Job Fund	84.410A	N/A	6,070.00	11-1-11	9-30-12	
Total General Fund						<u>(31,988.00)</u>
Special Revenue Fund:						
U.S. Department of Education Passed-through						
State Department of Education:						
I.A.S.A.:						
Title I	84.010A	IASA169012	61,671.00	9-1-11	8-31-12	(2,703.00)
Title I	84.010A	IASA169013	57,725.00	9-1-12	8-31-13	
Title II Part A	84.367A	IASA169009	28,748.00	9-1-08	8-31-09	5,455.00
Title II Part A	84.367A	IASA169009	28,748.00	9-1-11	8-31-12	
Title II Part A	84.367A	IASA169013	25,420.00	9-1-12	8-31-13	
Race to the Top	84.413A	B413A120008	4,911.00	9-1-11	11-30-15	
I.D.E.I.A. Part B:						
Basic & Capacity	84.027	FT169012	193,493.00	9-1-11	8-31-12	(61,025.00)
Basic & Capacity	84.027	FT169013	186,316.00	9-1-12	8-31-13	
Pre-School	84.173	PS169010	7,681.00	9-1-09	8-31-10	(1,855.00)
Pre-School	84.173	PS169013	14,313.00	9-1-12	8-31-13	
Total Special Revenue Fund						<u>(60,128.00)</u>
Enterprise Fund:						
U.S. Department of Agriculture:						
Food Distribution Program	10.555	Unavailable	16,621.36	7-1-12	6-30-13	
Passed-through State Department of Education:						
National School Lunch Program	10.555	Unavailable	56,398.00	7-1-11	6-30-12	(3,052.00)
National School Lunch Program	10.555	Unavailable	50,784.62	7-1-12	6-30-13	
Total Enterprise Fund						<u>(3,052.00)</u>
Total Federal Financial Assistance						<u>\$ (95,168.00)</u>

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

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

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2013		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 31,988.00						
	6,070.00	\$ 6,070.00					
-	38,058.00	6,070.00	-	-	-	-	-
\$ (10,949.00)	22,610.00	8,958.00					
10,949.00	49,025.00	68,674.00			\$ (8,700.00)		
		5,455.00					
(1.00)	4,628.00	4,627.00					
1.00	25,420.00	25,421.00					
					(4,911.00)	\$ 4,911.00	
	92,181.00	31,156.00					
	166,178.00	186,316.00			(20,138.00)		
	206.00		\$ 1,649.00				
	14,313.00	14,313.00					
-	374,561.00	344,920.00	1,649.00	-	(33,749.00)	4,911.00	-
	16,621.36	12,352.63				4,268.73	
	3,052.00						
	47,231.00	50,784.62				(3,553.62)	
-	66,904.36	63,137.25	-	-	-	715.11	-
-	\$ 479,523.36	\$ 414,127.25	\$ 1,649.00	-	\$ (33,749.00)	\$ 5,626.11	-

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

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2012		Carryover / (Walkover) Amount
					Deferred Revenue / Accounts Receivable	Due to Grantor	
General Fund:							
Current Expense:							
Equalization Aid	13-495-034-5120-078	\$ 3,411,702.00	7-1-12	6-30-13			
Equalization Aid	12-495-034-5120-078	3,387,540.00	7-1-11	6-30-12			
Special Education Aid	13-495-034-5120-089	461,264.00	7-1-12	6-30-13			
Special Education Aid	12-495-034-5120-089	436,655.00	7-1-11	6-30-12			
Adjustment Aid	13-495-034-5120-085	1,147,797.00	7-1-12	6-30-13			
Adjustment Aid	12-495-034-5120-085	1,226,662.00	7-1-11	6-30-12			
Security Aid	13-495-034-5120-084	66,302.00	7-1-12	6-30-13			
Security Aid	12-495-034-5120-084	65,479.00	7-1-11	6-30-12			
Transportation Aid	13-495-034-5120-014	338,629.00	7-1-12	6-30-13			
Transportation Aid	12-495-034-5120-014	338,537.00	7-1-11	6-30-12			
Nonpublic School Transportation Aid	12-495-034-5120-014	5,220.00	7-1-11	6-30-12	\$ (5,220.00)		
Nonpublic School Transportation Aid	13-495-034-5120-014	5,310.46	7-1-12	6-30-13			
Extraordinary Aid	13-495-034-5120-473	90,110.00	7-1-12	6-30-13			
T.P.A.F. Social Security Aid	12-495-034-5095-002	444,755.00	7-1-11	6-30-12	(22,335.00)		
T.P.A.F. Social Security Aid	13-495-034-5095-002	397,848.93	7-1-12	6-30-13			
Total General Fund					(27,555.00)	-	-
Special Revenue Fund:							
Nonpublic Aid:							
NJ Character Education Aid	08-495-034-5120-053	1,000.00	7-1-07	6-30-08	613.00		
The Governor's Initiative Enhancement & Expanding Program	09-100-034-5065-091	99,972.00	7-1-08	6-30-09	192.00		
Total Special Revenue Fund					805.00	-	-
Capital Projects Fund:							
Educational Facilities Construction & Financing Act:							
Tabernacle Middle School	5130-040-05-1000	3,087,190.00	Until Completion		(219,278.00)	-	-
Debt Service Fund:							
School Construction Debt Service Aid	12-100-034-5120-075	107,570.00	7-1-12	6-30-13	-	-	-
Enterprise Fund:							
State School Lunch Aid	12-100-010-3350-023	2,651.00	7-1-11	6-30-12	(140.00)		
State School Lunch Aid	13-100-010-3350-023	2,313.42	7-1-12	6-30-13			
Total Enterprise Fund					(140.00)	-	-
Total State Financial Assistance					\$ (246,168.00)	-	-

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

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2013			Memo	
				(Accounts Receivable)	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2013	Cumulative Total Expenditures
\$ 3,072,083.31	\$ 3,411,702.00			\$ (339,618.69)			\$ (339,618.69)	\$ 3,411,702.00
334,694.26		\$ (334,694.26)						
415,347.37	461,264.00			(45,916.63)			(45,916.63)	461,264.00
43,142.19		(43,142.19)						
1,033,539.27	1,147,797.00			(114,257.73)			(114,257.73)	1,147,797.00
121,196.13		(121,196.13)						
59,701.95	66,302.00			(6,600.05)			(6,600.05)	66,302.00
6,469.43		(6,469.43)						
304,920.10	338,629.00			(33,708.90)			(33,708.90)	338,629.00
33,447.99		(33,447.99)						
5,220.00								
	5,310.46			(5,310.46)				5,310.46
	90,110.00			(90,110.00)				90,110.00
22,335.00								
378,764.30	397,848.93			(19,084.63)				397,848.93
5,830,861.30	5,918,963.39	(538,950.00)	-	(654,607.09)	-	-	(540,102.00)	5,918,963.39
						\$ 613.00		387.00
						192.00		99,780.00
						805.00		100,167.00
		143,405.62	-	(75,872.38)	-	-	-	2,738,719.00
107,570.00	107,570.00	-	-	-	-	-	-	107,570.00
140.00								
2,149.56	2,313.42			(163.86)				2,313.42
2,289.56	2,313.42	-	-	(163.86)	-	-	-	2,313.42
\$ 5,940,720.86	\$ 6,028,846.81	\$ (395,544.38)	-	\$ (730,643.33)	-	\$ 805.00	\$ (540,102.00)	\$ 8,867,732.81

TOWNSHIP OF TABERNACLE 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 Tabernacle 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 is presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$(1,152.00) for the general fund and \$5,156.02 for the special revenue fund. There is no adjustment to reconcile expenditures from the budgetary basis to the GAAP basis for the general fund and net adjustment is \$5,156.02 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	\$ 6,070.00	\$ 6,703,384.39	\$ 6,709,454.39
Special Revenue	350,076.02		350,076.02
Debt Service		107,570.00	107,570.00
Food Service	63,137.25	2,313.42	65,450.67
Total Awards and Financial Assistance	<u>\$ 356,146.02</u>	<u>\$ 6,810,954.39</u>	<u>\$ 7,167,100.41</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

The amount reported in the column entitled "adjustments" represents the cancellation of grant balances on the Schedule of Expenditures of Federal Awards. The adjustments on the Schedule of Expenditures of State Financial Assistance represent prior fiscal year budgetary receivables collected in the current fiscal year.

Note 6: OTHER

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

Note 7: MAJOR PROGRAMS

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Not Applicable

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**TABERNACLE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013**

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified? _____ yes none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
13-495-034-5120-078	State Aid Public -- Equalization Aid
13-495-034-5120-089	State Aid Public -- Special Education Aid
13-495-034-5120-084	State Aid Public -- Security Aid
13-495-034-5120-085	State Aid Public -- Adjustment Aid
13-495-034-5120-014	Transportation Aid
13-495-034-5095-002	Reimbursed TPAF Social Security Contributions

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

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2013-1

Criteria or Specific Requirement

New Jersey Statute 18A:19 requires that proper approval be obtained for the payment of claims.

Condition

Our audit of the Food Service revealed that purchase orders are not always utilized and that disbursements are not approved by the governing body.

Context

Purchase orders were not utilized for most Food Service disbursements and no Food Service disbursements were approved by the governing body.

Effect

The District is not in compliance with New Jersey Statutes and internal control procedures may not be effective.

Cause

District officials were not aware of the requirement.

Recommendation

That the District utilize a purchase order for every Food Service disbursement and that all Food Service disbursements be approved by the governing body.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TABERNACLE TOWNSHIP SCHOOL DISTRICT
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 Internal Revenue Service, New Jersey Division of Taxation and New Jersey Division of Pensions mandates due dates for reporting and payment of certain payroll deductions.

Condition

Our audit of payroll revealed that payroll reports were not always filed on a timely basis and that payments of employee deductions were not always made on a timely basis.

Context

Five payroll reports were not filed timely and ten pension payments were not made timely.

Effect

The District is not in compliance with payroll requirements and the District may be assessed a penalty.

Cause

There was an oversight by the responsible official due to the turnover of District personnel.

Recommendation

Not Applicable.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and have corrected the condition prior to the end of the fiscal year.

TABERNACLE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

TABERNACLE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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

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

None.

TABERNACLE TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2012-1

Condition

The School Board President has not certified any payroll registers during the 2011-2012 school year.

Current Status

This condition has been resolved.

Finding No. 2012-2

Condition

The second quarter 2012 payroll reports were not filed in a timely manner. This includes the PERS and TPAF Pension Reports, the Federal Form 941 and the State NJ927 Form.

Current Status

This condition remained unchanged for part of the fiscal year as evidenced by finding number 2012-2, however, the condition has been resolved prior to the end of the fiscal year.

Finding No. 2012-3

Condition

An updated listing of employee compensated absence balances was not provided by the School District for the 2011-2012 school year.

Current Status

This condition has been resolved.

Finding No. 2012-4

Condition

The School District did not accurately charge expenditures to correct budget appropriations in the general fund budget.

Current Status

This condition has been resolved.

TABERNACLE TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

Finding No. 2012-5

Condition

The School District's bank reconciliation does not reconcile to the general ledger accounting system by \$5,131, as of June 30, 2012.

Current Status

This condition has been resolved.

Finding No. 2012-6

Condition

The School District does not maintain a full accrual general ledger accounting system. Numerous audit adjustments were suggested and approved in order to establish accurate account balances in all funds.

Current Status

This condition has been resolved.

Finding No. 2012-7

Condition

The School District has over expended numerous budget appropriation account lines in general ledger accounting system.

Current Status

This condition has been resolved.

Finding No. 2012-8

Condition

Our audit has revealed that all personnel in the Business Office have been granted unrestricted access to the general ledger accounting system. The internal controls of the School District prohibit certain employees to have unrestricted access.

Current Status

This condition has been resolved.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

