SCHOOL DISTRICT OF
LOGAN TOWNSHIP

LOGAN BOARD OF EDUCATION

Logan Township, New Jersey
County of Gloucester

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LOGAN TOWNSHIP BOARD OF EDUCATION

LOGAN TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

Logan Township Board of Education
Business Office

+OUTLINE OF CAFR

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(concluded)

INTRODUCTORY SECTION

Logan Township School District

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September 5, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Logan Township School District (District) for fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Business Office of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on 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

Logan Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Logan Township School District is a Pre-K - 12 School District operating 2 school buildings (an Early Childhood Educational Center serving grades Pre-Kindergarten to 1; an Elementary School serving grades 2 to 5 and a Middle School serving grades 6 to 8) while maintaining a sending relationship with the near-by Kingsway Regional High School District to accept students grades 9 to 12 on a tuition basis. Each school has its own school principal who serves as an instructional leader to staff and students.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for gifted and handicapped students. The District completed the 2011-2012 fiscal year with an enrollment of 879 students. Continuation of the expanded preschool program in the future has been dependent on parent tuition and the District investment. We are hopeful that the Board of Education will continue to partially support the Pre-Kindergarten program as they were able to do for the 2011-2012 school year which allows more at-risk Pre-Kindergarten students to be educated in an inclusive environment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2011-12	879.0	0.56%
2010-11	874.1	(3.23%)
2009-10	903.3	0.40%
2008-09	899.7	2.73%
2007-08	875.8	(6.17%)

When reviewing the average daily enrollment over the past three years, it seems that if the expansion of the Pre-Kindergarten program was taken out of the mix, student enrollment seems to be hovering at about 870 students over these past three academic years.

2. Economic Condition and Outlook

Three large industrial parks are located in Logan Township. The Logistic Center at Logan comprises 1,100 acres and the Pureland Industrial Complex covers 3,000 acres. The third industrial park, the Commodore Business Center, is located along the Rt. 322 industrial corridor partially in Logan Township and partially in adjacent Woolwich Township. Pureland Industrial Park is the largest industrial park in the state and has been hailed as the top "ultra-successful" business park in the U.S. according to Site Selection magazine. The Logan Township population has increased from 3,078 in 1980 to 6,059 in 2012. However, the staggering fiscal woes in the State of New Jersey coupled with the recession plaguing the country since 2008 has led to decreasing state aid as well as contracting property values and tax ratables. Increasing unemployment, property taxes, and the cost of living correlate to a higher burden on school districts to provide the accustomed services with diminishing resources and increases number of students who qualify for free or reduced lunch. These combined forces are applying increased pressure on the District to practice fiscal discipline while maintaining a quality education to more at-risk students.

For the 2012-13 school year, there was a decrease in tax ratables in the township by 210,439.00.

- 2010 - $618,309,615
- 2011 - $614,511,988
- 2012 - $614,301,549

It is important to note here that the increasing unemployment correlates an increase on the burden to the families of our community as well as to the school district which is reflected by the almost 150% increase of low-income students over the past six years. (See chart below)

Fiscal Year	Total Free & Reduced	Percentage of Population Which is Free & Reduced
2012-13	172	20.5%
2011-12	177	20.5%
2010-11	153	17.6%
2009-10	141	15.6%
2008-09	127	14.1%
2007-08	116	13.2%

2006-07	99	10.6%

3. Major Initiatives

Logan Township is an innovative school district which places a priority on excellence. To this end, technology tools are used to enhance student learning. Our District now has a one-on-one laptop initiative for our 5th to 8th grade students. In addition to this, the number of computers in the district exceeds the number of students in our District. (This is due to the fact that all secretaries and Administrators have computers and the district houses three computer labs.) All students in grades 1 to 7 have regular World Language (Spanish and Italian) instruction. Eighth grade students have the option to choose to take a full year of Spanish I or Italian I, if they meet certain academic criteria. Eighth grade students who meet district criteria in math may study Algebra I. Technology Education (S.T.E.M./Science Technology/Engineering and Mathematics) is provided for all students in grades 2 to 8. A pre-engineering class is offered before school to seventh and eighth grade students who meet district criteria. After school programs and clubs provide opportunities to participate in drama, gardening, athletics, and many other extra-curricular areas. Performing Arts activities provide opportunities for students to share their particular talent. As our schools are centered in a culturally diverse community, our faculty is dedicated to providing programs that feature a variety of world cultures and concepts.

The District strives to remain on the cutting edge in the area of technology in order that our students have the proper technological skills that are required in the 21st century workplace environment. The Three-Year Technology Plan (2010 to 2013) was developed during the latter part of the 2009-2010 school year which includes a heavy emphasis on upgrading hardware, software, and infrastructure. The plan emphasizes increased utilization of wireless technology and the use of Web 2.0 tools by both students and teachers. A tiered professional development plan, to address the technological needs of our teaching staff, is part of the most recent technology plan.

The District continues to be a leader in pre-school education. A State grant has been used over the past seven years to expand the District-funded program to service the at-risk population. Three out of seven years, the District was able to utilize ARRA Federal Stimulus Funds to expand the pre-school program. Continuation of the pre-school program in the future continues to be dependent on the on-going commitment of the Board of Education, on State pre-school aid and or tuition from parents.

The District continues to be proactive in addressing building maintenance issues. Many components of the Five-Year Facility Maintenance Plan have been addressed. These include rug replacements, parking lot resurfacing, ceiling tile replacement, painting, and upgrades to the security cameras to include new placements in corridors and additional placements around the exterior of Logan Elementary School and Center Square School. The District also participated in a Board of Public Utilities grant program to perform an energy audit of the district facilities to identify energy conservation projects and strategies. Findings from this audit have been reviewed by a Board of Education sub-committee and recommendations were made for energy-cost savings initiatives including changes to the lighting in several large group areas. These projects were made part of our Facilities Plan included in the budget for the 2012-13 school year.

District curricula are once again being re-aligned to the latest state's Core Curriculum Content Standards and to the Common Core Standards for ELA and Mathematics. A continuous upgrading of instructional resources and teacher training, provided by consultants and coaches, help focus the instruction on the State's Core Curriculum Standards. The district's staff is working closely with consultants to ensure they are meeting state deadlines for curriculum alignment in all areas. An additional focus during the 2011-2012 school year was the selection of the Marzano Teacher Evaluation System as the selected research-based common language/ instructional model for our district. We were pleased that the other elementary districts in this area, as well as Kingsway Regional High School, also adopted this instructional/ evaluation model. Training in this model will be the future focus of professional development for the district.

Professional development is carefully planned and executed. A professional development plan is prepared and followed annually in accordance with state regulations. In addition, a comprehensive mentor plan outlines

services and support provided to teachers new to the profession. The 2012-2013 Professional Development Plan was approved by the county Board in June 2012 with high praise for the content of the plan.

4. Internal Accounting Controls

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

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

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

5. Budgetary Controls

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

6. Accounting System and Reports

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

7. Financial Information at Fiscal Year-End

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2012, and the amount and percentage of increases and decreases in relation to the prior year's revenues:

Revenues	Amount	Percent of Total	Increase (Decrease) From 2011	Percent of Increase (Decrease)
Local sources	$ 12,408,600	28.38	$ 184,534	0.02
State sources	6,860,494	61.76	401,518	6.22
Federal sources	562,770	9.86	64,099	12.85
Total	$ 19,831,864	100.00	$650,151	3.40

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2012, and the amount and percentage of increases and decreases in relation to the prior year's expenditures:

Expenditures	Amount	Percent of Total	Increase (Decrease) From 2011	Percent of Increase (Decrease)
Current expense:				
Instruction	$ 5,774,842	30.80	$ 279,462	5.09
Undistributed expenditures	10,678,148	57.01	38,400	0.36
Capital outlay	436,704	2.33	220,551	102.03
Special revenue:				
Federal	355,914	1.90	(47,303)	(11.73)
State	81,366	0.43	(24,334)	(23.02)
Debt service:				
Principal	1,165,000	6.22	5,000	0.43
Interest	231,662	1.31	(50,518)	(17.90)
Total	$ 18,723,636	100.00	$ 421,258	2.30

8. Debt Administration

The district took advantage of low interest rates in April 2005 and refinanced the callable bonds from July 1999. On April 28, 2005, the District sold $4,840,000 of general obligation bonds dated April 28, 2005, which have annual maturities to July 15, 2018. Of these bonds, $3,655,000 was outstanding at June 30, 2012.

The District has taken advantage of the current low interest rate and refinanced the October, 1992 bonds. Bonds in the amount of $7,630,000 are dated April 15, 2002, and having maturities from July 15, 2004 through July 15, 2013. Of these bonds, $1,345,000 was outstanding at June 30, 2012.

9. Cash Management

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

10. Risk Management

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard, and theft insurance on property and contents, fidelity Bonds and Student/Volunteer Accident Insurance.

11. Other Information

A. Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

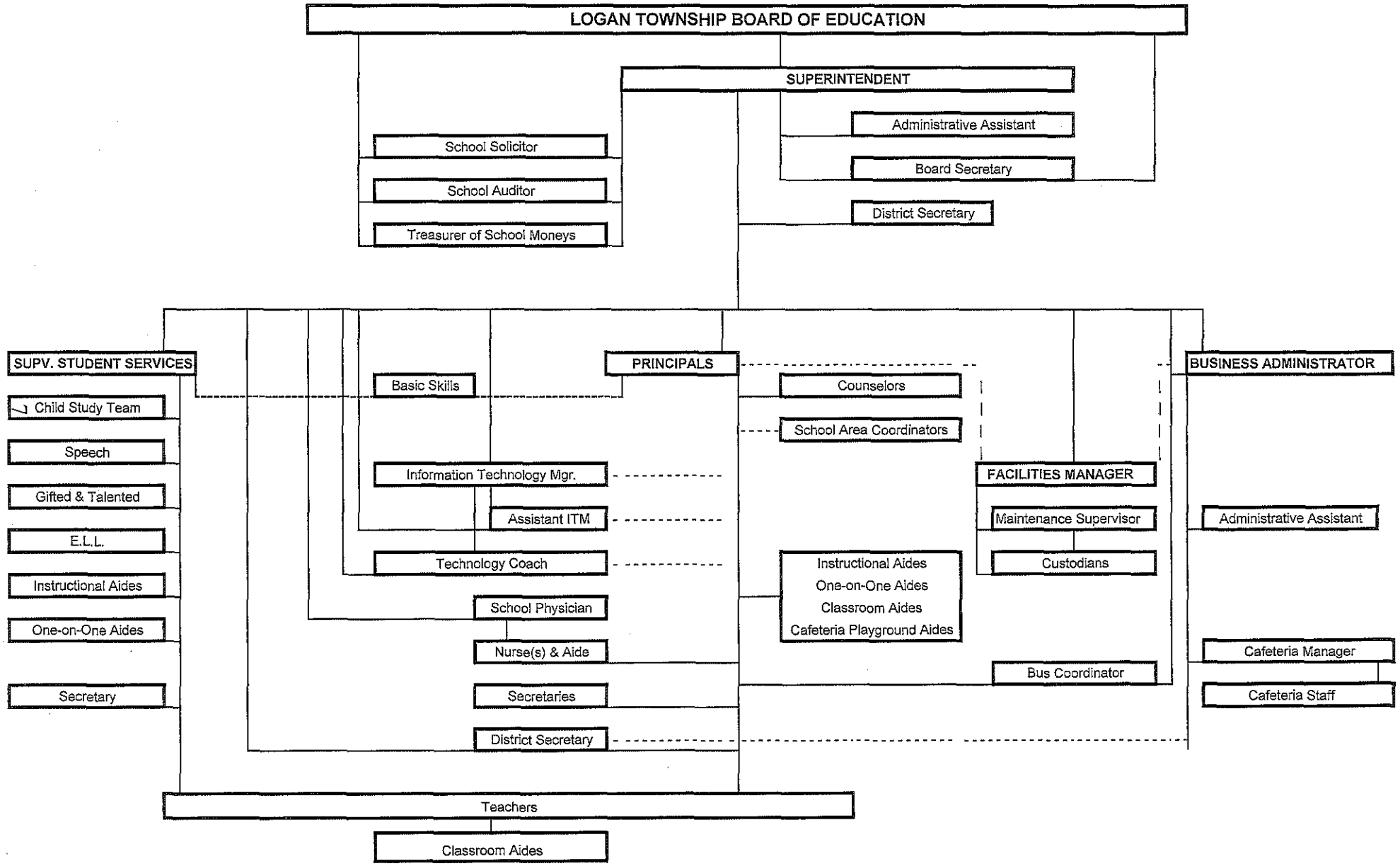
Respectfully submitted,

Patricia L. Haney
Superintendent

Janine M. Wechter
School Business Administrator

LOGAN TOWNSHIP BOARD OF EDUCATION
LOGAN TOWNSHIP, NEW JERSEY

ORGANIZATIONAL CHART
May 2012



LOGAN TOWNSHIP BOARD OF EDUCATION

110 School Lane
Logan Township, New Jersey 08085

ROSTER OF OFFICIALS
JUNE 30, 2012

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Francis E. Donnelly, President	2012
William G. Toner, Jr., Vice President	2013
Brian Bowen	2014
Mary Beth Barnes	2012
Carolyn W. Kegler	2012
Kelley Mason	2013
Shawn Donnelly	2014
Janice Servais	2013
Amy Warlin-Mulholland	2014

OTHER OFFICIALS

Patricia L. Haney, Superintendent

Janine M. Wechter, Business Administrator

Lisa Toff, Board Secretary

Robert L. Best, Treasurer

Alan R. Schmoll, Esq., Solicitor

LOGAN TOWNSHIP BOARD OF EDUCATION
110 School Lane
Logan Township, New Jersey 08085

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Logan Township School District
County of Gloucester
Swedesboro, New Jersey 08085

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 Board of Education of the Logan Township School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Board of Education of the Logan Township School District, County of Gloucester, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2012, on our consideration of the Logan Township Board of Education's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 19 and 55 through 68 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.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

Medford, New Jersey
September 5, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

LOGAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year ended June 30, 2012

UNAUDITED

The discussion and analysis of Logan Township Board of Education annual financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statement to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2011-2012 fiscal year include the following:

- General revenues accounted for $19,106,006 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for $778,513 to total revenues of $19,884,519.
- Total net assets of governmental activities were $8,883,642. Net Assets increase by $1,944,342 from July 1, 2011 to June 30, 2012.
- The General Fund fund balance at June 30, 2012 is $3,064,030, an increase of $1,108,228 when compared with the beginning balance at July 1, 2011 of $1,955,802.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

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

The government-wide financial statements can be found on pages 19 to 21 of this report.

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

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

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

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

  The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

  The basic governmental fund financial statements can be found on pages 22 to 24 of this report.

- **Proprietary funds.** The District maintains one proprietary fund type. The *food service fund* has historically operated as an *enterprise fund* using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the district as a whole.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the District cannot use these funds to finance its operations.

  The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 26 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 to 53 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 54 to 67 of this report.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2012 and 2011.

Table 1
Net Assets

	2012			2011		
Assets	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	3,407,983	82,055	3,490,038	2,047,557	74,915	2,122,472
Capital assets	11,373,574	27,351	11,400,925	11,700,866	32,371	11,733,237
Total Assets	14,781,557	109,406	14,890,963	13,748,423	107,286	13,855,709
Liabilities						
Current and other liabilities	442,206	9,852	452,058	212,896	5,919	218,815
Long-term liabilities	5,455,709		5,455,709	6,596,227		6,596,227
Total liabilities	5,897,915	9,852	5,907,767	6,809,123	5,919	6,815,042
Net assets:						
Invested in capital assets, net of related debt	6,053,975	27,351	6,081,326	5,234,131	32,371	5,266,502
Debt Service	(94,623)		(94,623)	(117,511)		(117,511)
Other purposes	3,198,504		3,198,504	2,081,774		2,081,774
Unrestricted	(274,214)	72,203	(202,011)	(259,094)	68,996	(190,098)
Total Net Assets	8,883,642	99,554	8,983,196	6,939,300	101,367	7,040,667

Table 2 shows the changes in net assets for fiscal year 2012.

Table 2

Changes in Net Assets

	2012			2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Program revenues:						
Charges for services:		$ 224,368	224,368		$ 224,536	224,536
Operating grants & contributions	437,280	116,865	554,145	508,917	100,546	609,463
General Revenues:						
Property Taxes	11,905,912		11,905,912	12,004,146		12,004,146
Grants & Entitlements	6,991,984		6,991,984	6,448,730		6,448,730
Miscellaneous	208,110		208,110	219,920		219,920
Total revenues	19,543,286	341,233	19,884,519	19,181,713	325,082	19,506,795
Expenses:						
Program Expenses:						
Instruction	6,130,756		6,130,756	5,898,597		5,898,597
Tuition	3,231,290		3,231,290	3,584,333		3,584,333
Student & Instruction Related Svcs	1,241,427		1,241,427	1,128,319		1,128,319
School Administration	360,831		360,831	347,943		347,943
General & Business Services	530,397		530,397	520,965		520,965
Plant Operations & Maintenance	1,360,706		1,360,706	1,344,578		1,344,578
Transportation	972,839		972,839	871,551		871,551
Unallocated Benefit Expenses	2,797,928		2,797,928	2,739,236		2,739,236
Interest on long-term liabilities	209,311		209,311	259,683		259,683
Unallocated Depreciation	763,459		763,459	695,911		695,911
Food Service		343,046	343,046		331,553	331,553
Total Expenses	17,598,944	343,046	17,941,990	17,391,116	331,553	17,722,669
Increase (Decrease) in net assets	$ 1,944,342	$ (1,813)	$ 1,942,529	$ 1,790,597	$ (6,471)	$ 1,784,126

Governmental Activities

Property taxes decreased by $98,234, which is a .82 percent decrease over the prior year. This decrease was achieved due to an increase of state aid, in the amount of $180,458, along with the availability of Educational Jobs Funds in the amount of $194,553. The District was able to bring back programs that were previously cut during the 10-11 school year, as well as staff that were previously reduced, all while achieving a decrease in taxes. In addition, deposits were made to capital and maintenance reserves to continue to achieve the Board's goal to continue to upgrade and maintain our facilities.

The Statement of Activities shows the cost of program services and the charges for these services and offsetting grants. Table 3 shows, for government activities, the total cost and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Government Activities

	2012		2011	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$ 6,130,756	$ 5,774,842	$ 5,898,597	$ 5,495,380
Tuition	3,231,290	3,231,290	3,584,333	3,584,333
Student & Instruction Related Svcs	1,241,427	1,160,061	1,128,319	1,022,619
School Administration	360,831	360,831	347,943	347,943
General Admin. & Business Svcs	530,397	530,397	520,965	520,965
Plant Operations & Maintenance	1,360,706	1,360,706	1,344,578	1,344,578
Pupil Transportation	972,839	972,839	871,551	871,551
Unallocated Benefit Expenses	2,797,928	2,797,928	2,739,236	2,739,236
Special Schools	-	-	-	-
Interest on long-term liabilities	209,311	209,311	259,683	259,683
Unallocated Depreciation	763,459	763,459	695,911	695,911
Total Expenses	$ 17,598,944	$ 17,161,664	$ 17,391,116	$ 16,882,199

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

Tuition expenses include the cost of sending the District's students in grades 9 – 12 to Kingsway Regional High School, and all special education out of district placements.

Student & Instruction Related Services expenses include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business services include expenses associated with the administrative and financial supervision of the District.

Plant Operations and Maintenance expenses involve keeping the school grounds, buildings, and equipment in effective working condition and maintaining the safety of all students and staff while on campus.

Pupil Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State Law.

Unallocated benefit expenses include the costs of providing health and welfare insurance programs for the school district staff as well as other fringe benefits.

Interest on long-term liabilities involves the transactions associated with the payment of interest and other related charges to debt of the School District.

Unallocated depreciation is the depreciation expense of the District fixed assets.

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $19,831,864 and expenditures of $18,723,636. The net change in fund balance was most significant in the general fund due to the increase of revenue over the prior year by $764,634, while expenditures only increased $538,413.

General Fund Budgeting Highlights

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

During the course of fiscal 2012 the School District amended its General Fund budget numerous times. Generally these amendments are a reallocation of resources to facilitate changes in spending priorities in the district. The district uses a school-based budgeting system designed to tightly control the total school budget but provide the flexibility for location management.

For the General Fund, the final budget basis revenue was $16,424,371 – an amount very close to the original budget estimate. For the General Fund, the final budget basis expenditures were $17,450,094.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2012, the District had $23,392,298 invested in land, buildings, and equipment; $23,225,299 in governmental activities. Please refer to Note 6 in the Notes to the Financial Statements for additional detail.

Table 4
Capital Assets at June 30, 2012

	2012			2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	115,872		115,872	115,872		115,872
Site Improvements	594,456		594,456	594,456		594,456
Buildings and building improvements	19,105,303		19,105,303	19,105,303		19,105,303
Machinery and Equipment	3,845,835	166,999	4,012,834	3,409,668	166,999	3,576,667
Total	23,661,466	166,999	23,828,465	23,225,299	166,999	23,392,298

Debt

At June 30, 2012, the District had $5,455,709 in debt outstanding; $1,348,127 due within one year. Table 5 summarizes debt outstanding. Please refer to Note 7 in the Notes to the Financial Statements for additional detail.

Table 5
Outstanding Debt at June 30, 2010

	2012		2011	
	Governmental Activities	Total	Governmental Activities	Total
Refunding of 1992 Bonds for the Construction of Logan Elementary School				
2002 School Bonds	1,345,000	1,345,000	2,035,000	2,035,000
Refunding bond issue 2005	3,655,000	3,655,000	4,130,000	4,130,000
Capital Leases	319,599	319,599	301,735	301,735
Compensated Absences	136,110	136,110	129,492	129,492
Total	5,455,709	5,455,709	6,596,227	6,596,227

On April 15, 2002, the District issued $7,630,000.00 general obligation bonds at 3.00 – 5.00 percent variable rates to refund the 1992 School Bonds. The final maturity of these bonds is July 15, 2013. The District will realize a savings of approximately $901,000 over the life of this refunding.

On April 20, 2005, the District issued $4,840,000.00 general obligation bonds at 3.00-4.00 percent variable rates to refund the final 10 years on the 1999 School Bonds. The final maturity of these bonds is July 15, 2018. The District will realize a savings of approximately $145,000.00 over the life of this refunding.

At June 30, 2012, the District's overall legal debt margin was $28,898,710. The District maintains an AAA bond rating.

Current Financial Issues and Concerns

- The Logan Township School District is financially stable. The District is proud of its community support of the public schools. The NJ Department of Education released Accountability Regulations in January 2009. These regulations established additional regulatory authority over district budgets by the Executive County Superintendent, established rules and regulations regarding district travel expenses, administrator compensation, budget preparation, excessive spending, district consolidation, etc.

- In early 2010, the recently elected Governor Christy declared a Fiscal Crisis in the State of New Jersey, curtailing spending statewide. Shortly after that, the District saw an unprecedented reduction in current state aid funding. Logan Township School District was forced to reduce its budget for the fiscal year 2010 by over $1 million and either laid off or reduced hours and benefits for seventeen staff members. Besides these reductions in staffing and staffing hours, the district was able to achieve savings in tuition and transportation in fiscal year 2011 to help offset these cuts. In fiscal year 2012, the District received an increase in state aid, and was therefore able to bring back some programs and staff that were previously cut, make deposits into capital and maintenance reserves, as well as achieving a slight tax decrease for our taxpayers.

- The Logan Township School District's budget for 2012-13 passed for the 27th consecutive year.

- A three-year labor agreement for teachers, aides, and custodians was unanimously approved by the District Board of Education and by the Logan Teacher Education Association (LTEA) on June 28, 2011. The settlement with a 2.5% increase for each of the next three years is considered a reasonable settlement.

- The District routinely monitors the rules and regulations of the ESEA federal legislation to assess and ensure financial compliance.

- It is important that the District continues to be able to complete capital improvement projects. It is one of the Board of Education's goals and a budget priority to continue to upgrade and maintain the physical plants of the district. The Board, through the budget process, has deposited funds into its capital and maintenance reserves during the 11-12 and 12-13 fiscal years. The District completed an energy audit funded by the State of New Jersey Board of Public Utilities to assess energy saving strategies. A sub-committee of the Board of Education continues to evaluate the audit findings and the Board of Education has acted on some of its recommendations.

- The District expects limited growth in enrollment over the next few years. The current schools' capacity is sufficient to accommodate this growth. There is a small tract of property which is close to completion approximately 78 new homes to the community. There were plans being developed and proposed to the township for the development of large parcels of farmland in the Repaupo area of the township. However, the current economic recession which began in 2008 and still grips the nation appears to have halted any further planning for this project. It may be years before the economy rebounds sufficiently for this proposal to become economically viable. Nevertheless, it still must be noted that this proposal has the potential to develop into a significant impact upon the district.

In conclusion, the Logan Township School District has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Requests for Information

This financial report is designed to provide a general overview of the Logan Township School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Logan Township School District, 110 School Lane, Logan Township, NJ 08085. Please visit our website at www.logan.k12.nj.us.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

EXHIBIT A-1

LOGAN TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

			TOTALS	
				(MEMORANDUM ONLY)
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	$2,737,173	63,125	2,800,298	1,941,785
Receivables, Net	295,435	13,928	309,363	174,000
Inventory		5,002	5,002	6,687
Restricted Assets:				
Capital Reserve Account - Cash	375,375		375,375	
Capital Assets, Net (Note 6)	11,373,574	27,351	11,400,925	11,733,237
Total Assets	14,781,557	109,406	14,890,963	13,855,709
LIABILITIES				
Accounts Payable	328,583	3,630	332,213	95,341
Accrued Interest on Debt	94,623		94,623	117,511
Prepaid Lunches		6,222	6,222	5,919
Unearned Revenue	19,000		19,000	44
Noncurrent Liabilities (Note 7):				
Due Within One Year	1,348,127		1,348,127	1,316,893
Due Beyond One Year	4,107,582		4,107,582	5,279,334
Total Liabilities	5,897,915	9,852	5,907,767	6,815,042
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	6,053,975	27,351	6,081,326	5,266,502
Restricted For:				
Debt Service	(94,623)		(94,623)	(117,511)
Other Purposes	3,198,504		3,198,504	2,081,774
Unrestricted	(274,214)	72,203	(202,011)	(190,098)
Total Net Assets	$8,883,642	99,554	8,983,196	7,040,667

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

LOGAN TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS	
							(MEMORANDUM ONLY)
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2012	JUNE 30, 2011
Governmental Activities:							
Instruction:							
Regular	$5,144,823		355,914	(4,788,909)		(4,788,909)	(4,688,839)
Special Education	611,867			(611,867)		(611,867)	(533,494)
Basic Skill/Remedial Instruction	323,731			(323,731)		(323,731)	(240,767)
Other Instruction	50,335			(50,335)		(50,335)	(32,280)
Support Services & Undistributed Costs:							
Tuition	3,231,290			(3,231,290)		(3,231,290)	(3,584,333)
Student & Instruction Related Services	1,241,427		81,366	(1,160,061)		(1,160,061)	(1,022,619)
School Administrative Services	360,831			(360,831)		(360,831)	(347,943)
General & Business Administrative Services	530,397			(530,397)		(530,397)	(520,965)
Plant Operations & Maintenance	1,360,706			(1,360,706)		(1,360,706)	(1,344,578)
Pupil Transportation	972,839			(972,839)		(972,839)	(871,551)
Unallocated Benefits	2,797,928			(2,797,928)		(2,797,928)	(2,739,236)
Interest on Long-Term Debt	209,311			(209,311)		(209,311)	(259,683)
Unallocated Depreciation	763,459			(763,459)		(763,459)	(695,911)
Total Governmental Activities	17,598,944		437,280	(17,161,664)		(17,161,664)	(16,882,199)

LOGAN TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS	
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Business-Type Activities:							
Food Service	343,046	224,368	116,865		(1,813)	(1,813)	(6,471)
Total Business - Type Activities	343,046	224,368	116,865		(1,813)	(1,813)	(6,471)
Total Primary Government	$17,941,990	224,368	554,145	(17,161,664)	(1,813)	(17,163,477)	(16,888,670)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				10,953,584		10,953,584	11,023,468
Taxes Levied for Debt Service				952,328		952,328	980,678
Federal & State Aid Not Restricted				6,991,984		6,991,984	6,448,730
Tuition Received				192,567		192,567	214,851
Miscellaneous Income				15,543		15,543	5,069
Total General Revenues & Transfers				19,106,006		19,106,006	18,672,796
Change In Net Assets				1,944,342	(1,813)	1,942,529	1,784,126
Net Assets - Beginning				6,939,300	101,367	7,040,667	5,256,541
Net Assets - Ending				$8,883,642	99,554	8,983,196	7,040,667

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

B. Fund Financial Statements

Governmental Funds

EXHIBIT B-1

LOGAN TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2012	TOTALS (MEMORANDUM ONLY) JUNE 30, 2011
Assets:					
Cash & Cash Equivalents	$2,846,087			2,846,087	1,985,145
Receivables, Net	171,590	123,845		295,435	147,341
Due from Other Funds	993			993	906
Restrict Cash & Cash Equivalents	375,375			375,375	
Total Assets	$3,394,045	123,845		3,517,890	2,133,392
Liabilities & Fund Balances:					
Liabilities:					
Cash Deficit		108,914		108,914	84,929
Accounts Payable	$311,015	17,568		328,583	73,819
Interfund Payable		993		993	22,428
Deferred Revenue	19,000			19,000	44
Total Liabilities	330,015	127,475		457,490	181,220
Fund Balances:					
Restricted for:					
Year-End Encumbrances	33,864			33,864	104,976
Capital Reserve Account	125,125			125,125	
Maintenance Reserve	250,250			250,250	
Excess Surplus	1,552,755			1,552,755	1,236,510
Excess Surplus Designated for Subsequent Year's Expenditures	1,236,510			1,236,510	351,346
Assigned to:					
Unreserved Designated for Subsequent Year's Year's Expenditures					388,942
Unassigned Fund Balance:					
General Fund	(134,474)			(134,474)	(125,972)
Special Revenue Fund		(3,630)		(3,630)	(3,630)
Total Fund Balances	3,064,030	(3,630)		3,060,400	1,952,172
Total Liabilities & Fund Balances	$3,394,045	123,845	-		
Amounts reported for *governmental activities* in the statement of net assets (A-5) 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 $23,661,466, and the accumulated depreciation is $12,287,892.				11,373,574	11,700,866
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.				(5,455,709)	(6,596,227)
Interest on long-term debt in the statement of activities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(94,623)	(117,511)
Net assets of Governmental Activities				$8,883,642	6,939,300

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

EXHIBIT B-2

LOGAN TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2012	TOTALS (MEMORANDUM ONLY) JUNE 30, 2011
Revenues:					
Local Sources:					
Local Tax Levy	$10,953,584		952,328	11,905,912	12,004,146
Tuition Charges	192,567			192,567	214,851
Miscellaneous	15,543			15,543	5,069
Total Local Sources	11,161,694		952,328	12,114,022	12,224,066
State Sources	6,379,860	36,300	444,334	6,860,494	6,458,976
Federal Sources	167,790	394,980		562,770	498,671
Local Sources		6,000		6,000	
Total Revenues	17,709,344	437,280	1,396,662	19,543,286	19,181,713
Expenditures:					
Current:					
Regular Instruction	4,788,909	355,914		5,144,823	5,092,056
Special Education Instruction	611,867			611,867	533,494
Basic Skills/Remedial - Instruction	323,731			323,731	240,767
Other Instruction	50,335			50,335	32,280
Support Services & Undistributed Costs:					
Tuition	3,231,290			3,231,290	3,584,333
Student & Instruction Related Services	1,430,775	81,366		1,512,141	1,309,254
School Administrative Services	360,831			360,831	347,943
General & Business Administrative Services	530,397			530,397	520,965
Plant Operations & Maintenance	1,360,706			1,360,706	1,341,378
Pupil Transportation	972,839			972,839	871,551
Unallocated Benefits	2,791,310			2,791,310	2,770,024
Capital Outlay	436,704			436,704	216,153
Debt Service:					
Principal			1,165,000	1,165,000	1,160,000
Interest & Other Charges			231,662	231,662	282,180
Total Expenditures	16,889,694	437,280	1,396,662	18,723,636	18,302,378
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	819,650			819,650	879,335
Other Financing Sources/(Uses):					
Capital Lease (Nonbudget)	288,578			288,578	
Transfers In					1,600
Transfers Out					(1,600)
Total Other Financing Sources & Uses	288,578			288,578	
Net Change in Fund Balances	1,108,228			1,108,228	879,335
Fund Balance - July 1	1,955,802	(3,630)		1,952,172	1,072,837
Fund Balance - June 30	$3,064,030	(3,630)	-	3,060,400	1,952,172

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

EXHIBIT B-3

LOGAN TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (From B-2)		$1,108,228
Amounts reported for governmental activities in the statement of activities (A-2) are different as follows:		
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. The amount that exceeded capital outlays is as follows:		
Depreciation Expense	($763,459)	
Capital Outlays	436,167	(327,292)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statements of Net Assets and is not reported in the Statement of Activities.		
Serial Bonds	1,165,000	
Capital Lease Payments	270,714	1,435,714
Proceeds from debt issues are a financing source in the governmental funds. They are not in the revenues in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Capital Lease Proceeds		(288,578)
Interest on long-term debt in the statement of activies is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
Prior Year	117,511	
Current Year	(94,623)	22,888
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-), when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Prior Year	129,492	
Current Year	(136,110)	(6,618)
Change in Net Assets of Governmental Activities		$1,944,342

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

Proprietary Funds

EXHIBIT B-4

LOGAN TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	TOTALS (MEMORANDUM ONLY) JUNE 30, 2012	JUNE 30, 2011
Current Assets:			
Cash & Cash Equivalents	$63,125	63,125	41,569
Accounts Receivable	13,928	13,928	26,659
Inventories	5,002	5,002	6,687
Total Current Assets	82,055	82,055	74,915
Noncurrent Assets:			
Furniture, Machinery & Equipment	166,999	166,999	166,999
Less: Accumulated Depreciation	(139,648)	(139,648)	(134,628)
Total Noncurrent Assets	27,351	27,351	32,371
Total Assets	109,406	109,406	107,286
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,630	3,630	
Prepaid Lunches	6,222	6,222	5,919
Total Liabilities	9,852	9,852	5,919
NET ASSETS			
Investments in Capital Assets	27,351	27,351	32,371
Unrestricted	72,203	72,203	68,996
Total Net Assets	$99,554	99,554	101,367

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

EXHIBIT B-5

LOGAN TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS	(MEMORANDUM ONLY)
	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	$154,496	154,496	158,955
Daily Sales - Nonreimbursable Programs	69,872	69,872	65,581
Total Operating Revenues	224,368	224,368	224,536
Operating Expenses:			
Salaries & Benefits	159,518	159,518	154,338
Supplies & Materials	8,357	8,357	7,966
Cost of Sales	152,746	152,746	145,284
Depreciation	5,020	5,020	5,020
Miscellaneous	17,405	17,405	18,945
Total Operating Expenses	343,046	343,046	331,553
Operating Income/(loss)	(118,678)	(118,678)	(107,017)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	4,044	4,044	3,968
Federal Sources:			
National School Lunch Program	89,097	89,097	78,118
Food Distribution Program	23,508	23,508	18,174
Interest & Investment Revenue	216	216	286
Total Nonoperating Revenues/(Expenses)	116,865	116,865	100,546
Income/(Loss) Before Contributions & Transfers	(1,813)	(1,813)	(6,471)
Change in Net Assets	(1,813)	(1,813)	(6,471)
Total Net Assets - Beginning	101,367	101,367	107,838
Total Net Assets - Ending	$99,554	99,554	101,367

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

EXHIBIT B-6

LOGAN TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
Cash Flows From Operating Activities:			
Receipts from Customers	$242,717	242,717	228,628
Payments to Employees	(159,518)	(159,518)	(154,338)
Payments to Suppliers	(155,000)	(155,000)	(154,021)
Net Cash Provided/(Used) by Operating Activities	(71,801)	(71,801)	(79,731)
Cash Flows From Noncapital Financing Activities:			
State & Federal Sources	93,141	93,141	82,086
Net Cash Provided/(Used) by Noncapital Financing Activities	93,141	93,141	82,086
Cash Flows From Capital & Related Financing Activities:			
Purchase of Capital Assets			(4,426)
Net Cash Provided/(Used) by Capital & Related Financing Activities			(4,426)
Cash Flows From Investing Activities:			
Net Cash Provided/(Used) by Investing Activities	216	216	286
Net Cash Provided/(Used) by Investing Activities	216	216	286
Net Increase/(Decrease) in Cash & Cash Equivalents	21,556	21,556	(1,785)
Balances - Beginning of Year	41,569	41,569	43,354
Balances - End of Year	$63,125	63,125	41,569

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

Operating Income/(Loss)	($118,678)	(118,678)	(107,017)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	5,020	5,020	5,020
Food Distribution Program	23,508	23,508	18,174
Changes in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	12,731	12,731	8,678
(Increase)/Decrease in Inventories	1,685	1,685	2,345
Increase/(Decrease) in Current Liabilities	3,933	3,933	(6,931)
Total Adjustments	46,877	46,877	27,286
Net Cash Provided/(Used) by Operating Activities	($71,801)	(71,801)	(79,731)

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

Fiduciary Fund

EXHIBIT B-7

LOGAN TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	PRIVATE PURPOSE		AGENCY		TOTALS	
						(MEMORANDUM ONLY)
ASSETS	UNEMPLOYMENT COMPENSATION TRUST FUND	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	$6,895	7,245	35,192	204,270	253,602	174,919
Total Assets	6,895	7,245	35,192	204,270	253,602	174,919
LIABILITIES						
Payroll Deductions & Withholdings				192,148	192,148	121,818
Flexible Spending			35,192	12,122	47,314	38,509
Total Liabilities			35,192	204,270	239,462	160,327
NET ASSETS						
Held in Trust for Unemployment Claims Other Purposes	6,895				6,895	6,220
Reserved for Scholarships		7,245			7,245	8,372
Total Net Assets	$6,895	7,245	-	-	14,140	14,592

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

EXHIBIT B-8

LOGAN TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	PRIVATE PURPOSE		TOTALS	
				(MEMORANDUM ONLY)
ADDITIONS	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	JUNE 30, 2012	JUNE 30, 2011
Local Sources:				
Transfer from Payroll Agency Account		$3,679	3,679	8,764
Investment Earnings:				
Interest	$19	$2	21	69
Total Additions	19	3,681	3,700	8,833
DEDUCTIONS				
Quarterly Contributions Reports		3,006	3,006	65,836
Scholarships Awarded	1,146		1,146	150
Total Deductions	1,146	3,006	4,152	65,986
Change in Net Assets	(1,127)	675	(452)	(57,153)
Net Assets - Beginning of the Year	8,372	6,220	14,592	71,745
Net Assets - End of the Year	$7,245	6,895	14,140	14,592

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

LOGAN TOWNSHIP
BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

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

The District has implemented these standards for the fiscal year-ending June 30, 2004. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues;* Statement 37 - Basic *Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section*; Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions.*

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2012 and for the year then ended with comparative totals as of and for the year ended June 30, 2011 (Memorandum Only).

A. Reporting Entity

The Logan Township Board of Education is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The Logan Township Board of Education has an approximate enrollment at June 30, 2012 of 879 students.

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

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization

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

- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

B. District-Wide and Fund Financial Statements

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

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

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

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

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related

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

cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

D. Fund Accounting

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

Governmental Funds

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

As required by the New Jersey Department of Education, Logan Township Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting

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

D. Fund Accounting (continued):

principles (GAAP), as they pertain to governmental entities, state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

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

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

Proprietary Fund

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

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

D. Fund Accounting (continued):

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

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

Food Service Fund:	
Equipment	5-15 Years

Fiduciary Fund

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

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

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

E. Basis of Accounting

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

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

E. Basis of Accounting (continued):

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

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

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

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

F. Budgets/Budgetary Control

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis

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

F. Budgets/Budgetary Control (continued):

of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

Notes to Required Supplementary Information.
Budgetary Comparison Schedule

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	$17,748,955	$437,280
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	466,975	3,630
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(506,586)	(3,630)

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

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$17,709,344	$437,280
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$16,889,694	$437,280
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	$16,889,694	$437,280

G. Encumbrances

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

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

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

H. Cash and Cash Equivalents

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

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

H. Cash and Cash Equivalents (continued):

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

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

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

I. Tuition Receivable/Payable

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2009-2010 have been established and the District has billed/paid the school boards that have adjustments.

J. Inventories & Prepaid Expenses

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

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

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

J. Inventories & Prepaid Expenses (continued):

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets:

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

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

Buildings	20-50 Years
Machinery and Equipment	5-10 Years
Other Improvements	10-20 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is an accrual as of June 30, 2012 for such salaries.

N. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its

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

N. Compensated Absences (continued):

employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

O. Deferred Revenue

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

P. Long-term Obligations

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

Q. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

R. Subsequent Events

Logan Township Board of Education has evaluated subsequent events occurring after June 30, 2012 through the date of September 5, 2012, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2012, and reported at fair value are as follows:

Note 2. Cash and Cash Equivalents (continued):

Type	Carrying Value
Deposits:	
Demand Deposits	$3,429,275
Total Deposits	$3,429,275
Reconciliation of Cash and Cash Equivalents:	
Governmental Activities	$3,112,548
Business-type Activities	63,125
Fiduciary Funds	253,602
Total Cash and Cash Equivalents	$3,429,275

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, the District's bank balance of $3,545,005 was insured or collateralized as follows:

Insured	$ 405,122
Collaterized in the District's Name Under GUDPA (See Note 3)	2,764,507
Collaterized not in the District's Name (New Jersey Cash Management Fund)	375,376
Total	$2,764,507

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2012 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits,

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4. Capital Reserve Account

A capital reserve account was established by the Logan Township Board of Education by inclusion of $150,000 in the original 1995-96 annual capital budget, which was certified for taxes and 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 district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	$ -
Budgeted in 11/12	125,125
Ending Balance, June 30, 2012	$125,125

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2012, the District transferred $100,081 to the capital outlay account.

Note 6. Capital Assets

The following schedule is a summarization of the capital assets by source for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Deletions	June 30, 2012
Land	$ 115,872		$ -	$ 115,872
Site Improvements	594,456			594,456
Buildings	19,105,303			19,105,303
Equipment	3,409,668	$ 436,167		3,845,835
Subtotal	23,225,299	436,167		23,661,466
Accumulated Depreciation	(11,524,433)	(763,459)		(12,287,892)
Total	$11,700,866	$(327,292)	$ -	$11,373,574

Note 6. Capital Assets (continued):

The following schedule is a summarization of the proprietary fund capital assets recorded at historical cost by source for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Deletions	June 30, 2012
Machinery & Equipment	$166,999		$ -	$166,999
Less: Accumulated Depreciation	(134,628)	$(5,020)		(139,648)
Net Fixed Assets	$ 32,371	$(5,020)	$ -	$ 27,351

Note 7. Long-Term Debt

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities reported in the long-term debt:

	Balance 6/30/11	Issued	Retired/ Adjustments	Balance 6/30/12	Due Within One Year
Compensated Absences Payable	$ 129,492	$ 6,618		$ 136,110	
Capital Lease Obligations	301,735	288,578	$ (270,714)	319,599	$ 183,127
Bonds Payable	6,165,000		(1,165,000)	5,000,000	1,165,000
Total	$6,596,227	$295,176	$(1,435,714)	$5,455,709	$1,348,127

Bonds and loans payable have been liquidated in the Debt Service Fund compensated absences have been liquidated in the General Fund.

A. Bonds Payable

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

Principal and interest due on the 2002 Serial Bonds outstanding is as follows:

Note 7. Long-Term Debt (continued):

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	$1,165,000	$ 181,084	$1,346,084
2014	1,160,000	130,678	1,290,678
2015	515,000	95,388	610,338
2016	530,000	74,438	604,438
2017	545,000	53,619	598,619
2018-2019	1,085,000	43,500	1,128,500
Total	$5,000,000	$ 578,657	$5,578,657

B. Bonds Authorized But Not Issued

As of June 30, 2012, the Board had no authorized but not issued bonds.

C. Capital Lease Payable

As of June 30, 2012, the District had eight capital leases outstanding for the acquisition of equipment in the amount of $319,599.

The following is a schedule of the future minimum lease payments under this lease and present value of the net minimum lease payments at June 30, 2012:

Year-ending June 30,	
2013	$183,127
2014	88,304
2015	77,843
2016	10,890
Total Minimum Lease Payments	360,164
Less: Amount Representing Interest	(40,565)
Present Value of Net Minimum Lease Payments	$319,599

D. Interest Expense

No interest expense was capitalized during the fiscal year ending June 30, 2012. Interest expense totaling $231,662 was paid by the debt service fund for the fiscal year ending June 30, 2012.

Note 7. Long-Term Debt (continued):

E. Defeased Bonds

On April 26, 2005, the District issued $4,840,000 of refunding bonds to defease the School District's bonds dated June 29, 1999, maturing in the years 2009 through 2018; and pay costs and expenses incidental to the issuance of the bonds. The purpose of the refinancing was to achieve debt service savings.

The District has placed the proceeds from the refunding issue in an irrevocable escrow account with an agent to ensure payment of debt service on the refunding bonds.

Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the District's financial statements. Although defeased, the refinanced debt from the earlier issue will not actually be retired until the call dates have come due.

Note 8. Pension Plans

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

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency,

Note 8. Pension Plans (continued):

provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:66* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

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

Note 8. Pension Plans (continued):

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

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

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

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation, as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	$115,174	100%	$ -0-
6/30/11	107,244	100%	-0-
6/30/10	83,271	100%	-0-

Three-Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	$594,120	100%	$ -0-
6/30/11	421,299	100%	-0-
6/30/10	407,954	100%	-0-

During the year ended June 30, 2012 the State of New Jersey contributed $594,120 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District $440,166 for the year ended June 30, 2012 for the employer's

Note 8. Pension Plans (continued):

share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

Note 10. Risk Management

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

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

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

Note 10. Risk Management (continued):

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2011-2012	$ 2	$ 3,679	$ 3,006	$ 6,895
2010-2011	43	8,764	65,836	6,220
2009-2010	137	12,065	5,100	63,249

Joint Insurance Fund – The Township of Logan School District participates in the School Alliance Insurance Fund (SAIF), which was formed in 1996. SAIF is a Joint Insurance Fund organized under New Jersey law and is regulated by the New Jersey Department of Banking and Insurance. The Fund provides its members with the following coverage's:

Property – Blanket Building and Grounds
Boiler and Machinery
General and Automobile Liability
Workers' Compensation
School Board Legal Liability
Crime Coverage
Pollution

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 12. Economic Dependency

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

Note 13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2012:

Fund	Interfund Receivable	Interfund Payable
General Fund	$993	
Special Revenue	____	$993
Total	$993	$993

The purpose of these interfunds is short-term borrowing.

Note 14. GASB #54 – Fund Balance Disclosures

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

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

Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund (Exhibit B-1) – Of the $3,064,030 General Fund balance at June 30, 2012; $33,864 has been restricted for year-end encumbrances; $250,250 has been restricted for Maintenance Reserve; $125,125 has been restricted for Capital Reserve; $1,236,510 has been restricted as excess surplus and has been appropriated and included as anticipated revenue for year ending June 30, 2012: $1,552,755 has been restricted for excess surplus and $(134,474) is unassigned.

Note 15. Deferred Compensation

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

AXA Equitable ING Financial Services

Note 16. Compensated Absences

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2012 is $136,110.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary fund types.

Note 17. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is 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 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, 2012 is $1,552,755.

Note 18. Inventory

Inventory in the food service fund at June 30, 2012, consisted of the following:

Food	$4,045
Supplies	957
Total	$5,002

The value of federal donated commodities as reflected on Schedule A (required by Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

LOGAN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Revenues:											
Local Sources:											
Local Tax Levy	10-1210-000-000	$10,953,584		10,953,584	10,953,584		11,023,468		11,023,468	11,023,468	
Tuition	10-1300-000-000	142,900		142,900	192,567	49,667	236,000		236,000	214,851	(21,149)
Interest Earned on Capital Reserve	10-1000-000-000	125		125		(125)					
Interest Earned on Maintenance Reserve	10-1000-000-000	250		250	1	(249)					
Miscellaneous	10-1000-000-000	10,000		10,000	15,542	5,542	41,300		41,300	5,069	(36,231)
Total Local Sources		11,106,859		11,106,859	11,161,694	54,835	11,300,768		11,300,768	11,243,388	(57,380)
State Sources:											
Extraordinary Aid	10-3000-000-000				47,288	47,288				22,316	22,316
Other State Aid	10-3200-000-000				7,716	7,716				8,877	8,877
Categorical Special Education Aid	10-3132-000-000	600,222		600,222	600,222		600,222		600,222	600,222	
Equalization Aid	10-3176-000-000	4,244,110		4,244,110	4,244,110		4,244,110		4,244,110	4,244,110	
Categorical Security Aid	10-3177-000-000	100,890		100,890	100,890		100,890		100,890	100,890	
Categorical Transportation Aid	10-3121-000-000	204,500		204,500	382,405	177,905	24,042		24,042	24,042	
Adjustment Aid	10-3178-000-000				2,554	2,554					
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					594,120	594,120				421,299	421,299
Reimbursed TPAF Social Contributions					440,166	440,166				441,092	441,092
Total State Sources		5,149,722		5,149,722	6,419,471	1,269,749	4,969,264		4,969,264	5,862,848	893,584
Federal Sources:											
Education Jobs Fund		161,695	6,095	167,790	167,790			32,858	32,858	32,083	(775)
Total Federal Sources		161,695	6,095	167,790	167,790			32,858	32,858	32,083	(775)
Total Revenues		16,418,276	6,095	16,424,371	17,748,955	1,324,584	16,270,032	32,858	16,302,890	17,138,319	835,429
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool	11-105-100-101	72,888	15	72,903	71,535	1,368	99,181	(47,882)	51,299	48,327	2,972
Kindergarten	11-110-100-101	463,395	(37,724)	425,671	424,333	1,338	464,134	210	464,344	463,407	937
Grades 1 - 5	11-120-100-101	1,991,834	(74,833)	1,917,001	1,880,323	36,678	1,985,739	(24,546)	1,961,193	1,955,088	6,105
Grades 6 - 8	11-130-100-101	1,704,495	2,734	1,707,229	1,668,174	39,055	1,548,732	139,775	1,688,507	1,626,398	62,109

LOGAN TOWNSHIP BOARD OF EDUCATION
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FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Instruction - Regular Programs:											
Home Instruction:											
Salaries of Teachers	11-150-100-101	4,000		4,000		4,000	4,000	(1,900)	2,100		2,100
Purchased Professional - Educational Services	11-150-100-320	2,500		2,500	1,676	824	2,500	1,900	4,400	4,320	80
Other Purchased Services	11-150-100-500	100		100		100	100		100		100
Regular Programs - Undistributed Instruction:											
Purchased Professional - Educational Services	11-190-100-320	7,500		7,500	920	6,580					
Purchased Technical Services	11-190-100-340	120,450	(31,450)	89,000	70,529	18,471	75,550	(2,000)	73,550	60,818	12,732
Other Purchased Services	11-190-100-500	421,782	9,184	430,966	409,045	21,921	339,517	(14,100)	325,417	296,580	28,837
General Supplies	11-190-100-610	267,233	23,443	290,676	212,390	78,286	242,696	(3,515)	239,181	192,827	46,354
Textbooks	11-190-100-640	43,496	8,447	51,943	43,405	8,538	40,991	1,015	42,006	33,982	8,024
Other Objects	11-190-100-800	11,675	95	11,770	6,579	5,191	8,165	325	8,490	7,092	1,398
Total Regular Programs - Instruction		5,111,348	(100,089)	5,011,259	4,788,909	222,350	4,811,305	49,282	4,860,587	4,688,839	171,748
Special Education:											
Learning & Language Disabilities:											
Salaries of Teachers	11-204-100-101	80,717	33,582	114,299	113,977	322	79,524	3,120	82,644	82,636	8
Other Salaries for Instruction	11-204-100-106	20,560	291	20,851	20,851		20,000	620	20,620	20,617	3
General Supplies	11-204-100-610	700		700	160	540	875		875	198	677
Total Learning & Language Disabilities		101,977	33,873	135,850	134,988	862	100,399	3,740	104,139	103,451	688
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	109,425	(25,595)	83,830	83,682	148	108,667	4,421	113,088	103,488	9,600
Other Salaries for Instruction	11-212-100-106	21,160	179	21,339	21,244	95	20,600	690	21,290	21,286	4
General Supplies	11-212-100-610	1,200	15	1,215	1,215		1,750		1,750	1,645	105
Total Multiple Disabilities		131,785	(25,401)	106,384	106,141	243	131,017	5,111	136,128	126,419	9,709
Resource Room/Resource Center:											
Salaries of Teachers	11-213-100-101	258,992	59,269	318,261	318,260	1	258,008	(3,953)	254,055	254,037	18
Other Salaries for Instruction	11-213-100-106	21,760	(157)	21,603	21,341	262	21,200	(310)	20,890	19,973	917
General Supplies	11-213-100-610	2,200	952	3,152	3,147	5	2,800		2,800	2,583	217
Total Resource Room/Resource Center		282,952	60,064	343,016	342,748	268	282,008	(4,263)	277,745	276,593	1,152
Preschool Disabilities - Part-Time:											
Salaries of Teachers	11-215-100-101	26,916	625	27,541	27,540	1	26,527		26,527	26,374	153
General Supplies	11-215-100-610	450		450	450		663		663	657	6

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FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Total Preschool Disabilities - Part-Time		27,366	625	27,991	27,990	1	27,190		27,190	27,031	159
Total Special Education		544,080	69,161	613,241	611,867	1,374	540,614	4,588	545,202	533,494	11,708
Basic Skills/Remedial:											
Salaries of Teachers	11-230-100-101	253,567	67,948	321,515	321,506	9	288,756	(49,209)	239,547	239,542	5
General Supplies	11-230-100-610	2,225		2,225	2,225		1,225		1,225	1,225	
Total Basic Skills/Remedial		255,792	67,948	323,740	323,731	9	289,981	(49,209)	240,772	240,767	5
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	26,500		26,500	20,648	5,852	14,600		14,600	13,128	1,472
Purchased Services	11-401-100-500	4,050		4,050		4,050	15,000		15,000		15,000
Supplies and Materials	11-401-100-600	15,600		15,600	7,921	7,679	8,000		8,000	5,677	2,323
Total School Sponsored Cocurricular Activities		46,150		46,150	28,569	17,581	37,600		37,600	18,805	18,795
Other Instructional Programs - Instruction:											
Salaries	11-403-100-100	4,400		4,400	4,400		4,000	930	4,930	4,928	2
Purchased Services	11-403-100-500	3,100	200	3,300	3,300		2,800		2,800	2,800	
Supplies and Materials	11-403-100-600	2,200	(200)	2,000	886	1,114	2,000	(680)	1,320	1,312	8
Total Other Instructional Programs - Instruction		9,700		9,700	8,586	1,114	8,800	250	9,050	9,040	10
Before/After School Programs - Instruction:											
Salaries	11-421-100-101	6,883		6,883	4,008	2,875	6,700		6,700	4,435	2,265
Supplies and Materials	11-421-100-600	1,000		1,000	755	245					
Total Before/After School Programs - Instruction		7,883		7,883	4,763	3,120	6,700		6,700	4,435	2,265
Summer School - Instruction:											
Salaries	11-422-100-101	19,005	(3,500)	15,505	8,335	7,170					
Other Salaries of Instruction	11-422-100-106	3,489		3,489	82	3,407					
Supplies and Materials	11-422-100-610										
Total Summer School - Instruction		22,494	(3,500)	18,994	8,417	10,577					
Total Instruction		5,997,447	33,520	6,030,967	5,774,842	256,125	5,695,000	4,911	5,699,911	5,495,380	204,531

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FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Undistributed Expenditures:											
Instruction:											
Tuition to Other LEA's -State Regular	11-000-100-561	2,108,939	232,501	2,341,440	2,341,360	80	2,586,638		2,586,638	2,515,132	71,506
Tuition to Other LEA's -State Special	11-000-100-562	535,418	(227,384)	308,034	120,594	187,440	685,495	(2,200)	683,295	383,907	299,388
Tuition to County Vocational Regular	11-100-100-563	106,080		106,080	95,472	10,608	94,000		94,000	94,000	
Tuition to County Vocational Special	11-100-100-564	64,810	4,300	69,110	69,086	24	65,580	9,454	75,034	73,034	2,000
Tuition to County Special Services & Day Schools	11-000-100-565	581,040	(51,738)	529,302	335,782	193,520	462,270	(9,454)	452,816	360,455	92,361
Tuition to Private Schools for the Handicapped - State	11-100-100-566	226,680	42,321	269,001	268,996	5	272,738		272,738	157,805	114,933
Total Undistributed Expenditures - Instruction		3,622,967		3,622,967	3,231,290	391,677	4,166,721	(2,200)	4,164,521	3,584,333	580,188
Attendance & Social Work Services:											
Salaries of Teachers	11-000-211-100	8,857	4,386	13,243	13,011	232	10,171		10,171	8,725	1,446
Total Attendance & Social Work Services		8,857	4,386	13,243	13,011	232	10,171		10,171	8,725	1,446
Health Services:											
Salaries	11-000-213-100	144,618	(8,735)	135,883	135,642	241	125,666		125,666	125,572	94
Purchased Professional & Technical Services	11-000-213-300	3,500		3,500	1,750	1,750	3,500		3,500	3,500	
Other Purchased Services	11-000-213-500	6,130	(415)	5,715	5,226	489	6,996	(219)	6,777	4,854	1,923
Supplies and Materials	11-000-213-600	2,306	33	2,339	1,561	778	1,790	500	2,290	1,662	628
Other Objects	11-000-213-800	673	860	1,533	997	536	860	(281)	579	568	11
Total Health Services		157,227	(8,257)	148,970	145,176	3,794	138,812		138,812	136,156	2,656
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	152,528	79	152,607	151,451	1,156	150,309		150,309	147,929	2,380
Purchased Professional - Educational Services	11-000-216-320	75,350		75,350	72,563	2,787	49,650		49,650	45,988	3,662
Supplies and Materials	11-000-216-600	1,350	1,172	2,522	2,522		2,630		2,630	1,461	1,169
Total Other Support Services - Students - Related Services		229,228	1,251	230,479	226,536	3,943	202,589		202,589	195,378	7,211

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FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Other Support Services - Special Education - Extraordinary Services:											
Salaries	11-000-217-100	184,291	29,070	213,361	213,360	1	147,930		147,930	137,224	10,706
Other Objects	11-000-217-800							2,200	2,200	2,121	79
Total Other Support Services - Special Education - Extraordinary Services		184,291	29,070	213,361	213,360	1	147,930	2,200	150,130	139,345	10,785
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	39,372	18,952	58,324	58,324		31,810	19,130	50,940	50,402	538
Other Purchased Professional & Technical Services	11-000-218-390	1,800	578	2,378	1,827	551	3,500	50	3,550	2,970	580
Supplies and Materials	11-000-218-600	100		100		100	7,050		7,050	5,298	1,752
Total Other Support Services - Students- Regular		41,272	19,530	60,802	60,151	651	42,360	19,180	61,540	58,670	2,870
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	292,484	1,555	294,039	294,039		286,720	1,445	288,165	288,161	4
Salaries of Secretarial & Clerical Assistants	11-000-219-105	40,407	397	40,804	40,804		40,780		40,780	39,809	971
Purchased Professional - Technical Services	11-000-219-390	3,500	1,879	5,379	5,379		4,725		4,725	1,275	3,450
Miscellaneous Purchased Service	11-000-219-592	8,500	(2,031)	6,469	3,463	3,006	5,000		5,000	3,404	1,596
Supplies and Materials	11-000-219-600	2,500	1,629	4,129	4,121	8	4,000		4,000	1,326	2,674
Total Other Support Services - Students Special Services		347,391	3,429	350,820	347,806	3,014	341,225	1,445	342,670	333,975	8,695
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries of Supervisors of Instruction	11-000-221-102	105,545	1,475	107,020	102,469	4,551	104,841	7,400	112,241	112,236	5
Salaries of Secretarial & Clerical Assistants	11-000-221-105		18,582	18,582	17,030	1,552					

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	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Improvement of Instruction Services/Other Support Services - Instruction Staff (continued):											
Purchased Professional - Educational Services	11-000-221-320	88,000	(17,771)	70,229	66,587	3,642	46,800		46,800	46,146	654
Other Purchased Services	11-000-221-500	1,500		1,500	209	1,291					
Total Improvement of Instruction Services/ Other Support Services Instructional Staff		195,045	2,286	197,331	186,295	11,036	151,641	7,400	159,041	158,382	659
Educational Media Services/School Library:											
Salaries	11-000-222-100	75,047	39,035	114,082	110,662	3,420	95,702	(1,880)	93,822	78,387	15,435
Salaries of Technology Coordinators	11-000-222-177	91,350	(15,524)	75,826	46,333	29,493	71,195	500	71,695	71,678	17
Purchased Professional & Technical Services	11-000-222-300	5,000		5,000	3,063	1,937	5,000	(424)	4,576		4,576
Other Purchased Services	11-000-222-500	14,000	9,935	23,935	19,061	4,874	8,000		8,000	7,290	710
Supplies and Materials	11-000-222-600	23,600	407	24,007	23,838	169	13,600		13,600	11,365	2,235
Total Educational Media Services/Library		208,997	33,853	242,850	202,957	39,893	193,497	(1,804)	191,693	168,720	22,973
Instructional Staff Training Services:											
Purchased Professional - Educational Services	11-000-223-320	25,000	19,973	44,973	21,169	23,804	10,000	(1,000)	9,000	4,030	4,970
Other Purchased Services	11-000-223-500	13,500	3,036	16,536	11,697	4,839					
Supplies & Materials	11-000-223-600	800	2,500	3,300	2,617	683	1,000		1,000	173	827
Other Objects	11-000-223-800	1,000	(1,000)								
Total Instructional Staff Training Services		40,300	24,509	64,809	35,483	29,326	11,000	(1,000)	10,000	4,203	5,797
Support Services General Administration:											
Salaries	11-000-230-100	175,833	7,217	183,050	183,050		173,653	860	174,513	173,884	629
Legal Services	11-000-230-331	20,000	(3,600)	16,400	14,056	2,344	14,000	(740)	13,260	10,217	3,043
Audit Fees	11-000-230-332	21,318		21,318	18,800	2,518	20,900		20,900	20,900	
Other Purchased Professional Services	11-000-230-339	10,930	8,500	19,430	8,500	10,930	19,430		19,430	7,500	11,930
Purchased Technical Services	11-000-230-340	10,000	321	10,321	2,071	8,250	8,000		8,000	5,664	2,336
Communications/Telephone	11-000-230-530	18,210	3,600	21,810	20,691	1,119	25,500		25,500	13,911	11,589
BOE Other Purchased Services	11-000-230-585	5,720		5,720	232	5,488	7,320		7,320	250	7,070
Other Purchased Services	11-000-230-590	34,774	(1,601)	33,173	24,363	8,810	33,155	1,000	34,155	31,104	3,051
General Supplies	11-000-230-610	4,800	53	4,853	2,840	2,013	4,800		4,800	2,728	2,072

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Support Services General Administration (continued):											
BOE In-House Training/Meeting Supplies	11-000-230-630	1,150		1,150	591	559	1,000		1,000	876	124
Miscellaneous Expenditures	11-000-230-890	3,000		3,000	2,334	666	3,000		3,000	2,285	715
BOE Membership Dues & Fees	11-000-230-895	11,853		11,853	9,918	1,935	11,485		11,485	11,014	471
Total Support Services General Administration		317,588	14,490	332,078	287,446	44,632	322,243	1,120	323,363	280,333	43,030
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	226,201	11,651	237,852	237,848	4	225,307		225,307	222,857	2,450
Salaries of Secretarial & Clerical Assistants	11-000-240-105	119,164	1,134	120,298	119,173	1,125	110,060	7,405	117,465	116,451	1,014
Other Purchased Services	11-000-240-500	13,550	150	13,700	1,582	12,118	8,290		8,290	2,966	5,324
Supplies and Materials	11-000-240-600	8,300	1,204	9,504	2,228	7,276	7,000		7,000	5,669	1,331
Total Support Services School Administration		367,215	14,139	381,354	360,831	20,523	350,657	7,405	358,062	347,943	10,119
Central Services:											
Salaries	11-000-251-100	155,923	(66,639)	89,284	89,284		176,209	(22,571)	153,638	153,618	20
Purchased Professional Services	11-000-251-330	8,320		8,320	7,601	719	8,757	(2,000)	6,757	6,653	104
Purchased Technical Services	11-000-251-340	1,100	57,918	59,018	57,956	1,062	2,375	13,605	15,980	13,268	2,712
Miscellaneous Purchased Services	11-000-251-592	9,095	(5,082)	4,013	481	3,532	8,700	(4,000)	4,700	1,470	3,230
Supplies and Materials	11-000-251-600	4,000	541	4,541	4,018	523	4,000	(20)	3,980	3,388	592
Miscellaneous Expenditures	11-000-251-890	1,115		1,115	100	1,015	1,115		1,115	1,084	31
Total Central Services		179,553	(13,262)	166,291	159,440	6,851	201,156	(14,986)	186,170	179,481	6,689
Administrative Information Technology:											
Salaries	11-000-252-100	54,478	13,344	67,822	66,445	1,377	45,455		45,455	44,805	650
Purchased Technical Services	11-000-252-340	17,498		17,498	17,066	432	15,922	424	16,346	16,346	
Total Administrative Information Technology		71,976	13,344	85,320	83,511	1,809	61,377	424	61,801	61,151	650
Allowable Maintenance for School Facilities:											
Salaries	11-000-261-100	72,006	1,724	73,730	71,296	2,434	72,256		72,256	68,729	3,527
Cleaning, Repair & Maintenance Services	11-000-261-420	34,200	15,316	49,516	46,824	2,692	31,970	2,300	34,270	33,697	573
General Supplies	11-000-261-610	57,850	1,471	59,321	51,068	8,253	28,000	16,033	44,033	39,939	4,094
Total Allowable Maintenance for School Facilities		164,056	18,511	182,567	169,188	13,379	132,226	18,333	150,559	142,365	8,194

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Operation & Maintenance of Plant Services & School Facilities:											
Salaries	11-000-262-100	82,496	805	83,301	82,353	948	79,232		79,232	78,273	959
Salaries of Noninstructional Aides	11-000-262-107	36,277	15,115	51,392	34,474	16,918	35,355	2,240	37,595	27,777	9,818
Purchased Professional & Technical Services	11-000-262-300	6,000		6,000		6,000					
Cleaning, Repair & Maintenance Services	11-000-262-420	597,271	(2,650)	594,621	568,648	25,973	548,967	(3,590)	545,377	530,861	14,516
Other Purchased Property Services	11-000-262-490	49,950	676	50,626	50,625	1	49,950		49,950	48,350	1,600
Insurance	11-000-262-520	50,043	(19,565)	30,478	30,478		46,154	600	46,754	46,529	225
Miscellaneous Purchased Services	11-000-262-590		18	18	18						
General Supplies	11-000-262-610	21,400	17,776	39,176	34,038	5,138	21,400	4,969	26,369	16,257	10,112
Energy (Natural Gas)	11-000-262-621	81,600	(2,676)	78,924	53,108	25,816	81,600	15,400	97,000	83,053	13,947
Energy (Electricity)	11-000-262-622	314,500		314,500	271,312	43,188	314,500	(16,000)	298,500	292,486	6,014
Other Objects	11-000-262-800	800	(209)	591	591		800		800	507	293
Total Operation & Maintenance of Plant Services & School Facilities		1,240,337	9,290	1,249,627	1,125,645	123,982	1,177,958	3,619	1,181,577	1,124,093	57,484
Care & Upkeep of Grounds:											
Other Purchased Professional Technical Services	11-000-263-300	62,200	(8,859)	53,341	50,645	2,696	61,500	9,384	70,884	59,172	11,712
Total Care & Upkeep of Grounds		62,200	(8,859)	53,341	50,645	2,696	61,500	9,384	70,884	59,172	11,712
Security:											
Other Purchased Professional Technical Services	11-000-266-300	15,000		15,000	10,948	4,052	15,000	(2,510)	12,490	11,633	857
Cleaning, Repair & Maintenance Services	11-000-266-420	9,128	(4,848)	4,280	4,280		9,128	(5,012)	4,116	4,115	1
Total Security		24,128	(4,848)	19,280	15,228	4,052	24,128	(7,522)	16,606	15,748	858
Student Transportation Services:											
Salaries of Noninstructional Aides	11-000-270-107	1,651	(64)	1,587		1,587		1,600	1,600	1,582	18
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	35,426	6,349	41,775	40,525	1,250	17,877	8,300	26,177	26,177	
Other Purchased Professional Technical Services	11-000-270-390	12,000	(8,695)	3,305	3,305		2,000	250	2,250	2,225	25
Contracted Services (Between Home & School) - Vendors	11-000-270-511	460,238	(9,195)	451,043	451,043		440,134	24,797	464,931	452,912	12,019

LOGAN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Student Transportation Services (continued):											
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	37,898	(6,103)	31,795	31,795		87,958		87,958	24,072	63,886
Contracted Services (Special Education Students) - Vendors	11-000-270-514	14,304	(12,653)	1,651	1,651		14,130		14,130		14,130
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-515	357,700	47,830	405,530	405,530		405,000	(24,797)	380,203	326,699	53,504
Contracted Service - Aid in Lieu of Payments	11-000-270-503	44,200	(5,210)	38,990	38,990		45,700	(250)	45,450	37,884	7,566
Miscellaneous Expenditures	11-000-270-800	75	(75)				75		75		75
Total Student Transportation Services		963,492	12,184	975,676	972,839	2,837	1,012,874	9,900	1,022,774	871,551	151,223
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	11-000-291-220	109,812		109,812	100,893	8,919	91,948		91,948	91,471	477
Other Retirement Contribution - PERS	11-000-291-241	120,000	(886)	119,114	115,174	3,940	87,224	20,020	107,244	107,244	
Other Retirement Contribution - Regular	11-000-291-249	7,871	1,720	9,591	9,591			2,530	2,530	2,525	5
Unemployment Compensation	11-000-291-250	120,000	(4,584)	115,416	18,840	96,576	290,000	(10,310)	279,690	20,973	258,717
Workmen's Compensation	11-000-291-260	62,564	(14,847)	47,717	47,717		57,701		57,701	56,876	825
Health Benefits	11-000-291-270	1,823,938	11,480	1,835,418	1,442,378	393,040	1,904,009	(20,020)	1,883,989	1,594,710	289,279
Tuition Reimbursements	11-000-291-280	35,000		35,000	14,496	20,504	35,000		35,000	22,947	12,053
Other Employee Benefits	11-000-291-290	9,400		9,400	7,935	1,465	11,300	3,148	14,448	10,887	3,561
Total Unallocated Benefits - Employee Benefits		2,288,585	(7,117)	2,281,468	1,757,024	524,444	2,477,182	(4,632)	2,472,550	1,907,633	564,917
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					594,120	(594,120)				421,299	(421,299)
Reimbursed TPAF Social Security Contributions					440,166	(440,166)				441,092	(441,092)
Total Undistributed Expenditures		10,714,705	157,929	10,872,634	10,678,148	194,486	11,227,247	48,266	11,275,513	10,639,748	635,765
Total Expenditures - Current Expense		16,712,152	191,449	16,903,601	16,452,990	450,611	16,922,247	53,177	16,975,424	16,135,128	840,296
Capital Outlay:											
Interest Deposit to Capital Reserve	10-604-000-000	125		125		125					
Increase in Capital Reserve	10-604-000-000	125,000		125,000		125,000					
Increase in Maintenance Reserve	10-606-000-000	250,000		250,000		250,000					
Interest Deposit to Maintenance Reserve	10-606-000-000	250		250		250					

LOGAN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Equipment:											
Undistributed Expenditures:											
Instruction	12-400-100-730	5,000	34,959	39,959	38,432	1,527		6,300	6,300	6,145	155
Maintenance of School Facilities	12-000-261-730		28,122	28,122	27,707	415	90,800	(10,700)	80,100	60,097	20,003
Security	12-000-266-730						17,378		17,378	16,478	900
Assets Acquired Under Capital Lease (Nonbudget) - Instruction					288,578	(288,578)					
Facilities Acquisition & Construction Services:											
Other Purchased Professional & Technical Services	12-000-400-390							3,200	3,200	3,200	
Construction Services	12-000-400-450	65,500	37,000	102,500	81,450	21,050	130,945		130,945	129,309	1,636
Other Objects	12-000-400-800	537		537	537		924		924	924	
Capital Reserve - Transfer to Repayment of Debt	12-000-400-933									1,600	(1,600)
Total Capital Outlay		446,412	100,081	546,493	436,704	109,789	240,047	(1,200)	238,847	217,753	21,094
Total Expenditures		17,158,564	291,530	17,450,094	16,889,694	560,400	17,162,294	51,977	17,214,271	16,352,881	861,390
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(740,288)	(285,435)	(1,025,723)	859,261	1,884,984	(892,262)	(19,119)	(911,381)	785,438	1,696,819
Other Financing Sources/(Uses):											
Capital Lease (Nonbudget)					288,578	288,578					
Total Other Financing Sources/(Uses)					288,578	288,578					

LOGAN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	JUNE 30, 2012				VARIANCE FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FAVORABLE/ (UNFAVORABLE)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)	(740,288)	(285,435)	(1,025,723)	1,147,839	2,173,562	(892,262)	(19,119)	(911,381)	785,438	1,696,819
Fund Balances, July 1	2,422,777		2,422,777	2,422,777		1,637,339		1,637,339	1,637,339	
Fund Balances, June 30	$1,682,489	(285,435)	1,397,054	3,570,616	2,173,562	745,077	(19,119)	725,958	2,422,777	1,696,819

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Encumbrances	104,976
Increase in State Aid	180,459
Total	285,435

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Year-End Encumbrances	$33,864
Capital Reserve	125,125
Maintenance Reserve	250,250
Excess Surplus - Designated for Subsequent Year	1,236,510
Excess Surplus	1,552,755
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	
Unassigned Fund Balance	372,112
Subtotal	3,570,616
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(506,586)
Fund Balance per Governmental Funds (GAAP)	$3,064,030

LOGAN TOWNSHIP BOARD OF EDUCATION
EDUCATION JOBS FUND PROGRAM -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

REVENUES	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Federal Sources		$161,695	6,095	167,790	167,790				32,858	32,083	775
Total Revenues		161,695	6,095	167,790	167,790				32,858	32,083	775
EXPENDITURES:											
Basic Skills/Remedial:											
Salaries of Teachers	18-230-100-101	37,272		37,272	37,272				23,930	23,929	1
Total Basic Skills/Remedial		37,272		37,272	37,272				23,930	23,929	1
Attendance & Social Work Services:											
Salaries of Teachers	18-000-211-100	4,386		4,386	4,386						
Total Attendance & Social Work Services		4,386		4,386	4,386						
Health Services:											
Salaries	18-000-213-100	13,157		13,157	13,157						
Total Health Services		13,157		13,157	13,157						
Other Support Services - Special Education - Extraordinary Services:											
Salaries	18-000-217-100	35,655		35,655	35,655				3,900	3,362	538
Total Other Support Services - Special Education - Extraordinary Services		35,655		35,655	35,655				3,900	3,362	538
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries of Secretarial & Clerical Assistants	18-000-221-105	17,030		17,030	17,030						

LOGAN TOWNSHIP BOARD OF EDUCATION
EDUCATION JOBS FUND PROGRAM -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

REVENUES	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Total Improvement of Instruction Services/ Other Support Services Instructional Staff		17,030		17,030	17,030						
Educational Media Services/School Library:											
Salaries	18-000-222-100	27,600	6,095	33,695	33,695				220	174	46
Total Educational Media Services/Library		27,600	6,095	33,695	33,695				220	174	46
Operation & Maintenance of Plant Services & School Facilities:											
Salaries of Noninstructional Aides	18-000-262-107	15,115		15,115	15,115				1,660	1,654	6
Total Operation & Maintenance of Plant Services & School Facilities		15,115		15,115	15,115				1,660	1,654	6
Unallocated Benefits - Employee Benefits:											
Health Benefits	18-000-291-270	11,480		11,480	11,480				3,148	2,964	184
Total Unallocated Benefits - Employee Benefits		11,480		11,480	11,480				3,148	2,964	184
Total Expenditures		161,695	6,095	167,790	167,790				32,858	32,083	775
Total Outflows		161,695	6,095	167,790	167,790				32,858	32,083	775
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)		$ -	-	-	-	-	-	-	-	-	-

EXHIBIT C-2

LOGAN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE)	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
REVENUES:										
State Sources	$36,300		36,300	36,300		36,300	2,803	39,103	36,300	(2,803)
Federal Sources	305,377	95,969	401,346	394,980	(6,366)	349,982	155,420	505,402	466,588	(38,814)
Local Sources		6,000	6,000	6,000						
Total Revenues	341,677	101,969	443,646	437,280	(6,366)	386,282	158,223	544,505	502,888	(41,617)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	96,556	8,636	105,192	105,192		99,296	25,901	125,197	109,115	16,082
Other Salaries for Instruction		8,296	8,296	1,987	6,309					
General Supplies		13,792	13,792	13,735	57	24,405	959	25,364	288,073	(262,709)
Tuition	220,716	14,284	235,000	235,000		260,696	26,956	287,652		287,652
Total Instruction	317,272	45,008	362,280	355,914	6,366	384,397	53,816	438,213	397,188	41,025
Support Services:										
Employee Benefits		22,280	22,280	22,280			12,622	12,622		12,622
Purchased Professional Services	24,405	33,681	58,086	58,086			82,572	82,572	77,921	4,651
General Supplies							6,936	6,936	23,617	(16,681)
Other Purchased Services		1,000	1,000	1,000		1,885	2,277	4,162	4,162	
Total Support Services	24,405	56,961	81,366	81,366		1,885	104,407	106,292	105,700	592
Total Expenditures	341,677	101,969	443,646	437,280	6,366	386,282	158,223	544,505	502,888	41,617
Total Outflows	341,677	101,969	443,646	437,280	6,366	386,282	158,223	544,505	502,888	41,617
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/ (Uses)	$ -	-	-	-	-	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT C-3

LOGAN TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" From the Budgetary Comparison Schedule (C-Series)	$17,748,955	437,280
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	466,975	3,630
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(506,586)	(3,630)
Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	$17,709,344	437,280
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$16,889,694	437,280
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	$16,889,694	437,280

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

LOGAN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	I.D.E.A. - PART B			
	BASIC REGULAR PROGRAM	BASIC REGULAR PROGRAM ARRA	PRESCHOOL INCENTIVE PROGRAM	TITLE I
Revenues:				
Federal Sources	$239,525	25,496	8,857	86,704
State Sources				
Total Revenues	$239,525	25,496	8,857	86,704
Expenditures:				
Instruction:				
Salaries of Teachers		12,082	8,228	43,000
Other Salaries				1,987
Tuition	$235,000			
General Supplies	3,525	8,210		
Total Instruction	238,525	20,292	8,228	44,987
Support Services:				
Teacher Stipends				
Employee Benefits		814	629	9,806
Purchase Professional & Technical Services		4,390		31,911
Purchased Professional Services				
General Supplies				
Other Purchased Services	1,000			
Total Support Services	1,000	5,204	629	41,717
Total Expenditures	$239,525	25,496	8,857	86,704

LOGAN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	TITLE I CARRYOVER	TITLE II PART A	ITALIAN GRANT
Revenues:			
Federal Sources	$12,613	21,785	
State Sources			
Local Sources			6,000
Total Revenues	$12,613	21,785	6,000
Expenditures:			
Instruction:			
Salaries of Teachers	$1,582		6,000
Other Salaries			
Tuition			
General Supplies			
Total Instruction	1,582		6,000
Support Services:			
Teacher Stipends			
Employee Benefits	11,031		
Purchase Professional & Technical Services		21,785	
Purchased Professional Services			
General Supplies			
Other Purchased Services			
Total Support Services	11,031	21,785	
Total Expenditures	$12,613	21,785	6,000

LOGAN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	PRESCHOOL EDUCATION AID	2012	2011
Revenues:			
Federal Sources		394,980	466,588
State Sources	$36,300	36,300	36,300
Local Sources		6,000	
Total Revenues	$36,300	437,280	502,888
Expenditures:			
Instruction:			
Salaries of Teachers	$34,300	105,192	109,115
Other Salaries		1,987	
Tuition		235,000	
General Supplies	2,000	13,735	288,073
Total Instruction	36,300	355,914	397,188
Support Services:			
Employee Benefits		22,280	
Purchased Professional Services		58,086	77,921
General Supplies			23,617
Other Purchased Services		1,000	4,162
Total Support Services		81,366	105,700
Total Expenditures	$36,300	437,280	502,888

EXHIBIT E-2

LOGAN BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2012		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	$34,300	34,300	
Supplies	$2,000	2,000	
Total Instruction	36,300	36,300	
Total Expenditures	$36,300	36,300	

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2011-2012 Preschool Education Aid Allocation	$36,300
Add: Actual ECPA Carryover June 30, 2011	-
Total Preschool Education Aid Funds Available for 2011-2012 Budget	36,300
Less: 2011-2012 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(36,300)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2012	
Add: June 30, 2012 Unexpended Preschool Education Aid	
Total Actual Preschool Education Aid Carryover	
2011-2012 Preschool Education Aid Carryover Budgeted in 2012-2013	

F. Capital Projects Fund

Not Applicable

G. Proprietary Funds

Enterprise Funds

EXHIBIT G-1

LOGAN TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	2012	2011
Current Assets:			
Cash & Cash Equivalents	$63,125	63,125	41,569
Accounts Receivable:			
Federal	13,782	13,782	4,882
State	146	146	255
Other			21,522
Inventories	5,002	5,002	6,687
Total Current Assets	82,055	82,055	74,915
Noncurrent assets:			
Furniture, Machinery & Equipment	166,999	166,999	166,999
Less: Accumulated Depreciation	(139,648)	(139,648)	(134,628)
Total Noncurrent Assets	27,351	27,351	32,371
Total Assets	109,406	109,406	107,286
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,630	3,630	
Prepaid Lunch Fees	6,222	6,222	5,919
Total Liabilities	9,852	9,852	5,919
NET ASSETS			
Investments in Capital Assets - Net of Related Debt	27,351	27,351	32,371
Unrestricted	72,203	72,203	68,996
Total Net Assets	$99,554	99,554	101,367

EXHIBIT G-2

LOGAN TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	BUSINESS-TYPE ACTIVITIES - FOOD SERVICE	2012	2011
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	$154,496	154,496	158,955
Daily Sales - Nonreimbursable Programs	69,872	69,872	65,581
Total Operating Revenues	224,368	224,368	224,536
Operating Expenses:			
Salaries & Benefits	159,518	159,518	154,338
Supplies & Materials	8,357	8,357	7,966
Cost of Sales	152,746	152,746	145,284
Depreciation	5,020	5,020	5,020
Miscellaneous	17,405	17,405	18,945
Total Operating Expenses	343,046	343,046	331,553
Operating Income/(loss)	(118,678)	(118,678)	(107,017)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	4,044	4,044	3,968
Federal Sources:			
National School Lunch Program	89,097	89,097	78,118
Food Distribution Program	23,508	23,508	18,174
Interest Revenue	216	216	286
Total Nonoperating Revenues/(Expenses)	116,865	116,865	100,546
Income/(Loss) Before Contributions & Transfers	(1,813)	(1,813)	(6,471)
Net Income	(1,813)	(1,813)	(6,471)
Total Net Assets - Beginning	101,367	101,367	107,838
Total Net Assets - Ending	$99,554	99,554	101,367

LOGAN TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	BUSINESS-TYPE ACTIVITIES - FOOD SERVICE	2012	2011
Cash Flows From Operating Activities:			
Receipts from Customers	$242,717	242,717	228,628
Payments to Employees	(159,518)	(159,518)	(154,338)
Payments to Suppliers	(155,000)	(155,000)	(154,021)
Net Cash Provided/(Used) by Operating Activities	(71,801)	(71,801)	(79,731)
Cash Flows From Investing Activities:			
Interest & Dividends	216	216	286
Net Cash Provided/(Used) by Investing Activities	216	216	286
Cash Flows From Noncapital Financing Activities:			
Cash Received from Federal & State Reimbursements	93,141	93,141	82,086
Net Cash Provided/(Used) by Noncapital Financing Activities	93,141	93,141	82,086
Cash Flows From Capital & Related Financing Activities:			
Purchase of Capital Assets			(4,426)
Net Cash Provided/(Used) by Capital & Related Financing Activities			(4,426)
Net Increase/(Decrease) in Cash & Cash Equivalents	21,556	21,556	(1,785)
Balances - Beginning of Year	41,569	41,569	43,354
Balances - End of Year	$63,125	63,125	41,569

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

Operating Income/(Loss)	($118,678)	(118,678)	(107,017)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	5,020	5,020	5,020
Food Distribution Program	23,508	23,508	18,174
Changes in Assets & Liabilities:			
(Increase)/Decrease Accounts Receivable	12,731	12,731	8,678
(Increase)/Decrease in Inventory	1,685	1,685	2,345
Increase/(Decrease) in Current Liabilities	3,933	3,933	(6,931)
Total Adjustments	46,877	46,877	27,286
Net Cash Provided/(Used) by Operating Activities	($71,801)	(71,801)	(79,731)

Internal Service Fund

Not Applicable

H. Fiduciary Fund

EXHIBIT H-1

LOGAN TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	PRIVATE PURPOSE		AGENCY			
ASSETS	UNEMPLOYMENT COMPENSATION INSURANCE TRUST	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	2012	2011
Cash & Cash Equivalents	$6,895	7,245	35,192	204,270	253,602	174,919
Total Assets	6,895	7,245	35,192	204,270	253,602	174,919
LIABILITIES						
Payroll Deductions & Withholdings				192,148	192,148	121,818
Flexible Spending				12,122	12,122	6,187
Due to Student Groups			35,192		35,192	32,322
Total Liabilities			35,192	204,270	239,462	160,327
NET ASSETS						
Reserved for Unemployment Compensation	6,895				6,895	6,220
Unreserved		7,245			7,245	8,372
Total Net Assets	$6,895	7,245	-	-	14,140	14,592

EXHIBIT H-2

LOGAN TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	PRIVATE PURPOSE			
ADDITIONS	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	2012	2011
Local Sources:				
Transfer from Payroll Agency Account		3,679	3,679	8,764
Investment Earnings:				
Interest	$19	2	21	69
Total Additions	19	3,681	3,700	8,833
DEDUCTIONS				
Quarterly Unemployment Contribution Reports		3,006	3,006	65,836
Scholarship Payments	1,146		1,146	150
Total Deductions	1,146	3,006	4,152	65,986
Change in Net Assets	(1,127)	675	(452)	(57,153)
Net Assets - Beginning of the Year	8,372	6,220	14,592	71,745
Net Assets - End of the Year	$7,245	6,895	14,140	14,592

EXHIBIT H-3

LOGAN TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BALANCE JULY 1, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2012
Student Activity	$32,322	40,974	38,104	35,192
Total Student Activity	$32,322	40,974	38,104	35,192

EXHIBIT H-4

PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

ASSETS	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	$128,005	8,070,303	7,994,038	204,270
Total Assets	$128,005	8,070,303	7,994,038	204,270
LIABILITIES				
Payroll Deductions & Withholding	$121,818	3,300,039	3,229,709	192,148
Net Payroll		4,749,619	4,749,619	
Flexible Spending	6,187	20,645	14,710	12,122
Total Liabilities	$128,005	8,070,303	7,994,038	204,270

I. Long-Term Debt

EXHIBIT I-1

LOGAN TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2011	ISSUED	RETIRED	BALANCE JUNE 30, 2012
Refunding Bonds - Series 2002	04/15/2002	$7,630,000	7/15/2012	680,000	5.00%	$2,035,000		690,000	1,345,000
			7/15/2013	665,000	5.00%				
Refunding Bonds - Series 2005	04/20/2005	4,840,000	7/15/2012	485,000	3.25%	4,130,000		475,000	3,655,000
			7/15/2013	495,000	3.45%				
			7/15/2014	515,000	3.40%				
			7/15/2015	530,000	4.00%				
			7/15/2016	545,000	4.00%				
			7/15/2017	540,000	3.75%				
			7/15/2018	545,000	4.00%				
					Total	$6,165,000	-	1,165,000	5,000,000

EXHIBIT I-2

LOGAN TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2012

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	AMOUNT OF ORIGINAL LEASE INTEREST	INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2011	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2012
Technology Equipment	9/1/2007	48 Months	$98,103	$9,147	6.000%	$3,705		3,705	
Technology Equipment	10/1/2007	48 Months	115,000	12,528	5.500%	36,634		36,634	
HP Computer Equipment	7/1/2008	60 Months	253,044	26,312	6.793%	68,934		63,781	5,153
Technology Equipment	10/21/2008	54 Months	153,246	16,058	3.820%	64,608		31,693	32,915
Dell Computer Equipment	8/1/2009	49 Months	247,135	27,010	6.930%	127,854		57,058	70,796
Dell Computer Equipment	8/1/2011	48 Months	199,934	26,144	8.400%		199,934	54,490	145,444
Dell Computer Equipment	8/1/2011	48 Months	88,644	8,370	6.000%		88,644	23,353	65,291
				Total		$301,735	288,578	270,714	319,599

EXHIBIT I-3

LOGAN TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBERS	JUNE 30, 2012 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:											
Local Sources:											
Local Tax Levy	40-1210	$952,328		952,328	952,328		980,678		980,678	980,678	
State Sources:											
Debt Service Aid Type II	40-3160	444,334		444,334	444,334		458,830		458,830	458,830	
Total Revenues		1,396,662		1,396,662	1,396,662		1,439,508		1,439,508	1,439,508	
Expenditures:											
Regular Debt Service:											
Interest	40-701-510-834	231,662		231,662	231,662		282,180		282,180	282,180	
Redemption of Principal	40-701-510-910	1,165,000		1,165,000	1,165,000		1,160,000		1,160,000	1,160,000	
Total Expenditures		1,396,662		1,396,662	1,396,662		1,442,180		1,442,180	1,442,180	
Other Financing Sources/(Uses):											
Transfers from General Fund - Debt Service Relief										1,600	(1,600)
Total Other Financing Sources/(Uses)										1,600	(1,600)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures							(2,672)		(2,672)	(1,072)	(1,600)
Fund Balance, July 1							1,072		1,072	1,072	
Fund Balance, June 30		$ -	-	-	-	-	(1,600)	-	(1,600)		(1,600)

STATISTICAL SECTION (Unaudited)

EXHIBIT J-1

LOGAN TOWNSHIP BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	$6,053,975	5,234,131	4,377,078	3,529,498	2,721,022	1,864,857	1,301,386	620,037	(399,942)	(621,047)
Restricted	3,103,881	1,964,263	1,122,415	1,457,899	1,039,811	1,245,159	1,634,354	950,426	562,567	893,337
Unrestricted	(274,214)	(259,094)	(350,790)	(356,486)	(63,085)	(87,744)	(331,565)	135,515	328,775	115,003
Total Governmental Activities Net Assets	$8,883,642	6,939,300	5,148,703	4,630,911	3,697,748	3,022,272	2,604,175	1,705,978	491,400	387,293
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	$27,351	32,371	32,965	31,782	36,934	42,107	3,690	4,914	6,138	
Restricted										
Unrestricted	72,203	68,996	74,873	58,491	28,581	4,949	7,107	2,730	46,049	87,256
Total Business-Type Activities Net Assets	$99,554	101,367	107,838	90,273	65,515	47,056	10,797	7,644	52,187	87,256
District-Wide:										
Invested in Capital Assets, Net of Related Debt	$6,081,326	5,266,502	4,410,043	3,561,280	2,757,956	1,906,964	1,305,076	624,951	(393,804)	(621,047)
Restricted	3,103,881	1,964,263	1,122,415	1,457,899	1,039,811	1,245,159	1,634,354	950,426	562,567	893,337
Unrestricted	(202,011)	(190,098)	(275,917)	(297,995)	(34,504)	(82,795)	(324,458)	138,245	374,824	202,259
Total District Net Assets	$8,983,196	7,040,667	5,256,541	4,721,184	3,763,263	3,069,328	2,614,972	1,713,622	543,587	474,549

LOGAN TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental Activities										
Instruction:										
Regular	$5,144,823	5,092,056	5,100,450	4,920,746	4,789,042	4,466,348	4,379,210	4,287,725	4,159,840	4,000,059
Special Education	611,867	533,494	548,382	525,053	504,639	516,752	470,881	463,204	412,094	421,702
Basic Skill/Remedial Instruction	323,731	240,767	370,020	326,229	247,916	204,011	162,890	201,387	204,627	276,989
Bilingual Education					5,810	5,401	5,746	5,685	5,014	5,685
Other Instruction	50,335	32,280	63,582	51,235	42,960	46,584	47,084	40,738	44,365	43,041
Support Services:										
Tuition	3,231,290	3,584,333	4,441,648	4,627,793	4,848,260	4,308,893	3,864,931	3,699,124	3,565,822	3,325,273
Student & Instruction Related Services	1,241,427	1,128,319	1,276,585	1,138,680	1,142,732	1,163,638	1,164,174	1,010,406	1,032,383	1,019,114
School Administrative Services	360,831	347,943	385,887	379,190	395,626	374,193	377,218	377,541	362,468	352,391
General & Business Administrative Services	530,397	520,965	518,127	511,764	501,896	527,044	522,473	552,859	532,583	510,294
Plant Operations & Maintenance	1,360,706	1,344,578	1,358,684	1,226,154	1,228,585	1,251,158	1,211,558	1,187,609	1,148,341	1,089,894
Pupil Transportation	972,839	871,551	1,250,299	1,267,775	1,251,819	1,288,866	1,102,199	1,086,698	1,045,758	1,146,020
Allocated Benefits					1,670,079					
Unallocated Benefits	2,797,928	2,739,236	2,741,355	2,619,071	1,338,359	2,898,605	2,336,448	2,157,418	2,012,614	1,820,955
Special Schools			30,829	39,734	38,065	32,943	29,770	29,330	32,530	40,412
Interest on Long-Term Debt	209,311	259,683	310,109	366,909	416,784	466,131	512,928	536,518	653,912	597,193
Unallocated Depreciation	763,459	695,911	674,708	621,165	621,165	614,338	549,445	549,654	566,688	662,758
Total Governmental Activities Expenses	$17,598,944	17,391,116	19,070,665	18,621,498	19,043,737	18,164,905	16,736,955	16,185,896	15,779,039	15,311,780
Business-Type Activities:										
Food Service	$343,046	331,553	354,875	368,575	359,708	375,970	345,118	349,899	327,702	339,109
Total Business-Type Activities Expense	343,046	331,553	354,875	368,575	359,708	375,970	345,118	349,899	327,702	339,109
Total District Expenses	$17,941,990	17,722,669	19,425,540	18,990,073	19,403,445	18,540,875	17,082,073	16,535,795	16,106,741	15,650,889

LOGAN TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues:										
Operating Grants & Contributions	437,280	508,917	540,326	382,074	372,755	391,729	1,029,820	1,567,607	1,430,797	1,417,042
Total Governmental Activities Program Revenues	437,280	508,917	540,326	382,074	372,755	391,729	1,029,820	1,567,607	1,430,797	1,417,042
Business-Type Activities:										
Charges for Services:										
Food Service	224,368	224,536	240,049	256,954	249,595	249,704	237,530	216,354	226,814	235,729
Operating Grants & Contribution	116,865	100,546	102,391	96,379	88,572	123,456	72,496	64,355	65,629	74,018
Total Business Type Activities Program Revenues	341,233	325,082	342,440	353,333	338,167	373,160	310,026	280,709	292,443	309,747
Total District Program Revenues	$778,513	833,999	882,766	735,407	710,922	764,889	1,339,846	1,848,316	1,723,240	1,726,789
Net (Expense)/Revenue:										
Governmental Activities	($17,161,664)	(16,882,199)	(18,530,339)	(18,239,424)	(18,670,982)	(17,773,176)	(15,707,135)	(14,618,289)	(14,348,242)	(13,894,738)
Business-Type Activities	(1,813)	(6,471)	(12,435)	(15,242)	(21,541)	(2,810)	(35,092)	(69,190)	(35,259)	(29,362)
Total District-Wide Net Expense	($17,163,477)	(16,888,670)	(18,542,774)	(18,254,666)	(18,692,523)	(17,775,986)	(15,742,227)	(14,687,479)	(14,383,501)	(13,924,100)

LOGAN TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$10,953,584	11,023,468	11,224,583	11,176,687	10,746,814	10,122,574	9,245,179	8,553,494	8,142,401	7,318,785
Taxes Levied for Debt Service	952,328	980,678	922,326	963,417	980,886	992,917	1,013,324	1,023,449	1,017,321	855,296
Unrestricted Grants & Contributions	6,991,984	6,448,730	6,769,678	6,983,037	7,481,572	7,156,367	6,344,194	5,624,630	5,467,604	5,078,551
Tuition	192,567	214,851	124,076	66,803	95,991	160,522	82,027	71,543	54,972	30,673
Investment Earnings				21,801	80,963	136,620	102,569	51,463	21,512	34,366
Miscellaneous Income	15,543	5,069	37,468	842	232	14,178	38,857	7,471	7,989	41,454
Transfers			(30,000)	(48,701)	(40,000)	(39,069)	(37,000)	(24,000)		(33,000)
Net Increase in Capital Assets						(352,837)	(188,208)	524,816	(259,449)	(500)
Increase in Compensated Absences							4,400			
Total Governmental Activities	19,106,006	18,672,796	19,048,131	19,163,886	19,346,458	18,191,272	16,605,342	15,832,866	14,452,350	13,325,625
Business-Type Activities:										
Investment Earnings							1,245	551	189	534
Transfers			30,000	40,000	40,000	39,069	37,000	24,000		33,000
Total Business-Type Activities			30,000	40,000	40,000	39,069	38,245	24,551	189	33,534
Total District-Wide	$19,106,006	18,672,796	19,078,131	19,203,886	19,386,458	18,230,341	16,643,587	15,857,417	14,452,539	13,359,159
Change in Net Assets:										
Governmental Activities	$1,944,342	1,790,597	517,792	924,462	675,476	418,096	898,207	1,214,577	104,108	(569,113)
Business-Type Activities	(1,813)	(6,471)	17,565	24,758	18,459	36,259	3,153	(44,639)	(35,070)	4,172
Total District	$1,942,529	1,784,126	535,357	949,220	693,935	454,355	901,360	1,169,938	69,038	(564,941)

EXHIBIT J-3

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved	$3,198,504	1,692,832	1,233,275	1,096,301	901,779	1,184,642	1,384,469	912,714	555,398	467,903
Unreserved	(134,474)	262,970	(157,880)	331,461	417,536	319,446	25,768	347,613	678,200	823,095
Total General Fund	$3,064,030	1,955,802	1,075,395	1,427,762	1,319,315	1,504,088	1,410,237	1,260,327	1,233,598	1,290,998
All Other Governmental Funds:										
Reserved							240,287			856
Unreserved, Reported in:										
Special Revenue Fund	($3,630)	(3,630)	(3,630)	(3,630)	(3,630)					(2,792)
Capital Projects Fund								30,729	30,729	29,873
Debt Service Fund			1,072	8,701	1	10,494	9,597	1	1	1,814
Total All Other Governmental Funds	($3,630)	(3,630)	(2,558)	5,071	(3,629)	10,494	249,884	30,730	30,730	29,751

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Tax Levy	$11,905,912	12,004,146	12,146,909	12,140,104	11,727,700	11,115,491	10,258,503	9,576,943	9,159,722	8,174,081
Tuition Charges	192,567	214,851	124,076	66,803	95,991	160,522	82,027	71,543	54,972	30,672
Interest Earnings								75	174	5,871
Miscellaneous	21,543	5,069	37,468	27,734	83,790	154,499	141,426	58,859	29,327	81,134
State Sources	6,860,494	6,458,976	5,931,624	7,017,215	7,518,262	7,193,428	7,034,950	6,826,270	6,572,298	6,234,856
Federal Sources	562,770	498,671	1,378,380	342,805	333,470	350,967	339,064	365,968	326,102	249,552
Total Revenue	19,543,286	19,181,713	19,618,457	19,594,661	19,759,213	18,974,907	17,855,970	16,899,658	16,142,595	14,776,166
Expenditures:										
Instruction:										
Regular Instruction	5,144,823	5,092,056	5,100,450	4,920,746	4,789,042	4,562,001	4,446,265	4,287,725	4,159,840	4,000,059
Special Education Instruction	611,867	533,494	548,382	525,053	504,639	516,752	470,881	463,204	412,094	421,702
Basic Skill/Remedial Instruction	323,731	240,767	370,020	326,229	247,916	204,011	162,890	201,387	204,627	276,989
Bilingual Education					5,810	5,401	5,746	5,685	5,014	5,685
Other Instruction	50,335	32,280	63,582	51,235	42,960	46,584	47,084	40,738	44,365	43,041
Support Services:										
Tuition	3,231,290	3,584,333	4,441,648	4,627,793	4,848,260	4,308,893	3,864,931	3,699,124	3,565,822	3,325,273
Student & Instruction Related Services	1,512,141	1,309,254	1,514,038	1,377,304	1,286,174	1,163,638	1,164,174	1,010,406	1,032,383	1,019,114
School Administrative Services	360,831	347,943	385,887	379,190	395,626	374,193	377,218	377,541	362,468	352,391
General & Business Administration Services	530,397	520,965	518,127	511,764	501,896	527,044	522,473	552,859	532,583	510,294
Plant Operations & Maintenance	1,360,706	1,341,378	1,333,638	1,226,154	1,228,585	1,251,158	1,211,558	1,187,609	1,148,341	1,089,894
Pupil Transportation	972,839	871,551	1,250,299	1,267,775	1,251,819	1,288,866	1,102,199	1,086,698	1,045,758	1,146,020
Allocated Benefits					1,670,079					
Unallocated Benefits	2,791,310	2,770,024	2,745,392	2,607,375	1,330,237	2,876,703	2,336,448	2,157,418	2,012,614	1,820,955
Special Schools			30,829	39,734	38,065	32,943	29,770	29,330	32,530	40,412
Capital Outlay	436,704	216,153	407,016	447,307	401,991	473,924	349,397	113,469	11,741	121,345
Debt Service:										
Principal	1,165,000	1,160,000	1,150,000	1,150,000	1,145,000	1,110,000	1,125,000	1,010,000	965,000	870,000
Interest & Other Charges	231,662	282,180	336,280	389,775	439,483	488,198	483,307	625,737	663,835	622,957
Total Expenditures	18,723,636	18,302,378	20,195,588	19,847,434	20,127,582	19,230,309	17,699,341	16,848,930	16,199,015	15,666,131

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Excess (Deficiency) of Revenues Over/(Under) Expenditures	819,650	879,335	(577,131)	(252,773)	(368,369)	(255,402)	156,629	50,728	(56,420)	(889,965)
Other Financing Sources/(Uses):										
Capital Leases	288,578		247,135	406,290	213,103	148,931	249,437			
Cancellation of Prior Years Grant Revenue										(500)
Transfers In		1,600		8,701			113,075			
Transfers Out		(1,600)	(30,000)	(48,701)	(40,000)	(39,069)	(150,075)	(24,000)		(33,000)
Total Other Financing Sources/(Uses)	288,578		217,135	366,290	173,103	109,862	212,437	(24,000)		(33,500)
Net Change in Fund Balances	$1,108,228	879,335	(359,996)	113,517	(195,266)	(145,540)	369,066	26,728	(56,420)	(923,465)
Debt Service as a Percentage of Noncapital Expenditures	7.6%	8.0%	7.5%	7.9%	8.0%	8.5%	9.3%	10.8%	11.2%	10.6%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

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

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST ON INVESTMENTS	CONTRIBUTIONS FROM PRIVATE SOURCES	PRIOR YEAR'S REFUNDS	MISCELLANEOUS	TOTAL
2012	$192,567				15,543	208,110
2011	214,851				5,069	219,920
2010	124,076	10,172		3,889	23,407	161,544
2009	66,803	21,801	5,091		5,933	94,537
2008	95,991	80,963			2,827	179,781
2007	160,522	136,620	3,701	539	13,639	315,021
2006	82,027	102,592	50	6,914	34	191,617
2005	71,543	50,108			204	121,855
2004	54,972	21,512			785	77,269
2003	20,673	34,366	32,500	34,733	8,954	131,226

Source: District records

EXHIBIT J-6

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2011	$14,829,100	225,073,700	4,684,100	2,950,700	57,188,010	308,151,890	127,200	613,004,700	20,435,100	1,507,288	614,511,988	1.937	1,133,785,956
2010	14,383,900	222,037,200	5,116,100	3,089,400	57,892,600	314,055,690	127,200	616,702,090	20,519,500	1,607,525	618,309,615	1.941	1,184,274,305
2009	13,725,300	219,312,700	5,234,600	3,203,300	58,936,600	327,547,190	127,200	628,086,890	20,520,700	1,638,069	629,724,959	1.928	1,181,195,346
2008	13,990,100	215,398,700	5,011,200	3,208,400	334,464,800	45,871,890	127,200	618,072,290	18,838,900	1,632,771	619,705,061	1.959	1,095,967,784
2007	13,986,800	212,717,300	5,011,200	3,208,600	346,504,900	34,662,590	127,200	616,218,590	18,838,900	1,763,988	617,982,578	1.898	968,320,693
2006	11,442,500	211,523,600	5,078,800	3,264,400	343,138,500	34,662,590	127,200	609,237,590	18,671,800	2,009,766	611,247,356	1.818	812,200,130
2005	12,917,300	203,020,500	4,896,100	3,301,800	329,017,300	34,662,590	127,200	587,942,790	18,633,600	2,335,253	590,278,043	1.738	712,688,976
2004	14,172,100	197,361,300	4,887,600	3,249,900	327,228,800	34,869,390	127,200	581,896,290	18,280,700	2,573,429	584,469,719	1.638	636,527,488
2003	11,494,500	196,753,600	4,874,900	3,373,300	301,649,500	34,869,390	127,200	553,142,390	15,083,600	3,074,770	556,217,160	1.647	525,273,521
2002	10,855,400	195,651,600	4,860,000	3,406,000	285,116,200	45,871,990	127,200	545,888,390	15,035,600	2,824,904	548,713,294	1.490	562,521,204

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
Reassessment occurs when ordered by the County Board of Taxation
a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
b. Tax rates are per $100

EXHIBIT J-7

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT & OVERLAPPING TAX RATE
	LOCAL SCHOOL	DEBT SERVICE	TOTAL DIRECT	LOGAN TOWNSHIP	GLOUCESTER COUNTY	COUNTY LIBRARY	OTHER	
2011	1.782	0.155	1.937	0.345	1.006	0.082	0.080	3.450
2010	1.782	0.159	1.941	0.345	1.043	0.083	0.082	3.494
2009	1.782	0.146	1.928	0.345	0.975	0.079	0.077	3.404
2008	1.804	0.155	1.959	0.345	0.924	0.075	0.072	3.375
2007	1.739	0.159	1.898	0.326	0.801	0.067	0.063	3.155
2006	1.638	0.180	1.818	0.309	0.738	0.059	0.053	2.977
2005	1.547	0.191	1.738	0.286	0.715	0.055	0.041	2.835
2004	1.456	0.182	1.638	0.289	0.603	0.052	0.032	2.614
2003	1.475	0.172	1.647	0.278	0.585	0.044	0.029	2.583
2002	1.267	0.223	1.490	0.199	0.570	0.043	0.030	2.332

Source: District Records and Municipal Tax Collector

EXHIBIT J-8

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

	2012		
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
4B Liberty Venture I LP	$51,905,400	1	8.000%
CPF Pureland VI LLC	13,340,800	2	2.000%
Cardinal Health 200, Inc	12,905,200	3	2.000%
SunTrust Bank	12,289,100	4	2.000%
NZ-100 East Wisconsin Avenue Joint	11,894,000	5	2.000%
Mid-Atlantic (Pureland) Industrial	11,626,000	6	2.000%
Baker-Properties, LP	9,857,100	7	2.000%
US Industrial REIT II	9,411,700	8	2.000%
Prologis NA3 NV IV LLC	8,185,300	9	1.000%
Liberty Property Development	7,741,600	10	1.000%
Total	$149,156,200		24.000%

	2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Liberty Ventures I, LLP	$49,686,100	1	9.00%
Pureland VI Limited Partnership	14,805,700	2	3.00%
Gateway Brentwood	13,657,200	3	2.00%
Sun Trust Equity Funding, LLC	12,289,100	4	2.00%
Pureland Industrial Assoc, LLC	10,954,700	5	2.00%
Wachovia Development Corp.	10,000,000	6	2.00%
CLPF-NEBC Land, LP	7,140,200	7	1.00%
Liberty Property LTD Partnership	7,089,100	8	1.00%
Pureland Birch Creek, LLC	6,655,700	9	1.00%
VWR SCI, Inc.	6,451,200	10	1.00%
Total	$138,729,000		24.00%

Source: Municipal Tax Assessor

EXHIBIT J-9

LOGAN TOWNSHIP BOARD OF EDUCATION
SCHOOL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2012	$11,905,912	11,905,912	100.00%	-
2011	12,004,146	12,004,146	100.00%	-
2010	12,146,909	12,146,909	100.00%	-
2009	12,140,104	12,140,104	100.00%	-
2008	11,727,700	11,727,700	100.00%	-
2007	11,115,491	11,115,491	100.00%	-
2006	10,258,503	10,258,503	100.00%	-
2005	9,576,943	9,576,943	100.00%	-
2004	9,159,722	9,159,722	100.00%	-
2003	8,174,081	8,174,081	100.00%	-

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

EXHIBIT J-10

LOGAN TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	TOTAL DISTRICT	PER CAPITA
2012	$5,000,000	-	319,599	5,319,599	N/A
2011	6,165,000	-	301,735	6,466,735	N/A
2010	7,325,000	-	482,670	7,807,670	1,133
2009	8,475,000	-	472,988	8,947,988	1,433
2008	9,625,000	-	305,322	9,930,322	1,605
2007	10,770,000	-	235,661	11,005,661	1,788
2006	11,880,000	-	182,383	12,062,383	1,955
2005	13,005,000	-	-	13,005,000	2,135
2004	13,632,000	-	-	13,632,000	2,266
2003	14,597,000	-	-	14,597,000	2,428

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

EXHIBIT J-11

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

	GENERAL BONDED DEBT OUTSTANDING				
FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2012	$5,000,000	-	5,000,000	N/A	825
2011	6,165,000	-	6,165,000	1.00%	1,020
2010	7,325,000	-	7,325,000	1.18%	1,212
2009	8,475,000	-	8,475,000	1.35%	1,357
2008	9,625,000	-	9,625,000	1.55%	1,555
2007	10,770,000	-	10,770,000	1.74%	1,750
2006	11,880,000	-	11,880,000	1.94%	1,925
2005	13,005,000	-	13,005,000	2.20%	2,135
2004	13,632,000	-	13,632,000	2.33%	2,266
2003	14,597,000	-	14,597,000	2.62%	2,428

EXHIBIT J-12

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Logan	$6,403,765	100.000%	$6,403,765
County of Gloucester General Obligation Debt	280,798,408	4.140%	$11,625,054
Subtotal, Overlapping Debt			18,028,819
Logan Township School District Direct Debt			5,000,000
Total Direct & Overlapping Debt			$23,028,819

Sources: Assessed value data used to estimate applicable percentages provided by the Logan Township or Gloucester County Board of Taxation.

EXHIBIT J-13

LOGAN TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	$35,063,710	35,488,312	34,501,243	32,190,631	28,195,875	24,322,278	20,798,779	19,059,307	17,262,100	16,276,448
Total Net Debt Applicable to Limit	5,000,000	6,165,000	7,325,000	8,475,000	9,625,000	10,770,000	11,880,000	13,005,000	13,632,000	14,597,000
Legal Debt Margin	$30,063,710	29,323,312	27,176,243	23,715,631	18,570,875	13,552,278	8,918,779	6,054,307	3,630,100	1,679,448
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.26%	17.37%	21.23%	26.33%	34.14%	44.28%	57.12%	68.23%	78.97%	89.68%

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis	
	2011	$1,136,160,274
	2010	1,186,471,441
	2009	1,183,739,251
		$3,506,370,966
Average Equalized Valuation of Taxable Property		$1,168,790,322
Debt Limit (3 % of Average Equalization Value)		$35,063,710
Net Bonded School Debt		5,000,000
Legal Debt Margin		$30,063,710

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

EXHIBIT J-14

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

YEAR	POPULATION	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2012	6,059	N/A	N/A
2011	6,042	N/A	4.2%
2010	6,042	41,337	4.3%
2009	6,245	10,050	4.1%
2008	6,189	40,396	2.7%
2007	6,154	38,094	2.1%
2006	6,171	36,526	2.3%
2005	6,091	34,499	2.1%
2004	6,017	32,968	2.1%
2003	6,013	31,339	2.3%

Source: State of New Jersey, Department of Labor and Workforce Development, Labor Planning and Analysis.

EXHIBIT J-15

LOGAN TOWNSHIP BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2012		
	(1) EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Underwood Memorial Hospital	1,825	1	
Kennedy Hospital	1,675	2	
County of Gloucester	1,500	3	
Washington Township School District	1,498	4	
Rowan University	1,483	5	
MISSA Bay LLC	950	6	
Monroe Twp School District	792	7	
U.S. Foodservice	725	8	
Exxon Mobil Research and Development	700	9	
Delaware Valley Wholesale Florist	500	10	
	11,648		N/A

2003
N/A

This exhibit reflects principal employers for Gloucester County.

Source: (1) Gloucester County Office of Economic Development for company and employee data.
(2) New Jersey Department of Labor and Workforce Development for the total employment data.

EXHIBIT J-16

LOGAN TOWNSHIP BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Regular	63	69	73	71	75	75	75	76	75	76
Special Education	10	9	9	9	7	7	7	7	6	6
Other Special Education	5	4	3	3	3	3	3	3	3	4
Support Services:										
Student & Instruction Related Services	25	23	20	20	20	20	20	17	17	17
General & Business Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	3	5	6	6	5	5	5	5	5	5
Central Services	2	3	3	3	4	4	4	4	4	4
Administrative Information Technology	1	1	3	3	2	2	2	2	2	2
Plant Operations & Maintenance	5	5	6	6	3	3	3	3	3	3
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Food Service	1	2	2	2	4	4	4	6	6	6
Total	118	124	128	126	126	126	126	126	124	126

Source: School District Records.

EXHIBIT J-17

LOGAN TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/ TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2012	879	$16,890,270	19,215	0.90%	81	10.8:1	879.0	846.1	0.56%	96.26%
2011	874	16,644,045	19,044	-6.04%	83	10.5:1	874.1	840.5	-3.23%	96.16%
2010	903	18,301,292	20,267	2.13%	85	10.6:1	903.3	865.5	0.40%	95.82%
2009	900	17,860,352	19,845	-4.17%	82	11.0:1	899.7	863.7	-3.61%	96.00%
2008	876	18,141,108	20,709	12.61%	82	10.7:1	875.8	842.1	-6.17%	96.15%
2007	933	17,158,187	18,390	8.53%	82	11.4:1	933.4	895.7	-0.77%	95.96%
2006	929	15,741,638	16,945	5.60%	82	11.3:1	929.1	892.1	-1.22%	96.02%
2005	941	15,099,724	16,046	7.47%	83	11.2:1	940.6	903.1	-3.57%	96.01%
2004	975	14,558,440	14,932	5.52%	81	12.1:1	975.4	936.2	-1.81%	95.98%
2003	993	14,051,827	14,151	7.74%	82	12.1:1	993.4	948.6	3.21%	95.49%

Sources: District records

EXHIBIT J-18

LOGAN TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR
REVISED

DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Elementary Schools:										
Logan Township (1991):										
Square Feet	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068
Capacity (Students)	877	877	877	877	877	877	877	877	877	877
Enrollment	657	650	651	672	658	728	728	712	747	769
Center Square (2001):										
Square Feet	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135
Capacity (Students)	266	266	266	266	266	266	266	266	266	266
Enrollment (a)	222	224	252	227	218	202	202	229	229	224

Number of Buildings at June 30, 2012:
Elementary = 2
Middle = 0
High School = 0
Other = 0

Source: District Facilities Office, Long Range Facility Plan - FES and District Capacity report.

EXHIBIT J-19

LOGAN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

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

	LOGAN TOWNSHIP ELEMENTARY	CENTER SQUARE ELEMENTARY	TOTAL
2012	$115,606	53,582	169,188
2011	98,680	43,685	142,365
2010	95,490	31,141	126,631
2009	87,605	28,083	115,688
2008	24,564	99,644	124,208
2007	72,864	36,367	109,231
2006	97,956	17,253	115,209
2005	93,695	62,464	156,159
2004	80,125	53,635	133,760
2003	96,698	18,937	115,635

Total School Facilities

* 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

EXHIBIT J-20

LOGAN TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2012

	COVERAGE	DEDUCTIBLE
School Package Policy:		
Property		
Blanket Building & Contents	$ 43,057,205	$ 1,000
Pollution	$ 1,000,000	
Blanket Dishonesty-Crime Coverage		
Per Person	$ 100,000	
Per Loss	$ 400,000	$ 1,000
General Liability	$ 5,000,000	N/A
Automobile	$ 5,000,000	
Automobile Comprehensive & Collision Coverage		$ 1,000
School Board Legal Liability	$ 5,000,000	$ 5,000
Workers Compensation Including Supplemental	$ 5,000,000	N/A
Excess Liability-Auto, General Liability, Workers Compensation & School Board Legal	$ 15,000,000	
Student Accident		
Maximum Benefit Per Injury	$ 1,000,000	
Surety Bonds:		
Treasurer	$ 250,000	
Business Administrator	$ 5,000	

Source: District records

SINGLE AUDIT SECTION

Holman & Frenia, P.C.
Certified Public Accountants & Consultants

Administrative Office:
10 Allen Street, Ste. 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
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EXHIBIT 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*

Honorable President and Members
of the Board of Education
Logan Township School District
County of Gloucester
Swedesboro, New Jersey 08085

We have audited the financial statements of the Logan Township School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 5, 2012. 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Logan Township Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Logan Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Logan Township Board of Education's financial statements are free of 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 Finance, Department of Education, State of New Jersey.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

Medford, New Jersey
September 5, 2012

Holman & Frenia, P.C.
Certified Public Accountants & Consultants

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EXHIBIT K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Board of Education
Logan Township School District
County of Gloucester
Swedesboro, New Jersey 08085

Compliance

We have audited the compliance of the Logan Township School District, in the County of Gloucester, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012. The Logan Township 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Logan Township School District's management. Our responsibility is to express an opinion on the Logan Township School District's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations;* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Board of Education of the Logan Township 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. Our audit does not provide a legal determination on the Logan Township School District's compliance with those requirements.

In our opinion, the Logan Township School District, County of Gloucester, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the Board of Education of the Logan Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal or state programs. In planning and performing our audit, we considered Logan Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Logan Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Logan Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Logan Board of Education's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

Medford, New Jersey
September 5, 2012

EXHIBIT K-3
SCHEDULE A

LOGAN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2012	DUE TO GRANTOR JUNE 30, 2012
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:								
Enterprise Fund:								
Food Distribution Program	10.565	$23,508	7/1/10-6/30/11		23,508	(23,508)		
National School Lunch Program	10.555	89,097	7/1/11-6/30/12		75,315	(89,097)	(13,782)	
National School Lunch Program	10.555	78,118	7/1/10-6/30/11	($4,882)	4,882			
Total U.S. Department of Agriculture				(4,882)	103,705	(112,605)	(13,782)	
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:								
General Fund:								
Education Jobs Fund	84.410	167,790	9/1/10-8/31/11		114,744	(167,790)	(53,046)	
Total General Fund					114,744	(167,790)	(53,046)	
Special Revenue Fund:								
N.C.L.B.								
Title I	84.010	70,889	9/1/10-8/31/11	(15,034)	15,034			
Title I	84.010	105,626	9/1/11-8/31/12		45,852	(99,317)	(53,465)	
Title II - Part A	84.164	21,785	9/1/11-8/31/12		18,603	(21,785)	(3,182)	
I.D.E.A. B -Basic	84.027	250,578	9/1/10-8/31/11	(49,003)	49,003			
I.D.E.A. B -Basic	84.027	239,525	9/1/11-8/31/12		175,836	(239,525)	(63,689)	
I.D.E.A. - Preschool	84.173	9,086	9/1/10-8/31/11	(938)	938			
I.D.E.A. - Preschool	84.173	8,857	9/1/11-8/31/12		5,348	(8,857)	(3,509)	
I.D.E.A. B -Basic - A.R.R.A.	84.391	124,304	9/1/10-8/31/11	(19,275)	44,771	(25,496)		
Total Special Revenue Fund				(84,250)	355,385	(394,980)	(123,845)	
Total Federal Financial Assistance				($89,132)	573,834	(675,375)	(190,673)	-

EXHIBIT K-4
SCHEDULE B

LOGAN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CASH RECEIVED	ADJUSTMENTS	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2012	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
State Department of Education										
General Fund:										
Current Expense:										
Equalization Aid	12-495-034-5120-078	$4,244,110	7/1/11-6/30/12		4,244,110		(4,244,110)		(403,364)	4,244,110
Transportation Aid	12-495-034-5120-014	382,405	7/1/11-6/30/12		382,405		(382,405)		(36,344)	382,405
Special Education Categorical Aid	12-495-034-5120-089	600,222	7/1/11-6/30/12		600,222		(600,222)		(57,046)	600,222
Security Aid	12-495-034-5120-084	100,890	7/1/11-6/30/12		100,890		(100,890)		(9,589)	100,890
Adjustment Aid	12-495-034-5120-085	2,554	7/1/11-6/30/12		2,554		(2,554)		(243)	
Extraordinary Aid	11-495-034-5120-473	22,316	7/1/10-6/30/11	($22,316)	22,316					
Extraordinary Aid	12-495-034-5120-473	47,288	7/1/11-6/30/12				(47,288)	(47,288)		47,288
Non Public Transportation Aid	11-495-034-5120-068	8,877	7/1/10-6/30/11	(8,877)	8,877					
Non Public Transportation Aid	12-495-034-5120-068	7,716	7/1/11-6/30/12				(7,716)	(7,716)		7,716
On-Behalf TPAF Pension Contribution	12-495-034-5095-006	594,120	7/1/11-6/30/12		594,120		(594,120)			594,120
On-Behalf TPAF Social Security Reimbursement	11-495-034-5095-002	441,092	7/1/10-6/30/11	(21,440)	21,440					
On-Behalf TPAF Social Security Reimbursement	12-495-034-5095-002	440,166	7/1/11-6/30/12		415,761		(440,166)	(24,405)		440,166
Total General Fund				(52,633)	6,392,695		(6,419,471)	(79,409)	(506,586)	6,416,917
Special Revenue Fund:										
Character Education Aid - Carryover	06-495-034-5120-053	4,000	7/1/05-6/30/06	45		(45)				
Early Launch to Learning Initiative	08-495-034-5120-062	36,300	7/1/07-6/30/08	722		(722)				
Preschool Education Aid	11-495-034-5120-086	36,300	7/1/10-6/30/11	(1,630)	1,630					
Preschool Education Aid	12-495-034-5120-086	36,300	7/1/11-6/30/12		32,670		(36,300)	(3,630)		
Total Special Revenue Fund				(863)	34,300	(767)	(36,300)	(3,630)		
Debt Service Fund:										
Debt Service Aid Type II	12-495-034-5120-125	444,334	7/1/11-6/30/12		444,334		(444,334)			444,334
Total Debt Service Fund					444,334		(444,334)			444,334
Enterprise Fund:										
National School Lunch Program (State Share)	11-100010-3360-067	3,968	7/1/10-6/30/11	(255)	255					
National School Lunch Program (State Share)	12-100010-3360-067	4,044	7/1/11-6/30/12		3,898		(4,044)	(146)		4,044
Total Enterprise Fund				(255)	4,153		(4,044)	(146)		4,044
Total State Financial Assistance				($53,751)	6,875,482	(767)	(6,904,149)	(83,185)	(506,586)	6,865,295

LOGAN TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Logan Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $(39,611) for the general fund and $(33,864) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

LOGAN TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012

3. Relationship to Basic Financial Statements (continued):

	State	Federal	Local	Total
General Fund	$6,379,860	$167,790		$6,547,650
Special Revenue Fund	36,300	394,980	6,000	437,280
Debt Service Fund	444,334			444,334
Food Service Fund	4,044	112,605		116,649
Total Financial Assistance	$6,836,674	$675,375	$6,000	$7,512,049

4. Relationship to Federal and State Financial Reports

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

5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

Note 6. Federal and State Loans Outstanding

Logan Township Board of Education had no loan balances outstanding at June 30, 2012.

LOGAN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.555	National School Lunch Program
84.410	Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

LOGAN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012
Section I – Summary of Auditor's Results

Financial Statements

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs	Unqualified
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-078	Equalization Aid

LOGAN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

Section II – Financial Statement Findings

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

No Current Year Findings

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

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

No Current Year Findings

EXHIBIT K-7

LOGAN TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET
For the Fiscal Year Ended June 30, 2012

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

Finding 2011-01:

Condition:

The School District does not maintain and update a fixed assets ledger.

Current Status:

The condition has been fixed.