

**BOARD OF EDUCATION
OF THE
BLACK HORSE PIKE REGIONAL
SCHOOL DISTRICT
BLACKWOOD, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	10
Required Supplementary Information – Part I Management’s Discussion and Analysis	16
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	32
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	33
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	65
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	78
Notes to the Required Supplementary Information	
C-3 Budgetary Comparison Schedule – Note to RSI	80

BLACK HORSE PIKE REGIONAL 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 Revenues and Expenditures – Budgetary Basis	83
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	86
F-2 Summary Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis	87
F-2a Statement(s) of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	88
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	90
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	91
G-3 Combining Statement of Cash Flows	92
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	94
H-2 Combining Statement of Changes in Fiduciary Net Position	95
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	96
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	97

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
I. Long-Term Debt:	
I-1 Statement of Serial Bonds	99
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	100
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Position by Component	103
J-2 Changes in Net Position	104
J-3 Fund Balances—Governmental Funds	107
J-4 Changes in Fund Balances—Governmental Funds	108
J-5 General Fund Other Local Revenue by Source	109
Revenue Capacity	
J-6 Assessed Value and Actual Value of Taxable Property	111
J-7 Direct and Overlapping Property Tax Rates	112
J-8 Principal Property Taxpayers	113
J-9 Property Tax Levies and Collections	116
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	118
J-11 Ratios of Net General Bonded Debt Outstanding	119
J-12 Direct and Overlapping Governmental Activities Debt	120
J-13 Legal Debt Margin Information	123
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	125
J-15 Principal Non-Governmental Employers	126
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	130
J-17 Operating Statistics	131
J-18 School Building Information	132
J-19 Schedule of Required Maintenance Expenditures by School Facility	133
J-20 Insurance Schedule	134
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 Standards	13
K-2 Independent Auditor's 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	136
K-3 Schedule of Expenditures of Federal Awards, Schedule A	138
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	140
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	142
K-6 Schedule of Findings and Questioned Costs	144
K-7 Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management	149

INTRODUCTORY SECTION

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

580 Erial Road, Blackwood, New Jersey 08012-4550

(856) 227-4106 • Fax (856) 227-6835

www.bhprsd.org

Engaging Students, Fostering Achievement, Inspiring Excellence

Brian Repici, Ed.D.

Superintendent

Matthew Szuchy

Director of Curriculum & Instruction

Julie A. Scully

Supervisor of Personnel Management

D. Jean Grubb

Board Secretary

Business Administrator

David C. Cappuccio, Jr.

Director of Special Services & Special Education

December 2, 2014

Honorable President and
Members of the Board of Education
Black Horse Pike Regional School District
580 Erial Road
Blackwood, NJ 08012

Dear Board Members:

The comprehensive annual financial report of the Black Horse Pike Regional School District for the fiscal year ending June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and 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 organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, and the U.S. Office of Management and Budget Circular A-133, and New Jersey OMB Circular 04-04.

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

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

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational as well as special education for handicapped youngsters.

TRITON REGIONAL HIGH SCHOOL

250 Schubert Avenue

Runnemede, NJ 08078-1796

(856) 939-4500 • Fax (856) 939-4724

Melissa Sheppard, Principal

HIGHLAND REGIONAL HIGH SCHOOL

450 Erial Road

Blackwood, NJ 08012-4599

(856) 227-4100 • Fax (856) 227-3619

Elizabeth G. Petite, Principal

TIMBER CREEK REGIONAL HIGH SCHOOL

501 Jarvis Road

Erial, NJ 08081-2169

(856) 232-9703 • Fax (856) 232-5267

Mae F. Robinson, Principal

The District completed the 2014 fiscal year with an enrollment of 4080 students, which is 174 students less than the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last ten years.

FISCAL YEAR	STUDENT ENROLLMENT	PERCENT OF CHANGE
2014	4080	(4.09%)
2013	4254	5.61%
2012	4028	(1.83%)
2011	4103	(.024%)
2010	4104	(1.11%)
2009	4150	.095%
2008	4146	.509%
2007	4125	(1.528%)
2006	4189	3.177%
2005	4060	1.525%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The School District is comprised of the Township of Gloucester and the Boroughs of Bellmawr and Runnemede. The District services pupils in grades nine through twelve in three high school facilities, Triton Regional High School, Highland Regional High School and Timber Creek High School.

Triton Regional High School, which was constructed in 1956, has received several additions, the latest taking place in 2000. The weight room addition was completed during the 1999-2000 school year. The school, which is located in the Borough of Runnemede, receives students residing in the communities of Runnemede, Bellmawr and the Glendora, Timberbirch, Broadmoor, Chews Landing, Hilltop, Pine Run and Catalina Hills sections of the Township of Gloucester. The functional capacity of Triton Regional High School is 1219; current enrollment is 1357.

Highland Regional High School, which was constructed in 1967, has received several additions, the latest taking place in 2000. The weight room addition was completed during the 1999-2000 school year. The school, which is located in the Township of Gloucester, receives students residing in Blenheim, Millbridge, Blackwood, and Cherrywood, Glen Oaks, Laurel Springs Gardens and Laurel Hills sections of the Township of Gloucester. The functional capacity of Highland Regional High School is 1285; current enrollment is 1276.

Timber Creek High School was constructed in 2001. The school, which is located in the Township of Gloucester, receives students residing in the Erial and Lambs Terrace sections of the Township of Gloucester. The functional capacity of Timber Creek High School is 1655; current enrollment is 1447.

The voters of the Regional District approved a 44.8 million dollar bond referendum in 1998, which provided one million dollars for Highland Regional High School and one million dollars for Triton High School for the installation of a fiber optic backbone and wiring of all classrooms for internet access as well as the purchase of additional computer hardware. The referendum also provided \$845,000 at Highland Regional High School for the construction of a weight room and field improvements. \$885,000 was provided for Triton Regional High School for the construction of a weight room and field improvement. The remaining balance of the \$44.8 million dollars was for the acquisition of additional land and the construction of Timber Creek High School. The initial facility was designed to house 1,500 students with core facilities designed to house 1,800 students. The new school opened to students September 2001.

The future outlook for District financing continues to depend primarily upon the ability and willingness of the Governor and State Legislature to provide funding and the availability of tax revenues to the State. State revenue is extremely sensitive to economic conditions, which in turn affects property taxes. Retail sale and use taxes, personal income taxes, bank and corporation taxes comprise more than 90% of the State's General Fund income.

The State implemented a new funding formula for the 2008-2009 school year which increased aid by 20%. The Board utilized \$3,000,000 to reduce the local property tax impact. During the 2009-2010 budget year, the Federal Government provided \$5,339,890 under the American Recovery and Reinvestment Act to stabilize local budgets during the economic downturn. These funds were also utilized during the 2010-2011 budget year. The State, in an effort to correct its own fiscal crisis, reduced local aid dollar for dollar of ARRA money received by the District. In 2011-2012, the District utilized federal funding from the Ed Jobs program in the amount of \$1,145,881.00 to maintain the budget. In 2012-2013, revenue was supported by a state aid increase of approximately \$1,800,000.00 and it was also the first year teachers participated in making health benefit contributions. However, the state aid increase was offset by the loss of federal Ed Jobs funding which had been provided during 2011-2012. For the 2014-2015 school year, the District is eligible to receive up to \$5,488,940.00 in SDA/ROD grant funds to assist in completing planned capital projects. In looking forward toward 2015-2016, we are unsure whether state aid revenue will be maintained or altered in any way. This type of uncertainty causes us to carefully plan any additional capital projects that may be needed.

- 3) **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 recognizes that: (1) the cost of 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 part of the Districts single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

- 4) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The object of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the General Fund, Special Revenue Fund and the Debt Service Fund. Project length budgets for capital improvements are accounted for in the Capital Projects Fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

- 5) **ACCOUNT SYSTEM AND REPORTS:** The Districts accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of fund and account groups. These funds and account groups are explained in Notes to the Financial Statements.
- 6) **CASH MANAGEMENT:** The funds, which the Board receives, are held in deposit with Beneficial Bank. State Aid is wired directly into the account twice a month. Other sources of revenue are deposited by the district on a daily basis. Interest is received on the funds residing in the District account.
- 7) **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, property, and contents and fidelity bonds.
- 8) **OTHER INFORMATION:**

INDEPENDENT AUDIT: State Statutes require an annual audit by an independent, certified public accountant or registered municipal accountant. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report of the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

9) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Black Horse Pike Regional School Board for their concern in providing fiscal information to the citizens and taxpayers of the school district and thereby secure their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and educational staff.

Respectfully submitted,



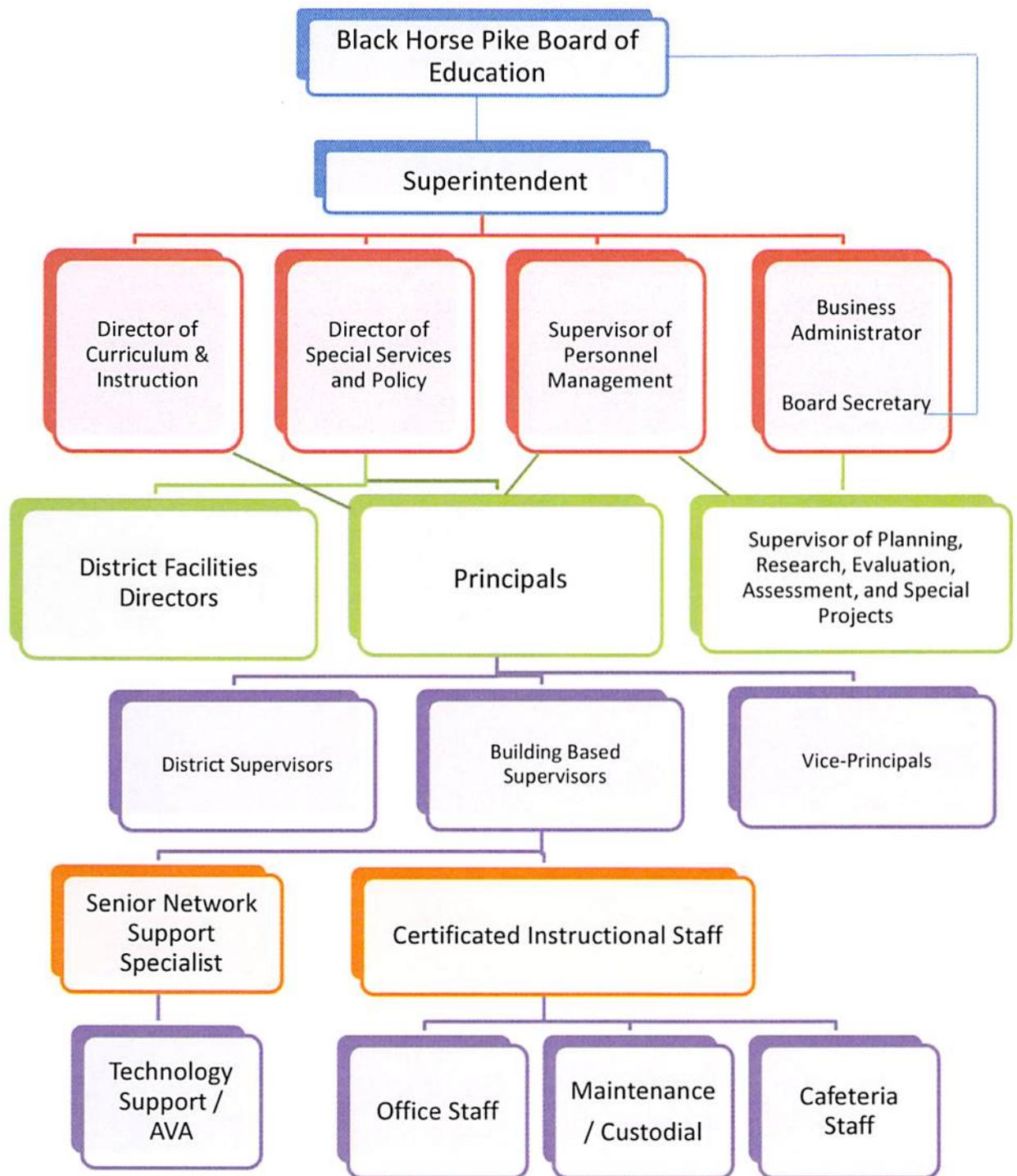
Dr. Brian Repici
Superintendent



Mrs. Jean Grubb
Board Secretary/Business Administrator

Black Horse Pike Regional School District

Policy 1110 - Organizational Chart



**ROSTER OF OFFICIALS
JUNE 30, 2014**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>		<u>TERM EXPIRES</u>
Mrs. Patricia Wilson	President	2016
Mr. Jay McMullin	Vice-President	2015
Mr. Kevin Bucceroni		2014
Ms. Joyce W. Ellis		2014
Mrs. Dawn Leary		2015
Mr. Bill Murray		2016
Mr. Mark Schmitz		2016
Mrs. Jennifer Storer		2015
Mr. Benjamin L. Zanghi		2014

OTHER OFFICIALS

Dr. Brian Repici, Superintendent

Jean Grubb, Board Secretary/Business Administrator

David C. Cappuccio Jr., Director of Special Services & Special Education

Matthew Szuchy, Director of Curriculum & Instruction

Julie Scully, Supervisor of Personnel Management

Janet Glover, Custodian of School Funds

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Architect

Garrison Architects
1400 F Commerce Parkway
Mt. Laurel, NJ 08054

Audit Firm

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

Attorney

John D. Wade
1250 Chews Landing Road
Laurel Springs, NJ 08021

Official Depository

Beneficial Bank
Cross Keys Road
Sicklerville, NJ 08081

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Black Horse Pike Regional School District
Blackwood, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Black Horse Pike Regional School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, 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 Black Horse Pike Regional School District in the County of Camden, State of New Jersey, as of June 30, 2014, 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.

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 Black Horse Pike Regional 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 December 2, 2014 on our consideration of the of Black Horse Pike Regional 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 of Black Horse Pike Regional School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
December 2, 2014

**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
Black Horse Pike Regional School District
Blackwood, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the of Black Horse Pike Regional School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, 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 December 2, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Black Horse Pike Regional 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 Black Horse Pike Regional School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Black Horse Pike Regional School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
December 2, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Black Horse Pike Regional School District Management's Discussion and Analysis Year Ended June 30, 2014

This section of the Black Horse Pike Regional School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) was a new element initiated as of June 30, 2003 as part of the Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2013-14) and the prior year (2012-13) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2013-14 fiscal year include the following:

- Net Position at June 30, 2014 for Governmental and Business-Type activities were \$46,840,480 and \$-0- respectively.
- Net Position for both activities increased by \$4,755,990 from July 1, 2013 to June 30, 2014.
- The General Fund fund balance as of June 30, 2014 was \$11,808,112, an increase of \$1,201,275 when compared with the beginning balance as of July 1, 2013 of \$10,606,837.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

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

Table A-1

MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the district operates similar to private businesses: Food Service Fund
Required Financial Statements	Statements of net position	Balance sheet	Statement of net position
	Statement of activities	Statement of revenue, expenditures and changes in fund balances	Statement of revenue, expenses and changes in fund net assets
			Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

The district-wide statements report information about the Black Horse Pike Regional School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

District-wide Statements (Cont'd)

The two district-wide statements report the Black Horse Pike Regional School District's net position and how they have changed. Net position – the difference between the district's assets and liabilities – are a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the district you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the district's activities are shown in two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities* - The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

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

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

**FINANCIAL ANALYSIS OF THE BLACK HORSE PIKE
REGIONAL SCHOOL DISTRICT AS A WHOLE**

Net Position. The District's net position for **governmental and business-type activities** were \$46,840,480 and \$-0-, respectively, as of June 30, 2014.
(See Table A-2).

Table A-2						
Black Horse Pike Regional School District's Net Position						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 12,545,509	\$ 10,757,324	\$ 273,996	\$ 96,333	\$ 12,819,505	\$ 10,853,656
Capital Assets	<u>53,927,878</u>	<u>53,050,735</u>			<u>53,927,878</u>	<u>53,050,735</u>
Total Assets	<u>66,473,387</u>	<u>63,808,059</u>	<u>273,996</u>	<u>96,333</u>	<u>66,747,384</u>	<u>63,904,391</u>
Deferred Loss on Defeasance of Debt	<u>614,211</u>	<u>716,579</u>			<u>614,211</u>	<u>716,579.36</u>
Long-term Liabilities	16,429,392	19,163,918	33,861	32,563	16,463,253	19,196,480
Other Liabilities	<u>3,817,726</u>	<u>3,287,630</u>	<u>240,136</u>	<u>52,370</u>	<u>4,057,862</u>	<u>3,340,001</u>
Total Liabilities	<u>20,247,118</u>	<u>22,451,548</u>	<u>273,996</u>	<u>84,933</u>	<u>20,521,115</u>	<u>22,536,481</u>
Net Position						
Net Investment in Capital Assets	35,998,326	32,340,757			35,998,326	32,340,757
Restricted	10,703,242	9,661,778			10,703,242	9,661,778
Unrestricted	<u>138,912</u>	<u>70,555</u>		<u>11,399</u>	<u>138,912</u>	<u>81,954</u>
Total Net Position	<u>\$ 46,840,480</u>	<u>\$ 42,073,090</u>	<u>\$ -</u>	<u>\$ 11,399</u>	<u>\$ 46,840,480</u>	<u>\$ 42,084,490</u>

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

- Program revenues were \$7,380,594:
 - ✓ Charges for Services--\$772,039
 - ✓ Operating Grants & Contributions--\$6,608,555
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$66,815,552.
- Net Expenditures were \$62,059,561.
- Total District revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$46,840,480 as of June 30, 2014.
- General Revenues \$66,815,552 + Beginning assets \$42,084,490 – Net expenditures (\$62,059,561) = Net Position of \$46,840,480.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

Change in Net Position. Net position for **governmental and business-type activities** increased by \$4,755,990 from July 1, 2013 to June 30, 2014. (See Table A-3).

Table A-3			
Black Horse Pike Regional School District's Changes in Net Position			
	2014	2013	Increase/ (Decrease)
Revenues			
Program Revenues:			
Charges for services	\$ 772,039	\$ 812,213	\$ (40,175)
Operating grants and contributions	6,608,555	7,193,651	(585,096)
General Revenues:			
Property taxes	30,645,864	30,132,072	513,792
State and Federal Aid	34,917,038	34,248,852	668,185
Other	1,252,650	1,381,644	(128,995)
Total Revenues	74,196,146	73,768,433	427,713
Expenses			
Governmental Activities:			
Instruction:			
Regular	18,142,020	17,872,092	269,928
Special Education	3,955,430	3,935,878	19,552
Other Special Instruction	521,282	519,390	1,892
Other Instruction	2,195,082	2,152,191	42,891
Support Services:			
Tuition	5,038,401	4,125,976	912,425
Student & Instruction Related Services	7,039,832	6,771,601	268,232
School Administrative Services	2,436,108	2,532,236	(96,129)
General & Business Administrative Services	1,898,855	1,898,881	(25)
Plant Operations and Maintenance	6,162,533	5,627,922	534,611
Pupil Transportation	3,473,165	3,376,356	96,809
Unallocated Benefits	10,988,682	9,989,584	999,098
Reimbursed TPAF and Social Security	4,433,855	4,873,562	(439,706)
Special Schools	160,593	155,696	4,897
Transfer to Charter Schools	56,277	47,865	8,412
Interest on Long-term Debt	893,815	994,208	(100,393)
Unallocated Depreciation	678,193	652,428	25,765
Total Expenses - Governmental Activities	68,074,123	65,525,865	2,548,258
Business-Type Activities:			
Food Service	1,366,032	1,388,584	(22,552)
Total Expenses - Business-Type Activities	1,366,032	1,388,584	(22,552)
Total Expenses	69,440,155	66,914,450	2,525,706
Increase/(Decrease) in Net Position	4,755,990	6,853,984	(2,097,993)
Net Position, 7/1	42,084,490	35,401,513	6,682,977
Prior Period			
Adjustment		(171,007)	171,007
Net Position, 7/1	42,084,490	35,230,506	6,853,984
Net Position, 6/30	\$ 46,840,480	\$ 42,084,490	\$ 4,755,990

Total revenues for the District were \$74,196,146. Government funding was the source of 47.06% of the district's revenues. This includes the State of New Jersey and Federal sources.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

Property taxes of \$30,645,864 provided 41.30% of revenues, an increase from 40.85% in 2013.

Other miscellaneous revenues of \$1,252,650 represent 1.69% of the district revenues. The largest source is transportation billings with \$571,000 earned in 2013-14.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$29,852,214 (43.85%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$10,512,997 (15.44%) of total expenditures. (See Table A-3).

Total revenues exceeded expenditures for governmental activities, increasing net position \$4,767,390 from the beginning balance as of July 1, 2013.

The District's net cost of services for governmental activities was \$62,030,235 for the year ended June 30, 2014. (See Table A-4).

Table A-4		
Black Horse Pike Regional School District's Net Cost of Governmental Activities For the Year Ended June 30, 2014		
	Total Cost of Services	Net Cost of Services
Governmental Activities:		
Instruction:		
Regular	\$ 18,142,020	\$ 17,340,971
Special Education	3,955,430	3,955,430
Other Special Instruction	521,282	521,282
Other Instruction	2,195,082	2,195,082
Support Services:		
Tuition	5,038,401	5,038,401
Student & Instruction Related Services	7,039,832	6,568,776
School Administrative Services	2,436,108	2,436,108
General & Business Administrative Services	1,898,855	1,898,855
Plant Operations and Maintenance	6,162,533	6,162,533
Pupil Transportation	3,473,165	3,473,165
Unallocated Benefits	10,988,682	10,988,682
Reimbursed TPAF and Social Security	4,433,855	
Special Schools	160,593	160,593
Transfer to Charter Schools	56,277	56,277
Interest on Long-term Debt	893,815	555,887
Unallocated Depreciation	678,193	678,193
Total Governmental Activities	\$ 68,074,123	\$ 62,030,235

Activity Descriptions

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

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

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

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from student activities as provided by State law and Board Policy.

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt and amortization of bond issuance costs involve the transactions associated with the payment of interest and other related charges to the debt of the District.

Unallocated depreciation is used to report the depreciation expense on capital assets whose use cannot be specifically identified to one particular function.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Black Horse Pike Regional School District as a whole is also reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$11,815,265. As of June 30, 2013, the fund balance was \$10,614,409.

All governmental funds had total revenues of \$72,858,507 and total expenditures of \$71,640,657.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

GENERAL FUND BUDGETING HIGHLIGHTS

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The General Fund includes the primary operations of the District in providing educational services to students at the three high schools and includes pupil transportation activities and capital outlay projects.

The following schedule (Table A-5) presents a summary of General Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Table A-5				
Black Horse Pike Regional School District				
Summary of General Fund Revenues				
	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local Sources:				
Local Tax Levy	\$ 28,545,418	\$ 27,985,704	\$ 559,714	2.0%
Tuition	239,416.69	314,310	(74,893)	-23.8%
Transportation	571,000	571,000		
Miscellaneous	441,300	494,919	(53,619)	-10.8%
Total - Local Sources	<u>29,797,135</u>	<u>29,365,933</u>	<u>431,202</u>	<u>1.47%</u>
State Sources	38,079,661	37,855,465	224,196	0.6%
Federal Sources	43,362	49,756	(6,394)	-12.9%
Total - Govt Sources	<u>38,123,024</u>	<u>37,905,221</u>	<u>217,802</u>	<u>0.6%</u>
Total Revenues	<u><u>\$ 67,920,158</u></u>	<u><u>\$ 67,271,154</u></u>	<u><u>\$ 649,004</u></u>	<u><u>1.0%</u></u>

A significant source of funding for the district is received from local property taxes that accounted for 42.03% of total revenues. State aid is the primary source of funding for the district and accounted for 56.07% of total revenues.

Total General Fund revenues increased by \$649,004 or 1.0% from the previous year due in large part to an increase in state aid provided during 2013-2014 and an increase in the local tax levy. These increases were offset by decreases in tuition and other miscellaneous revenues.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

The following schedule (Table A-6) presents a summary of General Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Table A-6				
Black Horse Pike Regional School District				
Summary of General Fund Expenditures				
	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Year Ended</u> <u>June 30, 2013</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Current:				
Regular Instruction	\$ 16,479,437	\$ 16,103,028	\$ 376,409	2.3%
Special Education Instruction	3,955,430	3,935,878	19,552	0.5%
Other Special Instruction	521,282	519,390	1,892	0.4%
Other Instruction	2,109,834	2,070,433	39,401	1.9%
Support Services and Undistributed Costs:				
Tuition	5,038,401	4,125,976	912,425	22.1%
Student & Instruction Related Services	6,568,776	6,366,543	202,233	3.2%
School Administrative Services	2,436,108	2,532,236	(96,129)	-3.8%
Other Administrative Services	1,472,411	1,541,061	(68,650)	-4.5%
Plant Operations and Maintenance	6,139,898	5,606,147	533,751	9.5%
Pupil Transportation	3,473,165	3,376,356	96,809	2.9%
Unallocated Employee Benefits	10,888,197	10,228,198	659,999	6.5%
Reimbursed TPAF Pension & SS	4,433,855	4,873,562	(439,706)	-9.0%
Special Schools	160,593	155,696	4,897	3.1%
Transfer to Charter School	56,277	47,865	8,412	
Capital Outlay	2,968,225	4,379,017	(1,410,793)	-32.2%
Total Expenditures	<u><u>\$ 66,701,888</u></u>	<u><u>\$ 65,861,386</u></u>	<u><u>\$ 840,502</u></u>	<u><u>1.3%</u></u>

Total General Fund expenditures increased \$840,502 or 1.3% from the previous year.

The Black Horse Pike Regional School District utilizes its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets and provide tax relief were \$3,850,618 for the 2013-14 school year and \$3,747,024 for the 2014-15 school year.

The District has continued the practice of returning surplus funds to taxpayers in the subsequent budget years. However, in June of 2004 the State of New Jersey passed legislation (SR1701) that weakened the financial position of all school districts. The legislation immediately reduced fund balance to a maximum of 3% as of June 30, 2004 and a maximum of 2% as of June 30, 2005 and each year thereafter. The District is left with a fund balance that could result in a negative cash flow during summer months if local taxes, federal and state aid are not received in a timely manner.

During the course of fiscal year 2014 the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$3,666,244, of which \$2,100,446 in funding was provided by the local tax levy and \$1,565,798 was received as aid from the State.

FOOD SERVICE FUND

The Food Service Fund had net position of \$-0- as of June 30, 2014. This reflects a decrease of \$11,399 from June 30, 2013.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of fiscal year 2014, the District had capital assets with a book value of \$53,927,878. This consists of a broad range of capital assets, including land, school buildings, computer and audio-visual equipment, administrative offices, and construction in progress for renovations at various schools within the District. (See Table A-7). Total depreciation expense for the year was \$2,077,054.

Table A-7						
Black Horse Pike Regional School District's Capital Assets						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,252,903	\$ 1,252,903			\$ 1,252,903	\$ 1,252,903
Construction in Progress	3,711,024	3,711,024			3,711,024	3,711,024
Buildings & Improvements	68,488,146	66,325,375			68,488,146	66,325,375
Equipment	14,136,902	13,348,475	\$ 595,333	\$ 595,333	14,732,234	13,943,808
Total Capital Assets	87,588,974	84,637,777	595,333	595,333	88,184,307	85,233,110
Less: Accumulated Depreciation	(33,661,096)	(31,584,042)	(595,333)	(595,333)	(34,256,429)	(32,179,375)
Net Capital Assets	\$ 53,927,878	\$ 53,053,735	\$ -	\$ -	\$ 53,927,878	\$ 53,053,735

Long-term Obligations

At year-end, the District had \$18,497,000 in general obligation bonds outstanding, a decrease of \$2,875,000 from last year. (See Table A-8).

The District also had a \$911,899 general liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement. The liability for Compensated Absences was calculated utilizing an expected retirement age of 55, which is the minimum retirement age with 25 years of service. In the future, this calculation will be revised as new pension laws are enacted, effecting minimum retirement age.

Black Horse Pike Regional School District
Blackwood, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2014

Table A-8				
Black Horse Pike Regional School District				
Long Term Debt Schedule				
Governmental Activity	Year Ended June 30, 2014	Year Ended June 30, 2013	Amount of Increase (Decrease)	Percent Increase (Decrease)
General Obligation Bonds Payable	\$ 18,497,000	\$ 21,372,000	\$ (2,875,000)	-13.5%
Compensated Absences	911,899	811,414	100,485	12.4%
Total	\$ 19,408,899	\$ 22,183,414	\$ (2,774,515)	-12.5%

THE FUTURE OUTLOOK

For the 2014-2015 budget year, the Governor has continued to implement financial measures to cope with the State of New Jersey's growing budget deficit. The result of these measures allowed State Aid for the Black Horse Pike Regional School District to increase slightly for the 2014-2015 budget year. We were able to financially stabilize the District through the appropriation of District reserves and a freeze in District spending during the 2013-2014 school year.

The District now must function within a 2% cap on the tax levy, with limited exceptions.

In order to meet this challenge, we must implement a comprehensive solution which will have a significant impact on the way in which our District will function in the future. With input from the community, we must clearly establish the core services the District must provide to our students to ensure a superior education. We must challenge the community to define the overall educational environment they desire for their children.

Notwithstanding the adoption of the fiscal plan for 2014-2015, the 2015-2016 budget will require continued fiscal austerity, especially in the area of negotiations and discretionary spending. The actions required to move the District into compliance with the new economic parameters and maintain a quality education are significant, but achievable.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Jean Grubb, Board Secretary/Business Administrator at: Black Horse Pike Regional School District, 580 Erial Road, Blackwood, New Jersey 08012.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,240,066.54	\$ 212,196.62	\$ 2,452,263.16
Receivables, net	4,549,289.61	48,282.29	4,597,571.90
Inventory		13,517.52	13,517.52
Restricted Assets:			
Restricted Cash and Cash Equivalents	212,028.55		212,028.55
Capital Reserve Account - Cash	5,544,124.25		5,544,124.25
Capital Assets, net (Note 6)	53,927,878.35		53,927,878.35
Total Assets	66,473,387.30	273,996.43	66,747,383.73
DEFERRED OUTFLOW OF RESOURCES:			
Deferred Loss on Defeasance of Debt	614,210.88		614,210.88
LIABILITIES:			
Accounts Payable	419,772.46	504.95	420,277.41
Interfunds Payable	1,883.84	239,630.76	241,514.60
Accrued Interest	61,211.99		61,211.99
Unearned Revenue	308,587.68		308,587.68
Noncurrent Liabilities (Note 7):			
Due within One Year	3,026,270.00		3,026,270.00
Due beyond One Year	16,429,392.45	33,860.72	16,463,253.17
Total Liabilities	20,247,118.42	273,996.43	20,521,114.85
NET POSITION:			
Net Investment in Capital Assets	35,998,325.72		35,998,325.72
Restricted for:			
Debt Service	6.61		6.61
Capital Projects	5,551,270.25		5,551,270.25
Other Purposes	5,151,965.17		5,151,965.17
Unrestricted	138,912.01		138,912.01
Total Net Position	\$ 46,840,479.76	\$ -	\$ 46,840,479.76

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 18,142,019.60		\$ 801,048.59		\$ (17,340,971.01)		\$ (17,340,971.01)
Special Education	3,955,429.96				(3,955,429.96)		(3,955,429.96)
Other Special Instruction	521,282.20				(521,282.20)		(521,282.20)
Other Instruction	2,195,081.63				(2,195,081.63)		(2,195,081.63)
Support Services:							
Tuition	5,038,400.82				(5,038,400.82)		(5,038,400.82)
Student and Instruction Related Services	7,039,832.26		471,056.50		(6,568,775.76)		(6,568,775.76)
School Administrative Services	2,436,107.91				(2,436,107.91)		(2,436,107.91)
General and Business Administrative Services	1,898,855.18				(1,898,855.18)		(1,898,855.18)
Plant Operations and Maintenance	6,162,533.40				(6,162,533.40)		(6,162,533.40)
Pupil Transportation	3,473,165.02				(3,473,165.02)		(3,473,165.02)
Unallocated Benefits	10,988,682.32				(10,988,682.32)		(10,988,682.32)
Reimbursed TPAF and Social Security	4,433,855.23		4,433,855.23				
Special Schools	160,592.55				(160,592.55)		(160,592.55)
Transfer to Charter Schools	56,277.00				(56,277.00)		(56,277.00)
Interest on Long-Term Debt	893,815.31		337,928.40		(555,886.91)		(555,886.91)
Unallocated Depreciation	678,192.96				(678,192.96)		(678,192.96)
Total Governmental Activities	68,074,123.35		6,043,888.72		(62,030,234.63)		(62,030,234.63)
Business-Type Activities:							
Food Service	1,366,032.11	\$ 772,038.57	564,666.72			\$ (29,326.82)	(29,326.82)
Total Business-Type Activities	1,366,032.11	772,038.57	564,666.72			(29,326.82)	(29,326.82)
Total Primary Government	\$ 69,440,155.46	\$ 772,038.57	\$ 6,608,555.44	-	(62,030,234.63)	(29,326.82)	(62,059,561.45)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					28,545,418.00		28,545,418.00
Taxes Levied for Debt Service					2,100,446.00		2,100,446.00
Federal and State Aid not Restricted					33,689,168.28		33,689,168.28
Federal and State Aid Restricted					1,227,869.60		1,227,869.60
Tuition Received					239,416.69		239,416.69
Transportation					571,000.00		571,000.00
Miscellaneous Income					441,299.82	933.26	442,233.08
Transfers					(16,994.19)	16,994.19	
Total General Revenues, Special Items, Extraordinary Items and Transfers					66,797,624.20	17,927.45	66,815,551.65
Change in Net Position					4,767,389.57	(11,399.37)	4,755,990.20
Net Position -- July 1					42,073,090.19	11,399.37	42,084,489.56
Net Position -- June 30					\$ 46,840,479.76	\$ -	\$ 46,840,479.76

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

FUND FINANCIAL STATEMENTS

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 2,240,066.54	\$ 204,875.94	\$ 7,146.00	\$ 6.61	\$ 2,452,095.09
Capital Reserve Account - Cash	5,544,124.25				5,544,124.25
Receivables, net:					
Interfund Receivable:					
Special Revenue Fund	422,362.82				422,362.82
Enterprise Fund	239,630.76				239,630.76
Receivables from Other Governments:					
Federal Government		564,367.79			564,367.79
State of New Jersey	475,347.40				475,347.40
Local Governments - Tax Levy	2,553,822.00				2,553,822.00
Local Governments - Transportation	653,693.75				653,693.75
Other LEAs - Tuition	62,427.91				62,427.91
Total Assets	\$ 12,191,475.43	\$ 769,243.73	\$ 7,146.00	\$ 6.61	\$ 12,967,871.77
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 381,479.23	\$ 38,293.23			\$ 419,772.46
Interfund Payable:					
General Fund		422,362.82			422,362.82
Unemployment Fund	1,883.84				1,883.84
Unearned Revenue		308,587.68			308,587.68
Total Liabilities	383,363.07	769,243.73			1,152,606.80
Fund Balances:					
Restricted:					
Debt Service				\$ 6.61	6.61
Capital Projects			7,146.00		7,146.00
Capital Reserve	5,544,124.25				5,544,124.25
Excess Surplus - Designated for Subsequent Year's Expenditures	2,576,361.78				2,576,361.78
Assigned:					
Reserve for Encumbrances	1,404,941.17				1,404,941.17
Subsequent Year's Expenditure	1,170,662.22				1,170,662.22
Unassigned	1,112,022.94				1,112,022.94
Total Fund Balances (Deficit)	11,808,112.36		7,146.00	6.61	11,815,264.97
Total Liabilities and Fund Balances	\$ 12,191,475.43	\$ 769,243.73	\$ 7,146.00	\$ 6.61	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$87,588,974.49 and the accumulated depreciation is \$33,661,096.14. 53,927,878.35

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (19,455,662.45)

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds. 614,210.88

Interest on long term debt is accrued on the Statement of Net Assets regardless when due. (61,211.99)

Net position of governmental activities \$ 46,840,479.76

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 28,545,418.00			\$ 2,100,446.00	\$ 30,645,864.00
Tuition Charges	239,416.69				239,416.69
Transportation	571,000.00				571,000.00
Miscellaneous	441,299.82	\$ 2,266.95			443,566.77
State Sources	38,079,661.23			1,565,798.00	39,645,459.23
Federal Sources	43,362.28	1,269,838.14			1,313,200.42
	<u>67,920,158.02</u>	<u>1,272,105.09</u>		<u>3,666,244.00</u>	<u>72,858,507.11</u>
Total Revenues					
EXPENDITURES:					
Current:					
Regular Instruction	16,479,436.68	801,048.59			17,280,485.27
Special Education Instruction	3,955,429.96				3,955,429.96
Other Special Instruction	521,282.20				521,282.20
Other Instruction	2,109,833.99				2,109,833.99
Support Services and Undistributed Costs:					
Tuition	5,038,400.82				5,038,400.82
Student and Instruction Related Services	6,568,775.76	471,056.50			7,039,832.26
School Administrative Services	2,436,107.91				2,436,107.91
Other Administrative Services	1,472,411.27				1,472,411.27
Plant Operations and Maintenance	6,139,897.90				6,139,897.90
Pupil Transportation	3,473,165.02				3,473,165.02
Unallocated Benefits	10,888,197.24				10,888,197.24
Reimbursed TPAF Pension and Social Security	4,433,855.23				4,433,855.23
Special Schools	160,592.55				160,592.55
Transfer to Charter School	56,277.00				56,277.00
Debt Service:					
Principal				2,875,000.00	2,875,000.00
Interest and Other Charges				791,243.76	791,243.76
Capital Outlay	2,968,224.80		\$ 420.00		2,968,644.80
	<u>66,701,888.33</u>	<u>1,272,105.09</u>	<u>420.00</u>	<u>3,666,243.76</u>	<u>71,640,657.18</u>
Total Expenditures					
Excess (Deficiency) of Revenues over Expenditures	<u>1,218,269.69</u>		<u>(420.00)</u>	<u>0.24</u>	<u>1,217,849.93</u>

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
OTHER FINANCING SOURCES (USES):					
Enterprise Fund	\$ (16,994.19)	_____	_____	_____	\$ (16,994.19)
Total Other Financing Sources and Uses	(16,994.19)	_____	_____	_____	(16,994.19)
Net Change in Fund Balances	1,201,275.50	_____	\$ (420.00)	\$ 0.24	\$ 1,200,855.74
Fund Balance -- July 1	10,606,836.86	_____	7,566.00	6.37	10,614,409.23
Fund Balance -- June 30	<u>\$ 11,808,112.36</u>	<u>\$ -</u>	<u>\$ 7,146.00</u>	<u>\$ 6.61</u>	<u>\$ 11,815,264.97</u>

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

BLACK HORSE PIKE REGIONAL 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, 2014

Total Net Change in Fund Balances - Governmental Funds		\$ 1,200,855.74												
<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> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Depreciation Expense</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">\$ (2,074,054.34)</td> </tr> <tr> <td>Capital Outlays</td> <td></td> <td style="text-align: right;">2,968,644.80</td> </tr> <tr> <td>Debt Service Assessment Charged to Capital Outlay</td> <td></td> <td style="text-align: right;"><u>(17,447.00)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">877,143.46</td> </tr> </table> <p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p> <p style="text-align: right;">2,875,000.00</p> <p>The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> <p style="text-align: right;">(94,574.55)</p> <p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)</p> <p style="text-align: right;">9,450.00</p> <p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p> <p style="text-align: right;">(100,485.08)</p>			Depreciation Expense		\$ (2,074,054.34)	Capital Outlays		2,968,644.80	Debt Service Assessment Charged to Capital Outlay		<u>(17,447.00)</u>			877,143.46
Depreciation Expense		\$ (2,074,054.34)												
Capital Outlays		2,968,644.80												
Debt Service Assessment Charged to Capital Outlay		<u>(17,447.00)</u>												
		877,143.46												
Change in Net Position of Governmental Activities		<u>\$ 4,767,389.57</u>												

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 212,196.62
Accounts Receivable:	
State	1,541.05
Federal	46,741.24
Inventories	<u>13,517.52</u>
Total Current Assets	<u>273,996.43</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	595,332.74
Less Accumulated Depreciation	<u>(595,332.74)</u>
Total Noncurrent Assets	<u> </u>
Total Assets	<u>273,996.43</u>
LIABILITIES :	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	239,630.76
Accounts Payable	<u>504.95</u>
Total Current Liabilities	<u>240,135.71</u>
Noncurrent Liabilities:	
Compensated absences	<u>33,860.72</u>
Total Noncurrent Liabilities	<u>33,860.72</u>
Total Liabilities	<u>273,996.43</u>
NET POSITION:	
Unrestricted	<u> </u>
Total Net Position	<u>\$ -</u>

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 288,801.80
Daily Sales - Non-Reimbursable Programs	392,626.80
Special Functions	90,609.97
	90,609.97
Total Operating Revenues	772,038.57
OPERATING EXPENSES:	
Salaries	588,645.04
Employee Benefits	219,174.82
Miscellaneous	7,500.00
Cost of Sales	550,712.25
	550,712.25
Total Operating Expenses	1,366,032.11
Operating Income (Loss)	(593,993.54)
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	11,566.99
Federal Sources:	
National School Lunch Program	396,032.33
National School Breakfast Program	92,033.25
Food Distribution Program	65,034.15
Interest and Investment Revenue	933.26
	933.26
Total Nonoperating Revenues	565,599.98
Income (Loss) before Contributions and Transfers	(28,393.56)
Operating Transfers In (Out) - General Fund	16,994.19
Change in Net Position	(11,399.37)
Total Net Position -- July 1	11,399.37
Total Net Position -- June 30	\$ -

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 772,038.57
Payments to Employees	(401,384.69)
Payments for Employee Benefits	(217,876.83)
Payments to Vendors	(490,258.66)
	(337,481.61)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	10,866.13
Federal Sources	481,013.96
Operating Subsidies and Transfers to other Funds	16,994.19
	508,874.28
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	933.26
	933.26
Net Increase (Decrease) in Cash and Cash Equivalents	172,325.93
Balances -- July 1	39,870.69
Balances -- June 30	\$ 212,196.62
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (593,993.54)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Food Distribution Program	65,034.15
(Increase) Decrease in Inventories	2,414.49
Increase (Decrease) in Accounts Payable	187,765.30
Increase (Decrease) in Other Current Liabilities	1,297.99
	256,511.93
Total Adjustments	256,511.93
Net Cash Provided by (used for) Operating Activities	\$ (337,481.61)

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2014

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	Unemployment Compensation <u>Trust</u>	Student Activity	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 685,165.58	\$ 548,929.64	\$ 170,804.80
Interfund Accounts Receivable:			
Due from General Fund	1,883.84		
Total Assets	<u>687,049.42</u>	<u>\$ 548,929.64</u>	<u>\$ 170,804.80</u>
LIABILITIES:			
Accounts Payable	\$ 11,975.35		
Payable to Student Groups		\$ 548,929.64	
Payroll Deductions and Withholdings			\$ 170,804.80
Total Liabilities	<u>11,975.35</u>	<u>\$ 548,929.64</u>	<u>\$ 170,804.80</u>
NET POSITION:			
Held in Trust for Unemployment Claims	<u>\$ 675,074.07</u>		

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Year Ended June 30, 2014

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Board Contributions	\$ -
Payroll Deductions	<u>35,750.54</u>
Total Contributions	<u>35,750.54</u>
Investment earnings:	
Interest	<u>1,193.30</u>
Net Investment Earnings	<u>1,193.30</u>
Total Additions	<u>36,943.84</u>
DEDUCTIONS:	
Unemployment Claims	<u>32,739.41</u>
Total Deductions	<u>32,739.41</u>
Change in Net Position	4,204.43
Net Position -- July 1	<u>670,869.64</u>
Net Position -- June 30	<u><u>\$ 675,074.07</u></u>

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Black Horse Pike Regional 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 Financial Reporting Entity

The School District is a Type II district located in the County of Camden, 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 9 through 12 at its three high schools. The School District has an approximate enrollment at June 30, 2014 of 4080.

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

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

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

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. 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 (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures 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, 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, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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. Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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.

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

The School District reports the following major proprietary funds:

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

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:

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Budgets / Budgetary Control

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

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

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

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

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

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

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

Inventories

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

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

Short-Term Interfund Receivables / Payables

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

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

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

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

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

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

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

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, 2014, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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.

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

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. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

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

Net Position

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

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

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

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

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

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

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

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

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

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

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

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

When expenditures are 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 expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

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

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

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

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

In 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. The adoption of GASBS 66, however, does not have a material impact on the School District's financial statements.

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. The adoption of GASBS 70, however, does not have any impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

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 November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years 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 when considered in conjunction with the adoption of Statement No. 68.

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 classified as uninsured and uncollateralized.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of June 30, 2014, the School District's bank balances of \$11,210,839.64 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 892,087.29
Collateralized by securities held by the pledging financial institution	250,000.00
Collateralized by securities held by the pledging financial institution's trust department or agent but not in the depositor- government's name	<u>10,068,752.35</u>
	<u>\$ 11,210,839.64</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on September 26, 2000 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, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$ 3,543,398.61
Increased by:	
Interest Earnings	\$ 725.65
Deposits:	
Appropriated in 2014 Budget	500,000.00
Board Resolution (6/19/2014)	<u>1,500,000.00</u>
	<u>2,000,725.65</u>
Ending Balance, June 30, 2014	<u>\$ 5,544,124.26</u>

The June 30, 2014 LRFP balance of local support costs of uncompleted projects at June 30, 2014 is \$58,320,639.00.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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>Governmental Funds</u>			<u>Proprietary Fund</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>		
Intergovernmental	\$ 3,745,291.06	\$ 564,367.79	\$ 4,309,658.85	\$ 48,282.29	\$ 4,357,941.14
Other					-
	<u>\$ 3,745,291.06</u>	<u>\$ 564,367.79</u>	<u>\$ 4,309,658.85</u>	<u>\$ 48,282.29</u>	<u>\$ 4,357,941.14</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2014 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	\$ 12,415.52
Supplies	<u>1,102.00</u>
	<u>\$ 13,517.52</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,252,903.00			\$ 1,252,903.00
Construction in Progress	3,711,023.85			3,711,023.85
Total Capital Assets, not being Depreciated	4,963,926.85			4,963,926.85
Capital Assets, being Depreciated:				
Equipment	13,348,474.70			13,348,474.70
Buildings and Improvements	60,483,417.14	\$ 2,162,770.82		62,646,187.96
Land Improvements	5,841,958.00	788,426.98		6,630,384.98
Total Capital Assets, being Depreciated	79,673,849.84	2,951,197.80		82,625,047.64
Total Capital Assets, Cost	84,637,776.69	2,951,197.80		87,588,974.49
Less Accumulated Depreciation for:				
Equipment	(10,020,993.74)	(532,071.87)		(10,553,065.61)
Buildings and Improvements	(17,724,907.06)	(1,385,944.47)		(19,110,851.53)
Land Improvements	(3,841,141.00)	(156,038.00)		(3,997,179.00)
Total Accumulated Depreciation	(31,587,041.80)	(2,074,054.34) *		(33,661,096.14)
Total Capital Assets, being Depreciated, Net	48,086,808.04	877,143.46		48,963,951.50
Governmental Activities Capital Assets, Net	\$ 53,050,734.89	\$ 877,143.46		\$ 53,927,878.35
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 595,332.74			\$ 595,332.74
Less Accumulated Depreciation for:	(595,332.74)			(595,332.74)
Business-Type Activities Capital Assets, Net	\$ -			\$ -

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

Governmental Activities:	
Instructional	\$ 861,534.33
Other Instructional	85,247.64
General and Business Administrative Services	426,443.91
Plant Operations and Maintenance	22,635.50
Unallocated	678,192.96
Total Depreciation Expense - Governmental Activities	<u>\$ 2,074,054.34</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 21,372,000.00		\$ (2,875,000.00)	\$ 18,497,000.00	\$ 2,950,000.00
Other Liabilities:					
Compensated Absences	811,413.86	\$ 100,485.08		911,898.94	76,270.00
Governmental Activity Long-Term Liabilities	<u>\$ 22,183,413.86</u>	<u>\$ 100,485.08</u>	<u>\$ (2,875,000.00)</u>	<u>\$ 19,408,898.94</u>	<u>\$ 3,026,270.00</u>

The bonds payable are generally liquidated by the debt service fund, while compensated absences are liquidated by the general fund.

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due within</u> <u>One Year</u>
Business-Type Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 32,562.73	\$ 1,297.99		\$ 33,860.72	
Business-Type Activity Long-Term Liabilities	<u>\$ 32,562.73</u>	<u>\$ 1,297.99</u>		<u>\$ 33,860.72</u>	

Compensated absences are liquidated by the food service 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.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,950,000.00	\$ 679,968.76	\$ 3,629,968.76
2016	3,020,000.00	568,768.76	3,588,768.76
2017	3,095,000.00	450,243.76	3,545,243.76
2018	3,170,000.00	324,943.76	3,494,943.76
2019	3,245,000.00	194,615.63	3,439,615.63
2020	3,017,000.00	63,843.75	3,080,843.75
Total	<u>\$ 18,497,000.00</u>	<u>\$ 2,282,384.42</u>	<u>\$ 20,779,384.42</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 8: OPERATING LEASES

At June 30, 2014, the School District had an operating lease agreement in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2015	\$ 65,964.00
2016	65,964.00
2017	65,964.00
2018	54,970.00
	<u>\$ 252,862.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2014 were \$65,964.00.

Note 9: PENSION PLANS

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

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

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

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.

Note 9: PENSION PLANS (CONT'D)

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

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

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2014	\$ 134,525.00	\$ 591,456.00	\$ 725,981.00	\$ 12,347.00	\$ 738,328.00
2013	209,385.00	500,645.00	710,030.00	42,259.00	752,289.00
2012	250,352.00	500,704.00	751,056.00	47,851.00	798,907.00

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

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

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

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2014	\$ 3,178.49	\$ 3,178.49
2013	4,974.79	4,974.79
2012	754.69	754.69

Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving postemployment medical benefits, and the State contributed \$1.07 billion on their behalf. 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 \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, 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 \$993,474.00 and \$1,628,924.00, respectively.

Note 12: RISK MANAGEMENT

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

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, 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.

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>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2014	\$ 35,750.54	\$ 1,193.30	\$ 32,739.41	\$ 675,074.07
2013	43,281.13	1,659.37	54,572.83	670,869.64
2012	36,143.50	1,858.56	119,710.10	680,501.97

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of eight 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:

First Investors; Franklin Templeton/Morgan Stanley; AXA Equitable; Lincoln Investments/Planning;
Met Life; Midland National; Siracusa Benefits; Vanguard

Note 14: 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, 2014, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$911,898.94 and \$33,860.72, respectively.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 661,993.58	\$ 1,883.84
Special Revenue		422,362.82
Capital Projects		
Debt Service		
Food Service		239,630.76
Fiduciary	1,883.84	
	<u>\$ 663,877.42</u>	<u>\$ 663,877.42</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2015, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)

Interfund Transfers:

	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Fiduciary Fund</u>
<u>Transfer Out:</u>				
General Fund			\$ 16,994.19	
Special Revenue Fund				
Capital Projects Fund				
Debt Service Fund				
Food Service Fund				
Total Transfers	\$ -	\$ -	\$ 16,994.19	\$ -

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

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 17: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: 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:

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, 2014 is \$0-. Additionally, \$2,576,361.78 of excess fund balance generated during 2012-2013 has been restricted and designated for utilization in the 2014-2015 budget.

For Capital Reserve Account - As of June 30, 2014, the balance in the capital reserve account is \$5,544,124.25. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund - As of June 30, 2014, the restricted fund balance amount was \$7,146.00

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2015 \$6.61 of debt service fund balance at June 30, 2014.

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, 2015 \$1,170,662.22 of general fund balance at June 30, 2014.

Other Purposes - As of June 30, 2014, the School District had \$1,404,941.17 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2014, \$1,112,022.94 of general fund balance was unassigned.

Note 19: SUBSEQUENT EVENTS**CAPITAL DEBT REFUNDING**

On September 19, 2014, the School District issued \$13,055,000 in general obligation refunding bonds with interest rates of 1.00% to 4.00% to currently refund and redeem \$13,600,000.00 of the District's outstanding callable Refunding Bonds, Series 2004, maturing on December 1 in the years 2015 through and including 2019 with interest rates from 3.70% to 4.20%; and pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds. The net proceeds of (after payment of issuance costs) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004 series bonds. As a result of the current refunding, the School District will reduce its total debt service payments over the life of the Refunding Bonds by \$954,448.17, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$927,575.52, or 6.82% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds will be removed from the School District's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 28,545,418.00		\$ 28,545,418.00	\$ 28,545,418.00	
Tuition	40,000.00		40,000.00	239,416.69	\$ 199,416.69
Transportation	571,000.00		571,000.00	571,000.00	
Interest Earned on Capital Reserve Funds	1,100.00		1,100.00	725.64	(374.36)
Unrestricted Miscellaneous Revenues	148,000.00		148,000.00	440,574.18	292,574.18
Total - Local Sources	29,305,518.00		29,305,518.00	29,797,134.51	491,616.51
State Sources:					
Extraordinary Aid	125,000.00		125,000.00	357,033.00	232,033.00
Categorical Special Education Aid	2,402,732.00		2,402,732.00	2,402,732.00	
Equalization Aid	30,562,927.00		30,562,927.00	30,562,927.00	
Categorical Security Aid	139,073.00		139,073.00	139,073.00	
Categorical Transportation Aid	197,935.00		197,935.00	197,935.00	
Other State Aid - Nonpublic Transportation Aid				31,394.00	31,394.00
Other State Aid - Anti-Bullying Aid				1,905.00	1,905.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				1,628,924.00	1,628,924.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				993,474.00	993,474.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,811,457.23	1,811,457.23
Total - State Sources	33,427,667.00		33,427,667.00	38,126,854.23	4,699,187.23
Federal Sources:					
SEMI -- Medicaid Initiative	55,412.00		55,412.00	43,362.28	(12,049.72)
Total - Federal Sources	55,412.00	-	55,412.00	43,362.28	(12,049.72)
Total Revenues	62,788,597.00	-	62,788,597.00	67,967,351.02	5,178,754.02
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 9-12	14,781,124.00	61,020.00	14,842,144.00	14,624,197.11	217,946.89

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Regular Programs - Home Instruction:					
Salaries of Teachers	\$ 284,000.00	\$ (50,000.00)	\$ 234,000.00	\$ 211,740.50	\$ 22,259.50
Purchased Professional - Educational Services	256,000.00	420.00	256,420.00	67,784.04	188,635.96
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	750,000.00	(40,000.00)	710,000.00	554,197.20	155,802.80
Purchased Technical Services	40,000.00		40,000.00	16,950.00	23,050.00
Other Purchased Services (400-500 Series)	190,650.00	(99,996.90)	90,653.10	69,694.41	20,958.69
General Supplies	744,770.00	(38,343.64)	706,426.36	617,576.39	88,849.97
Textbooks	408,174.00	(23,350.00)	384,824.00	317,297.03	67,526.97
Total Regular Programs	17,454,718.00	(190,250.54)	17,264,467.46	16,479,436.68	785,030.78
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	149,755.00	5,530.00	155,285.00	155,284.40	0.60
Other Salaries for Instruction	175,207.00	(33,100.00)	142,107.00	112,295.40	29,811.60
General Supplies	48,848.00	(14,815.20)	34,032.80	32,359.66	1,673.14
Textbooks	6,500.00		6,500.00	6,266.09	233.91
Total Behavioral Disabilities	380,310.00	(42,385.20)	337,924.80	306,205.55	31,719.25
Multiple Disabilities:					
Salaries of Teachers	305,755.00	59,065.00	364,820.00	351,323.90	13,496.10
Other Salaries for Instruction	105,374.00	22,080.00	127,454.00	124,547.59	2,906.41
General Supplies	53,686.00		53,686.00	41,019.28	12,666.72
Total Multiple Disabilities	464,815.00	81,145.00	545,960.00	516,890.77	29,069.23

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 2,736,686.00	\$ (107,450.00)	\$ 2,629,236.00	\$ 2,629,221.79	\$ 14.21
Other Salaries for Instruction	542,517.00	20,850.00	563,367.00	491,671.82	71,695.18
General Supplies	5,812.00	343.64	6,155.64	5,173.95	981.69
Textbooks	6,500.00		6,500.00	6,266.08	233.92
Total Resource Room / Resource Center	<u>3,291,515.00</u>	<u>(86,256.36)</u>	<u>3,205,258.64</u>	<u>3,132,333.64</u>	<u>72,925.00</u>
Total Special Education - Instruction	<u>4,136,640.00</u>	<u>(47,496.56)</u>	<u>4,089,143.44</u>	<u>3,955,429.96</u>	<u>133,713.48</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	462,981.00	7,900.00	470,881.00	442,728.15	28,152.85
Other Salaries for Instruction	4,000.00		4,000.00	26.43	3,973.57
General Supplies	22,880.00		22,880.00	16,197.27	6,682.73
Textbooks	7,500.00		7,500.00	4,687.79	2,812.21
Total Basic Skills / Remedial - Instruction	<u>497,361.00</u>	<u>7,900.00</u>	<u>505,261.00</u>	<u>463,639.64</u>	<u>41,621.36</u>
Bilingual Education - Instruction:					
Salaries of Teachers	55,439.00		55,439.00	54,070.00	1,369.00
Purchased Professional - Educational Services	4,500.00		4,500.00	3,572.56	927.44
General Supplies	1,000.00		1,000.00		1,000.00
Total Bilingual Education - Instruction	<u>60,939.00</u>		<u>60,939.00</u>	<u>57,642.56</u>	<u>3,296.44</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	300,481.00	60,700.00	361,181.00	361,145.46	35.54
Purchased Services	58,700.00	4,085.00	62,785.00	57,332.17	5,452.83
Supplies and Materials	40,730.00	11,150.00	51,880.00	43,455.96	8,424.04
Other Objects	26,025.00		26,025.00	24,018.10	2,006.90
Total School Sponsored Cocurricular Activities - Instruction	<u>425,936.00</u>	<u>75,935.00</u>	<u>501,871.00</u>	<u>485,951.69</u>	<u>15,919.31</u>

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
School Sponsored Athletics - Instruction:					
Salaries	\$ 1,099,430.00	\$ (19,900.00)	\$ 1,079,530.00	\$ 1,066,531.65	\$ 12,998.35
Purchased Services	236,751.00	(4,761.00)	231,990.00	170,710.84	61,279.16
Supplies and Materials	150,000.00	5,576.00	155,576.00	135,741.51	19,834.49
Other Objects	70,050.00	18,445.65	88,495.65	77,674.87	10,820.78
Total School Sponsored Athletics - Instruction	<u>1,556,231.00</u>	<u>(639.35)</u>	<u>1,555,591.65</u>	<u>1,450,658.87</u>	<u>104,932.78</u>
Other Instructional Programs - Instruction:					
Salaries	204,848.00	(24,150.00)	180,698.00	150,212.43	30,485.57
Purchased Services	27,900.00		27,900.00	20,559.00	7,341.00
Supplies and Materials	4,500.00	230.00	4,730.00	2,452.00	2,278.00
Total Other Instructional Programs - Instruction	<u>237,248.00</u>	<u>(23,920.00)</u>	<u>213,328.00</u>	<u>173,223.43</u>	<u>40,104.57</u>
Total Instruction	<u>24,369,073.00</u>	<u>(178,471.45)</u>	<u>24,190,601.55</u>	<u>23,065,982.83</u>	<u>1,124,618.72</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	45,000.00	54,000.00	99,000.00	85,462.72	13,537.28
Tuition to Other LEA's Within State - Special	50,000.00	(7,200.00)	42,800.00	13,740.16	29,059.84
Tuition to County Voc. School District - Regular	743,898.00	(16,800.00)	727,098.00	722,713.68	4,384.32
Tuition to CSSD and Regional Day Schools	1,859,970.00	43,000.00	1,902,970.00	1,752,645.33	150,324.67
Tuition to Private Schools for the Disabled - Within State	2,302,457.00	(90,000.00)	2,212,457.00	2,059,908.87	152,548.13
Tuition - State Facilities	359,285.00		359,285.00	359,285.00	
Tuition - Other	183,825.00	(136,102.00)	47,723.00	44,645.06	3,077.94
Total Undistributed Expenditures - Instruction	<u>5,544,435.00</u>	<u>(153,102.00)</u>	<u>5,391,333.00</u>	<u>5,038,400.82</u>	<u>352,932.18</u>

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 137,091.00	\$ -	\$ 137,091.00	\$ 127,734.76	\$ 9,356.24
Other Purchased Services (400-500 series)	3,000.00		3,000.00	259.48	2,740.52
Supplies and Materials	75.00		75.00	74.64	0.36
Total Undistributed Expenditures - Attendance and Social Work	140,166.00		140,166.00	128,068.88	12,097.12
Undistributed Expenditures - Health Services:					
Salaries	297,403.00	(10,000.00)	287,403.00	264,272.20	23,130.80
Purchased Professional and Technical Services	66,000.00	11,650.00	77,650.00	64,779.00	12,871.00
Other Purchased Services (400-500 series)	300.00		300.00		300.00
Supplies and Materials	6,250.00		6,250.00	5,217.18	1,032.82
Other Objects	12,000.00	20,000.00	32,000.00	22,336.69	9,663.31
Total Undistributed Expenditures - Health Services	381,953.00	21,650.00	403,603.00	356,605.07	46,997.93
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Purchased Professional - Educational Services	545,700.00	(75,000.00)	470,700.00	371,642.05	99,057.95
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	605,858.00	(25,000.00)	580,858.00	487,840.90	93,017.10
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,565,076.00	15,000.00	1,580,076.00	1,579,408.78	667.22
Salaries of Secretarial and Clerical Assistants	284,526.00	(41,000.00)	243,526.00	243,328.93	197.07
Other Salaries	40,635.00	300.00	40,935.00	40,933.92	1.08
Purchased Professional and Technical Services	70,500.00	4,800.00	75,300.00	56,045.08	19,254.92
Other Purchased Services (400-500 series)	250.00		250.00		250.00
Supplies and Materials	19,000.00	275.85	19,275.85	12,213.29	7,062.56
Total Undistributed Expenditures - Other Support Services - Students - Regular	1,979,987.00	(20,624.15)	1,959,362.85	1,931,930.00	27,432.85

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	\$ 754,329.00	\$ 111,810.00	\$ 866,139.00	\$ 831,264.61	\$ 34,874.39
Salaries of Secretarial and Clerical Assistants	184,193.00	36,000.00	220,193.00	183,012.30	37,180.70
Purchased Professional - Educational Services	35,000.00		35,000.00	27,522.80	7,477.20
Misc Purchased Services	11,500.00		11,500.00	8,274.72	
Supplies and Materials	7,500.00		7,500.00	3,401.61	4,098.39
	<u>992,522.00</u>	<u>147,810.00</u>	<u>1,140,332.00</u>	<u>1,053,476.04</u>	<u>83,630.68</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Special:					
	<u>992,522.00</u>	<u>147,810.00</u>	<u>1,140,332.00</u>	<u>1,053,476.04</u>	<u>83,630.68</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	1,135,603.00	57,300.00	1,192,903.00	1,112,973.80	79,929.20
Salaries of Secretarial and Clerical Assistants	52,103.00	11,320.00	63,423.00	56,801.45	6,621.55
Other Purchased Services (400-500 series)	36,000.00	10,069.09	46,069.09	36,894.46	9,174.63
Other Purchased Services					-
Supplies and Materials	12,500.00	(4,800.00)	7,700.00	5,958.66	1,741.34
Other Objects	12,500.00		12,500.00	11,609.00	891.00
	<u>1,248,706.00</u>	<u>73,889.09</u>	<u>1,322,595.09</u>	<u>1,224,237.37</u>	<u>98,357.72</u>
Total Undistributed Expenditures - Improvement of Instruction Services					
	<u>1,248,706.00</u>	<u>73,889.09</u>	<u>1,322,595.09</u>	<u>1,224,237.37</u>	<u>98,357.72</u>
Undistributed Expenditures - Educational Media Services / School					
Library:					
Salaries	521,786.00	(25,600.00)	496,186.00	476,688.60	19,497.40
Salaries of Technology Coordinators	106,234.00	(106,200.00)	34.00	25.00	9.00
Purchased Professional and Technical Services	277,801.00	4,100.00	281,901.00	233,067.17	48,833.83
Other Purchased Services (400-500 series)	122,815.00		122,815.00	108,724.13	14,090.87
Supplies and Materials	106,451.00	21,679.59	128,130.59	106,598.79	21,531.80
	<u>1,135,087.00</u>	<u>(106,020.41)</u>	<u>1,029,066.59</u>	<u>925,103.69</u>	<u>103,962.90</u>
Total Undistributed Expenditures - Educational Media Services /					
School Library					
	<u>1,135,087.00</u>	<u>(106,020.41)</u>	<u>1,029,066.59</u>	<u>925,103.69</u>	<u>103,962.90</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	70,000.00	(8,800.00)	61,200.00	55,405.18	5,794.82
Purchased Professional - Educational Services	40,000.00	(7,500.00)	32,500.00	32,196.58	303.42
Supplies and Materials	8,000.00	(5,500.00)	2,500.00	2,270.00	230.00
	<u>118,000.00</u>	<u>(21,800.00)</u>	<u>96,200.00</u>	<u>89,871.76</u>	<u>6,328.24</u>
Total Undistributed Expenditures - Instructional Staff Training Services:					
	<u>118,000.00</u>	<u>(21,800.00)</u>	<u>96,200.00</u>	<u>89,871.76</u>	<u>6,328.24</u>

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 230,922.00	\$ 100,356.00	\$ 331,278.00	\$ 254,274.37	\$ 77,003.63
Legal Services	187,000.00		187,000.00	132,092.13	54,907.87
Audit Fees	85,000.00		85,000.00	82,000.00	3,000.00
Architectural/Engineering Services	85,000.00	2,011.75	87,011.75	7,311.75	79,700.00
Other Purchased Professional Services	80,900.00		80,900.00	26,007.00	54,893.00
Purchased Technical Services	51,500.00	20,520.26	72,020.26	15,308.61	56,711.65
Communications / Telephone	211,400.00	8.93	211,408.93	93,621.01	117,787.92
BOE Other Purchased Services	4,000.00		4,000.00		4,000.00
Miscellaneous Purchased Services	168,310.00		168,310.00	145,166.34	23,143.66
Supplies and Materials	25,000.00	754.01	25,754.01	12,121.37	13,632.64
Judgments Against School District	150,000.00	(136,000.00)	14,000.00	13,174.36	825.64
Miscellaneous Expenditures	18,100.00	4,408.80	22,508.80	16,242.95	6,265.85
BOE Membership Dues and Fees	35,000.00		35,000.00	29,063.68	5,936.32
Total Undistributed Expenditures - Support Services - General Administration	1,332,132.00	(7,940.25)	1,324,191.75	826,383.57	497,808.18
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	1,495,066.00	7,762.00	1,502,828.00	1,454,926.81	47,901.19
Salaries of Secretarial and Clerical Assistants	886,833.00		886,833.00	856,915.72	29,917.28
Other Purchased Services	14,000.00	(966.52)	13,033.48	4,731.29	8,302.19
Supplies and Materials	97,000.00	13,757.08	110,757.08	99,451.74	11,305.34
Other Objects	19,850.00	1,030.00	20,880.00	20,082.35	797.65
Total Undistributed Expenditures - Support Services - School Administration	2,512,749.00	21,582.56	2,534,331.56	2,436,107.91	98,223.65

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - Central Services:					
Salaries	\$ 414,858.00	\$ 49,955.00	\$ 464,813.00	\$ 383,742.13	\$ 81,070.87
Purchased Technical Services	59,000.00	(3,000.00)	56,000.00	17,190.00	38,810.00
Miscellaneous Purchased Services	3,000.00	3,160.05	6,160.05	4,866.38	1,293.67
Supplies and Materials	24,000.00	1,417.72	25,417.72	22,432.14	2,985.58
Miscellaneous Expenditures	3,736.00	800.00	4,536.00	4,077.88	458.12
Total Undistributed Expenditures - Support Services - Central Services	504,594.00	52,332.77	556,926.77	432,308.53	124,618.24
Undistributed Expenditures - Support Services - Administrative Information Technology:					
Salaries	205,259.00	2,430.00	207,689.00	198,288.36	9,400.64
Other Purchased Services	1,000.00		1,000.00	320.91	679.09
Supplies and Materials	5,200.00		5,200.00	2,240.27	2,959.73
Other Objects	15,115.00	10,475.32	25,590.32	12,869.63	12,720.69
Total Undistributed Expenditures - Support Services - Administrative Information Technology	226,574.00	12,905.32	239,479.32	213,719.17	25,760.15
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	970,608.00	(35,390.00)	935,218.00	904,124.99	31,093.01
Cleaning, Repair and Maintenance Services	227,469.00	172,754.72	400,223.72	156,880.09	243,343.63
General Supplies	187,535.00	74,055.10	261,590.10	258,371.93	3,218.17
Total Undistributed Expenditures - Required Maintenance for School Facilities	1,385,612.00	211,419.82	1,597,031.82	1,319,377.01	277,654.81

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	\$ 1,466,595.00	\$ 94,255.00	\$ 1,560,850.00	\$ 1,508,845.20	\$ 52,004.80
Purchased Professional and Technical Services	165,050.00	(7,657.00)	157,393.00	127,021.28	30,371.72
Cleaning, Repair and Maintenance Services	166,126.00	(28,377.00)	137,749.00	115,090.28	22,658.72
Lease purchase payments - Energy Savings Impr Program	36,000.00	72,683.25	108,683.25	108,681.50	1.75
Other Purchased Property Services	277,900.00	18,310.00	296,210.00	213,009.83	83,200.17
Insurance	212,150.00	42,000.00	254,150.00	254,114.00	36.00
Miscellaneous Purchased Services	5,900.00	10,000.00	15,900.00	15,392.52	507.48
General Supplies	237,900.00	(33,200.67)	204,699.33	177,481.53	27,217.80
Energy (Electricity)	1,146,465.00	(72,477.00)	1,073,988.00	923,454.45	150,533.55
Energy (Natural Gas)	460,000.00	(112,706.25)	347,293.75	320,155.44	27,138.31
Energy (Oil)	5,500.00		5,500.00	1,794.69	3,705.31
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>4,179,586.00</u>	<u>(17,169.67)</u>	<u>4,162,416.33</u>	<u>3,765,040.72</u>	<u>397,375.61</u>
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	554,928.00	(77,000.00)	477,928.00	443,638.76	34,289.24
Cleaning, Repair and Maintenance Services	57,200.00	17,000.00	74,200.00	50,633.83	23,566.17
General Supplies	108,185.00	31,930.00	140,115.00	126,140.33	13,974.67
Total Undistributed Expenditures - Care & Upkeep of Grounds	<u>720,313.00</u>	<u>(28,070.00)</u>	<u>692,243.00</u>	<u>620,412.92</u>	<u>71,830.08</u>
Undistributed Expenditures - Security					
Salaries	66,500.00	(15,050.00)	51,450.00	13,306.25	38,143.75
Purchased Professional and Technical Services	371,500.00	36,000.00	407,500.00	395,551.00	11,949.00
Cleaning, Repair and Maintenance Services	13,500.00	11,065.00	24,565.00	15,865.68	8,699.32
General Supplies	11,250.00	3,235.00	14,485.00	10,344.32	4,140.68
Total Undistributed Expenditures - Security	<u>462,750.00</u>	<u>35,250.00</u>	<u>498,000.00</u>	<u>435,067.25</u>	<u>62,932.75</u>

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 22,449.00	\$ 2,000.00	\$ 24,449.00	\$ 24,433.19	\$ 15.81
Salaries for Pupil Transportation (Bet. Home & Sch) - Spec. Ed.	76,925.00	5,100.00	82,025.00	81,986.48	38.52
Contracted Services (Between Home & School) - Vendors	242,305.00	(12,000.00)	230,305.00	216,533.22	13,771.78
Contracted Services - (Other than Between Home and School) - Vendors	307,625.00	11,525.00	319,150.00	288,214.16	30,935.84
Contracted Services (Bet.Home & School)-Joint Agreements	1,610,000.00	(80,000.00)	1,530,000.00	1,132,547.85	397,452.15
Contracted Services (Special Education Students) - Vendors	60,000.00	(30,000.00)	30,000.00		30,000.00
Contracted Services (Special Education Students) - Jt. Agrmnts	1,150,000.00		1,150,000.00	1,004,299.90	145,700.10
Contracted Services (Reg. Students) ESC's & CTSA's	571,000.00		571,000.00	552,728.00	18,272.00
Contracted Services - Aid in Lieu of Payments	196,800.00	13,500.00	210,300.00	161,898.70	48,401.30
Misc Purchased Services - Transportation	16,000.00	3,500.00	19,500.00	10,153.52	9,346.48
Other Objects	5,000.00		5,000.00	370.00	4,630.00
Total Undistributed Expenditures - Student Transportation Services	4,258,104.00	(86,375.00)	4,171,729.00	3,473,165.02	698,563.98
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	925,000.00		925,000.00	681,892.47	243,107.53
Other Retirement Contributions - PERS	851,300.00	(112,000.00)	739,300.00	738,328.00	972.00
Workers Compensation	356,772.00	(12,000.00)	344,772.00	306,962.01	37,809.99
Health Benefits	8,790,601.00	331,000.00	9,121,601.00	8,773,087.40	348,513.60
Tuition Reimbursement	121,000.00		121,000.00	69,126.58	51,873.42
Other Employee Benefits	698,425.00	(350,000.00)	348,425.00	318,800.78	29,624.22
Total Unallocated Benefits	11,743,098.00	(143,000.00)	11,600,098.00	10,888,197.24	711,900.76

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				\$ 1,628,924.00	\$ (1,628,924.00)
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				993,474.00	(993,474.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,811,457.23	(1,811,457.23)
Total On-behalf Contributions				4,433,855.23	(4,433,855.23)
Total Undistributed Expenditures	\$ 40,017,926.00	\$ (107,261.92)	\$ 39,910,664.08	40,450,811.15	(543,372.35)
Total Current Expense	64,386,999.00	(285,733.37)	64,101,265.63	63,516,793.98	581,246.37
Capital Outlay:					
Equipment:					
Grades 9-12	108,000.00	912,752.30	1,020,752.30	520,589.73	500,162.57
Undistributed Expenditures:					
Admin Information Technology	201,000.00	176,872.43	377,872.43	267,837.25	110,035.18
Security	310,000.00	(296,850.00)	13,150.00		13,150.00
Total Equipment	619,000.00	792,774.73	1,411,774.73	788,426.98	623,347.75
					(Continued)
EXPENDITURES (CONT'D):					
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Construction Services	860,000.00	1,725,411.05	2,585,411.05	2,162,350.82	423,060.23
Assessment for Debt Service on SDA Funding	17,447.00		17,447.00	17,447.00	
Total Facilities Acquisition and Construction Services	877,447.00	1,725,411.05	2,602,858.05	2,179,797.82	423,060.23
Total Capital Outlay	1,496,447.00	2,518,185.78	4,014,632.78	2,968,224.80	1,046,407.98
					(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers		\$ 7,350.00	\$ 7,350.00	\$ 7,334.52	\$ 15.48
Total Summer School - Instruction		7,350.00	7,350.00	7,334.52	15.48
Special Education - Behavioral Disabilities					
Salaries of Teachers	\$ 101,969.00	(5,900.00)	96,069.00	89,876.16	6,192.84
Salaries of Other Professional Staff	51,500.00	(765.00)	50,735.00	44,125.00	6,610.00
Salaries of Secretarial and Clerical Assistants	14,400.00	1,400.00	15,800.00	15,463.88	336.12
General Supplies	8,625.00	(2,850.00)	5,775.00	3,792.99	1,982.01
Total Special Education - Behavioral Disabilities	176,494.00	(8,115.00)	168,379.00	153,258.03	15,120.97
Accredited Evening/Adult High School - Instruction:					
General Supplies		400.00	400.00		400.00
Total Accredited Evening / Adult High School - Instruction		400.00	400.00		400.00
Total Adult Education - Local		400.00	400.00		400.00
Total Special Schools	176,494.00	(365.00)	176,129.00	160,592.55	15,536.45
Transfer of Funds to Charter Schools	28,175.00	28,102.00	56,277.00	56,277.00	
Total Expenditures	66,088,115.00	2,260,189.41	68,348,304.41	66,701,888.33	1,643,190.80
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,299,518.00)	(2,260,189.41)	(5,559,707.41)	1,265,462.69	6,821,944.82
Other Financing Sources (Uses):					
Operating Transfers:					
Transfer to Food Service Fund - Board Contribution	(50,000.00)		(50,000.00)	(16,994.19)	33,005.81
Transfer to Capital Reserve	(500,000.00)		(500,000.00)		500,000.00
Transfer to Capital Projects Fund - Capital Reserve Contribution	(1,100.00)		(1,100.00)		1,100.00
Total Other Financing Sources (Uses)	(551,100.00)	-	(551,100.00)	(16,994.19)	534,105.81

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (3,850,618.00)	\$ (2,260,189.41)	\$ (6,110,807.41)	\$ 1,248,468.50	\$ 7,356,050.63
Fund Balances, July 1	<u>13,732,991.86</u>		<u>13,732,991.86</u>	<u>13,732,991.86</u>	
Fund Balances, June 30	<u>\$ 9,882,373.86</u>	<u>\$ (2,260,189.41)</u>	<u>\$ 7,622,184.45</u>	<u>\$ 14,981,460.36</u>	<u>\$ 7,356,050.63</u>
Recapitulation:					
Restricted Fund Balances:					
Capital Reserve				\$ 5,544,124.25	
Excess Surplus - Current Year				2,776,583.28	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,576,361.78	
Assigned Fund Balance:					
Year-End Encumbrances				1,404,941.17	
Designated for Subsequent Year's Expenditures				1,170,662.22	
Unassigned Fund Balance				<u>1,508,787.66</u>	
				14,981,460.36	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(3,173,348.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 11,808,112.36</u>	

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Required Supplementary Information
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources		\$ 346.95	\$ 346.95	\$ 346.95	
Total - Local Sources		346.95	346.95	346.95	
Federal Sources:					
No Child Left Behind					
Title I	\$ 400,037.00	63,080.07	463,117.07	418,277.64	\$ (44,839.43)
Title II - Part A	54,386.00		54,386.00	54,386.00	
I.D.E.I.A., Part B	783,359.00	306,794.69	1,090,153.69	1,050,309.69	(39,844.00)
Carl D. Perkins Vocational and Technical Education Act	25,382.00		25,382.00	25,382.00	
Total - Federal Sources	1,263,164.00	369,874.76	1,633,038.76	1,548,355.33	(84,683.43)
Total Revenues	1,263,164.00	370,221.71	1,633,385.71	1,548,702.28	(84,683.43)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	159,110.00	64,351.64	223,461.64	199,860.64	23,601.00
Purchased Professional and Technical Services	2,239.00		2,239.00	2,239.00	
Other Purchased Services	430,009.00	230,319.10	660,328.10	650,379.93	9,948.17
General Supplies	69,500.29	9,705.39	79,205.68	76,837.99	2,367.69
Other Objects	8,000.00		8,000.00	7,920.92	79.08
Total Instruction	668,858.29	304,376.13	973,234.42	937,238.48	35,995.94

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Special Revenue Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Support Services:					
Salaries of Other Professional Staff	\$ 145,000.00		\$ 145,000.00	\$ 145,000.00	
Other Salaries	62,080.00	\$ 15,644.00	77,724.00	75,924.00	\$ 1,800.00
Personal Services - Employee Benefits	74,953.45	37,900.82	112,854.27	88,031.19	24,823.08
Purchased Professional - Educational/Tech Services	132,618.00	3,053.81	135,671.81	120,620.81	15,051.00
Other Purchased Services	18,905.50		18,905.50	18,905.50	
Supplies and Materials	160,748.76	9,246.95	169,995.71	162,982.30	7,013.41
Total Support Services	<u>594,305.71</u>	<u>65,845.58</u>	<u>660,151.29</u>	<u>611,463.80</u>	<u>48,687.49</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>1,263,164.00</u>	<u>370,221.71</u>	<u>1,633,385.71</u>	<u>1,548,702.28</u>	<u>84,683.43</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2014

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	\$ 67,967,351.02	\$ 1,548,702.28
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(276,597.19)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	3,126,155.00	
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)	<u>(3,173,348.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 67,920,158.02</u>	<u>\$ 1,272,105.09</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 66,701,888.33	\$ 1,548,702.28
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.		(276,597.19)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 66,701,888.33</u>	<u>\$ 1,272,105.09</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	No Child Left Behind			Total Brought Forward
	<u>Total</u>	<u>Title I</u>	<u>Title II Part A</u>	
REVENUES:				
Federal Sources	\$ 1,548,355.33	\$ 418,277.64	\$ 54,386.00	\$ 1,075,691.69
Local Sources	346.95			346.95
Total Revenues	\$ 1,548,702.28	\$ 418,277.64	\$ 54,386.00	\$ 1,076,038.64
EXPENDITURES:				
Instruction:				
Salaries of Teachers	\$ 199,860.64	\$ 144,480.12		\$ 55,380.52
Purchased Professional and Technical Services	2,239.00			2,239.00
Other Purchased Services	650,379.93			650,379.93
General Supplies	76,837.99	74,525.70		2,312.29
Other Objects	7,920.92	6,772.92		1,148.00
Total Instruction	937,238.48	225,778.74		711,459.74
Support Services:				
Salaries of Other Professional Staff	145,000.00			145,000.00
Other Salaries	75,924.00	45,144.00	\$ 14,280.00	16,500.00
Personal Services - Employee Benefits	88,031.19	49,072.91	739.00	38,219.28
Purchased Professional Educ/Technical Services	120,620.81	4,200.00	38,367.00	78,053.81
Other Purchased Services	18,905.50	17,500.00		1,405.50
Supplies and Materials	162,982.30	76,581.99	1,000.00	85,400.31
Total Support Services	611,463.80	192,498.90	54,386.00	364,578.90
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 1,548,702.28	\$ 418,277.64	\$ 54,386.00	\$ 1,076,038.64

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Carried Forward	C.D. Perkins Vocational & Applied Technology	IDEA Part B Basic	Local Public Safety Award
REVENUES:				
Federal Sources	\$ 1,075,691.69	\$ 25,382.00	\$ 1,050,309.69	
Local Sources	346.95			\$ 346.95
Total Revenues	\$ 1,076,038.64	\$ 25,382.00	\$ 1,050,309.69	\$ 346.95
EXPENDITURES:				
Instruction:				
Salaries of Teachers	\$ 55,380.52		\$ 55,380.52	
Purchased Professional and Technical Services	2,239.00	\$ 2,239.00		
Other Purchased Services	650,379.93		650,379.93	
General Supplies	2,312.29	2,312.29		
Other Objects	1,148.00		1,148.00	
Total Instruction	711,459.74	4,551.29	706,908.45	
Support Services:				
Salaries of Other Professional Staff	145,000.00		145,000.00	
Other Salaries	16,500.00	16,500.00		
Personal Services - Employee Benefits	38,219.28	1,262.45	36,956.83	
Purchased Professional Educational/Technical Services	78,053.81		78,053.81	
Other Purchased Services	1,405.50	1,405.50		
Supplies and Materials	85,400.31	1,662.76	83,390.60	\$ 346.95
Total Support Services	364,578.90	20,830.71	343,401.24	346.95
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 1,076,038.64	\$ 25,382.00	\$ 1,050,309.69	\$ 346.95

CAPITAL PROJECTS FUND

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2014

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2014</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Highland High School Baseball Fields		\$ 620,000.00	\$ 612,434.00	\$ 420.00	\$ 7,146.00
Total		<u>\$ 620,000.00</u>	<u>\$ 612,434.00</u>	<u>\$ 420.00</u>	<u>\$ 7,146.00</u>
Designated for Subsequent Years Expenditures					<u>\$ 7,146.00</u>

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Summary Statement of Revenues, Expenditures, and Changes in Fund Balance -- Budgetary Basis
For the Fiscal Year Ended June 30, 2014

Revenues and Other Financing Sources

Other Local Sources	-
Transfer from Capital Reserve	<u> </u>
Total Revenues	

Expenditures and Other Financing Uses

Expenditures:		
Other Purchased Professional and Technical Services		
Construction Services	\$ 420.00	
	<u> </u>	
Total Expenditures		<u>\$ 420.00</u>
Excess (Deficiency) Revenue over Expenditures		(420.00)

Fund Balance -- July 1		<u>7,566.00</u>
Fund Balance -- June 30		<u><u>\$ 7,146.00</u></u>

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Highland High School Baseball Fields
 From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 620,000.00		\$ 620,000.00	\$ 620,000.00
Total Revenues	620,000.00		620,000.00	620,000.00
Expenditures and Other Financing Uses				
Construction Services	612,434.00	\$ 420.00	612,854.00	620,000.00
Total Expenditures	612,434.00	420.00	612,854.00	620,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 7,566.00	\$ (420.00)	\$ 7,146.00	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 420,000.00
Additional Authorized Cost	200,000.00
Revised Authorized Cost	620,000.00
Percentage Increase over Original Authorized Cost	47.62%
Percentage Completion	98.85%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2014

PROPRIETARY FUNDS

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2014

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 212,196.62
Accounts Receivable:	
State	1,541.05
Federal	46,741.24
Inventories	13,517.52
	273,996.43
Total Current Assets	273,996.43
Noncurrent Assets:	
Furniture, Machinery and Equipment	595,332.74
Less Accumulated Depreciation	(595,332.74)
	-
Total Noncurrent Assets	-
Total Assets	273,996.43
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	239,630.76
Accounts Payable	504.95
	240,135.71
Total Current Liabilities	240,135.71
Noncurrent Liabilities:	
Compensated Absences Payable	33,860.72
	33,860.72
Total Liabilities	273,996.43
NET POSITION:	
Unrestricted	-
Total Net Position	\$ -

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 288,801.80
Daily Sales - Non-Reimbursable Programs	392,626.80
Special Functions	90,609.97
	772,038.57
Total Operating Revenues	
	772,038.57
OPERATING EXPENSES:	
Salaries	588,645.04
Employee Benefits	219,174.82
Miscellaneous	7,500.00
Cost of Sales	550,712.25
	1,366,032.11
Total Operating Expenses	
	1,366,032.11
Operating Income / (Loss)	(593,993.54)
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	11,566.99
Federal Sources:	
National School Lunch Program	396,032.33
National School Breakfast Program	92,033.25
Food Distribution Program	65,034.15
Interest and Investment Revenue	933.26
	565,599.98
Total Nonoperating Revenues	
	565,599.98
Income (Loss) before Contributions and Transfers	(28,393.56)
Operating Transfers In (Out) - General Fund	16,994.19
	16,994.19
Change in Net Position	(11,399.37)
Net Position -- July 1	11,399.37
	11,399.37
Net Position -- June 30	\$ -

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 772,038.57
Payments to Employees	(401,384.69)
Payments for Employee Benefits	(217,876.83)
Payments to Vendors	<u>(490,258.66)</u>
Net Cash Provided by (used for) Operating Activities	<u>(337,481.61)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	10,866.13
Federal Sources	481,013.96
Operating Subsidies and Transfers to Other Funds	<u>16,994.19</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>508,874.28</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Revenue	<u>933.26</u>
Net Cash Provided by (used for) Investing Activities	<u>933.26</u>
Net Increase (Decrease) in Cash and Cash Equivalents	172,325.93
Cash and Cash Equivalents -- July 1	<u>39,870.69</u>
Cash and Equivalents -- June 30	<u><u>\$ 212,196.62</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (593,993.54)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Food Distribution Program	65,034.15
(Increase) Decrease in Inventories	2,414.49
Increase (Decrease) in Accounts Payable	187,765.30
Increase (Decrease) in Other Liabilities	<u>1,297.99</u>
Total Adjustments	<u>256,511.93</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (337,481.61)</u></u>

FIDUCIARY FUNDS

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2014

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:				
Cash and Cash Equivalents	\$ 685,165.58	\$ 548,929.64	\$ 170,804.80	\$ 1,404,900.02
Interfund Accounts Receivable:				
Due from General Fund	<u>1,883.84</u>			<u>1,883.84</u>
Total Assets	<u>687,049.42</u>	<u>\$ 548,929.64</u>	<u>\$ 170,804.80</u>	<u>\$ 1,406,783.86</u>
LIABILITIES:				
Accounts Payable	\$ 11,975.35			\$ 11,975.35
Payable to Student Groups		\$ 548,929.64		548,929.64
Payroll Deductions and Withholdings			<u>\$ 170,804.80</u>	<u>170,804.80</u>
Total Liabilities	<u>11,975.35</u>	<u>\$ 548,929.64</u>	<u>\$ 170,804.80</u>	<u>731,709.79</u>
NET POSITION:				
Held in Trust for Unemployment Claims	<u>675,074.07</u>			<u>675,074.07</u>
Total Net Position	<u>\$ 675,074.07</u>			<u>\$ 675,074.07</u>

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2014

	Unemployment Compensation <u>Trust</u>	<u>Total</u>
ADDITIONS:		
Board Contributions	\$ -	\$ -
Payroll Deductions	35,750.54	35,750.54
Total Contributions	<u>35,750.54</u>	<u>35,750.54</u>
Investment Earnings:		
Interest	1,193.30	1,193.30
Net Investment Earnings	<u>1,193.30</u>	<u>1,193.30</u>
Total Additions	<u>36,943.84</u>	<u>36,943.84</u>
DEDUCTIONS:		
Unemployment Claims	<u>32,739.41</u>	<u>32,739.41</u>
Total Deductions	<u>32,739.41</u>	<u>32,739.41</u>
Change in Net Position	4,204.43	4,204.43
Net Position -- July 1	<u>670,869.64</u>	<u>670,869.64</u>
Net Position -- June 30	<u><u>\$ 675,074.07</u></u>	<u><u>\$ 675,074.07</u></u>

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
SENIOR HIGH SCHOOLS:				
Highland	\$ 138,749.19	\$ 376,618.68	\$ 421,416.92	\$ 93,950.95
Timber Creek	206,108.68	427,696.82	425,695.42	208,110.08
Triton	<u>218,017.08</u>	<u>503,761.03</u>	<u>474,909.50</u>	<u>246,868.61</u>
Total Senior High Schools	<u>562,874.95</u>	<u>1,308,076.53</u>	<u>1,322,021.84</u>	<u>548,929.64</u>
Total All Schools	<u><u>\$ 562,874.95</u></u>	<u><u>\$ 1,308,076.53</u></u>	<u><u>\$ 1,322,021.84</u></u>	<u><u>\$ 548,929.64</u></u>

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 2,787.18	\$ 38,075,657.81	\$ 37,907,640.19	\$ 170,804.80
Total Assets	<u>\$ 2,787.18</u>	<u>\$ 38,075,657.81</u>	<u>\$ 37,907,640.19</u>	<u>\$ 170,804.80</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 2,787.18	\$ 17,537,576.71	\$ 17,369,559.09	\$ 170,804.80
Net Payroll		20,502,330.56	20,502,330.56	
Interfund Accounts Payable:				
Due Unemployment Fund		<u>35,750.54</u>	<u>35,750.54</u>	
Total Liabilities	<u>\$ 2,787.18</u>	<u>\$ 38,075,657.81</u>	<u>\$ 37,907,640.19</u>	<u>\$ 170,804.80</u>

LONG-TERM DEBT

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2014

	Date of <u>Issue</u>	Amount of <u>Issue</u>	<u>Annual Maturities</u>		Interest <u>Rate</u>	Balance <u>June 30, 2013</u>	<u>Retired</u>	Balance <u>June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds, Series 2004	08/12/04	\$ 31,510,000.00	12/01/14	\$ 2,950,000.00	3.700%	\$ 19,425,000.00	\$ 2,875,000.00	\$ 16,550,000.00
			12/01/15	3,020,000.00	3.750%			
			12/01/16	3,095,000.00	4.000%			
			12/01/17	3,170,000.00	4.000%			
			12/01/18	3,245,000.00	4.125%			
			12/01/19	1,070,000.00	4.200%			
Refunding Bonds, Series 2008	01/16/08	1,947,000.00	12/01/19	1,947,000.00	4.250%	1,947,000.00		1,947,000.00
						<u>\$ 21,372,000.00</u>	<u>\$ 2,875,000.00</u>	<u>\$ 18,497,000.00</u>

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,100,446.00		\$ 2,100,446.00	\$ 2,100,446.00	
State Sources:					
Debt Service Aid Type II	<u>1,565,798.00</u>		<u>1,565,798.00</u>	<u>1,565,798.00</u>	
Total Revenues	<u>3,666,244.00</u>		<u>3,666,244.00</u>	<u>3,666,244.00</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	791,247.00		791,247.00	791,243.76	\$ 3.24
Redemption of Principal	<u>2,875,000.00</u>		<u>2,875,000.00</u>	<u>2,875,000.00</u>	
Total Regular Debt Service	<u>3,666,247.00</u>		<u>3,666,247.00</u>	<u>3,666,243.76</u>	<u>3.24</u>
Total Expenditures	<u>3,666,247.00</u>		<u>3,666,247.00</u>	<u>3,666,243.76</u>	<u>3.24</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3.00)		(3.00)	0.24	3.24
Fund Balance, July 1	<u>6.37</u>		<u>6.37</u>	<u>6.37</u>	
Fund Balance, June 30	<u>\$ 3.37</u>	<u>\$ -</u>	<u>\$ 3.37</u>	<u>\$ 6.61</u>	<u>\$ 3.24</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.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30									
	2014	2013 (1)	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:										
Net Investment in Capital Assets	\$ 35,998,325.72	\$ 32,340,756.81	\$ 26,946,444.28	\$ 23,872,226.95	\$ 20,238,519.29	\$ 17,687,351.73	\$ 15,831,425.59	\$ 13,510,121.73	\$ 12,051,997.27	\$ 11,682,035.28
Restricted	10,703,242.03	9,661,778.39	8,035,900.05	4,322,150.95	6,279,909.52	5,065,491.31	4,160,761.79	2,813,705.47	4,251,973.78	4,170,136.86
Unrestricted	138,912.01	70,554.99	410,979.84	197,350.21	(2,758,019.82)	(2,965,962.07)	(660,547.21)	775,233.36	(1,258,552.11)	(2,367,641.48)
Total Governmental Activities Net Position	\$ 46,840,479.76	\$ 42,073,090.19	\$ 35,393,324.17	\$ 28,391,728.11	\$ 23,760,408.99	\$ 19,786,880.97	\$ 19,331,640.17	\$ 17,099,060.56	\$ 15,045,418.94	\$ 13,484,530.66
Business-type Activities:										
Net Investment in Capital Assets							\$ 45,049.63	\$ 91,924.41	\$ 138,799.19	\$ 185,673.97
Restricted										
Unrestricted	\$ -	\$ 11,399.37	\$ 8,188.58	\$ 14,765.84	\$ 104,114.59	\$ 89,306.95	122,997.40	90,603.02	64,684.70	48,440.09
Total Business-type Activities Net Position	\$ -	\$ 11,399.37	\$ 8,188.58	\$ 14,765.84	\$ 104,114.59	\$ 89,306.95	\$ 168,047.03	\$ 182,527.43	\$ 203,483.89	\$ 234,114.06
District-wide:										
Net Investment in Capital Assets	\$ 35,998,325.72	\$ 32,340,756.81	\$ 26,946,444.28	\$ 23,872,226.95	\$ 20,238,519.29	\$ 17,687,351.73	\$ 15,876,475.22	\$ 13,602,046.14	\$ 12,190,796.46	\$ 11,867,709.25
Restricted	10,703,242.03	9,661,778.39	8,035,900.05	4,322,150.95	6,279,909.52	5,065,491.31	4,160,761.79	2,813,705.47	4,251,973.78	4,170,136.86
Unrestricted	138,912.01	81,954.36	419,168.42	212,116.05	(2,653,905.23)	(2,876,655.12)	(537,549.81)	865,836.38	(1,193,867.41)	(2,319,201.39)
Total District-wide Net Position	\$ 46,840,479.76	\$ 42,084,489.56	\$ 35,401,512.75	\$ 28,406,493.95	\$ 23,864,523.58	\$ 19,876,187.92	\$ 19,499,687.20	\$ 17,281,587.99	\$ 15,248,902.83	\$ 13,718,644.72

(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.

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 18,142,019.60	\$ 17,872,091.73	\$ 17,270,112.94	\$ 17,785,243.91	\$ 18,698,619.61	\$ 18,143,529.50	\$ 17,890,088.31	\$ 16,597,891.61	\$ 17,237,910.55	\$ 15,864,088.45
Special Education	3,955,429.96	3,935,878.26	4,210,011.05	4,006,438.97	4,242,244.95	3,951,571.40	3,573,737.31	3,163,634.67	3,138,416.88	2,600,639.85
Other Special Education	521,282.20	519,389.96	490,867.53	92,654.32	129,099.74	427,046.45	344,615.29	299,508.49	119,802.37	105,347.00
Other Instruction	2,195,081.63	2,152,190.75	1,907,903.02	1,946,365.91	2,279,740.76	2,218,313.52	2,179,084.80	2,067,799.85	1,977,895.74	1,833,281.65
Support Services:										
Tuition	5,038,400.82	4,125,976.02	3,962,762.13	4,060,956.40	5,005,769.18	5,372,217.67	4,669,037.78	3,668,247.49	3,668,256.83	3,825,586.41
Student and Instruction Related Services	7,039,832.26	6,771,600.52	6,597,712.79	6,685,172.11	7,184,973.51	6,577,503.83	6,352,081.34	6,461,586.65	5,916,392.45	5,354,808.99
School Administrative Services	2,436,107.91	2,532,236.45	2,446,231.09	2,444,145.58	2,560,210.88	2,485,190.42	2,392,834.31	2,419,925.67	2,347,854.37	2,263,166.72
General and Business Administrative Services	1,898,855.18	1,898,880.64	1,711,804.95	1,975,796.10	2,017,965.70	1,940,263.62	2,108,447.49	2,135,008.41	2,116,729.30	2,037,550.38
Plant Operations and Maintenance	6,162,533.40	5,627,922.11	5,732,929.60	5,610,405.98	5,588,556.48	5,655,562.77	5,863,444.48	5,513,502.77	5,174,954.94	4,298,784.86
Pupil Transportation	3,473,165.02	3,376,355.77	3,182,706.95	3,407,993.57	3,785,124.00	4,048,797.72	3,697,447.01	3,245,023.33	3,270,960.57	3,088,582.83
Unallocated Benefits	10,988,682.32	9,989,584.25	11,002,796.12	11,219,262.63	9,632,880.17	9,091,218.91	8,812,871.11	8,527,056.85	7,510,303.69	7,046,450.91
Reimbursed TPAF and Social Security	4,433,855.23	4,873,561.53	4,074,073.58	3,354,441.84	3,372,488.90	3,207,213.05	4,891,734.64	4,659,760.47	3,124,668.02	2,696,087.48
Special Schools	160,592.55	155,695.84	160,143.58	121,380.07	147,911.57	151,911.29	139,628.69	143,350.32	151,922.03	67,384.70
Transfer to Charter Schools	56,277.00	47,865.00								
Interest on Long-term Debt	893,815.31	994,208.31	1,085,725.98	1,191,256.28	1,273,800.99	1,362,678.76	1,472,892.21	1,603,298.38	1,706,479.80	1,572,771.95
Amortization of Debt Issuance Costs			21,375.84	21,375.84	21,375.83	21,375.83	21,902.08	19,925.14	19,925.13	18,854.38
Unallocated Depreciation	678,192.96	652,428.06	611,736.62	633,789.00	679,176.65	671,730.10	672,939.93	640,717.95	814,953.07	814,702.42
Total Governmental Activities Expenses	<u>68,074,123.35</u>	<u>65,525,865.20</u>	<u>64,468,893.77</u>	<u>64,556,678.51</u>	<u>66,619,938.92</u>	<u>65,326,124.84</u>	<u>65,082,786.78</u>	<u>61,166,238.05</u>	<u>58,297,425.74</u>	<u>53,488,088.98</u>
Business-type Activities:										
Food Service	1,366,032.11	1,388,584.43	1,429,537.89	1,618,959.23	1,826,244.03	2,048,298.57	1,891,877.72	1,888,064.64	1,758,926.70	1,636,480.96
Total Business-type Activities Expense	<u>1,366,032.11</u>	<u>1,388,584.43</u>	<u>1,429,537.89</u>	<u>1,618,959.23</u>	<u>1,826,244.03</u>	<u>2,048,298.57</u>	<u>1,891,877.72</u>	<u>1,888,064.64</u>	<u>1,758,926.70</u>	<u>1,636,480.96</u>
Total District Expenses	<u>\$ 69,440,155.46</u>	<u>\$ 66,914,449.63</u>	<u>\$ 65,898,431.66</u>	<u>\$ 66,175,637.74</u>	<u>\$ 68,446,182.95</u>	<u>\$ 67,374,423.41</u>	<u>\$ 66,974,664.50</u>	<u>\$ 63,054,302.69</u>	<u>\$ 60,056,352.44</u>	<u>\$ 55,124,569.94</u>

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 6,043,888.72	\$ 6,615,484.77	\$ 5,835,273.04	\$ 5,934,157.77	\$ 5,803,114.27	\$ 5,228,721.42	\$ 6,735,198.43	\$ 6,486,818.46	\$ 5,041,119.69	\$ 4,594,616.13
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	<u>6,043,888.72</u>	<u>6,615,484.77</u>	<u>5,835,273.04</u>	<u>5,934,157.77</u>	<u>5,803,114.27</u>	<u>5,228,721.42</u>	<u>6,735,198.43</u>	<u>6,486,818.46</u>	<u>5,041,119.69</u>	<u>4,594,616.13</u>
Business-type activities:										
Charges for services										
Food service	772,038.57	812,213.43	870,226.05	917,170.52	1,017,458.19	1,204,657.87	1,222,540.53	1,209,768.39	1,172,227.40	1,110,558.21
Capital Grants and Contributions										
Operating Grants and Contributions	564,666.72	578,166.19	550,007.37	504,967.18	522,992.47	431,378.21	379,297.46	330,283.86	259,230.06	184,747.80
Total Business-type Activities Program Revenues	<u>1,336,705.29</u>	<u>1,390,379.62</u>	<u>1,420,233.42</u>	<u>1,422,137.70</u>	<u>1,540,450.66</u>	<u>1,636,036.08</u>	<u>1,601,837.99</u>	<u>1,540,052.25</u>	<u>1,431,457.46</u>	<u>1,295,306.01</u>
Total District Program Revenues	<u>\$ 7,380,594.01</u>	<u>\$ 8,005,864.39</u>	<u>\$ 7,255,506.46</u>	<u>\$ 7,356,295.47</u>	<u>\$ 7,343,564.93</u>	<u>\$ 6,864,757.50</u>	<u>\$ 8,337,036.42</u>	<u>\$ 8,026,870.71</u>	<u>\$ 6,472,577.15</u>	<u>\$ 5,889,922.14</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (62,030,234.63)	\$ (58,910,380.43)	\$ (58,633,620.73)	\$ (58,622,520.74)	\$ (60,816,824.65)	\$ (60,097,403.42)	\$ (58,347,588.35)	\$ (54,679,419.59)	\$ (53,256,306.05)	\$ (48,893,472.85)
Business-type Activities	<u>(29,326.82)</u>	<u>1,795.19</u>	<u>(9,304.47)</u>	<u>(196,821.53)</u>	<u>(285,793.37)</u>	<u>(412,262.49)</u>	<u>(290,039.73)</u>	<u>(348,012.39)</u>	<u>(327,469.24)</u>	<u>(341,174.95)</u>
Total District-wide Net Expense	<u>\$ (62,059,561.45)</u>	<u>\$ (58,908,585.24)</u>	<u>\$ (58,642,925.20)</u>	<u>\$ (58,819,342.27)</u>	<u>\$ (61,102,618.02)</u>	<u>\$ (60,509,665.91)</u>	<u>\$ (58,637,628.08)</u>	<u>\$ (55,027,431.98)</u>	<u>\$ (53,583,775.29)</u>	<u>\$ (49,234,647.80)</u>

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 28,545,418.00	\$ 27,985,704.00	\$ 27,985,704.00	\$ 27,867,689.00	\$ 26,795,855.00	\$ 25,861,401.00	\$ 29,655,998.00	\$ 27,733,018.00	\$ 25,966,061.00	\$ 25,016,795.00
Taxes Levied for Debt Service	2,100,446.00	2,146,368.00	2,161,893.00	2,174,868.00	1,879,116.00	1,916,716.00	1,915,304.00	1,806,378.00	1,931,520.00	1,415,631.00
Federal and State Aid not Restricted	33,689,168.28	33,031,659.91	33,188,508.97	31,197,401.23	33,120,045.29	30,468,456.66	26,152,323.00	25,461,036.80	25,306,675.00	25,153,896.00
Federal and State Aid Restricted	1,227,869.60	1,217,192.57	1,023,642.58	1,177,886.12	2,384,163.80	1,724,035.03	1,663,972.49	1,145,593.11	1,069,560.54	1,590,960.97
Tuition Received	239,416.69	314,309.77	167,376.00							
Transportation	571,000.00	571,000.00	571,000.00	550,507.25	596,433.25	501,232.66	782,000.00	330,164.40	216,314.80	290,643.34
Miscellaneous	441,299.82	494,918.92	537,092.24	385,488.26	352,799.20	407,874.87	669,195.48	577,026.59	602,816.02	225,845.65
Special tems					(44,635.00)		(0.01)	(18,709.00)		3,274.98
Transfers	(16,994.19)			(100,000.00)	(293,424.87)	(327,072.00)	(258,625.00)	(301,446.69)	(275,753.03)	(599,044.34)
Total Governmental Activities	66,797,624.20	65,761,153.17	65,635,216.79	63,253,839.86	64,790,352.67	60,552,644.22	60,580,167.96	56,733,061.21	54,817,194.33	53,098,002.60
Business-type Activities:										
Miscellaneous Income	933.26	1,415.60	2,727.21	7,472.78	7,176.14	6,450.41	16,934.33	25,609.24	21,086.04	10,403.84
Transfers	16,994.19			100,000.00	293,424.87	327,072.00	258,625.00	301,446.69	275,753.03	599,044.34
Total Business-type Activities	17,927.45	1,415.60	2,727.21	107,472.78	300,601.01	333,522.41	275,559.33	327,055.93	296,839.07	609,448.18
Total District-wide	\$ 66,815,551.65	\$ 65,762,568.77	\$ 65,637,944.00	\$ 63,361,312.64	\$ 65,090,953.68	\$ 60,886,166.63	\$ 60,855,727.29	\$ 57,060,117.14	\$ 55,114,033.40	\$ 53,707,450.78
Change in Net Position										
Governmental Activities	\$ 4,767,389.57	\$ 6,850,772.74	\$ 7,001,596.06	\$ 4,631,319.12	\$ 3,973,528.02	\$ 455,240.80	\$ 2,232,579.61	\$ 2,053,641.62	\$ 1,560,888.28	\$ 4,204,529.75
Business-type Activities	(11,399.37)	3,210.79	(6,577.26)	(89,348.75)	14,807.64	(78,740.08)	(14,480.40)	(20,956.46)	(30,630.17)	268,273.23
Total District	\$ 4,755,990.20	\$ 6,853,983.53	\$ 6,995,018.80	\$ 4,541,970.37	\$ 3,988,335.66	\$ 376,500.72	\$ 2,218,099.21	\$ 2,032,685.16	\$ 1,530,258.11	\$ 4,472,802.98

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010	2009	2008	2007	2006	2005
General Fund:										
Restricted	\$ 8,120,486.03	\$ 7,394,016.60	\$ 4,251,147.45	\$ 1,928,033.56						
Assigned	2,575,603.39	2,260,189.42	3,606,176.75	1,758,373.79						
Unassigned	1,112,022.94	952,630.84	1,539,744.83	1,368,633.82						
Reserved					\$ 1,455,735.78	\$ 2,039,622.40	\$ 3,303,588.37	\$ 3,817,800.31	\$ 3,011,713.22	\$ 1,914,758.31
Unreserved					933,675.73	230,897.09	1,881,192.90	1,860,646.98	2,314,141.78	2,608,270.80
Total General Fund	<u>\$ 11,808,112.36</u>	<u>\$ 10,606,836.86</u>	<u>\$ 9,397,069.03</u>	<u>\$ 5,055,041.17</u>	<u>\$ 2,389,411.51</u>	<u>\$ 2,270,519.49</u>	<u>\$ 5,184,781.27</u>	<u>\$ 5,678,447.29</u>	<u>\$ 5,325,855.00</u>	<u>\$ 4,523,029.11</u>
All Other Governmental Funds:										
Restricted	\$ 7,152.61	\$ 7,572.37	\$ 7,569.13	\$ 443,361.04						
Reserved					\$ 2,457,057.72	\$ 1,175,966.14				
Unreserved, Reported in:										
Special Revenue Fund							\$ (4,407.00)	\$ (4,407.00)	\$ (4,407.00)	\$ (4,407.00)
Capital Projects Fund										
Debt Service Fund					0.62	18,786.38	18,785.89		85,774.87	85,774.63
Permanent Fund										
Total All Other Governmental Funds	<u>\$ 7,152.61</u>	<u>\$ 7,572.37</u>	<u>\$ 7,569.13</u>	<u>\$ 443,361.04</u>	<u>\$ 2,457,058.34</u>	<u>\$ 1,194,752.52</u>	<u>\$ 14,378.89</u>	<u>\$ (4,407.00)</u>	<u>\$ 81,367.87</u>	<u>\$ 81,367.63</u>

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

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Tax Levy	\$ 30,645,864.00	\$ 30,132,072.00	\$ 30,147,597.00	\$ 30,042,557.00	\$ 28,674,971.00	\$ 27,778,117.00	\$ 31,571,302.00	\$ 29,539,396.00	\$ 27,897,581.00	\$ 26,432,426.00
Other Local Revenue	1,253,983.46	1,387,471.74	1,286,196.24	954,899.51	968,239.45	1,006,501.13	1,451,195.48	907,190.99	819,130.82	516,488.99
State Sources	39,645,459.23	39,455,494.09	37,486,712.91	36,128,902.24	33,976,107.90	35,882,381.05	33,500,882.64	32,119,745.27	30,399,230.02	30,300,954.77
Federal Sources	1,313,200.42	1,401,600.11	2,549,983.68	2,161,638.88	7,312,208.46	1,441,438.46	1,050,611.28	973,703.10	1,018,125.21	1,038,518.33
Total Revenue	72,858,507.11	72,376,637.94	71,470,489.83	69,287,997.63	70,931,526.81	66,108,437.64	67,573,991.40	63,540,035.36	60,134,067.05	58,288,388.09
Expenditures										
Instruction										
Regular Instruction	17,280,485.27	17,057,056.73	16,534,746.32	17,030,552.14	17,868,804.04	17,330,213.48	17,099,221.14	15,842,342.28	16,325,388.88	14,948,975.87
Special Education Instruction	3,955,429.96	3,935,878.26	4,210,011.05	4,006,438.97	4,242,244.95	3,951,571.40	3,573,737.31	3,163,634.67	3,138,416.88	2,600,639.85
Other Special Instruction	521,282.20	519,389.96	490,867.53	92,654.32	129,099.74	427,046.45	344,615.29	299,508.49	119,802.37	105,347.00
Other Instruction	2,109,833.99	2,070,433.25	1,832,016.85	1,868,047.63	2,195,171.74	2,135,057.15	2,096,230.64	1,989,017.20	1,879,501.85	1,734,660.62
Support Services:										
Tuition	5,038,400.82	4,125,976.02	3,962,762.13	4,060,956.40	5,005,769.18	5,372,217.67	4,669,037.78	3,668,247.49	3,668,256.83	3,825,586.41
Student and Instruction Related Services	7,039,832.26	6,771,600.52	6,597,712.79	6,685,172.11	7,184,973.51	6,577,503.83	6,352,081.34	6,461,586.65	5,916,392.45	5,354,808.99
School Administrative Services	2,436,107.91	2,532,236.45	2,446,231.09	2,444,145.58	2,560,210.88	2,485,190.42	2,392,834.31	2,419,925.67	2,347,854.37	2,263,166.72
Other Administrative Services	1,472,411.27	1,541,061.13	1,420,256.12	1,702,966.90	1,979,322.59	2,144,719.68	2,258,501.16	2,264,356.63	1,983,553.37	1,871,308.93
Plant Operations and Maintenance	6,139,897.90	5,606,146.80	5,712,547.02	5,589,312.68	5,565,916.54	5,633,205.92	5,841,063.82	5,492,214.64	5,148,007.39	4,271,817.09
Pupil Transportation	3,473,165.02	3,376,355.77	3,182,706.95	3,407,993.57	3,785,124.00	4,048,797.72	3,697,447.01	3,245,023.33	3,270,960.57	3,088,582.83
Unallocated Benefits	10,888,197.24	10,228,198.39	11,037,206.41	11,577,317.57	9,550,232.10	9,051,331.63	13,757,293.54	13,218,280.05	10,742,565.83	9,908,030.84
Reimbursed TPAF Pension and Social Security	4,433,855.23	4,873,561.53	4,074,073.58	3,354,441.84	3,372,488.90	3,207,213.05				
Special Schools	160,592.55	155,695.84	160,143.58	121,380.07	147,911.57	151,911.29	139,628.69	143,350.32	151,922.03	67,384.70
Transfer to Charter School	56,277.00	47,865.00								
Debt Service:										
Principal	2,875,000.00	2,850,000.00	2,780,000.00	2,700,000.00	2,625,000.00	2,545,000.00	2,435,000.00	2,280,000.00	2,175,000.00	1,295,000.00
Interest and Other Charges	791,243.76	896,393.76	993,493.76	1,096,143.73	1,189,518.76	1,288,362.51	1,395,706.11	1,522,963.76	1,625,348.76	1,469,280.23
Capital Outlay	2,968,644.80	4,579,017.46	2,129,478.70	2,798,541.76	1,810,480.60	1,165,911.59	1,737,848.39	942,611.07	342,616.71	2,118,356.47
Total Expenditures	71,640,657.18	71,166,866.87	67,564,253.88	68,536,065.27	69,212,269.10	67,515,253.79	67,790,246.53	62,953,062.25	58,835,588.29	54,922,946.55
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,217,849.93	1,209,771.07	3,906,235.95	751,932.36	1,719,257.71	(1,406,816.15)	(216,255.13)	586,973.11	1,298,478.76	3,365,441.54
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)										1,150,000.00
Sale/Leaseback of Textbooks Reserve									(219,899.60)	(58,732.46)
Proceeds of Bonds										31,510,000.00
Payment to Refunded Debt Escrow Agent										(31,198,494.25)
Premium/(Discount) on Bonds										(48,179.15)
Enterprise Fund	(16,994.19)									
Costs of Issuance										(263,326.60)
Accounts Receivable/Payable Canceled										3,274.98
Refunds of Prior Year Funds Ineligible Costs					(44,635.00)			(18,709.00)		
Transfers In										1,464,867.28
Transfers Out				(100,000.00)	(293,424.87)	(327,072.00)	(258,625.00)	(301,446.69)	(275,753.03)	(2,063,911.62)
Total Other Financing Sources (Uses)	(16,994.19)	-	-	(100,000.00)	(338,059.87)	(327,072.00)	(258,625.00)	(320,155.69)	(495,652.63)	495,498.18
Net Change in Fund Balances	\$ 1,200,855.74	\$ 1,209,771.07	\$ 3,906,235.95	\$ 651,932.36	\$ 1,381,197.84	\$ (1,733,888.15)	\$ (474,880.13)	\$ 266,817.42	\$ 802,826.13	\$ 3,860,939.72
Debt Service as a Percentage of Noncapital Expenditures	5.3%	5.6%	5.8%	5.8%	5.7%	5.8%	5.8%	6.1%	6.5%	5.2%

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	Fiscal Year Ended June 30,		<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
					<u>2010</u>	<u>2009</u>				
Interest	\$ 20,530.07	\$ 25,842.38	\$ 25,951.60	\$ 46,754.69	\$ 27,290.44	\$ 33,784.79	\$ 192,648.11	\$ 303,916.27	\$ 252,878.81	\$ 75,029.97
Gate Receipts	36,574.50	50,631.00	34,393.00	37,215.00	28,946.00	37,437.00	39,306.00	36,650.00	37,079.72	37,404.00
Tuition Students/Other LEAs	41,907.03	33,439.50		124,293.53	31,246.24	2,212.00		11,053.20	12,702.00	
Fines				8,304.16	11,495.54	12,132.87	10,107.72	9,188.10	15,101.36	16,922.71
Refunds	104,624.90	64,274.84	96,139.76	12,869.01	31,549.77	35,177.95		68,124.73	58,585.54	33,264.11
Federal/State Refunds					13,010.22					
Sale/Lease of Textbooks										
Use of Facilities Fees	89,370.00	67,450.00	76,810.00	61,100.25	39,780.00	38,270.00	24,090.97	10,201.10	26,608.02	12,330.00
Miscellaneous	75,363.73	135,094.96	117,553.29	15,229.83	14,443.91	11,716.64	24,929.81	7,322.38	50,811.55	45,425.48
E-Rate Refunds	44,575.71	20,698.80	36,025.60	21,748.21	28,546.59		17,660.53	26,029.96	86,697.74	
Insurance Reimbursements	27,628.24	96,405.99	56,392.65	35,821.92	45,591.97	39,897.64	120,316.65	85,504.69	31,717.96	
Insurance Dividends				5,242.29	44,109.88	76,289.00	34,317.58			
Health Benefit Contributions			92,561.01	12,158.48	20,914.19	23,312.53	26,161.10			
Prior Year Payables Canceled									26,783.32	
Copier Lease Buyout - Prior Year							161,440.41			
Copier Lease Buyout - Current Year						91,995.35	15,000.00			
Copier Fees							1,176.60			
Mentoring Fees						1,000.00		9,669.00		
GED Course Fees							2,040.00	1,630.00	3,850.00	
Homeless Aid								7,737.16		
Total Miscellaneous Revenues	<u>\$ 440,574.18</u>	<u>\$ 493,837.47</u>	<u>\$ 535,826.91</u>	<u>\$ 380,737.37</u>	<u>\$ 336,924.75</u>	<u>\$ 403,225.77</u>	<u>\$ 669,195.48</u>	<u>\$ 577,026.59</u>	<u>\$ 602,816.02</u>	<u>\$ 220,376.27</u>

Source: District Records

Revenue Capacity Information

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
Bellmawr Borough:												
2014	\$ 8,431,200.00	\$ 575,853,700.00	None	\$ 71,734,800.00	\$ 92,182,900.00	\$ 58,073,700.00	\$ 806,276,300.00	\$ 1,148,357.00	\$ 807,424,657.00	\$ 127,172,200.00	\$ 769,783,984.00	\$ 0.517
2013	8,622,900.00	577,200,200.00	None	74,789,900.00	94,217,500.00	58,655,700.00	813,486,200.00	983,907.00	814,470,107.00	126,992,600.00	795,123,885.00	\$ 0.529
2012	8,623,100.00	578,828,500.00	None	78,980,400.00	91,645,100.00	65,648,200.00	823,725,300.00	1,068,074.00	824,793,374.00	126,622,600.00	859,545,615.00	\$ 0.509
2011	8,763,100.00	578,671,900.00	None	80,294,900.00	99,163,600.00	65,702,600.00	832,596,100.00	1,147,259.00	833,743,359.00	126,285,800.00	858,904,057.00	\$ 0.491
2010	8,439,300.00	577,285,300.00	None	83,073,000.00	99,602,300.00	65,702,600.00	834,102,500.00	1,337,997.00	835,440,497.00	126,273,500.00	855,123,775.00	\$ 0.464
2009 - R	8,672,800.00	576,086,300.00	None	84,801,500.00	106,056,000.00	66,014,700.00	841,631,300.00	1,380,914.00	843,012,214.00	123,595,800.00	848,773,063.00	\$ 0.433
2008	4,030,800.00	297,552,200.00	None	40,861,800.00	58,522,900.00	28,582,600.00	429,550,300.00	659,045.00	430,209,345.00	53,829,800.00	865,270,803.00	\$ 0.877
2007	4,180,700.00	296,793,900.00	None	41,060,700.00	58,522,900.00	28,553,300.00	429,111,500.00	695,909.00	429,807,409.00	53,653,500.00	784,806,639.00	\$ 0.885
2006	4,209,600.00	296,354,500.00	None	40,121,500.00	58,816,900.00	28,584,700.00	428,087,200.00	808,116.00	428,895,316.00	50,735,200.00	779,290,022.00	\$ 0.858
2005	3,893,600.00	295,053,800.00	None	39,445,400.00	58,431,100.00	28,561,500.00	425,385,400.00	1,024,390.00	426,409,790.00	50,742,700.00	669,238,967.00	\$ 0.842
Gloucester Township:												
2014	\$ 43,112,300.00	\$ 3,798,043,600.00	\$ 6,969,100.00	\$ 337,565,300.00	\$ 53,742,100.00	\$ 160,579,500.00	\$ 4,400,011,900.00	\$ 6,371,300.00	\$ 4,406,383,200.00	\$ 703,718,500.00	\$ 4,120,767,301.00	\$ 0.542
2013	43,644,900.00	3,860,376,200.00	7,165,800.00	340,996,300.00	58,290,800.00	161,685,100.00	4,472,159,100.00	8,504,800.00	4,480,663,900.00	740,427,900.00	4,256,390,391.00	\$ 0.518
2012	42,470,400.00	3,912,957,500.00	7,189,600.00	333,418,200.00	57,339,900.00	160,651,000.00	4,514,026,600.00	10,169,900.00	4,524,196,500.00	754,018,000.00	4,530,225,550.00	\$ 0.509
2011	44,506,600.00	3,926,504,450.00	6,791,800.00	320,755,000.00	58,630,600.00	164,046,800.00	4,521,235,250.00	10,362,210.00	4,531,597,460.00	768,960,600.00	4,679,086,681.00	\$ 0.511
2010 - R	48,611,000.00	3,922,641,150.00	7,735,800.00	317,979,100.00	60,852,900.00	166,205,500.00	4,524,025,450.00	11,677,300.00	4,535,702,750.00	777,355,900.00	4,740,264,761.00	\$ 0.499
2009	25,485,900.00	2,145,192,600.00	4,312,600.00	153,492,500.00	32,643,200.00	85,262,700.00	2,446,389,500.00	5,923,640.00	2,452,313,140.00	418,139,400.00	4,902,197,036.00	\$ 0.888
2008	25,716,200.00	2,140,088,300.00	4,313,700.00	151,720,300.00	32,694,200.00	85,262,700.00	2,439,795,400.00	5,520,631.00	2,445,316,031.00	410,586,000.00	4,820,589,508.00	\$ 0.939
2007	24,462,900.00	2,125,453,500.00	4,277,200.00	148,503,800.00	33,918,700.00	82,508,000.00	2,419,124,100.00	6,055,577.00	2,425,179,677.00	404,633,900.00	4,764,364,192.00	\$ 0.981
2006	27,996,100.00	2,094,399,900.00	4,308,400.00	142,600,400.00	34,229,100.00	83,623,300.00	2,387,157,200.00	6,561,812.00	2,393,719,012.00	357,221,532.00	4,355,545,598.00	\$ 0.924
2005	30,229,100.00	2,070,257,700.00	4,669,300.00	145,046,600.00	34,200,800.00	83,623,300.00	2,368,026,800.00	8,338,470.00	2,376,365,270.00	355,692,286.00	3,900,558,720.00	\$ 0.867
Runnemede Borough:												
2014	\$ 4,354,200.00	\$ 380,658,400.00	None	\$ 74,854,600.00	\$ 18,574,500.00	\$ 27,118,900.00	\$ 505,560,600.00	\$ 1,021,763.00	\$ 506,582,363.00	\$ 74,712,900.00	\$ 530,362,958.00	\$ 0.568
2013 - R	4,788,500.00	381,511,400.00	None	73,710,800.00	19,241,100.00	27,118,900.00	506,370,700.00	1,242,127.00	507,612,827.00	74,040,800.00	518,884,724.00	\$ 0.566
2012	3,097,500.00	257,928,600.00	None	45,472,800.00	12,060,100.00	14,752,700.00	333,311,700.00	943,609.00	334,255,309.00	44,526,200.00	552,310,184.00	\$ 0.869
2011	2,856,100.00	257,348,900.00	None	45,272,700.00	12,060,100.00	17,052,700.00	334,590,500.00	933,735.00	335,524,235.00	44,621,800.00	579,912,820.00	\$ 0.835
2010	2,897,400.00	257,268,300.00	None	45,786,500.00	12,300,100.00	18,027,700.00	336,280,000.00	970,055.00	337,250,055.00	44,295,000.00	591,488,840.00	\$ 0.835
2009	2,979,200.00	257,477,700.00	None	45,139,100.00	12,300,100.00	18,297,700.00	336,193,800.00	945,824.00	337,139,624.00	43,772,300.00	612,997,837.00	\$ 0.838
2008	2,952,100.00	257,174,700.00	None	45,644,500.00	12,749,700.00	18,297,700.00	336,818,700.00	1,048,363.00	337,867,063.00	43,690,400.00	591,141,251.00	\$ 0.866
2007	3,211,700.00	255,372,400.00	None	45,678,400.00	13,049,700.00	18,297,700.00	335,609,900.00	1,121,421.00	336,731,321.00	43,525,600.00	534,990,012.00	\$ 0.876
2006	2,840,200.00	254,680,800.00	None	44,427,900.00	13,249,700.00	18,297,700.00	333,496,300.00	1,229,499.00	334,725,799.00	43,525,600.00	529,666,038.00	\$ 0.866
2005	2,930,400.00	253,501,100.00	None	44,497,800.00	13,249,700.00	18,297,700.00	332,476,700.00	1,575,993.00	334,052,693.00	43,525,600.00	470,910,691.00	\$ 0.884

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

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

R - Revaluation

Source: Camden County Board of Taxation

BLACK HORSE PIKE REGIONAL 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
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Local School District	Local Municipality	Other Entities	Camden County	
Bellmawr Borough:								
2014	\$ 0.496	\$ 0.021	\$ 0.517	\$ 1.059	\$ 1.087		\$ 0.792	\$ 3.455
2013	0.494	0.035	0.529	0.992	1.039		0.810	3.370
2012	0.458	0.051	0.509	0.954	0.990		0.799	3.252
2011	0.457	0.034	0.491	0.932	0.938		0.734	3.095
2010	0.409	0.055	0.464	0.920	0.934		0.665	2.983
2009	0.402	0.031	0.433	0.879	0.858		0.563	2.733
2008	0.854	0.023	0.877	1.651	1.608		1.280	5.416
2007	0.831	0.054	0.885	1.648	1.435		1.283	5.251
2006	0.802	0.056	0.858	1.573	1.310		1.278	5.019
2005	0.791	0.051	0.842	1.475	1.231		1.103	4.651
Gloucester Township:								
2014	\$ 0.499	\$ 0.043	\$ 0.542	\$ 1.039	\$ 0.927	\$ 0.828	\$ 0.796	\$ 4.132
2013	0.473	0.045	0.518	0.973	0.854	0.778	0.790	3.913
2012	0.477	0.032	0.509	0.956	0.845	0.764	0.772	3.846
2011	0.474	0.037	0.511	0.947	0.843	0.734	0.736	3.771
2010	0.457	0.042	0.499	0.922	0.887	0.708	0.682	3.698
2009	0.810	0.078	0.888	1.667	1.448	1.294	1.239	6.536
2008	0.945	(0.006)	0.939	1.692	1.116	1.259	1.257	6.263
2007	0.922	0.059	0.981	1.727	1.040	1.211	1.287	6.246
2006	0.865	0.059	0.924	1.693	0.927	1.187	1.336	6.067
2005	0.814	0.053	0.867	1.643	1.009	1.085	1.139	5.743
Runnemede Borough:								
2014	\$ 0.505	\$ 0.063	\$ 0.568	\$ 1.322	\$ 1.020		\$ 0.840	\$ 3.750
2013	0.548	0.018	0.566	1.294	0.998		0.802	3.660
2012	0.783	0.086	0.869	1.953	1.481		1.199	5.502
2011	0.770	0.065	0.835	1.895	1.462		1.159	5.351
2010	0.791	0.044	0.835	1.817	1.379		1.073	5.104
2009	0.770	0.068	0.838	1.808	1.347		1.017	5.010
2008	0.850	0.016	0.866	1.823	1.248		1.041	4.978
2007	0.823	0.053	0.876	1.839	1.109		1.046	4.870
2006	0.810	0.056	0.866	1.806	0.999		1.071	4.742
2005	0.830	0.054	0.884	1.729	0.935		0.943	4.491

Source: Municipal Tax Collectors

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Bellmawr Borough:	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mutual Housing Corp.	\$ 27,639,100.00	1	3.43%	\$ 13,177,200.00	2	3.09%
The Korman LLC	14,692,200.00	2	1.82%	16,604,400.00	1	3.89%
East Coast Hyde Park Apts. LLC	12,000,000.00	3	1.49%	5,929,900.00	5	1.39%
South Penn Associates	8,500,000.00	4	1.05%			
International Paper Company	7,104,200.00	5	0.88%			
151 Partners LLC	4,940,000.00	6	0.61%			
J&J Snack Foods Corp. of N.J.	4,873,700.00	7	0.60%	7,129,000.00	3	1.67%
Interstate Holding	4,827,100.00	8	0.60%			
Spruce Manor Enterprises LLC	4,687,500.00	9	0.58%			
Two Cent Stamp Properties LLC	4,669,700.00	10	0.58%			
GPT LLC C/O Core Logic						
Holt, Reinhart & Winston				6,762,800.00	4	1.59%
Williamette Industries				4,679,000.00	6	1.10%
Bellmawr Manor LLC				4,269,700.00	7	1.00%
45 Heller Road LLC				2,350,000.00	8	0.55%
Walgreens				2,300,000.00	9	0.54%
Browning Square Inc.				2,189,700.00	10	0.51%
Total	<u>\$ 93,933,500.00</u>		<u>11.65%</u>	<u>\$ 65,391,700.00</u>		<u>15.33%</u>

Source: Municipal Tax Assessor

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Gloucester Township:	2014			2005		
	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>
Camden County Realty LLC	\$ 46,624,500.00	1	1.06%			
HP Altman Autumn Ridge LLC	34,982,900.00	2	0.79%			
SDK Millbridge Gardens LLC	33,388,000.00	3	0.76%	\$ 15,480,300.00	3	0.65%
Lakeview Realty Investment Assoc.	23,355,200.00	4	0.53%	17,402,000.00	2	0.73%
Korman Residential Prop Inc C/O T S	18,773,500.00	5	0.43%			
East Coast Fairways Apartments LLC	16,145,500.00	6	0.37%	7,800,000.00	7	0.33%
Paramount Realty Svcs, LLC	14,575,700.00	7	0.33%			
Inland Western Gloucester Cross Key	12,460,200.00	8	0.28%			
Target Corporation	10,913,800.00	9	0.25%			
HKJV LLC C/O Metro Commercial	10,248,400.00	10	0.23%			
Fountain Village Apartments				18,476,800.00	1	0.78%
Cherrywood Apartments				10,914,600.00	4	0.46%
Group IV Equities				10,547,600.00	5	0.44%
Chews Landing Investors (Market Place)				9,810,800.00	6	0.41%
Pine Run Commerce Center				6,602,900.00	8	0.28%
A.C. Moore Warehouse				6,472,600.00	9	0.27%
Zallies Supermarket (Shop Rite)				4,350,600.00	10	0.18%
Total	<u><u>\$ 221,467,700.00</u></u>		<u><u>5.03%</u></u>	<u><u>\$ 107,858,200.00</u></u>		<u><u>4.53%</u></u>

Source: Municipal Tax Assessor

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Runnemedede Borough: <u>Taxpayer</u>	2014			2005		
	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>
Presidential Associates	\$ 10,205,100.00	1	2.01%	\$ 6,000,000.00	2	1.80%
The Meadows At Runnemedede Investors	10,028,000.00	2	1.98%	4,424,500.00	4	1.32%
Hartford Plaza LTD LP	6,596,300.00	3	1.30%	5,092,300.00	3	1.52%
HC Runnemedede LLC	4,338,800.00	4	0.86%			
Sintara Corp	3,830,600.00	5	0.76%	2,450,000.00	6	0.73%
DPE 165 Runnemedede Associates LLP	3,319,200.00	6	0.66%			
East Coast Enterprises INC	3,273,600.00	7	0.65%	2,125,100.00	7	0.64%
Hartford Plaza LTD LP	3,259,000.00	8	0.64%			
Runnemedede Associates	2,966,500.00	9	0.59%	1,571,500.00	9	0.47%
DPE 190 Runnemedede Associates Inc - Airb Exp	2,628,900.00	10	0.52%			
D&P Industrial				9,605,300.00	1	2.88%
Runnemedede Lodging Investors				3,250,000.00	5	0.97%
CVS Pharmacy				1,578,700.00	8	0.47%
United Softee Realty Co.				1,250,000.00	10	0.37%
Total	<u><u>\$ 50,446,000.00</u></u>		<u><u>9.96%</u></u>	<u><u>\$ 37,347,400.00</u></u>		<u><u>11.17%</u></u>

Source: Municipal Tax Office

BLACK HORSE PIKE REGIONAL 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>	
2014	\$ 30,645,864.00	\$ 28,092,042.00	91.67%	\$ 2,553,822.00
2013	30,132,072.00	27,870,543.00	92.49%	2,261,529.00
2012	30,147,597.00	27,870,117.02	92.45%	2,277,479.98
2011	30,042,557.00	29,700,103.37	98.86%	342,453.63
2010	28,674,971.00	28,370,367.13	98.94%	304,603.87
2009	27,778,117.00	27,778,117.00	100.00%	N/A
2008	31,571,302.00	29,339,274.72	92.93%	1,925,883.67
2007	29,539,396.00	29,249,925.09	99.02%	289,470.91
2006	27,897,581.00	27,592,518.48	98.91%	305,062.52
2005	26,432,426.00	26,432,426.00	100.00%	N/A

(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.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Percentage of Personal Income (2)	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Textbook Leases</u>	<u>Capital Leases</u>	<u>Total District</u>		
Bellmawr Borough:						
2014	\$ 2,662,967.25	\$ -	-	\$ 2,662,967.25	Unavailable	Unavailable
2013	3,074,726.45	-	-	3,074,726.45	Unavailable	266.44
2012	3,454,120.49	-	-	3,454,120.49	0.66%	299.14
2011	3,739,571.90	-	-	3,739,571.90	0.75%	323.18
2010	4,086,045.37	-	-	4,086,045.37	0.83%	352.76
2009	4,423,229.97	18,457.27	-	4,441,687.24	0.96%	396.23
2008	4,762,823.02	69,533.20	-	4,832,356.22	1.03%	431.92
2007	5,056,353.47	111,916.99	-	5,168,270.46	1.15%	461.54
2006	5,331,421.15	151,619.52	-	5,483,040.67	1.27%	489.95
2005	5,769,717.11	194,794.27	-	5,964,511.38	1.48%	536.47
Gloucester Township:						
2014	\$ 14,081,064.87	\$ -	-	\$ 14,081,064.87	Unavailable	Unavailable
2013	16,277,135.52	-	-	16,277,135.52	Unavailable	253.16
2012	18,463,387.67	-	-	18,463,387.67	0.63%	286.67
2011	20,658,382.30	-	-	20,658,382.30	0.74%	320.24
2010	22,766,546.49	-	-	22,766,546.49	0.82%	352.24
2009	24,827,794.26	103,601.49	-	24,931,395.75	0.93%	385.34
2008	26,839,805.36	391,838.55	-	27,231,643.91	1.00%	420.23
2007	28,752,596.20	636,408.06	-	29,389,004.26	1.12%	451.49
2006	30,457,922.27	866,188.48	-	31,324,110.75	1.24%	479.31
2005	31,853,709.51	1,075,428.83	-	32,929,138.34	1.39%	506.36
Runnemede Borough:						
2014	\$ 1,752,967.88	\$ -	-	\$ 1,752,967.88	Unavailable	Unavailable
2013	2,020,138.03	-	-	2,020,138.03	Unavailable	239.47
2012	2,304,491.84	-	-	2,304,491.84	0.60%	272.69
2011	2,604,045.80	-	-	2,604,045.80	0.71%	307.81
2010	2,849,408.14	-	-	2,849,408.14	0.79%	336.49
2009	3,075,975.77	12,835.44	-	3,088,811.21	0.89%	367.37
2008	3,269,371.62	47,730.07	-	3,317,101.69	0.94%	393.91
2007	3,513,050.33	77,757.62	-	3,590,807.95	1.06%	424.95
2006	3,812,656.58	108,427.59	-	3,921,084.17	1.20%	463.65
2005	4,153,573.38	140,230.84	-	4,293,804.22	1.39%	506.05

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding (1)	Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions			
Bellmawr Borough:					
2014	\$ 2,662,967.25	-	\$ 2,662,967.25	0.33%	Unavailable
2013	3,074,726.45	-	3,074,726.45	0.38%	266.44
2012	3,454,120.49	-	3,454,120.49	0.42%	299.14
2011	3,739,571.90	-	3,739,571.90	0.45%	323.18
2010	4,086,045.37	-	4,086,045.37	0.49%	352.76
2009	4,423,229.97	-	4,423,229.97	0.52%	394.58
2008	4,762,823.02	-	4,762,823.02	1.11%	425.71
2007	5,056,353.47	-	5,056,353.47	1.18%	451.54
2006	5,331,421.15	-	5,331,421.15	1.24%	476.40
2005	5,769,717.11	-	5,769,717.11	1.35%	518.95
Gloucester Township:					
2014	14,081,064.87	-	14,081,064.87	0.32%	Unavailable
2013	16,277,135.52	-	16,277,135.52	0.36%	253.16
2012	18,463,387.67	-	18,463,387.67	0.41%	286.67
2011	20,658,382.30	-	20,658,382.30	0.46%	320.24
2010	22,766,546.49	-	22,766,546.49	0.50%	352.24
2009	24,827,794.26	-	24,827,794.26	1.01%	383.74
2008	26,839,805.36	-	26,839,805.36	1.10%	414.19
2007	28,752,596.20	-	28,752,596.20	1.19%	441.71
2006	30,457,922.27	-	30,457,922.27	1.27%	466.05
2005	31,853,709.51	-	31,853,709.51	1.34%	489.82
Runnemede Borough:					
2014	1,752,967.88	-	1,752,967.88	0.35%	Unavailable
2013	2,020,138.03	-	2,020,138.03	0.40%	239.47
2012	2,304,491.84	-	2,304,491.84	0.69%	272.69
2011	2,604,045.80	-	2,604,045.80	0.78%	307.81
2010	2,849,408.14	-	2,849,408.14	0.84%	336.49
2009	3,075,975.77	-	3,075,975.77	0.91%	365.84
2008	3,269,371.62	-	3,269,371.62	0.97%	388.24
2007	3,513,050.33	-	3,513,050.33	1.04%	415.75
2006	3,812,656.58	-	3,812,656.58	1.14%	450.83
2005	4,153,573.38	-	4,153,573.38	1.24%	489.52

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012
Unaudited

Runnemedede Borough:	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Runnemedede Borough</u>
Municipal Debt: (1)				
Black Horse Pike Regional School District (2)	\$ 1,857,215.31	\$ 1,857,215.31		
Runnemedede Borough	6,012,500.00		\$ 6,012,500.00	\$ 6,012,500.00
Runnemedede Borough Sewer Utility	<u>2,661,370.82</u>	<u>2,661,370.82</u>		
	<u>10,531,086.13</u>	<u>4,518,586.13</u>	<u>6,012,500.00</u>	<u>6,012,500.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (1)				
General:				
Bonds	42,085,352.00	13,774,588.00 (3)	28,310,764.00	404,452.57 (5)
Loan Agreement	191,780,000.00		191,780,000.00	2,739,802.93 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>689,242,784.00</u>	<u>689,242,784.00 (4)</u>		
	<u>923,108,136.00</u>	<u>703,017,372.00</u>	<u>220,090,764.00</u>	<u>3,144,255.50</u>
	<u>\$ 933,639,222.13</u>	<u>\$ 707,535,958.13</u>	<u>\$ 226,103,264.00</u>	<u>\$ 9,156,755.50</u>

Sources:

- (1) Entity's Audit Report
 - (2) Allocated based on percentage of average equalized valuations
 - (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
 - (4) Deductible in accordance with N.J.S. 40:37A-80.
 - (5) Such debt is allocated as a proportion of the Borough's share of the total 2014 Equalized Value, which is 1.43%.
- The source for this computation was the 2014 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2014

Average Equalized valuation basis (1)		
Bellmawr Borough	\$	812,488,500
Gloucester Township		4,447,111,798
Runnemede Borough		534,841,818
		<u>5,794,442,116</u>
	[A]	\$ 5,794,442,116
Debt limit (3% of average equalization value) (2)	[B]	173,833,263.47
Total Net Debt Applicable to Limit	[C]	<u>18,497,000.00</u>
Legal Debt Margin	[B-C]	<u>\$ 155,336,263.47</u>

	Fiscal Year Ended June 30,									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt limit	173,833,263.47	\$ 175,172,726.02	\$ 180,634,795.71	\$ 184,373,499.51	\$ 185,993,239.21	\$ 181,275,939.52	\$ 168,898,022.58	\$ 148,408,568.85	\$ 128,556,536.61	\$ 111,925,410.57
Total net debt applicable to limit (3)	<u>18,497,000.00</u>	<u>21,372,000.00</u>	<u>24,222,000.00</u>	<u>27,002,000.00</u>	<u>29,702,000.00</u>	<u>32,327,000.00</u>	<u>34,872,000.00</u>	<u>37,322,000.00</u>	<u>39,602,000.00</u>	<u>41,777,000.00</u>
Legal debt margin	<u>\$ 155,336,263.47</u>	<u>\$ 153,800,726.02</u>	<u>\$ 156,412,795.71</u>	<u>\$ 157,371,499.51</u>	<u>\$ 148,948,939.52</u>	<u>\$ 148,948,939.52</u>	<u>\$ 134,026,022.58</u>	<u>\$ 111,086,568.85</u>	<u>\$ 88,954,536.61</u>	<u>\$ 70,148,410.57</u>
Total net debt applicable to the limit as a percentage of debt limit	10.64%	12.20%	13.41%	14.65%	17.83%	17.83%	20.65%	25.15%	30.81%	37.33%

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

Demographic and Economic Information

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

BLACK HORSE PIKE REGIONAL 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>
Bellmawr Borough:				
2014	Unavailable	Unavailable	Unavailable	Unavailable
2013	11,540	Unavailable	Unavailable	9.00%
2012	11,547	\$ 525,850,380.00	\$ 45,540.00	9.10%
2011	11,571	498,698,529.00	43,099.00	9.00%
2010	11,583	494,825,760.00	42,720.00	9.10%
2009	11,210	464,161,260.00	41,406.00 R	8.70%
2008	11,188	469,806,496.00	41,992.00 R	5.50%
2007	11,198	450,831,480.00	40,260.00 R	4.20%
2006	11,191	432,767,161.00	38,671.00 R	4.50%
2005	11,118	403,572,282.00	36,299.00 R	4.20%
Gloucester Township:				
2014	Unavailable	Unavailable	Unavailable	Unavailable
2013	64,297	Unavailable	Unavailable	8.10%
2012	64,406	\$ 2,933,049,240.00	\$ 45,540.00	9.40%
2011	64,510	2,780,316,490.00	43,099.00	9.30%
2010	64,634	2,761,164,480.00	42,720.00	9.60%
2009	64,700	2,678,968,200.00	41,406.00 R	8.70%
2008	64,801	2,721,123,592.00	41,992.00 R	3.20%
2007	65,094	2,620,684,440.00	40,260.00 R	2.70%
2006	65,353	2,527,265,863.00	38,671.00 R	2.70%
2005	65,031	2,360,560,269.00	36,299.00 R	2.40%
Runnemede Borough:				
2014	Unavailable	Unavailable	Unavailable	Unavailable
2013	8,436	Unavailable	Unavailable	7.60%
2012	8,451	\$ 384,858,540.00	\$ 45,540.00	12.80%
2011	8,460	364,617,540.00	43,099.00	12.60%
2010	8,468	361,752,960.00	42,720.00	12.80%
2009	8,408	348,141,648.00	41,406.00 R	12.20%
2008	8,421	353,614,632.00	41,992.00 R	7.90%
2007	8,450	340,197,000.00	40,260.00 R	6.00%
2006	8,457	327,040,647.00	38,671.00 R	6.50%
2005	8,485	307,997,015.00	36,299.00 R	6.00%

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 data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

R- Revised

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT

Principal Non-Governmental Employers

Current Year and Nine Years Ago

Unaudited

	2014			2005 (1)		
	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>
Country Home Bakers, LLC	250	1	4.44%	N/A	N/A	N/A
Vertis Mailing LLC	160	2	2.84%	N/A	N/A	N/A
J&J Snack Foods Corp.	150	3	2.67%	N/A	N/A	N/A
Green Force Media LLC (Evergreen Printing Co.)	141	4	2.51%	N/A	N/A	N/A
International Paper Company	137	5	2.43%	N/A	N/A	N/A
Houghton Mifflin Harcourt Publishing Co.	125	6	2.22%	N/A	N/A	N/A
Red Line Officials	124	7	2.20%	N/A	N/A	N/A
Senior Choice Inc.	115	8	2.04%	N/A	N/A	N/A
U.S. Logistics, Inc	105	9	1.87%	N/A	N/A	N/A
Camden Iron & Metal LLC	100	10	1.78%	N/A	N/A	N/A
D'Orazio Foods Inc.	75	11	1.33%	N/A	N/A	N/A
	<u>1,482</u>		<u>26.33%</u>			

(1) Information not provided by Municipal entity.

Source: D&B Regional Business Directory published by Dun & Bradstreet, Inc.

(Continued)

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

	2014 (1)			2005 (1)			
	<u>Employer</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>
Gloucester Township:	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		-					

(1) Information not available.

(Continued)

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.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction										
Regular	248	235	223	232	262	240	238	227.5	221	225
Special education	57	98	77	59	49	53	47	50	48	46
Other special education	-	-	1	32	45	44	42	42	35	22
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	68	72	43	55	54	58	55.5	78.5	78.5	81
General administrative services	9	23	-	13	10	13	13	12.5	12.5	10.5
School administrative services	53	48	54	54	51	52	51	41	40	39
Business administrative services	6	6	9	9	6	6	6.5	6.5	6.5	7
Plant operations and maintenance	75	51	55	57	50	50	49	53	52	53.5
Pupil transportation	7	9	-	-	-	-	-	-	-	-
Total	523	542	462	511	527	516	502	511	494	484

N/A - Not available

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30.</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio District</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	4,080	\$ 65,005,768.62	\$ 15,932.79	7.86%	305	1:13	3,855.30	3,610.39	-2.18%	93.65%
2013	4,254	62,841,455.65	14,772.32	-3.50%	333	1:13	3,941.15	3,671.93	-1.66%	93.17%
2012	4,028	61,661,281.42	15,308.16	1.40%	301	1:13	4,007.67	3,749.02	-3.30%	93.55%
2011	4,103	61,941,379.78	15,096.61	-2.56%	323	1:13	4,144.27	3,876.80	-0.95%	93.55%
2010	4,104	63,587,269.74	15,493.97	2.85%	326	1:13	4,184.10	3,915.80	0.44%	93.59%
2009	4,150	62,515,979.69	15,064.09	0.38%	333	1:13	4,165.80	3,896.30	-3.08%	93.53%
2008	4,146	62,221,692.03	15,007.64	6.35%	331	1:13	4,298.30	4,015.90	3.57%	93.43%
2007	4,125	58,207,487.42	14,110.91	8.08%	320	1:13	4,150.20	3,893.20	0.33%	93.81%
2006	4,189	54,692,622.82	13,056.25	5.93%	322	1:13	4,136.50	3,842.90	3.14%	92.90%
2005	4,060	50,040,309.85	12,325.20	4.43%	341	1:15	4,010.40	3,730.90	1.89%	93.03%

Sources: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>District Building</u>											
<u>High School</u>											
Triton High School (1956)											
Square Feet	217,124	217,124	217,124	217,124	217,124	217,124	217,124	217,124	217,124	217,124	217,124
Capacity (students)	1,219	1,219	1,219	1,219	1,219	1,219	1,657	1,657	1,657	1,657	1,657
Enrollment	1,357	1,495	1,557	1,557	1,557	1,557	1,525	1,494	1,435	1,443	1,547
Highland High School (1967)											
Square Feet	150,079	150,079	150,079	150,079	150,079	150,079	150,079	150,079	150,079	150,079	150,079
Capacity (students)	1,285	1,285	1,285	1,285	1,285	1,285	1,416	1,416	1,416	1,416	1,416
Enrollment	1,276	1,264	1,179	1,179	1,179	1,179	1,193	1,212	1,167	1,123	1,134
Timber Creek High School (2001)											
Square Feet	264,614	264,614	264,614	264,614	264,614	264,614	264,614	264,614	264,614	264,614	264,614
Capacity (students)	1,655	1,655	1,655	1,655	1,655	1,655	1,442	1,442	1,442	1,442	1,442
Enrollment	1,447	1,495	1,414	1,414	1,414	1,414	1,428	1,419	1,437	1,348	1,318
<u>Other</u>											
Central Administration (1990)											
Square Feet	4,880	4,880	4,880	4,880	4,880	4,880	4,880	4,880	4,880	4,880	4,880
Number of Schools at June 30, 2014											
High School = 3											
Other = 1											

Source: District Records

BLACK HORSE PIKE REGIONAL 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,									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Triton High School		\$ 448,364.29	\$ 446,089.78	\$ 449,281.06	\$ 380,623.83	\$ 396,868.83	\$ 462,083.37	\$ 297,266.25	\$ 357,355.84	\$ 362,983.99	\$ 310,513.88
Highland High School		484,103.30	409,699.57	456,973.00	362,842.17	449,874.95	460,692.79	320,744.84	314,253.70	373,675.17	336,208.70
Timber Creek High School		386,909.42	434,876.09	386,596.18	386,433.45	400,435.66	402,486.42	206,697.93	171,969.09	296,117.31	264,406.66
Total School Facilities		<u>1,319,377.01</u>	<u>1,290,665.44</u>	<u>1,292,850.24</u>	<u>1,129,899.45</u>	<u>1,247,179.44</u>	<u>1,325,262.58</u>	<u>824,709.02</u>	<u>843,578.63</u>	<u>1,032,776.47</u>	<u>911,129.24</u>
Other Facilities		-	-	-	-	-	-	-	24,740.42	-	345.00
Grand Total		<u>\$ 1,319,377.01</u>	<u>\$ 1,290,665.44</u>	<u>\$ 1,292,850.24</u>	<u>\$ 1,129,899.45</u>	<u>\$ 1,247,179.44</u>	<u>\$ 1,325,262.58</u>	<u>\$ 824,709.02</u>	<u>\$ 868,319.05</u>	<u>\$ 1,032,776.47</u>	<u>\$ 911,474.24</u>

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

Source: District Records

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building & Personal Property	\$ 139,955,327.00 (a)	\$ 1,000.00
Comprehensive General Liability	6,000,000.00	
Comprehensive Automobile Liability	1,000,000.00	1,000.00
Employee Benefits Program Liability	3,000,000.00	1,000.00
Commercial Umbrella Policy	10,000,000.00	
School Board Legal Liability	3,000,000.00	7,500.00
Student Accident	1,000,000.00	
Catastrophic Student Accident	6,000,000.00	
Public Employees Dishonesty Per Loss	100,000.00	1,000.00
Workers Compensation Coverage	2,000,000.00	
Bonds		
Board Secretary	100,000.00	
Treasurer of School Funds	350,000.00	

(a) Pool limit

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
Black Horse Pike Regional School District
Blackwood, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Black Horse Pike Regional School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2014. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Black Horse Pike Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2014

<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, 2013</u>
				<u>From</u>	<u>To</u>	<u>Deferred Revenue/ Accounts Receivable</u>
U.S. Department of Agriculture						
Passed-through State Department of Education:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	N/A	\$ 65,034.15	7-1-13	6-30-14	\$ 12,151.73
Cash Assistance:						
School Breakfast Program	10.553	N/A	92,033.25	7-1-13	6-30-14	(8,287.37)
National School Lunch Program	10.555	N/A	396,032.33	7-1-13	6-30-14	(31,402.25)
Total Enterprise Fund (Total Child Nutrition Cluster)						(27,537.89)
U.S. Department of Education						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I	84.010	0390 13	436,548.00	9- 1-12	8-31-13	(81,153.63)
Title I	84.010	0390 14	400,037.00	7-1-13	6-30-14	
Total Title I						(81,153.63)
Title II Part A	84.367	0390 13	60,628.00	9- 1-12	8-31-13	(3,412.00)
Title II Part A	84.367	0390 14	54,386.00	7-1-13	6-30-14	
Total Title II						(3,412.00)
I.D.E.A., Part B Programs:						
Basic Regular	84.027	FT-0390-13	858,156.00	9- 1-12	8-31-13	(201,218.31)
Basic Regular	84.027	FT-0390-14	783,359.00	7-1-13	6-30-14	
Total I.D.E.A. Part B Cluster						(201,218.31)
Vocational Education						
Perkins Vocational and Applied Technology Education						
Prior Year	84.048	PERK - 13	26,169.00	9- 1-12	8-31-13	(922.00)
Current Year	84.048	PERK - 14	25,382.00	7-1-13	6-30-14	
Total Perkins Vocational & Applied Technology Education						(922.00)
Math-in-CTE						
Prior Year	84.048	N/A	12,000.00	9- 1-08	8-31-09	(2,326.22)
Race to the Top Fund	84.395	N/A	25,876.00	9- 1-11	11-30-15	(9,688.00)
Total Special Revenue Fund						(298,720.16)
U.S. Department of Education:						
Passed-through the State Department of Education:						
Education Jobs Fund	84.410A	N/A	2,860.00	7-1-12	9-30-12	(2,860.00)
U.S. Department of Health and Human Services:						
Passed-through the State Department of Education:						
Special Education -- Medicaid Initiative	93.778	N/A	(43,362.28)	7-1-13	6-30-14	
Total General Fund						(2,860.00)
Total Federal Financial Assistance						\$ (329,118.05)

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

Carryover/ Wa kover Amount	Cash Received	Adjustment	Budgetary Expenditures	Repayment of Prior Years' Balance	Balance at June 30, 2014		
					Accounts Receivable June 30, 2014	Unearned Revenue June 30, 2014	Due to Grantor at June 30, 2014
	\$ 65,034.15		\$ (68,815.26)			\$ 8,370.62	
	91,032.70		(92,033.25)		\$ (9,287.92)		
	389,981.26		(396,032.33)		(37,453.32)		
	546,048.11		(556,880.84)		(46,741.24)	8,370.62	
\$ (7,806.00)	144,233.68		(55,274.05)				
7,806.00	209,400.02		(363,003.59)		(145,797.57)		
	353,633.70		(418,277.64)		(145,797.57)		
	3,412.00						
	39,131.00		(54,386.00)		(15,255.00)		
	42,543.00		(54,386.00)		(15,255.00)		
(153,598.00)	508,012.59		(153,196.28)				
153,598.00	362,365.41		(897,113.41)		(381,150.00)		
	870,378.00		(1,050,309.69)		(381,150.00)		
	922.00						
	5,543.00		(25,382.00)		(19,839.00)		
	6,465.00		(25,382.00)		(19,839.00)		
					(2,326.22)		
	9,688.00						
	1,282,707.70		(1,548,355.33)		(564,367.79)		
	2,860.00						
	43,362.28		(43,362.28)				
	46,222.28		(43,362.28)		-		
\$ -	\$ 1,874,978.09	\$ -	\$ (2,148,598.45)	\$ -	\$ (611,109.03)	\$ 8,370.62	\$ -

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2014

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Required Match</u>	<u>Grant Period</u>		<u>Balance at June 30, 2013</u>	
				<u>From</u>	<u>To</u>	<u>Deferred Revenue/ Accounts Receivable</u>	<u>Due to Grantor</u>
State Department of Education (State Aid):							
General Fund:							
Equalization Aid	13-495-034-5120-078	\$ 30,040,736.00		7-1-12	6-30-13	\$ (2,868,883.00)	
Equalization Aid	14-495-034-5120-078	30,562,927.00		7-1-13	6-30-14		
Special Education Categorical Aid	13-495-034-5120-089	2,378,308.00		7-1-12	6-30-13	(227,128.00)	
Special Education Categorical Aid	14-495-034-5120-089	2,402,732.00		7-1-13	6-30-14		
Security Aid	13-495-034-5120-084	108,067.00		7-1-12	6-30-13	(10,320.00)	
Security Aid	14-495-034-5120-084	139,073.00		7-1-13	6-30-14		
Total State Aid Public						(3,106,331.00)	
Transportation Aid	13-495-034-5120-014	207,578.00		7-1-12	6-30-13	(19,824.00)	
Transportation Aid	14-495-034-5120-014	197,935.00		7-1-13	6-30-14		
Other State Aid - Extraordinary Aid	13-100-034-5120-473	305,199.00		7-1-12	6-30-13	(305,199.00)	
Other State Aid - Extraordinary Aid	14-100-034-5120-473	357,033.00		7-1-13	6-30-14		
Other State Aid -							
Anti-Bullying Aid	14-100-034-5064-201	1,905.00		7-1-13	6-30-14		
Non-Public Transportation Aid	N/A	48,468.56		7-1-12	6-30-13	(48,468.56)	
Non-Public Transportation Aid	N/A	31,394.00		7-1-13	6-30-14		
Reimbursed T.P.A.F. Social Security	13-495-034-5095-002	1,703,693.53		7-1-12	6-30-13	(83,792.20)	
Reimbursed T.P.A.F. Social Security	14-495-034-5095-002	1,811,457.23		7-1-13	6-30-14		
Total General Fund						(3,563,614.76)	
State Grants:							
Capital Projects Fund:							
New Jersey Schools Development Authority	SP#0390-020-09-OZRC	768,245.00	\$ 509,755.00	6-4-10	Proj. End	(125,554.23)	
Total Capital Projects Fund						(125,554.23)	
Debt Service Fund							
Debt Service Aid	14-495-034-5120-125	1,565,798.00		7-1-13	6-30-14		
Total Debt Service Fund							
Enterprise Fund:							
State School Lunch Program	13-100-010-3350-023	15,974.95		7-1-12	6-30-13	(840.19)	
State School Lunch Program	14-100-010-3350-023	11,566.99		7-1-13	6-30-14		
Total Enterprise Fund						(840.19)	
Total State Financial Assistance subject to Major Program Determination for State Single Audit						(3,690,009.18)	
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf TPAF Pension Contribution:							
Normal Cost	14-495-034-5095-006	993,474.00		7-1-13	6-30-14		
Post-Retirement Medical	14-495-034-5095-007	1,628,924.00		7-1-13	6-30-14		
Total General Fund (Non-Cash Assistance)							
Total State Financial Assistance						\$ (3,690,009.18)	\$ -

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

Cash Received	Adjustments(A)	Budgetary Expenditures	Balance at June 30, 2014			Memo	
			Accounts Receivable	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2014	Cumulative Total Expenditures
\$ 2,868,883.00							
27,650,644.00		\$ (30,562,927.00)	\$ (2,912,283.00)			\$ (2,912,283.00)	\$ (30,562,927.00)
227,128.00							
2,173,780.00		(2,402,732.00)	(228,952.00)			(228,952.00)	(2,402,732.00)
10,320.00							
125,821.00		(139,073.00)	(13,252.00)			(13,252.00)	(139,073.00)
<u>33,056,576.00</u>		<u>(33,104,732.00)</u>	<u>(3,154,487.00)</u>			<u>(3,154,487.00)</u>	<u>(33,104,732.00)</u>
19,824.00							
179,074.00		(197,935.00)	(18,861.00)			(18,861.00)	(197,935.00)
305,199.00		(357,033.00)	(357,033.00)			(357,033.00)	(357,033.00)
1,905.00		(1,905.00)					(1,905.00)
48,468.56		(31,394.00)	(31,394.00)			(31,394.00)	(31,394.00)
83,792.20							
1,724,536.83		(1,811,457.23)	(86,920.40)			(86,920.40)	(1,811,457.23)
<u>35,419,375.59</u>		<u>(35,504,456.23)</u>	<u>(3,648,695.40)</u>			<u>(3,648,695.40)</u>	<u>(35,504,456.23)</u>
125,554.23							(958,501.00)
<u>125,554.23</u>							<u>(958,501.00)</u>
1,565,798.00		(1,565,798.00)					(1,565,798.00)
<u>1,565,798.00</u>		<u>(1,565,798.00)</u>					<u>(1,565,798.00)</u>
840.19							
10,025.94		(11,566.99)	(1,541.05)				(11,566.99)
<u>10,866.13</u>		<u>(11,566.99)</u>	<u>(1,541.05)</u>				<u>(11,566.99)</u>
<u>37,121,593.95</u>		<u>(37,081,821.22)</u>	<u>(3,650,236.45)</u>			<u>(3,648,695.40)</u>	<u>(38,040,322.22)</u>
993,474.00		(993,474.00)					(993,474.00)
1,628,924.00		(1,628,924.00)					(1,628,924.00)
<u>2,622,398.00</u>		<u>(2,622,398.00)</u>					<u>(2,622,398.00)</u>
<u>\$ 39,743,991.95</u>	<u>\$ -</u>	<u>\$ (39,704,219.22)</u>	<u>\$ (3,650,236.45)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,648,695.40)</u>	<u>\$ (40,662,720.22)</u>

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 -\$47,193.00 for the general fund and -\$276,597.19 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$-0- for the general fund and -\$276,597.19 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	\$ 43,362.28	\$ 38,079,661.23	\$ 38,123,023.51
Special Revenue	1,269,838.14		1,269,838.14
Debt Service		1,565,798.00	1,565,798.00
Food Service	556,880.84	11,566.99	568,447.83
Total Awards and Financial Assistance	<u>\$ 1,870,081.26</u>	<u>\$ 39,657,026.22</u>	<u>\$ 41,527,107.48</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2012-2013.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2014, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the Federal Food Distribution Program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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. Lastly, 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 members.

Note 7: MAJOR PROGRAMS

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

**BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
	Child Nutrition Cluster:
10.555	National School Lunch Program - Food Distribution
10.553	School Breakfast Program
10.555	National School Lunch Program

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

Auditee qualified as low-risk auditee? X yes no

**BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014**

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
14-495-034-5120-078	State Aid Public- Equalization Aid
14-495-034-5120-089	Special Education Categorical Aid
14-495-034-5120-084	Security Aid
14-495-034-5095-002	Reimbursed T.P.A.F. Social Security
14-495-034-5120-125	Debt Service Aid

Dollar threshold used to determine Type A programs \$ 1,112,454.64

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

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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 Finance, Department of Education, State of New Jersey.

None.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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.

BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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.

BLACK HORSE PIKE REGIONAL 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

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

