

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF PITTSBORO**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Township of Pittsboro Board of Education
Pittsboro, New Jersey**

For the Fiscal Year Ended June 30, 2013

**Prepared by
Pittsboro Township Board of Education
Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE PITTSBURGH TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS**

INTRODUCTORY SECTION

<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal	1 - 6
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9 - 10

FINANCIAL SECTION

Independent Auditor's Report		11 - 12a
Required Supplementary Information – Part I Management’s Discussion and Analysis		13 - 22
Basic Financial Statements		
A. District-wide Financial Statements:		
A-1 Statement of Net Position		23
A-2 Statement of Activities		24
B. Fund Financial Statements:		
Governmental Funds:		
B-1 Balance Sheet		25
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances		26
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		27
Proprietary Funds:		
B-4 Statement of Net Position		28
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position		29
B-6 Statement of Cash Flows		30
Fiduciary Funds:		
B-7 Statement of Fiduciary Net Position		31
B-8 Statement of Changes in Fiduciary Net Position		32
Notes to the Financial Statements		33 – 57a
Required Supplementary Information – Part II		
C. Budgetary Comparison Schedules:		
C-1 Budgetary Comparison Schedule – General Fund		58-63
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual		N/A
C-1b Education Jobs Fund Program – Budget and Actual		N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund		64
Notes to the Required Supplementary Information		
C-3 Budget-to-GAAP Reconciliation		65

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE PITTSBORO TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FINANCIAL SECTION (Continued)**

<u>Exhibit</u>	<u>Page</u>
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	66 - 67
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	68
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	69
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	70
F-2a-g Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	71-77a
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	78
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	79
G-3 Combining Schedule of Cash Flows	80
Internal Service Fund:	
G-4 Combining Schedule of Net Position	81
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	82
G-6 Combining Schedule of Cash Flows	83
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	84
H-2 Combining Statement of Changes in Fiduciary Net Position	85
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	86
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	87

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE PITTSBURGH TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FINANCIAL SECTION (Continued)**

Other Supplementary Information (Continued)

I. Long-Term Debt:

I-1	Schedule of Serial Bonds	88-91
I-2	Schedule of Obligations under Capital Leases	92
I-3	Debt Service Fund Budgetary Comparison Schedule	93

STATISTICAL SECTION

Financial Trends Information/Schedules

J-1	Net Position by Component	94
J-2	Changes in Net Position	95
J-3	Fund Balances – Governmental Funds	96
J-4	Changes in Fund Balance, Governmental Funds	97
J-5	General Fund Other Local Revenue by Source	98

Revenue Capacity Information

J-6	Assessed Value and Estimated Actual Value of Taxable Property	99
J-7	Direct and Overlapping Property Tax Rates	100
J-8	Principal Property Taxpayers	101
J-9	Property Tax Levies and Collections	102

Debt Capacity Information

J-10	Ratios of Outstanding Debt by Type	103
J-11	Ratios of General Bonded Debt Outstanding	104
J-12	Direct and Overlapping Governmental Activities Debt	105
J-13	Legal Debt Margin Information	106

Demographic and Economic Information

J-14	Demographic and Economic Statistics	107
J-15	Principal Employers	108

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	109
J-17	Operating Statistics	110
J-18	School Building Information	111
J-19	Schedule of Required Maintenance Expenditures by School Facility	112
J-20	Insurance Schedule	113

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	114-115
K-2	Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Awards Required by OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	116-117
K-3	Schedule of Expenditures of Federal Awards - Schedule A	118
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	119
K-5	Notes to the Schedules of Awards and Financial Assistance	120-121
K-6	Schedule of Findings and Questioned Costs	122-125
K-7	Summary Schedule of Prior Audit Findings	126

INTRODUCTORY SECTION

PITTSGROVE TOWNSHIP SCHOOLS
Administration Building
1076 Almond Road
Pittsgrove, New Jersey 08318-3950
(856) 358-3094 Fax: (856) 358-6020

Henry Bermann
Superintendent of Schools
(Ext. 4016)

Suzanne R. Fox Abdill
Business Admin./ Board Sec.
(Ext. 4018)

Yvette DuBois
Assistant Superintendent
(Ext. 4013)

November 1, 2013

Honorable President and Members
of the Board of Education
Pittsgrove Township Board of Education
County of Salem
Pittsgrove, N.J. 08318

Dear Board Members:

The comprehensive annual financial report of the Pittsgrove Township School District (District) for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are 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 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Awards, 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.

We are an Equal Opportunity Employer - F/M

1. REPORTING ENTITY AND ITS SERVICES:

The Pittsgrove Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Pittsgrove Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, vocational, alternative and remedial, as well as special education for handicapped students. Vocational opportunities are provided through the Salem County Vocational and Technical School. The Pittsgrove Township School District also receives students on a tuition basis for grades PreK-12 from the Borough of Elmer. In Schalick High School, the district houses three county-wide academies in the Visual and Performing Arts. These are magnet programs in Dance, Theater and Visual Arts. The District completed the 2012-13 fiscal year with an enrollment of 1,801 students, including Academy students, which is 14 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-13	1,720.0	(1.29)%
2011-12	1,742.1	(5.12)%
2010-11	1,836.2	2.93%
2009-10	1,784.0	(.59)%
2008-09	1,794.7	3.99%
2007-08	1,869.3	(3.31)%
2006-07	1,933.3	.16%
2005-06	1,930.2	(2.71)%
2004-05	1,983.9	4.79%
2003-04	1,893.3	1.13%

2. ECONOMIC CONDITION AND OUTLOOK:

The Pittsgrove Township area is experiencing a period of limited development, which is expected to continue. There will be a continually slight increase in the number of residences. This should result in a modest increase in the tax base. Pittsgrove Township is also experiencing a decrease in enrollment in its resident students. This decline is expected to continue for the immediate future. The 2010-2011 school year marked a full send/receive agreement with Elmer Borough Board of Education. All students from both Pittsgrove and Elmer attend school together from preschool through twelfth grade. For the 2012-2013 school year Elmer School housed 209 students in grades one and two from both communities, Olivet School houses grades three, four, and five and the Middle School houses grades six, seven and eight making it a true middle school. All three elementary schools are at their functional capacity.

3. MAJOR INITIATIVES/CURRICULA INITIATIVES:

Technology

The Board of Education continues to support the integration of technology into curriculum. The former 8th grade one-to-one iPad2 initiative has been transformed and devices reallocated throughout the district to expand the technology opportunities for students K-12. Chromebooks were purchased for use in Olivet, PTMS, and Schalick High School. The addition of Chromebooks helps support the district goal of increasing 21st Century technology skills and collaboration. With these devices, our students are more readily able to utilize their own pittsgrove.net gmail accounts and interface with Google Docs. Interactive white boards are utilized as a teaching tool in every classroom across the district, leading to the further technology-based, interactive learning. Every teacher has a laptop computer.

The Supervisor of Technology provides support and suggests best practices in student and teacher uses of educational technology, trains teachers and other district staff in new technologies, team-teaches in K-12 classrooms and helps guide the educational technology vision in Pittsgrove Township Schools.

Pittsgrove Township Schools, K-12

Across the district, staff members will receive extensive professional development in the areas of Common Core Standards, changes in State Assessments and Accountability (ESEA waiver), as well as Teacher Evaluation- Charlotte Danielson's Framework for Teaching. Particular focus will be made on training staff and administration on the new teacher evaluation model, OnCourse Evaluate, the development of the NJDOE required Student Growth Objectives (SGOs), and data analysis. The use of half-day professional development days continue to be instrumental in providing staff with needed professional development opportunities.

OnCourse Lesson Planner, an online lesson-planning tool, was implemented at the end of the 2012-2013 school year. All teaching staff members submit their plans weekly via this program. The district continues to provide professional development for OnCourse Lesson Planner and Google Docs. Additionally, at the beginning of the 2013-2014 school year, the staff and administration were trained to use OnCourse Evaluate for staff evaluations.

Norma, Elmer and Olivet Schools

Norma School continues to operate a Pre-School Program, however, for the 2013-2014 school year, the program offers two full-day programs for four-year-old students. The program operates from a braided funding formula, including state funds for economically disadvantaged students, parent tuition and local funds. The Early Launch to Learning Initiative (ELLI) has proven to be very successful in kindergarten readiness serving approximately 66% of the incoming kindergarten class.

Norma, Elmer and Olivet Schools (Continued)

Norma, Elmer and Olivet School continue to receive extensive professional development and support materials for curricula revision, benchmark creation, Everyday Math, Fusions Science and a new literacy program- Journeys. The new literacy program materials were purchased for the 2013-2014 school year and on-going professional development is planned to supports its implementation.

Pittsgrove Township Middle School

The most significant initiatives occurring in the middle school during the 2013-2014 school year will be professional development based on the Common Core Standards, Writing, and Teacher evaluation, and assessments. Quarterly (formerly benchmark) assessments have become even more prominent in this process by aligning daily teaching with the CCCS while providing teachers with detailed data to meet the needs of students. Staff will be working to revise assessments in order to align the questions with the revised curricula and Common Core Standards. Extensive professional development will be devoted to data analysis.

Arthur P. Schalick High School

Like the other schools in the district, extensive professional development will be provided to revise assessments (benchmarks) in accordance with the changes to the curriculum and to better enable teachers to use data from assessments to inform instruction.

The utilization of half-day in-service opportunities has provided significant opportunities for additional professional development and support for curricular initiatives, assessment creation, and data analysis.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control 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 process 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 awards and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are being 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,



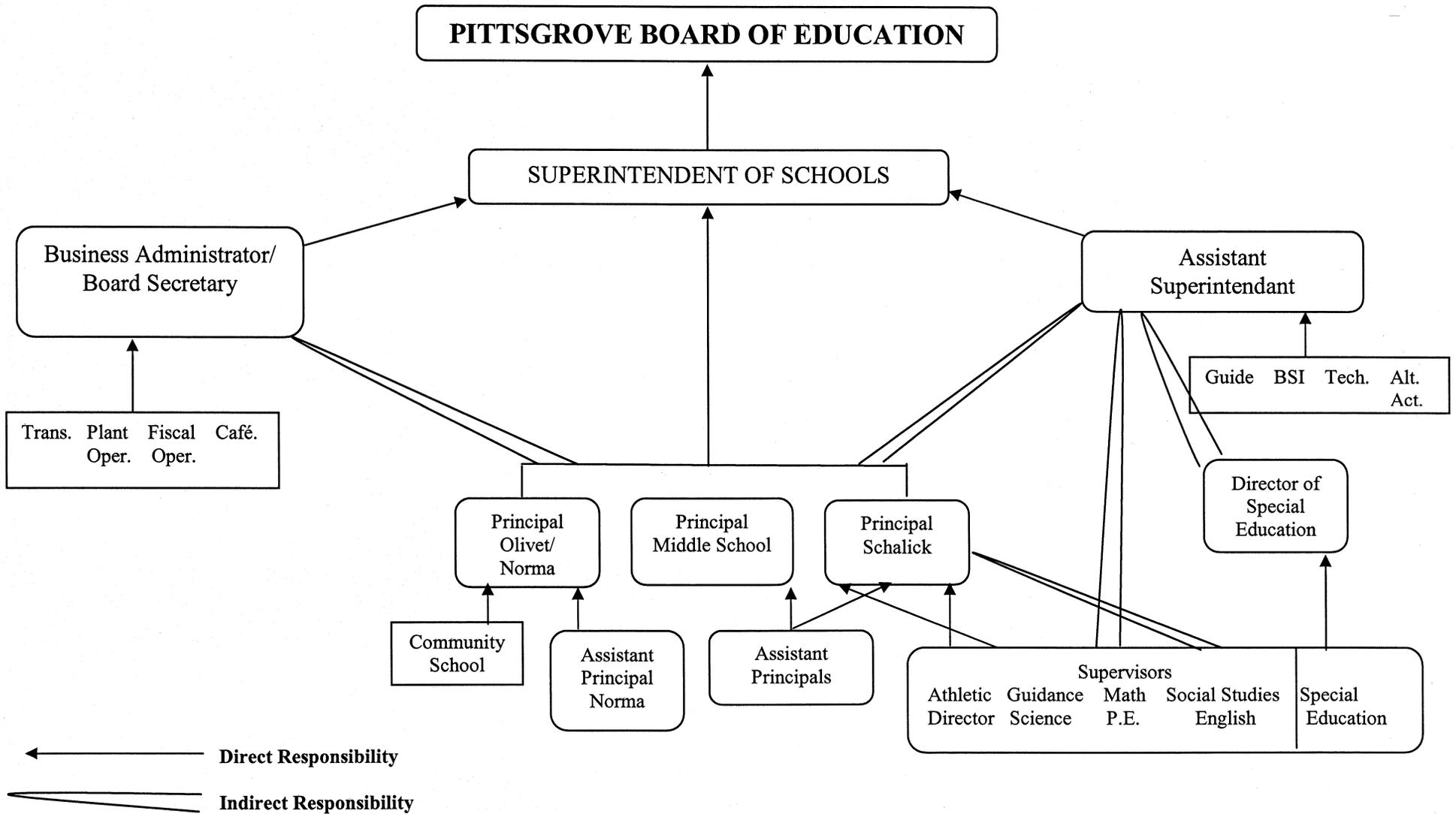
Henry Bermann
Superintendent of Schools



Suzanne R. Fox Abdill
School Business Administrator/
Board Secretary

ADMINISTRATOR/SUPERVISOR

RESPONSIBILITY AND ORGANIZATION



PITTSBORO TOWNSHIP BOARD OF EDUCATION
PITTSBORO, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2013

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Melissa A. Conover	President	2014
Cheryl Berwick	Vice President	2013
Tracey Hayman	Board Member	2015
Dominick Miletta, III	Board Member	2014
William H. Rumpp	Board Member	2014
Guenter Schmidt	Board Member	2013
Marlene Smith	Board Member	2013
Patricia Schneider	Board Member (Elmer Representative)	2013
Patricia Snyder	Board Member	2015
Joseph E. Wentzell	Board Member	2015

<u>Other Officials</u>		<u>Amount of Bond</u>
Henry Bermann	Superintendent	\$ 250,000
Suzanne R. Fox Abdill	Business Administrator/ Board Secretary	250,000
Lipman, Antonelli, Batt, Gilson Rothman & Capasso	General Counsel	
Parker, McCay, PA	Bond Counsel	
Porzio, Bromberg & Newman, PC	General Counsel	

TOWNSHIP OF PITTSBORO BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
14000F Commerce Parkway
Mount Laurel, NJ 08054

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

General Counsel
Jane B. Capasso, Esquire
Lipman, Antonelli, Batt, Gilson, Malestein, Rothman & Capasso
110 North Sixth Street
Vineland, NJ 08362-0729

General Counsel
Mr. Frank Cavallo
Parker McCay, P.A.
PO Box 5054
Mount Laurel, NJ 08054-5054

General Counsel
Mr. Vito A Gagliardi, Jr.
Porzio, Bromberg & Newman, P.C.
100 Southgate Parkway
Morristown, NJ 07962

Bond Counsel
Mr. Phillip A. Norcross
Parker McCay, P.A.
Three Greentree Center
7001 Lincoln Drive-West
Marlton, NJ 08053-3292

TOWNSHIP OF PITTSBORO BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ATTORNEY (Cont'd)

Labor Relations & Negotiations

Mr. Paul C. Kalac
Kalac, Barger & Bacigalupo, LLC
555 Route One, South - Suite 100
Woodbridge, NJ 08830

OFFICIAL DEPOSITORY

First National Bank of Elmer

P.O. Box 980
Elmer, NJ 08318

Susquehanna Bank

Upper Deerfield Office
950 N. Pearl Street
Bridgeton NJ, 08302

FISCAL AGENT

Parker, McCay & Criscuolo, P.C.

Three Greentree Centre, Suite 401
Marlton, NJ 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

November 1, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pittsgrove Township School District
County of Salem
Pittsgrove, NJ 08318

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 the 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.

Opinion

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

New Accounting Standards

As discussed in Note 2 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 13 through 22 and 58 through 64 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be 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 for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Pittsgrove Board of Education's, basic financial statements as a whole. The introductory section, combining fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, long-term debt schedules and the schedules of expenditures of federal and state assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 1, 2013 on our consideration of the Township of Pittsgrove 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 an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
PITTSGROVE TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

UNAUDITED

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

Financial Highlights

Key financial highlights for 2013 are as follows:

- ❖ General revenues of the District accounted for \$25,702,117 in revenue or 80.7% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,149,355 or 19.3% percent to total revenues of \$31,851,472.
- ❖ Total Net Position of governmental activities decreased by \$110,696 comprised of changes in cash and cash equivalents, receivables, inventory, unamortized debt issue cost, and capital assets. The Net Position of the Business-type Activities decreased by \$4,675.
- ❖ The School District had \$31,966,843 in total expenses, of which only \$6,149,355 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) of \$25,702,117 were not adequate to provide for these programs. These revenues and expenses include the Business-type Activities.
- ❖ The General Fund had \$27,489,307 in revenues, \$27,641,639 in expenditures and \$29,942 in net other financing sources. Other financing sources represented \$36,557 transferred to the Food Service Enterprise Fund, \$47,716 transferred to capital projects fund, capital lease proceeds of \$114,121 and capital fund interest earnings of \$94. The General Fund balance decreased by \$122,390 over 2012. This decrease was anticipated by the Board of Education.

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 Pittsgrove Township School District as a financial whole as well as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Pittsgrove Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains numerous funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes that position. This change in Net Position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and School Age Childcare enterprise funds are reported as business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 25. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

Governmental Funds (Continued)

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-Type Activities.

Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2013 and 2012.

Table 1
Net Position

	<u>2013</u>	<u>2012</u>
Assets		
Current and Other Assets	\$ 3,106,913	\$ 3,749,881
Capital Assets, Net	17,053,619	17,596,976
Total Assets	<u>20,160,532</u>	<u>21,346,857</u>
Liabilities		
Other Liabilities	3,209,529	3,212,364
Non-Current Liabilities	10,777,108	11,619,214
Total Liabilities	<u>13,986,637</u>	<u>14,831,578</u>
Net Position		
Invested in Capital Assets, Net of Debt	7,058,453	6,765,142
Restricted	712,709	1,194,025
Unrestricted	(1,454,450)	(1,443,888)
Total Net Position	<u>\$ 6,316,712</u>	<u>\$ 6,515,279</u>

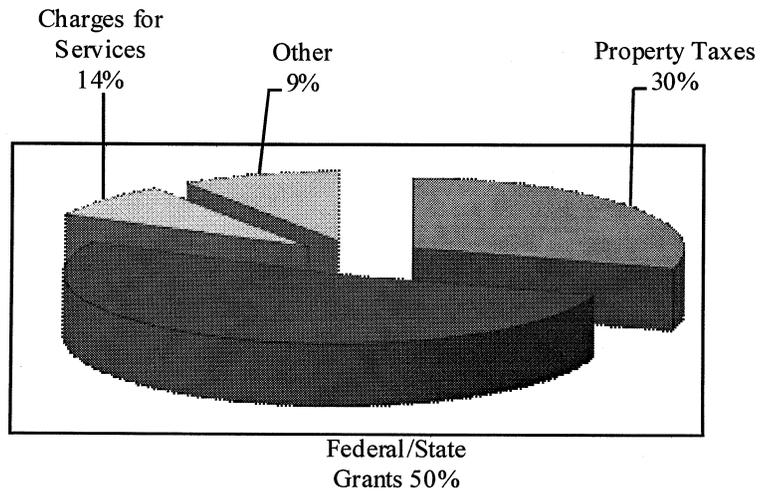
Table 2 shows the changes in Net Position from fiscal year's 2013 and 2012.

Table 2
Changes in Net Position

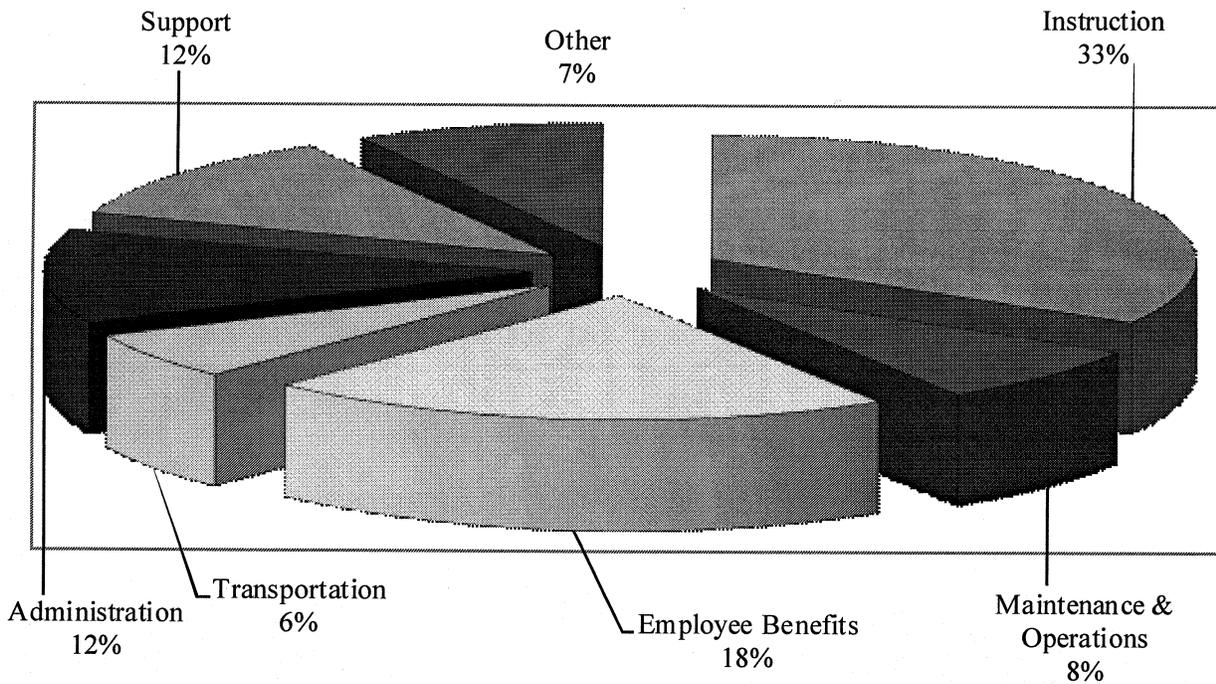
	<u>2013</u>	<u>2012</u>
Revenues		
Programs Revenues		
Charges for Services	\$ 2,582,759	\$ 3,164,419
Operating Grants and Contributions	3,566,596	3,145,094
General Revenues		
Property Taxes	9,432,954	9,056,948
Grants and Entitlements	13,216,567	13,752,737
Other	3,052,596	3,271,055
	<u>31,851,472</u>	<u>32,390,253</u>
Program Expenses		
Instruction	10,683,612	10,566,930
Support Services		
Pupils and Instructional Staff	3,643,222	3,482,552
General Administration, School		
Administration, Business	3,926,562	4,311,098
Operations and Maintenance of		
Facilities	2,439,996	2,556,330
Pupil Transportation	1,947,403	1,612,043
Employee Benefits	6,666,212	6,287,693
Interest on Debt	324,953	347,045
Food Service and Child Care	890,381	925,007
Other	1,444,502	1,709,435
	<u>31,966,843</u>	<u>31,798,133</u>
(Decrease) Increase in Net Position	<u>\$ (115,371)</u>	<u>\$ 592,120</u>

The breakdown by percentage of revenues and expenditures of the entire District as a whole for the fiscal year ended June 30, 2013 are illustrated in the two charts shown on the following page:

Revenues for Fiscal Year 2013



Expenses for Fiscal Year 2013



Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The total governmental revenues of the Pittsgrove Township School District for fiscal year 2013, excluding business-type activities, were \$25,665,373. The District's Property taxes made up 36.8% percent of these net revenues for governmental activities. Unrestricted Federal, state and local grants accounted for another 51.5%. The total cost of services was \$31,076,462. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$25,776,069. Instruction comprises 38.6% of these net District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>
Instruction	\$ 10,683,612	\$ 9,960,278	\$ 10,566,930	\$ 9,827,201
Tuition	507,683	507,683	515,590	515,590
Support Services				
Pupils and Instructional Staff	3,135,539	2,928,338	2,966,962	2,791,622
General Administration, School				
Administration, Business	3,926,562	2,250,969	4,706,000	2,408,589
Operation and Maintenance of Facilities	2,439,996	2,423,466	2,556,330	2,530,759
Pupil Transportation	1,947,403	1,741,610	1,612,043	1,424,007
Employee Benefits	6,666,212	4,237,393	6,287,693	4,307,606
Special Schools	91,592	91,592	93,866	93,866
Interest and Fiscal Charges	324,953	324,953	353,555	353,555
Other	1,352,910	1,309,787	1,214,157	1,214,157
Total Expenses	<u>\$ 31,076,462</u>	<u>\$ 25,776,069</u>	<u>\$ 30,873,126</u>	<u>\$ 25,466,952</u>

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

Pupils and instructional staff 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 include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

Curriculum and staff development expenses (included in support services) related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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 as well as internal service fund expenses.

Extracurricular activities include instructional expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization of debt issue costs.

Business-Type Activities

Revenues for the District’s Business-Type Activities (Food Service and SACC programs) were comprised of charges for services and federal and state reimbursements.

- ❖ Expenses exceeded program revenues by \$41,419. This deficit was offset by a board subsidy of \$36,557 and miscellaneous revenue of \$187, resulting in a negative change in Net Position of \$4,675.
- ❖ Charges for services represent \$519,755 of revenue. This represents amount paid by patrons for daily food services and SACC activities.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$329,207.

The School District’s Funds

Information about the School District’s major funds starts on page 25. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$29,284,676, expenditures of \$29,630,745 and other financing uses of \$36,557, cancellation of unpaid balances of \$183,845 and Capital Lease proceeds of \$114,121. The net negative change in Governmental fund balances for the year was \$452,350, which includes \$122,390 in the General fund, \$329,688 in the Capital Projects fund and \$272 in the permanent fund. The District was not able to meet current operating costs but there is no urgent need for additional funds.

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 schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent scholarship funds) for the fiscal year ended June 30, 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 12,830,720	43.81%	\$ 461,773	3.73%
State Sources	15,651,284	53.45%	334,156	2.18%
Federal Sources	802,672	2.74%	(450,721)	-35.96%
Total	\$ 29,284,676	100.00%	\$ 345,208	1.19%

The increase in Local sources is attributed to increases in local tax levy of \$376,006, and other miscellaneous revenues of \$96,358, offset by a decrease in tuition revenue of \$5,766 and interest earned of \$4,825.

The increase in State sources is attributed to increases in various state public aid of \$935,258 and debt service aid of \$4,039, offset by a decrease in the capital projects fund aid of \$605,141.

The above schedule includes the last two state aid payments for 2011-2012 of \$1,084,732 received in July 2012 and does not include the last two state aid payments for 2012-2013 received in July 2013 in the amount of \$1,265,666.

The decrease in Federal sources is due to the elimination of \$442,747 in Education Jobs Fund aid and \$7,974 for various other special revenue grants. In addition, the 2013 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2013 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 10,633,778	35.89%	\$ 278,265	2.69%
Undistributed Expenditures	17,067,451	57.60%	858,819	5.30%
Capital Outlay	907,015	3.06%	(1,022,246)	-122.42%
Debt Service:				
Principal	611,278	2.06%	32,257	5.57%
Interest	319,631	1.08%	(19,584)	-5.77%
Special Schools	91,592	0.31%	(2,274)	-2.42%
Total	<u>\$ 29,630,745</u>	<u>100.00%</u>	<u>\$ 125,237</u>	<u>0.44%</u>

The increase in instructional expenditures is attributed to increases in Regular instruction of \$316,984, Special education instruction of \$92,300 and other instructional expenses of \$2,607 offset by a decrease in other special instruction expenses of \$133,626.

The increase in undistributed expenditures was due to increases in student and instruction related services of \$123,984, School administration costs of \$8,792, other administration cost of \$16,027, pupil transportation of \$212,919, plant operations and maintenance of \$129,308 and employee benefit cost of \$391,096, offset by decreases in tuition costs of \$7,907 and central service costs of \$15,400.

The decrease in capital outlay is attributed to a decrease in general fund capital outlay of \$123,167 and capital projects fund expenditures of \$900,664, offset by an increase in special revenue fund instructional equipment of \$1,585.

The increase in debt service is the result of increased principal payments of \$32,257 and decreases interest of \$19,584 on debt obligations.

The decrease in special schools is attributed to an overall decrease in expenditures of \$2,274.

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 modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2013, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase in surplus of \$58,544 as shown on Exhibit C-1.

- ❖ Actual revenues were \$153,772 more than expected, excluding on-behalf pension and social security reimbursements of \$2,386,937, resulting in a positive variance of \$2,540,709.
- ❖ Actual expenditures were \$634,290 less than expected and shows that there were favorable variances in most expenditure accounts. This excludes state on-behalf pension and social security reimbursements of \$2,386,937.

Capital Assets

At the end of the fiscal year 2013, the School District had \$17,053,619 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2013 balances compared to 2012.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2013</u>	<u>2012</u>
Land	\$ 196,431	\$ 196,431
Construction in Progress		3,178,984
Land Improvements	375,896	333,632
Building and Improvements	15,250,746	12,573,693
Buses	402,546	543,174
Furniture and Equipment	828,000	771,062
Totals	<u>\$ 17,053,619</u>	<u>\$ 17,596,976</u>

Overall capital assets decreased \$543,357 from fiscal year 2012 to fiscal year 2013. Increases in capital assets by purchase or construction were \$707,520. These additions were offset by depreciation expenses of \$1,250,877 for the year.

Debt Administration:

At June 30, 2013, the District's outstanding debt was \$10,776,672 and included \$7,421,000 of general obligation bonds, \$68,648 in NJEDA Loans, \$793,003 in compensated absences and \$2,494,021 in capital leases. The two New Jersey Economic Development Loans were issued on August 18, 1993 of which the proceeds were placed in the District's capital project buildings and grounds. These improvements involved renovations of the High School including 75% of the cost of replacing the roof, installation of energy efficient lighting, replacement of the heating system in the gymnasium and replacement of the cooling tower.

At June 30, 2013, the School District's overall legal debt margin was \$26,157,926 and the amount available in the debt margin for future borrowing \$18,668,278.

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2013</u>
NJEDA Small Projects Loan	8/18/1993	\$ 643,819	\$ 68,648
Construction of Additions and Other Improvements to Middle School	5/1/1999	6,950,000	3,770,000
Various Improvements to the Elementary Schools, Middle School and High School	3/1/2005	2,064,000	80,000
2011 Various Capital Expenditures	12/18/2009	1,856,000	1,766,000
2013 Refunding Issue	3/20/2013	1,805,000	1,805,000

For the Future

Presently the Pittsgrove Township School District is in good financial condition. This statement is made in the context of strict growth limitations. Financing current programs in the future is the major concern for the administration and the Board of Education. A new funding structure that has increased reliance on property taxes adds to this concern. The future financing of educational programming will require Pittsgrove Township to make some difficult decisions regarding the allocation of its resources.

The Board of Education continues its commitment to providing quality schooling for the children of Pittsgrove Township. Recent literacy, technology, and reduced class size initiatives attest to the fact. However, with resources being finite, and the continued pressure of federal and state mandated programs, the future is not without challenge. Pittsgrove Township is primarily a residential community, with very few ratables; thus the homeowner bears the tax burden. The current down turn in the economy has impacted future State funding to the school, this has made the budget process more challenging. During this year's budget process, it will be the concern of the administration and Board of Education to conduct a program review of all costs centers in the district.

In conclusion, the Pittsgrove Township School District has committed itself to fiscal responsibility for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls meet all industry standards and are functioning well. The School District plans to continue its sound fiscal practice, while recognizing the challenge of finding revenues to meet expense requirements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Suzanne R. Fox Abdill, School Business Administrator at Pittsgrove Township Board of Education.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,089,568	\$ 143,505	\$ 1,233,073
Receivables, Net	1,658,973	74,555	1,733,528
Inventory	132,263	5,338	137,601
Restricted Assets:			
Capital Reserve Account - Cash	2,711		2,711
Capital Assets, Net (Note 5)	17,017,895	35,724	17,053,619
	<hr/>	<hr/>	<hr/>
Total Assets	19,901,410	259,122	20,160,532
	<hr/>	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amounts on Refunding of Debt	142,817		142,817
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	879,641	195,440	1,075,081
Interfund Payable	2,250		2,250
Short-Term Loan Payable	1,272,596		1,272,596
Accrued Interest Payable	93,043		93,043
Unearned Revenue	759,147	7,412	766,559
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,145,578	436	1,146,014
Due Beyond One Year	9,631,094		9,631,094
	<hr/>	<hr/>	<hr/>
Total Liabilities	13,783,349	203,288	13,986,637
	<hr/>	<hr/>	<hr/>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,022,729	35,724	7,058,453
Restricted for:			
Capital Projects	51,632		51,632
Capital Reserve	2,711		2,711
Permanent Endowment - Nonexpendable	90,980		90,980
Other Purposes	567,386		567,386
Unrestricted	(1,474,560)	20,110	(1,454,450)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 6,260,878	\$ 55,834	\$ 6,316,712
	<hr/>	<hr/>	<hr/>

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

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Regular	\$ 7,949,881	\$	\$ 723,334	\$ (7,226,547)	\$	\$ (7,226,547)
Special Education	2,090,259			(2,090,259)		(2,090,259)
Other Special Instruction	265,282			(265,282)		(265,282)
Other Instruction	378,190			(378,190)		(378,190)
Support Services:						
Tuition	507,683			(507,683)		(507,683)
Student & Instruction Related Services	3,135,539	121,965	85,236	(2,928,338)		(2,928,338)
School Administrative Services	1,140,257			(1,140,257)		(1,140,257)
General and Business Admin. Services	1,766,822	1,386,861		(379,961)		(379,961)
Central Services and Information Tech.	1,019,483	288,732		(730,751)		(730,751)
Plant Operations and Maintenance	2,439,996	16,530		(2,423,466)		(2,423,466)
Pupil Transportation	1,947,403	205,793		(1,741,610)		(1,741,610)
Business Support Services	58,088	43,123		(14,965)		(14,965)
Employee Benefits	6,666,212		2,428,819	(4,237,393)		(4,237,393)
Special Schools	91,592			(91,592)		(91,592)
Interest on Long-Term Debt	324,953			(324,953)		(324,953)
Debt Issue Costs	45,000			(45,000)		(45,000)
Unallocated Depreciation	1,249,822			(1,249,822)		(1,249,822)
Total Governmental Activities	31,076,462	2,063,004	3,237,389	(25,776,069)		(25,776,069)
Business-Type Activities:						
Food Service	735,073	384,801	329,207		(21,065)	(21,065)
Child Care	155,308	134,954			(20,354)	(20,354)
Total Business-Type Activities	890,381	519,755	329,207		(41,419)	(41,419)
Total Primary Government	\$ 31,966,843	\$ 2,582,759	\$ 3,566,596	(25,776,069)	(41,419)	(25,817,488)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				8,826,602		8,826,602
Taxes Levied for Debt Service				606,352		606,352
Federal and State Aid not Restricted				13,216,567		13,216,567
Tuition Received				3,034,238		3,034,238
Investment Earnings				6,772	187	6,959
Miscellaneous Income				256,373		256,373
Cancellation of Accounts Receivable				(61,129)		(61,129)
Cancellation of Unexpended Balances				(183,845)		(183,845)
Transfers				(36,557)	36,557	
Total General Revenues, Special Items, Extraordinary Items and Transfers				25,665,373	36,744	25,702,117
Change in Net Position				(110,696)	(4,675)	(115,371)
Net Position—Beginning (Restated)				6,371,574	60,509	6,432,083
Net Position—Ending				\$ 6,260,878	\$ 55,834	\$ 6,316,712

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Permanent</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 218,767	\$	\$ 37,025	\$ 2	\$ 93,230	\$ 349,024
Due from Other Funds	849,761					849,761
State Aid Receivable	80,828		665,428			746,256
Federal Aid Receivable	1,108	173,984				175,092
Receivables from Other Governments	332,094					332,094
Other Accounts Receivable	33,292					33,292
Restricted Cash - Capital Reserve	2,711					2,711
Total Assets	\$ 1,518,561	\$ 173,984	\$ 702,453	\$ 2	\$ 93,230	\$ 2,488,230
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 369,029	\$ 49,779	\$ 68	\$	\$	\$ 418,876
Short-Term Loan Payable	1,272,596					1,272,596
Due to Other Governments	19,528	420				19,948
Other Liabilities	772					772
Interfund Payable	72,296	112,244	636,120		2,250	822,910
Unearned Revenue		18,471				18,471
Total Liabilities	1,734,221	180,914	636,188		2,250	2,553,573
Fund Balances:						
Restricted for Capital Reserve	2,711					2,711
Committed to Year-End Encumbrances	559,681		14,633			574,314
Unassigned, Reported In:						
General Fund	(778,052)					(778,052)
Special Revenue Fund		(6,930)				(6,930)
Capital Projects Fund			51,632			51,632
Debt Service Fund				2		2
Permanent Fund					90,980	90,980
Total Fund Balances (Deficit)	(215,660)	(6,930)	66,265	2	90,980	(65,343)
Total Liabilities and Fund Balances	\$ 1,518,561	\$ 173,984	\$ 702,453	\$ 2	\$ 93,230	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$38,439,896 and the accumulated depreciation is \$21,433,498 (See Note 5).	17,006,398
Deferred Outflows of Resources - Amounts of Refunding Debt Coat	142,817
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(93,043)
Internal Service Fund - Reserve for Encumbrances	46,721
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(10,776,672)
Net Position of Governmental Activities	\$ 6,260,878

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

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES						
Local sources:						
Local Tax Levy	\$ 8,826,602	\$	\$	\$ 606,352	\$	\$ 9,432,954
Tuition Charges	3,034,238					3,034,238
Interest Earned	6,375		94		303	6,772
Miscellaneous	354,745	336			1,675	356,756
Total - Local Sources	12,221,960	336	94	606,352	1,978	12,830,720
State Sources	15,257,427	69,300		324,557		15,651,284
Federal Sources	9,920	792,752				802,672
Total Revenues	27,489,307	862,388	94	930,909	1,978	29,284,676
EXPENDITURES						
Current:						
Regular Instruction	7,176,713	723,334				7,900,047
Special Education Instruction	2,090,259					2,090,259
Other Special Instruction	265,282					265,282
Other Instruction	378,190					378,190
Support Services:						
Tuition	507,683					507,683
Student & Instruction Related Services	2,926,088	85,236			2,250	3,013,574
Other Administrative Services	541,473					541,473
School Administrative Services	1,140,257					1,140,257
Central Services and Information Technology	754,783					754,783
Plant Operations and Maintenance	2,709,377					2,709,377
Pupil Transportation	1,741,610					1,741,610
Employee Benefits	6,616,812	41,882				6,658,694
Debt Service:						
Principal				611,278		611,278
Interest and Other Charges				319,631		319,631
Capital Outlay	701,520	11,936	193,559			907,015
Special Schools	91,592					91,592
Total Expenditures	27,641,639	862,388	193,559	930,909	2,250	29,630,745
Excess (Deficiency) of Revenues over Expenditures	(152,332)		(193,465)		(272)	(346,069)
OTHER FINANCING SOURCES (USES)						
Transfer - Food Service	(36,557)					(36,557)
Cancellation of Unexpended Balances			(183,845)			(183,845)
Transfer to Capital Projects Fund	(47,716)		47,716			
Capital Lease Proceeds	114,121					114,121
Interest Earned Transferred to General Fund	94		(94)			
Total Other Financing Sources and Uses	29,942		(136,223)			(106,281)
Net Change in Fund Balances	(122,390)		(329,688)		(272)	(452,350)
Fund Balance—July 1 (Deficit)	(93,270)	(6,930)	395,953	2	91,252	387,007
Fund Balance—June 30 (Deficit)	\$ (215,660)	\$ (6,930)	\$ 66,265	\$ 2	\$ 90,980	\$ (65,343)

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (452,350)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense	\$ (1,249,822)	
	Capital Lease Principal paid in Operating Budget	350,198	
	Capital Outlays	763,435	
		(136,189)	(136,189)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 611,278

Increase in Compensated Absences is not considered an expense in the fund statements. (7,518)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is charged when payment is due. 28,661

In the Statement of Activities, Deferred Debt Refinancing costs are amortized over the life of the Debt. However, in the governmental fund, no expenditures are incurred. (4,524)

Proceeds from a capital lease are considered a financing source in the governmental funds. They are not, however, a revenue in the Statement of Activities, whereby issuing debt increases long-term liabilities in the Statement of Net Position. (114,121)

Bond Issue Costs related to a Refinancing Issue are expensed in the Statement of Activities in the year the Refunding Bonds are issued, in accordance with GASB 65. However, in the governmental fund, no expenditures are incurred. (45,000)

Internal Service Fund - Increase in Reserve for Encumbrances 9,067

Change in Net Position of Governmental Activities (See A-2) **\$ (110,696)**

PROPRIETARY FUNDS

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 57,260	\$ 13,949	\$ 71,209	\$ 812,840
Accounts Receivable	64,220	10,335	74,555	372,207
Interfund Receivable	72,296		72,296	
Inventories	5,338		5,338	132,263
Fixed Assets, Net				11,497
Total Current Assets	199,114	24,284	223,398	1,328,807
Noncurrent Assets:				
Furniture, Machinery & Equipment	238,900		238,900	
Less Accumulated Depreciation	(203,176)		(203,176)	
Total Noncurrent Assets	35,724		35,724	
Total Assets	234,838	24,284	259,122	1,328,807
LIABILITIES				
Current Liabilities:				
Accounts Payable	193,437	2,003	195,440	426,187
Interfund Payable				101,365
Other Current Liabilities		436	436	13,858
Unearned Revenue	5,677	1,735	7,412	740,676
Total Liabilities	199,114	4,174	203,288	1,282,086
NET POSITION				
Invested in Capital Assets Net of Related Debt	35,724		35,724	
Restricted for:				
Encumbrances				46,721
Unrestricted		20,110	20,110	
Total Net Position	\$ 35,724	\$ 20,110	\$ 55,834	\$ 46,721

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 235,391		\$ 235,391	\$
Daily Sales - Non-reimbursable Programs	91,487		91,487	
Special Functions	47,740		47,740	
Miscellaneous	10,183		10,183	
Service Charges		134,954	134,954	2,076,727
Total Operating Revenues	384,801	134,954	519,755	2,076,727
Operating expenses:				
Cost of Sales	291,870		291,870	
Salaries	219,249	131,142	350,391	364,324
Employee Benefits	53,369	9,889	63,258	19,882
Purchased Professional/ Technical Services				268,971
Other Purchased Services				14,965
Supplies and Materials	55,228		55,228	1,201,215
Equipment				14,371
Management Fees	60,397		60,397	
Insurance	12,951		12,951	
Miscellaneous Other Costs	40,954	14,277	55,231	5,823
Depreciation	1,055		1,055	2,874
Total Operating Expenses	735,073	155,308	890,381	1,892,425
Operating Income (loss)	(350,272)	(20,354)	(370,626)	184,302
Non-operating revenues (expenses):				
State Sources:				
State School Lunch Program	7,484		7,484	
Federal Sources:				
National School Lunch Program	223,905		223,905	
National School Breakfast Program	47,288		47,288	
Special Milk Program	1,791		1,791	
Food Distribution Program	48,739		48,739	
Transfer to Unearned Revenue				(13,723)
Transfer to General Fund				(100,383)
Cancellation of Accounts Receivable				(61,129)
Interest and Miscellaneous Items	187		187	
Total Non-operating Revenues (Expenses)	329,394		329,394	(175,235)
Income (Loss) before Contributions & Transfers	(20,878)	(20,354)	(41,232)	9,067
Transfers in (out)	36,557		36,557	
Change in Net Position	15,679	(20,354)	(4,675)	9,067
Total Net Position—Beginning	20,045	40,464	60,509	37,654
Total Net Position—Ending	\$ 35,724	\$ 20,110	\$ 55,834	\$ 46,721

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities -			Governmental
	Enterprise Funds			Activities -
	Food	SACC	Total	Internal
	Service	Program	Enterprise	Service
				Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 384,801	\$ 142,905	\$ 527,706	\$ 2,076,727
Payments to employees	(219,249)	(131,142)	(350,391)	(364,324)
Payments for employee benefits	(53,369)	(9,889)	(63,258)	(19,882)
Payments to suppliers	(394,284)	(26,590)	(420,874)	(1,719,753)
Net cash provided by (used for) operating activities	(282,101)	(24,716)	(306,817)	(27,232)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	7,484		7,484	
Federal Sources	272,984		272,984	
Operating subsidies and transfers to other funds	36,557		36,557	
Net cash provided by (used for) non-capital financing activities	317,025		317,025	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(16,734)		(16,734)	
Net cash provided by (used for) capital and related financing activities	(16,734)		(16,734)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	187		187	
Proceeds from sale/maturities of investments				
Net cash provided by (used for) investing activities	187		187	
Net increase (decrease) in cash and cash equivalents	18,377	(24,716)	(6,339)	(27,232)
Balances—beginning of year	38,883	38,665	77,548	840,072
Balances—end of year	\$ 57,260	\$ 13,949	\$ 71,209	\$ 812,840
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (350,272)	\$ (20,354)	\$ (370,626)	\$ 184,302
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,055		1,055	2,874
Federal commodities	48,739		48,739	
(Increase) decrease in accounts receivable, net	27,994	7,951	35,945	(272,958)
(Increase) decrease in interfund receivable	(12,366)		(12,366)	
(Increase) decrease in inventories	6,147		6,147	170,757
(Increase) decrease in fixed assets, net				(14,371)
Increase (decrease) in accounts payable	6,872	1,675	8,547	282,030
Increase (decrease) in unearned revenue	(10,270)	1,701	(8,569)	(366,143)
Increase (decrease) in interfunds payable		(14,230)	(14,230)	100,383
Increase (decrease) in compensated absences		(1,459)	(1,459)	
Transfers to General Fund				(100,383)
Transfers to Unearned Revenue				(13,723)
Total adjustments	68,171	(4,362)	63,809	(211,534)
Net cash provided by (used for) operating activities	\$ (282,101)	\$ (24,716)	\$ (306,817)	\$ (27,232)

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

FIDUCIARY FUNDS

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 93,230	\$ 176,612
Due from Scholarship Fund		2,250
	<hr/>	<hr/>
Total Assets	93,230	178,862
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable		7,210
Due to Student Activity Fund	2,250	
Payroll Deductions and Withholdings		14,780
Due to Current Fund		32
Payable to Student Groups		156,840
	<hr/>	<hr/>
Total Liabilities	2,250	\$ 178,862
	<hr/>	<hr/>
NET POSITION		
Reserved for Scholarships	\$ 90,980	
	<hr/>	

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	\$ 1,675
Investment Earnings:	
Interest	303
	<hr/>
Total Additions	1,978
DEDUCTIONS	
Scholarships Awarded	2,250
	<hr/>
Change in Net Position	(272)
Net Position—Beginning of the Year	91,252
	<hr/>
Net Position—End of the Year	\$ 90,980
	<hr/> <hr/>

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

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Pittsgrove Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of sixty-five square miles. It is located in Salem County and provides education for all of Pittsgrove Township's grades K through 12. The District currently operates four instructional buildings, an administrative building, and a special services building.

A. Reporting Entity:

The Pittsgrove Township School District is a Type II district located in the County of Salem, 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 elected to three-year terms and one sending district member appointed annually. The purpose of the district is to educate students in grades K-12. The School District had an approximate enrollment at June 30, 2013 of 1,801 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
- 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Pittsgrove Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

A. Basis of Presentation:

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

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the opinion noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting:

The accounts of the District 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 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.

GOVERNMENTAL FUND TYPE

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position, (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. 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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

PROPRIETARY FUND TYPE

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 (Food Service and SACC) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered 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 and the School Age Child Care Program.

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	7-20 Years

Internal Service Fund - The Internal Service Fund has been established to account for various services provided by the Pittsgrove Township School District for use by various other districts within and outside of the County of Salem, as well as for the Pittsgrove Township School District itself. Services are generally provided on a cost-reimbursement basis.

The district implemented the use of internal service funds for the following:

- Business Services
- Internet Access
- Distance Learning Hub
- Transportation Jointure and Maintenance for other school districts
- Joint paper purchasing for other school districts
- Art Academy
- Custodial Services – Through October, 2009

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a Scholarship Fund as a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus (Cont'd):

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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. Expenditures are recorded when the related fund liability is incurred, except for the principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District 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 District'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 the financial position and operating results of proprietary fund types and nonexpendable 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.

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

D. Budgets/Budgetary Control:

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

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The following presents a reconciliation of the special revenue funds 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. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment. The general fund statement of revenue reflects the last state aid payment of the prior year, which was received in July 2012 as revenue, but omits the last state aid payment of the current 2012-13 year received in July 2013.

E. 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 District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

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

F. Tuition Receivable:

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.

G. Tuition Payable:

Tuition charges for the fiscal years 2012-13, 2011-12 and 2010-11 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditure during the year of purchase.

On district-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. 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 District and that are due within one year.

J. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Of the \$5,338 in inventory reflected as of June 30, 2013, Federal Commodity Food is the amount of \$5,338. Per agreement with the management service company, supply and purchased food inventory is owned by the management company. Supply and purchased food consumed by the District is billed to the District in the period consumed. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets - The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	30-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Long-Term Debt. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned Revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Bond and Lease Acquisition Costs:

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. The prior year Net Position has been restated, to write off the balance of unamortized bond and lease issue costs as of June 30, 2012.

N. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

O. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

P. Extraordinary and Special Items:

Extraordinary items are transactions or events, unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Q. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

R. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

S. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

T. Management Estimates:

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

U. Net Position:

Net Position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position is available.

V. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Revenues – Exchange and Non-exchange Transactions:

Revenue is resulting from exchange transactions, in which each party gives and receives essentially equal value, and is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

X. New Accounting Standards:

During fiscal year 2013, the district adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect in a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

X. New Accounting Standards (Cont'd):

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, *Technical Corrections-2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 69, *Government Combinations and disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

X. New Accounting Standards: (Cont'd)

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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. All other investments are stated at fair value.

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2013, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 1,161,912
N.J. Cash Management Fund	269,794
Total	\$ 1,431,706

Custodial Credit Risk - Custodial Credit Risk is the risk that, in the event of a bank failure, the School Districts deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, as described in Note 1: N.J.S.A. 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act. As of June 30, 2013, the School Districts bank balance of \$1,786,832 was insured or collateralized as follows:

Insured	\$ 500,000
Uninsured and collateralized under GUDPA by pledging financial institutions	1,286,832
	\$ 1,786,832

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

New Jersey Cash Management Fund – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2013, the District had \$269,793 on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A 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 un-expended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of 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.* 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects in its approved LRFP.

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

Beginning Balance July 1, 2012	\$2,701
Interest Earnings	10
Withdrawal: Transfer to the Debt Service Fund	(0)
Ending balance June 30, 2013	<u>\$ 2,711</u>

The June 30, 2013 balance in the Capital Reserve Account is within the maximum balance per the districts' LRFP. There was no withdrawal from the account during the school year ended June 30, 2013.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 5. CAPITAL ASSETS

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

	Balance 7/1/2012	Additions	Transfer	Balance 6/30/2013
Governmental activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 196,431	\$	\$	\$ 196,431
Construction in progress	3,178,984		(3,178,984)	-
Total capital assets not being depreciated	3,375,415		(3,178,984)	196,431
Land improvements	2,107,434	82,461		2,189,895
Building and building improvements	23,204,513	405,789	3,178,984	26,789,286
Buses	2,167,881			2,167,881
Furniture and equipment	6,905,364	202,536		7,107,900
Totals at historical cost	34,385,192	690,786	3,178,984	38,254,962
Less accumulated depreciation for :				
Land improvements	(1,773,802)	(40,197)		(1,813,999)
Building and improvements	(10,630,820)	(907,720)		(11,538,540)
Buses	(1,624,707)	(140,628)		(1,765,335)
Furniture and Equipment	(6,154,347)	(161,277)		(6,315,624)
Total accumulated depreciation	(20,183,676)	(1,249,822)		(21,433,498)
Total capital assets being depreciated, net of accumulated depreciation	14,201,516	(559,036)		16,821,464
Government activities capital assets, net	\$ 17,576,931	\$ (559,036)	\$	\$ 17,017,895
	To A-1			To A-1
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 222,166	\$ 16,734	\$	\$ 238,900
Less accumulated depreciation for :				
Equipment	(202,121)	(1,055)		(203,176)
Business-type activities capital assets, net	\$ 20,045	\$ 15,679	\$	\$ 35,724

* Depreciation expense was charged to governmental functions as follows:

Administration	\$ 2,014
Insructional	45,896
Unallocated Depreciation	1,201,912
Total depreciation expense	\$ 1,249,822

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds payable:						
NJEDA	\$ 134,925		\$ (66,277)	\$ 68,648	\$ 68,648	\$ -
General obligation debt	7,800,000	1,805,000	(2,184,000)	7,421,000	510,000	6,911,000
Total bonds payable	7,934,925	1,805,000	(2,250,277)	7,489,648	578,648	6,911,000
Other Liabilities:						
Obligations under capital lease	2,806,909	114,121	(427,009)	2,494,021	528,404	1,965,617
Early Retirement Bonds	90,000		(90,000)			
Compensated absences payable	785,485	7,518		793,003	38,526	754,477
Total liabilities	\$ 11,617,319	\$ 1,926,639	\$ (2,767,286)	\$ 10,776,672	\$ 1,145,578	\$ 9,631,094
Business-Type Activities:						
Compensated absences payable	\$ 1,895		\$ (1,459)	\$ 436	\$ 436	

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. On May 21, 2009 the Board of Education Advance-Refunded the 1999 Bond Issue in the amount of \$4,850,000 in refunding bonds at various interest rates per redemption batch, from 3% to 4.25 %. The balance of these bonds is \$3,770,000 as of June 30, 2013.

The District was awarded state grant funding for various capital projects for renovations and improvements to the Olivet elementary school, Middle school and A. P. Schalick High School, of which a bond referendum was held on September 29, 2009 to seek voter approval for the District's matching share of \$ 1,856,000. Voter approval was achieved and accordingly, bonds were issued with interest rates ranging from 3.5% to 4%. The balance of these bonds is \$1,766,00, as of June 30, 2013.

The cost for all the projects is an amount not to exceed \$3,995,653, which includes state funding of \$2,139,653 under the N.J. Educational Facilities Construction and Finance Act.

In the 2004-2005 year, Bonds were issued in the amount of \$2,064,000 as part of an NJEDA Project. During the 2012-2013 year, \$1,729,000 of these bonds were refunded, with a balance remaining of \$80,000, as of June 30, 2013.

NJEDA Safe Program and Small Project Loan bonds were issues on August 18, 0993 in the amount of \$998,930. The balance of these bonds is \$68,648, as of June 30, 2013.

B. Early Retirement Bonds - The District refinanced the Early Retirement liability to the state of New Jersey through a bond issue, series 2003. These bonds were paid off during the year

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6. LONG-TERM DEBT (CONT'D)

C. Serial Bonds Payable

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 578,648	\$ 266,241	\$ 844,889
2015	530,000	250,628	780,628
2016	550,000	235,428	785,428
2017	560,000	218,028	778,028
2018	580,000	196,628	776,628
2019	595,000	172,928	767,928
2020	605,000	148,753	753,753
2021	640,000	125,496	765,496
2022	655,000	101,009	756,009
2023	675,000	75,753	750,753
2024	730,000	49,809	779,809
2025	410,000	29,240	439,240
2026	185,000	15,240	200,240
2027	196,000	7,836	203,836
	<u>\$ 7,489,648</u>	<u>\$ 1,893,017</u>	<u>\$ 9,382,665</u>

On February 25, 2013, the District authorized refunding its outstanding series 2005 bonds, with the exception of \$80,000 that were not callable and will be redeemed in the normal course. The proceeds of the refunding bonds will be used to advance refund and redeem all of the School District's outstanding callable School Bonds, Series 2005, maturing on March 1, 2015 through 2025 and pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds. The amount of the Refunding Bonds is \$1,805,000, dated March 20, 2013.

Pursuant to an Escrow Deposit Agreement between the School District and The Bank of New York Mellon, Woodland Park, New Jersey, the District will irrevocably deposit monies and direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, with the Escrow Agent.

D. Capital Leases - The District is leasing Buses, Computers, Kitchen Renovations, Smartboards, a Truck, an Energy Retrofit, a New Roof and various other items under capital leases. This includes one new lease for the acquisition of I pads, during the 2012-13 fiscal year costing \$114,121. In addition, five previously existing leases, with balances totaling \$2,192,513, were refinanced. In accordance with GASB Statement No. 65, the associated debt issue costs were expensed on the Statement of Activities. The following is a schedule of the future minimum lease payments under these capital leases at June 30, 2013.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6. LONG-TERM DEBT (CONT'D)

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 528,404	\$ 76,643	\$ 605,047
2015	551,768	53,279	605,047
2016	458,525	37,701	496,226
2017	471,167	25,059	496,226
2018	484,157	12,068	496,225
	<u>\$ 2,494,021</u>	<u>\$ 204,750</u>	<u>\$ 2,698,771</u>

Subsequent to June 30, 2013 and before the audit issuance date, two new capital leases were issued for Computers and other educational materials. The following is a schedule of all future Capital Leases payments, including the new leases acquired during the 2013-2014 school year.

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 608,446	\$ 76,883	\$ 685,329
2015	627,895	57,434	685,329
2016	536,702	39,806	576,508
2017	471,167	25,059	496,226
2018	484,158	12,068	496,226
	<u>\$ 2,728,368</u>	<u>\$ 211,250</u>	<u>\$ 2,939,618</u>

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

NOTE 7. MAINTENANCE RESERVE

A Maintenance Reserve may be established by New Jersey school districts for the accumulation of funds for use to fund certain expenditures in the operating budget. There was no balance in the maintenance reserve at June 30, 2013.

NOTE 8. PENSION PLANS

Description of Plans - 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 administered by the New Jersey Division of Pension and Benefits. 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 from the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. PENSION PLANS (CONT'D)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2012, however, in accordance with Chapter 78, P.L. 2012, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007.

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The School District is billed annually for its normal contribution plus any accrued liability.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 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.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. PENSION PLANS (CONT'D)

Significant Legislation – P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation’s provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system’s unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

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 5.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/13	\$ 395,195	100%	\$ 395,195
6/30/12	388,310	100	388,310
6/30/11	381,545	100	381,545

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. PENSION PLANS (CONT'D)

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

<u>Year</u> <u>Funding</u>		<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>		<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/13	\$	1,558,105	100%	\$	0
6/30/12		1,103,504	100		0
6/30/11		777,753	100		0

During the fiscal year ended June 30, 2013 the State of New Jersey contributed \$826,857 to the TPAF for pension contributions and post-retirement benefits of \$731,248 on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$828,832 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 9. DEFERRED COMPENSATION

The Board offers its employees a choice of various 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 during the year ended June 30, 2013 were Copeland, Lincoln, and ING.

NOTE 10. POST-RETIREMENT BENEFITS

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

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

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 11. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, the estimated liability for compensated absences in the Governmental Activities was \$793,003 and \$436 for Business – Type Activities.

NOTE 12. TAX ANTICIPATION LOAN

As a result of the delay in the last two state aid revenue receipts, a loan was taken out in the amount of \$1,272,596 and paid off in July, 2013, with interest expense reimbursed from the state.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 849,761	\$ 72,296
Special Revenue Fund		112,244
Capital Projects Fund		636,120
Student Activity Fund	2,250	
Scholarship Fund		2,250
Payroll Fund		32
Enterprise Funds	72,296	
Internal Service Funds		101,365
Total	<u>\$ 924,307</u>	<u>\$ 924,307</u>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 14. 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. The district has chosen to purchase insurance to transfer risk to outside parties.

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 its New Jersey Unemployment Compensation Insurance under the "Percentage Method". Under this plan, the District is required to pay the New Jersey Unemployment Trust Fund based on a percentage of wages up to the statutory limit. The amount computed is payable on a quarterly basis.

The following is a summary of District contributions, employee contributions, payments to the State and the ending balance of the District's expendable trust fund for the current and prior years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ 40,945	\$ 39,478	\$ 80,423	\$ 0
2011-2012	48,029	46,308	94,337	0
2010-2011	53,575	51,888	105,463	0

NOTE 15. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 16. RECEIVABLES

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

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

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Internal Service Fund</u>
Intergovernmental	\$ 414,030	\$ 173,984	\$ 665,428	\$ 74,555	\$ 372,207
Other	33,292				
Totals	\$ 447,322	\$ 173,984	\$ 665,428	\$ 74,555	\$ 372,207

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 17. FUND BALANCE APPROPRIATED

General Fund - Of the (\$215,660) deficit in General Fund balance at June 30, 2012, \$559,681 is reserved for encumbrances; \$0 is reserved as excess surplus in accordance with *N.J.S.A. 118A:7F-7*; \$2,711 has been reserved in the Capital Reserve Account; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2013 and the net result is a deficit of (\$778,052) in unreserved and undesignated fund balance.

NOTE 18. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the N J School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess fund balance at June 30, 2013, which is required to be appropriated in the 2013-14 or 2014-15 budgets.

NOTE 19. EARLY RETIREMENT PROGRAM

The District maintains a long-term liability for two early retirement programs, which was permanently funded by bonds as shown in Note 6B above.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit fund balance of (\$215,660) in the General Fund and (6,930) in the Special Revenue Fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP General Fund statements of \$215,660 is less than the last two state payments. The District deficit in the GAAP Special Revenue fund statement of \$6,930 is equal to the last two state aid payments.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 21. OPERATING LEASES

The District has operating lease commitments at June 30, 2013 for the Elmer School Building with contents and copiers. The minimum lease payments are as follows:

2014	\$ 52,068
2015	11,484

NOTE 22. RESTATEMENT

As of July 1, 2012, the Pittsgrove Township Board of Education implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities". The Pittsgrove Township Board of Education has determined that the effect of implementing these accounting changes on the financial statements previously reported, as of and for the year ended June 30, 2012, was to eliminate on the District-wide statement of net position, the deferred charge related to debt issuance costs in the amount of \$84,007, with a corresponding reduction in the net investment in the capital asset component of net position. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2012 from \$5,017,672, as originally reported to \$4,933,665 as adjusted for the effects of the change in accounting principle.

NOTE 23. AMORTIZATION OF DEBT REFUNDING COST

The Pittsgrove Board of Education has elected to implement GASB Statement No. 65 during the year under audit and as a result, has reflected the Bond and Capital Lease Debt Refunding Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. The amount of Debt Refunding Costs allocated is \$147,341, of which \$4,524 was amortized as of June 30, 2013 resulting in a balance in deferred outflows of resources of \$142,817.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 8,826,602	\$	\$ 8,826,602	\$ 8,826,602	\$
Tuition - Other LEA's	2,942,695		2,942,695	2,982,743	40,048
Tuition - Individuals	40,320		40,320	51,495	11,175
Interest Earned on Deposits	58,005		58,005	6,365	(51,640)
Interest Earned on Capital Reserve Funds	10		10	10	
Miscellaneous	225,500		225,500	354,745	129,245
Total Local Sources	12,093,132		12,093,132	12,221,960	128,828
State Sources:					
Equalization Aid	10,300,951		10,300,951	10,300,951	
Categorical Transportation Aid	744,287		744,287	744,287	
Special Education Categorical Aid	822,120		822,120	822,120	
Categorical Security Aid	227,854		227,854	227,854	
Adjustment Aid	12,519		12,519	12,519	
School Choice Aid	903,300		903,300	903,300	
Other State Aids:					
Extraordinary Aid				29,431	29,431
Non-Public Transportation Aid				10,962	10,962
TPAF Pension (On-Behalf - Non-Budgeted)				731,248	731,248
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				826,857	826,857
TPAF Social Security (Reimbursed - Non-Budgeted)				828,832	828,832
Total State Sources	13,011,031		13,011,031	15,438,361	2,427,330
Federal Sources:					
Medicaid Program - SEMI	25,369		25,369	8,812	(16,557)
Education Jobs Fund				1,108	1,108
Total Federal Sources	25,369		25,369	9,920	(15,449)
Total Revenues	\$ 25,129,532	\$	\$ 25,129,532	\$ 27,670,241	\$ 2,540,709
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 319,292	\$ 75,654	\$ 394,946	\$ 394,932	\$ 14
Grades 1-5 - Salaries of Teachers	1,977,104	10,055	1,987,159	1,986,565	594
Grades 6-8 - Salaries of Teachers	1,421,526	138,753	1,560,279	1,560,215	64
Grades 9-12 - Salaries of Teachers	2,225,950	120,034	2,345,984	2,345,828	156
Regular Programs - Home Instruction:					
Salaries of Teachers	11,425	13,611	25,036	25,000	36
Purchased Professional-Educational Services	27,000	(3,211)	23,789	23,674	115
Other Purchased Services (400-500 series)	3,000	(3,000)			
Purchased Professional-Educational Services	185,785	6,344	192,129	192,088	41
Purchased Technical Services	44,226	1,212	45,438	45,345	93
Other Purchased Services (400-500 series)	246,898	2,248	249,146	248,727	419
General Supplies	303,118	(9,208)	293,910	288,341	5,569
Textbooks	56,286	9,669	65,955	65,728	227
Other Objects	6,605	(6,000)	605	270	335
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,828,215	356,161	7,184,376	7,176,713	7,663
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
General Supplies		54	54		54
Total Learning and/or Language Disabilities		54	54		54

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Behavioral Disabilities:					
Salaries of Teachers	\$ 164,147	\$ 8,645	\$ 172,792	\$ 172,747	\$ 45
Purchased Professional-Educational Services	26,512	25,400	51,912	51,327	585
General Supplies	3,400	(2,450)	950	626	324
Other Objects	3,705	(3,470)	235	233	2
Total Behavioral Disabilities	197,764	28,125	225,889	224,933	956
Multiple Disabilities:					
Salaries of Teachers	249,816	(300)	249,516	249,411	105
Other Salaries for Instruction		1,080	1,080	1,080	
Purchased Professional Educational Services	125,300	(16,396)	108,904	108,872	32
General Supplies	5,000	(720)	4,280	4,158	122
Other Objects	3,350	(2,800)	550	517	33
Total Multiple Disabilities	383,466	(19,136)	364,330	364,038	292
Resource Room/Resource Center:					
Salaries of Teachers	1,010,864	(53,028)	957,836	957,797	39
Purchased Professional-Educational Services	232,575	107,470	340,045	339,653	392
General Supplies	7,525	(744)	6,781	6,738	43
Other Objects	6,450	(6,450)			
Total Resource Room/Resource Center	1,257,414	47,248	1,304,662	1,304,188	474
Autism					
Salaries of Teachers	59,619	3,407	63,026	63,026	
Other Salaries for Instruction		1,224	1,224	1,224	
Purchased Professional Educational Services	30,049	(3,865)	26,184	25,986	198
General Supplies		734	734	727	7
Total Autism	89,668	1,500	91,168	90,963	205
Preschool Disabilities - Part-Time:					
Salaries of Teachers	78,119	1,160	79,279	79,276	3
Other Salaries for Instruction	3,240	(2,106)	1,134	1,134	
Purchased Professional-Educational Services	25,512	(255)	25,257	25,222	35
General Supplies	800	19	819	409	410
Other Objects	1,000	(390)	610	96	514
Total Preschool Disabilities - Part-Time	108,671	(1,572)	107,099	106,137	962
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,036,983	56,219	2,093,202	2,090,259	2,943
Basic Skills/Remedial - Instruction					
Salaries of Teachers	406,070	(165,904)	240,166	240,131	35
Other Salaries for Instruction	23,034	475	23,509	23,495	14
Purchased Professional Educational Services	4,320	(2,659)	1,661	1,656	5
General Supplies	3,000	(2,800)	200		200
Total Basic Skills/Remedial - Instruction	436,424	(170,888)	265,536	265,282	254
School-Spon. Co curricular Actvts. - Inst.					
Salaries	65,193	(18,000)	47,193	47,019	174
Purchased Services (300-500 series)	1,300	600	1,900	995	905
Supplies and Materials	3,550	(685)	2,865	1,868	997
Other Objects		85	85	85	
Total School-Spon. Co-curricular Actvts. - Inst.	70,043	(18,000)	52,043	49,967	2,076
School-Spon. Co-curricular Athletics - Inst.					
Salaries	205,836	(10,700)	195,136	194,831	305
Purchased Services (300-500 series)	87,187	(7,140)	80,047	78,768	1,279
Supplies and Materials	49,328	5,369	54,697	54,624	73
Total School-Spon. Co-curricular Athletics - Inst.	342,351	(12,471)	329,880	328,223	1,657
TOTAL INSTRUCTION	9,714,016	211,021	9,925,037 #	9,910,444	14,593
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	123,228	(81,621)	41,607	37,724	3,883
Tuition - County Voc School Districts - Regular		48,500	48,500	48,500	
Tuition to CSSD & Regional Day Schools	25,173	81,122	106,295	105,850	445
Tuition to Private Schools for the Disabled - Within State	375,729	(93,162)	282,567	282,127	440
Tuition - State Facilities	33,482		33,482	33,482	
Total Undistributed Expenditures - Instruction:	557,612	(45,161)	512,451	507,683	4,768

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	\$ 28,817	\$ 550	\$ 29,367	\$ 29,355	\$ 12
Other Purchased Services		200	200	159	41
Total Undistributed Expend. - Attend. & Social Work	28,817	750	29,567	29,514	53
Undist. Expend. - Health Services					
Salaries	324,095	14,395	338,490	338,485	5
Purchased Professional and Technical Services	12,700	2,167	14,867	14,838	29
Other Purchased Services (400-500 series)	600	(165)	435	431	4
Supplies and Materials	5,819	3,639	9,458	8,555	903
Total Undistributed Expenditures - Health Services	343,214	20,036	363,250	362,309	941
Undist. Expend. - Other Supp. Serv. Students - Rel. Serv.					
Salaries	177,465	30,984	208,449	207,884	565
Purchased Professional - Educational Services	67,787	21,490	89,277	89,256	21
Supplies and Materials	1,500	1,100	2,600	2,583	17
Other Objects	1,000	(550)	450		450
Total Undist. Exp. - Other Supp. Serv. Students - Rel. Serv.	247,752	53,024	300,776	299,723	1,053
Undist. Expend. - Other Supp. Serv. Stud - Extraord. Serv.					
Salaries		4,428	4,428	4,428	-
Purchased Professional - Educational Services	223,556	(34,831)	188,725	188,713	12
Total Undist. Exp. - Other Sup. Serv. Stud - Extraord. Serv.	223,556	(30,403)	193,153	193,141	12
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	504,191	(20,615)	483,576	483,574	2
Salaries of Secretarial and Clerical Assistants	116,850	9,130	125,980	125,972	8
Purchased Professional- Educational Services	3,000	(2,160)	840	139	701
Other Purchased Prof. and Tech. Services	4,845	(550)	4,295	4,282	13
Other purchased Services (400-500 series)	12,415	(1,600)	10,815	9,841	974
Supplies and Materials	8,639	(1,860)	6,779	6,752	27
Other Objects	240		240	240	
Total Undist. Expend.- Guidance	650,180	(17,655)	632,525	630,800	1,725
Undistributed Expend. - Child Study Teams					
Salaries of Other Professional Staff	427,589	(8,590)	418,999	418,914	85
Salaries of Secretarial and Clerical Assistants	99,038	(1,500)	97,538	97,147	391
Purchased Professional- Educational Services	5,754	(5,654)	100		100
Other Purchased Prof. and Tech. Services	19,550		19,550	19,493	57
Misc Pur Serv (400-500 series)	35,000	800	35,800	35,799	1
Supplies and Materials	21,260	(4,897)	16,363	13,327	3,036
Other Objects	1,800		1,800	1,759	41
Total Undist. Expend.- Child Study Teams	609,991	(19,841)	590,150	586,439	3,711
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	123,320	(25,295)	98,025	98,025	
Salaries of Other Professional Staff	160,024	56,147	216,171	216,169	2
Salaries of Secretarial and Clerical Assist.	67,427	(850)	66,577	66,212	365
Other Salaries	84,890	(73,690)	11,200	11,200	
Other Purch Services (400-500)	6,875	(2,067)	4,808	4,801	7
Supplies and Materials	3,500	61	3,561	3,277	284
Other Objects	3,500	3,376	6,876	6,876	
Total Undist. Expend. - Improvement of Inst. Serv.	449,536	(42,318)	407,218	406,560	658
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	212,792	(1,079)	211,713	211,711	2
Purchased Professional and Technical Services	20,887	(4,397)	16,490	16,280	210
Other Purchased Services (400-500 series)	22,416	(1,700)	20,716	20,660	56
Supplies and Materials	87,450	69,587	157,037	157,033	4
Total Undist. Expend. - Edu. Media Serv./Sch. Library	343,545	62,411	405,956	405,684	272
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	7,500	(4,450)	3,050	1,230	1,820
Other Purchased Services (400-500 series)	2,200	290	2,490	1,689	801
Supplies and Materials	9,000		9,000	8,999	1
Other Objects	500	(89)	411		411
Total Undist. Expend. - Instructional Staff Training Serv.	19,200	(4,249)	14,951	11,918	3,033

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 263,826	\$ (6,315)	\$ 257,511	\$ 257,501	\$ 10
Legal Services	40,000	(6,950)	33,050	33,043	7
Audit Fees	25,000	2,710	27,710	27,710	
Architectural/Engineering Services	5,000	4,120	9,120	9,120	
Other Purchased Professional Services	15,000	1,875	16,875	16,874	1
Communications/Telephone	52,500	(1,050)	51,450	51,382	68
BOE Other Purchased Services	4,290	(2,620)	1,670	1,649	21
Other Purchased Services (400-500 series)	123,503	(8,105)	115,398	115,359	39
General Supplies	10,910	1,945	12,855	12,848	7
BOE In-House Training/Meeting Supplies	2,000	(125)	1,875	1,371	504
Miscellaneous Expenditures	3,390		3,390	3,335	55
BOE Membership Dues and Fees	12,100		12,100	11,281	819
Total Undist. Expend. - Supp. Serv. - General Admin.	557,519	(14,515)	543,004	541,473	1,531
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	722,807	62,935	785,742	785,722	20
Salaries of Secretarial and Clerical Assistants	315,386	730	316,116	316,100	16
Other Purchased Services (400-500 series)	25,500	(15,890)	9,610	9,356	254
Supplies and Materials	14,904	6,235	21,139	19,857	1,282
Other Objects	13,480	(2,150)	11,330	9,222	2,108
Total Undist. Expend. - Support Serv. - School Admin.	1,092,077	51,860	1,143,937	1,140,257	3,680
Undist. Expend. - Central Services					
Salaries	334,567	3,700	338,267	338,265	2
Purchased Professional Services	2,230	950	3,180	950	2,230
Purchased Technical Services	1,000		1,000		1,000
Miscellaneous Purchased Services (400-500 series)	20,065	75	20,140	19,857	283
Supplies and Materials	15,500	(5,610)	9,890	9,888	2
Interest on Current Loans	30,000	(9,260)	20,740	19,679	1,061
Interest on Lease Purchase Agreements	49,577	(17,190)	32,387	32,138	249
Other Objects	2,550	750	3,300	3,291	9
Total Undist. Expend. - Central Services	455,489	(26,585)	428,904	424,068	4,836
Undist. Expend. - Admin. Info. Technology					
Salaries	240,787	4,140	244,927	244,920	7
Purchased Technical Services	42,396	14,330	56,726	56,722	4
Other Purchased Services (400-500 series)	22,500	(4,971)	17,529	15,444	2,085
Supplies and Materials	18,000	(1,989)	16,011	13,629	2,382
Total Undist. Expend. - Admin. Info. Technology	323,683	11,510	335,193	330,715	4,478
Undist. Expend. - Req. Maint. for School Facilities					
Cleaning, Repair, and Maintenance Services	131,360	(22,621)	108,739	102,086	6,653
General Supplies	61,575	(17,948)	43,627	37,310	6,317
Total Undist. Expend. - Req. Maint. for School Facilities	192,935	(40,569)	152,366	139,396	12,970
Undist. Expend. - Custodial Services					
Salaries	886,694	(44,093)	842,601	841,764	837
Purchased Professional and Technical Services	67,265	37,283	104,548	100,548	4,000
Cleaning, Repair and Maintenance Services	366,603	92,914	459,517	442,131	17,386
Rental of Land, Building & Other than Lease Purchases	100,000		100,000	100,000	
Other Purchased Property Services	80,085	4,180	84,265	83,356	909
Insurance	60,909	6,000	66,909	66,142	767
Miscellaneous Purchased Services	12,805	(8,424)	4,381	4,336	45
General Supplies	121,411	25,789	147,200	130,461	16,739
Energy (Natural Gas)	127,660	(10,600)	117,060	117,005	55
Energy (Electricity)	519,525	(15,610)	503,915	503,834	81
Other Objects	185		185	91	94
Total Undist. Expend. - Custodial Services	2,343,142	87,439	2,430,581	2,389,668	40,913

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	\$	\$ 20	\$ 20	\$	\$ 20
Cleaning, Repair and Maintenance Services	78,575	14,405	92,980	88,855	4,125
General Supplies	34,293	(23,900)	10,393	10,329	64
Total Undist. Expend. - Care and Upkeep of Grounds	112,868	(9,475)	103,393	99,184	4,209
Undist. Expend. - Security					
Salaries	82,250	(8,000)	74,250	74,196	54
Purchased Professional and Technical Services	400		400		400
Cleaning, Repair and Maintenance Services	3,600	(2,800)	800		800
General Supplies	5,450	2,800	8,250	6,598	1,652
Other Objects	500		500	335	165
Total Undist. Expend. - Security	92,200	(8,000)	84,200	81,129	3,071
Total Undist. Expend. - Oper. & Maint. Of Plant	2,741,145	29,395	2,770,540	2,709,377	61,163
Undist. Expend. - Student Transportation Serv.					
Sal. For Pup. Trans. (Bet. Home and School) - Regular	515,848	34,530	550,378	550,372	6
Sal. For Pup. Trans. (Bet. Home and School) - Special	168,874	32,201	201,075	200,944	131
Sal. For Pup. Trans. (Other than Bet. Home and School)	86,378	68,738	155,116	155,095	21
Management Fee - ESC Transportation Programs		203	203	173	30
Other Purchased Professional and Technical Services	12,598	(12,074)	524	524	
Cleaning, Repair and Maintenance Services	11,343	(5,100)	6,243	6,222	21
Lease Purchase Payments - School Buses	271,288	(58,325)	212,963	212,962	1
Contr Serv (not Home/School) - Vendors	1,768	(1,430)	338		338
Contr Serv (Spl. Ed. Students) - Joint Agreements	18,176	(18,176)			
Contr Serv (Spl. Ed. Students) - ESCs			90,301	90,220	81
Contr Serv. - Aid in Lieu Payments - Nonpublic	51,880	4,260	56,140	56,138	2
Misc. Purchased Serv. - Transportation	64,975	7,373	72,348	72,325	23
General Supplies	17,817	(16,081)	1,736	1,425	311
Transportation Supplies	376,000	19,325	395,325	394,948	377
Miscellaneous Expenditures	5,585	(5,320)	265	262	3
Total Undist. Expend. - Student Transportation Serv.	1,602,530	140,425	1,742,955	1,741,610	1,345
UNALLOCATED BENEFITS - Employee Benefits					
Social Security Contributions	327,587	(31,900)	295,687	295,657	30
Other Retirement Contributions - PERS	388,464	(38,900)	349,564	349,539	25
Unemployment Compensation	52,259	5,100	57,359	57,358	1
Workmen's Compensation	161,967	15,328	177,295	177,295	
Health Benefits	3,417,358	2,371	3,419,729	3,102,267	317,462
Tuition Reimbursement	39,846	(25,970)	13,876	12,109	1,767
Other Employee Benefits	250,166	(14,441)	235,725	235,650	75
TOTAL UNALLOCATED BENEFITS	4,637,647	(88,412)	4,549,235	4,229,875	319,360
On-behalf TPAF Pension Contributions (non-budgeted)				731,248	(731,248)
On-behalf TPAF Post Retirement Contrib (non-budgeted)				826,857	(826,857)
Reimbursed TPAF Social Security Cont. (non-budgeted)				828,832	(828,832)
TOTAL ON-BEHALF CONTRIBUTIONS				2,386,937	(2,386,937)
TOTAL PERSONAL SERV. - EMPLOYEE BENEFITS	4,637,647	(88,412)	4,549,235	6,616,812	(2,067,577)
TOTAL UNDISTRIBUTED EXPENDITURES	14,883,493	80,272	14,963,765	16,938,083	(1,974,318)
TOTAL GENERAL CURRENT EXPENSE	24,597,509	291,293	24,888,802	26,848,527	(1,959,725)
CAPITAL OUTLAY					
Increase in Capital Reserve		20	20		20
Interest Deposit to Capital Reserve	10		10		10
Equipment					
Special Education - Instruction:					
School-Sponsored and Other Instructional Programs		12,695	12,695	12,695	
Undistributed Expenditures:					
Instruction	61,740	14,029	75,769	59,958	15,811
Student Transportation School Buses Regular		5,343	5,343	5,343	
Non-instructional Transportation Equipment		7,904	7,904	3,204	4,700
Special Schools (All Programs)		437,743	437,743	292,733	145,010
Total Equipment	61,740	477,714	539,454	373,933	165,521

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Facilities Acquisition and Construction Services					
Lease Purchase Agreement - Principal	\$ 208,379	\$ (40,900)	\$ 167,479	\$ 166,607	\$ 872
Buildings Other than Lease Purchase Agreements		17,400	17,400	17,400	
Assessment for Debt Service on SDA Funding	29,459		29,459	29,459	
Total Facilities Acquisition and Construction Services	<u>237,838</u>	<u>(23,500)</u>	<u>214,338</u>	<u>213,466</u>	<u>872</u>
Assets Acquired Under Capital Leases (non-budgeted)				114,121	(114,121)
TOTAL CAPITAL OUTLAY	<u>299,588</u>	<u>454,214</u>	<u>753,802</u>	<u>701,520</u>	<u>52,282</u>
Other Special Schools-Summer School					
Salaries of Teachers	24,875	2,076	26,951	26,866	85
Other Salaries for Instructions	25,457	11	25,468	25,457	11
Purchased Professional and Technical Services	35,588	(1,551)	34,037	33,219	818
Other Purchased Services	100		100	15	85
General Supplies	500	3,600	4,100	4,083	17
Total Other Special Schools-Instruction	<u>86,520</u>	<u>4,136</u>	<u>90,656</u>	<u>89,640</u>	<u>1,016</u>
Other Special Schools-Support Services					
Personal Services-Employee Benefits	1,836	124	1,960	1,952	8
Total Other Special Schools-Support Services	<u>1,836</u>	<u>124</u>	<u>1,960</u>	<u>1,952</u>	<u>8</u>
Total Other Special Schools	<u>88,356</u>	<u>4,260</u>	<u>92,616</u>	<u>91,592</u>	<u>1,024</u>
TOTAL EXPENDITURES	<u>24,985,453</u>	<u>749,767</u>	<u>25,735,220</u>	<u>27,641,639</u>	<u>(1,906,419)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>144,079</u>	<u>(749,767)</u>	<u>(605,688)</u>	<u>28,602</u>	<u>634,290</u>
Other Financing Sources:					
Operating Transfer (Out) and In:					
Transfers to Cover Food Service Deficit				(36,557)	(36,557)
Transfer of Funds to Charter School	(144,079)		(144,079)		144,079
Capital Lease Proceeds				114,121	114,121
Transfer to Capital Projects Fund				(47,716)	(47,716)
Interest Transferred from Capital Projects Fund				94	94
Total Other Financing Sources:	<u>(144,079)</u>		<u>(144,079)</u>	<u>29,942</u>	<u>174,021</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)		<u>(749,767)</u>	<u>(749,767)</u>	<u>58,544</u>	<u>808,311</u>
Fund Balance, July 1	<u>991,462</u>		<u>991,462</u>	<u>991,462</u>	
Fund Balance, June 30	<u>\$ 991,462</u>	<u>\$ (749,767)</u>	<u>\$ 241,695</u>	<u>\$ 1,050,006</u>	<u>\$ 808,311</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 2,711	
Committed Fund Balance:					
Encumbrances				559,681	
Unassigned Fund Balance					
				487,614	
				<u>1,050,006</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(1,265,666)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ (215,660)</u>	

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
EDUCATION JOBS FUND SUPPLEMENTARY SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Education Jobs Fund					
Unallocated Benefits	\$	\$	\$	\$	\$
Health Benefits			1,108	1,108	
Total Unallocated Benefits			1,108	1,108	
Total General Current Expense - Fund 18	\$	\$	\$ 1,108	\$ 1,108	\$

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources	\$ 69,300	\$	\$ 69,300	\$ 69,300	\$
Federal Sources	622,108	259,619	881,727	771,100	110,627
Local Sources		386	386	336	50
Total Revenues	<u>691,408</u>	<u>260,005</u>	<u>951,413</u>	<u>840,736</u>	<u>110,677</u>
EXPENDITURES:					
Instruction					
Salaries - Teachers	320,874	(10,195)	310,679	280,686	29,993
Salaries - Other Instruction		34,500	34,500	16,884	17,616
Tuition - Child Study Team	333,631	62,933	396,564	396,564	
Purchased Prof - Tech. Services	8,622	5,078	13,700	10,992	2,708
Other Purchased Services		3,000	3,000	199	2,801
Supplies and Materials	28,281	6,332	34,613	24,794	9,819
Total Instruction	<u>691,408</u>	<u>101,648</u>	<u>793,056</u>	<u>730,119</u>	<u>62,937</u>
Support Services					
Salaries - Teachers		1,000	1,000	174	826
Personal Services - Employee Benefits		42,464	42,464	41,882	582
Purchased Prof. - Tech. Services		28,300	28,300	24,913	3,387
Purchased Prof. - Edu. Services		9,850	9,850		9,850
Other Purchased Services		50,135	50,135	33,120	17,015
Supplies and Materials		20,123	20,123	10,528	9,595
Total Support Services		<u>151,872</u>	<u>151,872</u>	<u>110,617</u>	<u>41,255</u>
Facilities Acquisition and Construction Services:					
Non-instructional Equipment		6,485	6,485		6,485
Total Facilities Acquisition and Construction Services		<u>6,485</u>	<u>6,485</u>		<u>6,485</u>
Total Expenditures	<u>691,408</u>	<u>260,005</u>	<u>951,413</u>	<u>840,736</u>	<u>110,677</u>
Other Financing Sources (Uses)					
Total Other Financing Sources (Uses)					
Total Outflows	<u>691,408</u>	<u>260,005</u>	<u>951,413</u>	<u>840,736</u>	<u>110,677</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION**

PITTSBORO TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

	Ref	General Fund	Ref	Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 27,670,241	[C-2]	\$ 840,736
Differences - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				21,652
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,084,732		6,930
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,265,666)		(6,930)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 27,489,307	[B-2]	\$ 862,388
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 27,641,639	[C-2]	\$ 840,736
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				21,652
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 27,641,639	[B-2]	\$ 862,388

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>IDEA</u>				<u>Sub-Total Per E-1(2)</u>	<u>Totals 2013</u>
	<u>Part B</u>	<u>Pre K</u>	<u>Preschool Education</u>	<u>SJ Energy Arts Grant</u>		
REVENUES:						
State Sources	\$	\$	\$ 69,300	\$	\$	\$ 69,300
Federal Sources	396,564	10,200			364,336	771,100
Other				336		336
Total Revenues	<u>\$ 396,564</u>	<u>\$ 10,200</u>	<u>\$ 69,300</u>	<u>\$ 336</u>	<u>\$ 364,336</u>	<u>\$ 840,736</u>
EXPENDITURES:						
Instruction:						
Salaries - Teachers	\$	\$	\$ 69,300	\$	\$ 211,386	\$ 280,686
Salaries - Other Instruction					16,884	16,884
Tuition-Child Study Team	396,564					396,564
Purchased Prof - Tech Services		10,200			792	10,992
Other Purchased Services					199	199
Supplies and Materials				336	24,458	24,794
Total Instruction	<u>396,564</u>	<u>10,200</u>	<u>69,300</u>	<u>336</u>	<u>253,719</u>	<u>730,119</u>
Support Services:						
Salaries - Teachers					174	174
Personal Services - Employee Benefits					41,882	41,882
Purchased Prof - Tech. Services					24,913	24,913
Other Purchased Services					33,120	33,120
Supplies and Materials					10,528	10,528
Total Support Services					<u>110,617</u>	<u>110,617</u>
Facilities Acquisition and Const. Serv.: Non-Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	<u>\$ 396,564</u>	<u>\$ 10,200</u>	<u>\$ 69,300</u>	<u>\$ 336</u>	<u>\$ 364,336</u>	<u>\$ 840,736</u>

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>NCLB Title I - Part A</u>		<u>NCLB Title II-A</u>		<u>Subtotal 2013</u>
	<u>2011-12</u>	<u>SIA Summer</u>	<u>2011-12</u>	<u>Summer</u>	
REVENUES:					
State Sources					
Federal Sources	\$ 262,121	\$ 41,973	\$ 36,477	\$ 23,765	\$ 364,336
Other					
Total revenues	\$ 262,121	\$ 41,973	\$ 36,477	\$ 23,765	\$ 364,336
EXPENDITURES:					
Instruction:					
Salaries - Teachers	\$ 173,802	\$ 37,584	\$	\$	\$ 211,386
Salaries - Other Instruction	16,884				16,884
Purchased Prof - Tech. Services	792				792
Other Purchased Services	199				199
Supplies and Materials	23,231	1,227			24,458
Total Instruction	214,908	38,811	#		253,719
Support Services:					
Salaries-Teachers			174		174
Purchased Professional - Tech. Services			9,113	15,800	24,913
Personal Services - Employee Benefits	38,995	2,874	13		41,882
Other Purchased Services	2,549		26,940	3,631	33,120
Supplies and Materials	5,669	288	237	4,334	10,528
Total Support Services	47,213	3,162	36,477	23,765	110,617
Facilities Acquisition and Const. Serv.:					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 262,121	\$ 41,973	\$ 36,477	\$ 23,765	\$ 364,336

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 69,300	\$ 69,300	
Total Instruction	<u>69,300</u>	<u>69,300</u>	
Support Services:			
Total Support Services			
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services			
Contribution to Charter Schools			
Total Expenditures	<u>\$ 69,300</u>	<u>\$ 69,300</u>	

CALCULATION OF BUDGET & CARRYOVER

Total 2012-13 Preschool Education Aid Allocation	\$ 69,300	(1)
Add: Actual ECPA Carryover (June 30, 2012)		(2)
Add: Budgeted Transfer from General Fund 2012-13		(3)
Total Preschool Education Aid Funds Available for 2012-13 Budget	<u>69,300</u>	(4)
Less: 2012-13 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	<u>(69,300)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2013	-	(6)
Add: June 30, 2013 Unexpended Preschool Education Aid	-	(7)
2012-13 Carryover - Preschool Education Aid	-	(8)
2012-13 Preschool Education Aid Carryover Budgeted for Preschool Programs 2013-14	<u>\$ -</u>	(9)

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Number</u>	<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>			<u>Unexpended Balance 6/30/13</u>	<u>Memo Only</u>	
			<u>Prior Year</u>	<u>Current Year</u>	<u>Cancelled</u>		<u>Encumbrances</u>	<u>Available Balance</u>
2003-3	Arthur P. Schalick High School Conversion of Shop to Gym	\$ 210,086	\$ 202,903	\$	\$ (7,183)	\$	\$	
2003-4	Arthur P. Schalick High School Stage Lighting and Sound System	153,219	145,270		(7,949)			
2005-1	High School Renovations	2,967,000	2,938,334		(28,666)			
2005-2	Norma School Renovations	86,864	82,882		(3,982)			
2005-3	Olivet School Renovations	490,218	482,754		(7,464)			
2005-4	Middle School Roof Replacement	632,500	598,860		(33,640)			
2010-1	Various Renovations at Olivet School	3,496,413	3,158,236	193,559	(129,985)	14,633	14,633	
2010-2	Improvements to Middle School	218,750	199,483		(19,267)			
2010-3	Renovations at Shalick High School	281,250	193,196		(36,422)	51,632	51,632	
2012-1	Schalick High School Roof	1,042,986	960,964		(82,022)			
		<u>\$ 9,579,286</u>	<u>\$ 8,962,882</u>	<u>\$ 193,559</u>	<u>\$ (356,580)</u>	<u>\$ 66,265</u>	<u>\$ 14,633</u>	<u>\$ 51,632</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013

**Revenues and Other Financing
Sources**

Interest Earned	\$ 94
Total Revenues	<u>94</u>

**Expenditures and Other Financing
Uses**

Other Professional and Technical Services	9,175
Construction Services	184,384
Total Expenditures	<u>193,559</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures before Transfers	(193,465)
Cancellation of Unexpended Balances	(183,845)
Transfer from General Fund	47,716
Transfer Interest to General Fund	(94)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(329,688)</u>
Fund Balance - Beginning	395,953
Fund Balance - Ending	<u>\$ 66,265</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Renovations to Schalick High School

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - EDA Grant	\$ 1,392,704	\$ (28,666)	\$ 1,364,038	\$ 1,364,038
Bond Proceeds & Transfers	1,574,296		1,574,296	1,574,296
Total Revenues	2,967,000	(28,666)	2,938,334	2,938,334
Expenditures and Other Financing Uses				
Other Professional and Technical Services	239,818		239,818	239,818
Construction Services	2,572,301		2,572,301	2,572,301
Other Objects	126,215		126,215	126,215
Total Expenditures	2,938,334		2,938,334	2,938,334
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 28,666	\$ (28,666)		\$

Additional project information:

Project Number	4150-040-05-0ACQ
Grant Date	2/22/2005
Original Authorization Cost	\$2,967,000
Additional Authorized Cost	
Revised Authorized Cost	\$2,967,000
Percentage Decrease over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	10/27/2004
Revised Target Completion Date	6/30/2007

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Upgrade at Olivet Elementary School

	<u>Prior</u>	<u>Current</u>	<u>Totals</u>	<u>Revised</u>
	<u>Periods</u>	<u>Year</u>		<u>Authorized</u>
				<u>Cost</u>
Revenues and Other Financing Sources				
State Sources - EDA Grant	\$ 286,038	\$ (140)	\$ 285,898	\$ 285,898
Bond Proceeds & Transfers	196,856		196,856	196,856
Transfer from Capital Outlay	7,324	(7,324)		
Total Revenues	<u>490,218</u>	<u>(7,464)</u>	<u>482,754</u>	<u>482,754</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	30,240		30,240	30,240
Construction Services	421,368		421,368	421,368
Other Objects	31,146		31,146	31,146
Total Expenditures	<u>482,754</u>		<u>482,754</u>	<u>482,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 7,464</u>	<u>\$ (7,464)</u>	<u>\$</u>	<u>\$</u>

Additional project information:

Project Number	4150-060-05-0ACS
Grant Date	2/8/2005
Original Authorization Cost	\$483,000
Additional Authorized Cost	\$7,324
Revised Authorized Cost	\$490,324
Percentage Increase over Original Authorized Cost	1.52%
Percentage Completion	100%
Original Target Completion Date	10/27/2004
Revised Target Completion Date	6/30/2007

PITTSBORO TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Roof Replacement at Middle School

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EDA Grant	\$ 374,712	\$ (33,640)	\$ 341,072	\$ 341,072
Bond Proceeds & Transfers	257,788		257,788	257,788
Total Revenues	632,500	(33,640)	598,860	598,860
Expenditures and Other Financing Uses				
Other Professional and Technical Services	55,974		55,974	55,974
Construction Services	542,886		542,886	542,886
Total Expenditures	598,860		598,860	598,860
Excess (Deficiency) of Revenues Over (Under) Expenditur	\$ 33,640	\$ (33,640)	\$	\$

Additional project information:

Project Number	4150-070-05-0ACT
Grant Date	2/8/2005
Original Authorization Cost	\$257,788
Additional Authorized Cost	N/A
Revised Authorized Cost	\$257,788
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	10/28/2004
Revised Target Completion Date	6/30/2007

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Renovations at Norma Elementary School

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EDA Grant	\$ 49,075	\$ (1,346)	\$ 47,729	\$ 47,729
Bond Proceeds & Transfers	35,153		35,153	35,153
Transfer from Capital Outlay	2,636	(2,636)		
Total Revenues	<u>86,864</u>	<u>(3,982)</u>	<u>82,882</u>	<u>82,882</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	8,636		8,636	8,636
Construction Services	74,246		74,246	74,246
Total Expenditures	<u>82,882</u>		<u>82,882</u>	<u>82,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditur	<u>3,982</u>	<u>\$ (3,982)</u>	<u>\$</u>	<u>\$</u>

Additional project information:

Project Number	4150-050-05-0ACR
Grant Date	2/8/2005
Original Authorization Cost	\$86,250
Additional Authorized Cost	\$2,636
Revised Authorized Cost	\$88,886
Percentage Increase over Original Authorized Cost	3.06%
Percentage Completion	100%
Original Target Completion Date	10/28/2004
Revised Target Completion Date	6/30/2007

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Various Renovations at Olivet Elementary School

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing				
Sources				
State Sources - EDA Grant	\$ 2,013,670	\$ (129,985)	\$ 1,883,685	\$ 1,883,685
Bond Proceeds & Transfers	1,482,743		1,482,743	1,482,743
Total Revenues	<u>3,496,413</u>	<u>(129,985)</u>	<u>3,366,428</u>	<u>3,366,428</u>
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	397,744	9,175	406,919	406,919
Construction Services	2,760,492	184,384	2,944,876	2,959,509
Total Expenditures	<u>3,158,236</u>	<u>193,559</u>	<u>3,351,795</u>	<u>3,366,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 338,177</u>	<u>\$ (323,544)</u>	<u>\$ 14,633</u>	<u>\$</u>

Additional project information:

Project Number	4150-060-09-1001-G02 PEC
Grant Date	3/20/2010
Original Authorization Cost	\$3,497,173
Additional Authorized Cost	\$0
Revised Authorized Cost	\$3,497,173
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	6/30/2013

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Improvements at Pittsgrove Twp. Middle School

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - EDA Grant	\$ 125,983	\$ (19,267)	\$ 106,716	\$ 106,716
Bond Proceeds & Transfers	92,767		92,767	92,767
Total Revenues	<u>218,750</u>	<u>(19,267)</u>	<u>199,483</u>	<u>199,483</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	1,985		1,985	1,985
Construction Services	197,498		197,498	197,498
Total Expenditures	<u>199,483</u>		<u>199,483</u>	<u>199,483</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 19,267</u>	<u>\$ (19,267)</u>		<u>\$</u>

Additional project information:

Project Number	4150-070-09-1002-G02 PEC
Grant date	6/29/2010
Original Authorization Cost	\$218,670
Additional Authorized Cost	\$0
Revised Authorized Cost	\$218,670
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	6/30/2013

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Renovations at Shalick High School

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds & Transfers	\$ 280,490	\$ (36,422)	\$ 244,068	\$ 244,068
Transfer from Capital Outlay	760		760	760
Total Revenues	281,250	(36,422)	244,828	244,828
Expenditures and Other Financing Uses				
Other Professional and Technical Services	26,931		26,931	26,931
Construction Services	166,265		166,265	217,897
Total Expenditures	193,196		193,196	244,828
Excess (Deficiency) of Revenues Over (Under) Expenditur	88,054	(36,422)	51,632	

Additional project information:

Project Number	4150-040-09-1000
Grant Date	3/20/10
Original Authorization Cost	\$281,250
Additional Authorized Cost	\$0
Revised Authorized Cost	\$281,250
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	69%
Original Target Completion Date	N/A
Revised Target Completion Date	6/30/2013

PITTSBORO TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Roof Replacement at High School

	<u>Prior</u>	<u>Current</u>	<u>Totals</u>	<u>Revised</u>
	<u>Periods</u>	<u>Year</u>		<u>Authorized</u>
				<u>Cost</u>
Revenues and Other Financing				
Sources				
State Sources - EDA Grant	\$ 542,986	\$ (82,022)	\$ 460,964	\$ 460,964
Capital Lease	500,000		500,000	500,000
Total Revenues	<u>1,042,986</u>	<u>(82,022)</u>	<u>960,964</u>	<u>960,964</u>
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	75,284		75,284	75,188
Construction Services	885,680		885,680	885,776
Total Expenditures	<u>960,964</u>		<u>960,964</u>	<u>960,964</u>
Excess (Deficiency) of Revenues Over (Under) Expenditur	<u>\$ 82,022</u>	<u>\$ (82,022)</u>	<u>\$</u>	<u>\$</u>

Additional project information:

Project Number	4150-040-10-1001
Grant Date	11/1/2011
Original Authorization Cost	\$542,986
Additional Authorized Cost	\$0
Revised Authorized Cost	\$542,986
Percentage Increase over Original	
Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2013

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

School Age Child Care Fund – This fund provides for the operation of school child supervision.

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2013
(with comparative totals for June 30, 2012)

	Food Service Enterprise Fund	(SACC) School Age Child Care Enterprise Fund	Totals	
			<u>2013</u>	<u>2012</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 57,260	\$ 13,949	\$ 71,209	\$ 77,548
Accounts Receivable:				
State	1,820		1,820	2,071
Federal	56,180		56,180	70,786
Other	6,220	10,335	16,555	37,643
Interfund	72,296		72,296	59,930
Inventories	5,338		5,338	11,485
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	199,114	24,284	223,398	259,463
	<hr/>	<hr/>	<hr/>	<hr/>
Fixed Assets:				
Equipment	238,900		238,900	222,166
Accumulated Depreciation	(203,176)		(203,176)	(202,121)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fixed Assets	35,724		35,724	20,045
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 234,838	\$ 24,284	\$ 259,122	\$ 279,508
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES				
Current Liabilities:				
Interfund Payable	\$	\$	\$	\$ 14,230
Compensated Absences		436	436	1,895
Accounts Payable	193,437	2,003	195,440	186,893
Unearned Revenue	5,677	1,735	7,412	15,981
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	199,114	4,174	203,288	218,999
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION				
Investment in Capital Assets net of Related Debt	35,724		35,724	20,045
Unrestricted		20,110	20,110	40,464
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Position	35,724	20,110	55,834	60,509
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Position	\$ 234,838	\$ 24,284	\$ 259,122	\$ 279,508
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(with comparative totals for June 30, 2012)

	Food Service	School Age	Totals	
	Enterprise Fund	Child Care Enterprise Fund	2013	2012
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 235,391	\$	\$ 235,391	\$ 268,735
Total Daily Sales-Reimbursable Programs	235,391		235,391	268,735
Daily Sales Non-reimbursable Programs	91,487		91,487	123,733
Special Functions	47,740		47,740	31,551
Service Charges		134,954	134,954	150,346
Miscellaneous	10,183		10,183	1,664
Total Operating Revenue	384,801	134,954	519,755	576,029
OPERATING EXPENSES:				
Salaries	514	131,142	131,656	128,675
Employee Benefits	39	9,889	9,928	10,021
Other Costs	30,716	14,277	44,993	44,038
Sodexo Costs:				
Salaries	218,735		218,735	227,245
Employee Benefits	53,330		53,330	61,031
Supplies and Materials	55,228		55,228	29,242
Management Fees	60,397		60,397	53,734
Insurance	12,951		12,951	28,513
Other Costs	10,238		10,238	44,810
Cost of Sales	291,870		291,870	296,643
Depreciation	1,055		1,055	1,055
Total Operating Expenses	735,073	155,308	890,381	925,007
Operating Loss	(350,272)	(20,354)	(370,626)	(348,978)
Non-operating Revenues:				
State Sources:				
State School Lunch Program	7,484		7,484	8,186
Federal Sources:				
National School Breakfast Program	47,288		47,288	41,432
National School Lunch Program	223,905		223,905	225,336
Special Milk Program	1,791		1,791	1,238
Food Distribution Program	48,739		48,739	51,118
Interest Revenue	187		187	735
Total Non-operating Revenues	329,394		329,394	328,045
Net Income Before Operating Transfers	(20,878)	(20,354)	(41,232)	(20,933)
Operating Transfer - General Fund	36,557		36,557	59,880
Net Income After Operating Transfers	15,679	(20,354)	(4,675)	38,947
Total Net Position-Beginning	20,045	40,464	60,509	21,562
Total Net Position-Ending	\$ 35,724	\$ 20,110	\$ 55,834	\$ 60,509

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(with comparative totals for June 30, 2012)

	<u>Food Service Enterprise Fund</u>	<u>School Age Child Care Enterprise Fund</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
Cash flows from operating activities:				
Operating income (loss)	\$ (350,272)	\$ (20,354)	\$ (370,626)	\$ (348,978)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities				
Depreciation	1,055		1,055	1,055
Federal commodities	48,739		48,739	51,118
Change in assets and liabilities:				
(Increase)/Decrease in accounts receivable	27,994	7,951	35,945	(36,426)
(Increase)/Decrease in inventory	6,147		6,147	(4,553)
(Increase)/Decrease in interfund receivable	(12,366)		(12,366)	(57,080)
Increase/(Decrease) in interfund payable		(14,230)	(14,230)	(12,768)
Increase/(Decrease) in accounts payable	6,872	1,675	8,547	66,083
Increase/(Decrease) in compensated absences		(1,459)	(1,459)	
Increase/(Decrease) in unearned revenue	(10,270)	1,701	(8,569)	3,643
Net cash used by operating activities	<u>(282,101)</u>	<u>(24,716)</u>	<u>(306,817)</u>	<u>(337,906)</u>
Cash flows from Non-capital financing activities:				
Cash Received From General Fund	36,557		36,557	59,880
Cash received from state and federal reimbursements/sources	280,468		280,468	276,192
Total Cash Provided by Non-Capital Financing Activities	<u>317,025</u>		<u>317,025</u>	<u>336,072</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of Capital Assets	(16,734)		(16,734)	(21,100)
Net Increase Before Investing Activities	18,190		(6,526)	(22,934)
Cash flows from investing activities:				
Interest on investments	187		187	735
Net cash provided by investing activities	<u>187</u>		<u>187</u>	<u>735</u>
Net increase/(decrease) in cash and cash equivalents	18,377	(24,716)	(6,339)	(22,199)
Cash and cash equivalents, July 1	38,883	38,665	77,548	99,747
Cash and cash equivalents, June 30	<u>\$ 57,260</u>	<u>\$ 13,949</u>	<u>\$ 71,209</u>	<u>\$ 77,548</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2013
(with comparative totals for June 30, 2012)

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Distance Learning Hub Service Fund	Transportation Jointures Internal Service Fund	Transportation Maintenance Internal Service Fund	Paper Services Internal Service Fund	Art Academy School	Custodial Services Community Service Fund	Totals	
									2013	2012
ASSETS										
Cash	\$ 27,615	\$ 1,183	\$ 145,556	\$ (10,288)	\$ (888)	\$ 463,523	\$ 54,530	\$ 131,609	\$ 812,840	\$ 840,072
Accounts Receivable										
Intergovernmental		19,125	250,985	11,270	888	75,529	14,330	80	372,207	160,378
Inventory						132,263			132,263	303,020
Fixed Assets (Net)							11,497		11,497	
Total Assets	\$ 27,615	\$ 20,308	\$ 396,541	\$ 982	\$	\$ 671,315	\$ 80,357	\$ 131,689	\$ 1,328,807	\$ 1,303,470
LIABILITIES AND RESERVES										
Liabilities:										
Accounts Payable	\$ 157		\$ 353,010	\$	\$	\$ 69,917	\$	\$ 3,103	\$ 426,187	\$ 144,157
Interfunds Payable				982		100,383			101,365	982
Other Current Liabilities						10,745		3,113	13,858	13,858
Unearned Revenue	24,268	20,308				490,270	80,357	125,473	740,676	1,106,819
	24,425	20,308	353,010	982		671,315	80,357	131,689	1,282,086	1,265,816
Reserves:										
Reserve for encumbrances	3,190		43,531						46,721	37,654
Total Liabilities and Reserves	\$ 27,615	\$ 20,308	\$ 396,541	\$ 982	\$	\$ 671,315	\$ 80,357	\$ 131,689	\$ 1,328,807	\$ 1,303,470

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(with comparative totals for June 30, 2012)

	Business Services Internal Service Fund	Internet Access Service Fund	Distance Learning Hub Service Fund	Transportation Jointures Internal Service Fund	Transportation Maintenance Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Custodial Services Internal Service Fund	Totals	
									2013	2012
REVENUE:										
Service Charges	\$ 64,201	\$ 13,900	\$ 313,571	\$ 198,367	\$ 7,426	\$ 1,369,768	\$ 65,000	\$ 44,494	\$ 2,076,727	\$ 2,551,882
Total	64,201	13,900	313,571	198,367	7,426	1,369,768	65,000	44,494	2,076,727	2,551,882
EXPENDITURES:										
Salaries	35,636		3,325	184,271	6,898	17,685	104,119	12,390	364,324	429,084
Employee Benefits	2,726		254	14,096	528	1,330		948	19,882	62,620
Equipment							14,371		14,371	
Purchased Professional/Technical Services	3,190	938	260,183			4,660			268,971	140,200
Other Purchased Services	14,965								14,965	174,231
Depreciation							2,874		2,874	
Supplies and Materials	315					1,200,299	601		1,201,215	1,755,070
Miscellaneous Other Costs	1,256					1,375		3,192	5,823	2,869
Total Expenditures	58,088	938	263,762	198,367	7,426	1,225,349	121,965	16,530	1,892,425	2,564,074
Excess of Revenue over										
Expenditures	6,113	12,962	49,809			144,419	(56,965)	27,964	184,302	(12,192)
Transfer to Unearned Revenue	(21,078)	(12,962)	(25,777)			17,093	56,965	(27,964)	(13,723)	36,508
Cancellation of Accounts Receivable						(61,129)			(61,129)	(6,341)
Transfer to General Fund						(100,383)			(100,383)	
Non-operating Revenues:										
Reserve for Encumbrance-Beginning	18,155		19,499						37,654	19,679
Reserve for Encumbrance-Ending	\$ 3,190	\$ -	\$ 43,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,721	\$ 37,654

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(with comparative totals for June 30, 2012)

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Distance Learning Service Fund	Transportation Jointures Internal Service Fund	Transportation Maintenance Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Custodial Services Internal Service Fund	Totals	
									2013	2012
Cash Flows from Operations:										
Cash Received from Users	\$ 64,201	\$ 13,900	\$ 313,571	\$ 198,367	\$ 7,426	\$ 1,369,768	\$ 65,000	\$ 44,494	\$ 2,076,727	\$ 2,552,413
Interest Income										
Interfund Payments										
Cash Paid to Suppliers	50,589	14,838	473,594	209,637	8,314	1,199,368	130,926	16,693	2,103,959	2,623,786
Net Cash (Used) Provided from Operations	13,612	(938)	(160,023)	(11,270)	(888)	170,400	(65,926)	27,801	(27,232)	(71,373)
Cash, July 1	14,003	2,121	305,579	982		293,123	120,456	103,808	840,072	911,445
Cash, June 30	\$ 27,615	\$ 1,183	\$ 145,556	\$ (10,288)	\$ (888)	\$ 463,523	\$ 54,530	\$ 131,609	\$ 812,840	\$ 840,072

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
 (with comparative totals for June 30, 2012)

	Non- Expendable Trust Scholarship	Agency		Totals	
		Student Activity	Payroll	2013	2012
ASSETS:					
Cash and Cash Equivalents	\$ 93,230	\$ 161,800	\$ 14,812	\$ 269,842	\$ 253,922
Due from Scholarship		2,250		2,250	2,750
Total Assets	<u>\$ 93,230</u>	<u>\$ 164,050</u>	<u>\$ 14,812</u>	<u>\$ 272,092</u>	<u>\$ 256,672</u>
LIABILITIES, RESERVES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$	\$ 7,210	\$	\$ 7,210	\$
Payroll Deductions and Withholdings			14,780	14,780	13,780
Due to Student Activity Fund	2,250			2,250	2,750
Due to Student Groups		156,840		156,840	148,837
Due to General Fund			32	32	53
Total Liabilities	<u>2,250</u>	<u>164,050</u>	<u>14,812</u>	<u>181,112</u>	<u>165,420</u>
Fund Balances:					
Reserved-Principal Portion Nonexpendable Trust	90,980			90,980	91,252
Total Fund Balances	<u>90,980</u>			<u>90,980</u>	<u>91,252</u>
Total Liabilities, Reserves and Net Position	<u>\$ 93,230</u>	<u>\$ 164,050</u>	<u>\$ 14,812</u>	<u>\$ 272,092</u>	<u>\$ 256,672</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
OPERATING REVENUE:		
Local Sources:		
Contributions	\$ 1,675	\$ 10,850
Interest on Investments	303	453
	<hr/>	<hr/>
Total Operating Revenues	1,978	11,303
	<hr/>	<hr/>
OPERATING EXPENSES:		
Scholarship Expenditures	2,250	2,250
	<hr/>	<hr/>
Total Operating Expenses	2,250	2,250
	<hr/>	<hr/>
Operating Income (Loss)	(272)	9,053
	<hr/>	<hr/>
Net Income (Loss)	(272)	9,053
	<hr/>	<hr/>
Net Position, July 1	91,252	82,199
	<hr/>	<hr/>
Net Position, June 30	\$ 90,980	\$ 91,252
	<hr/> <hr/>	<hr/> <hr/>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Receivable</u> <u>June 30,</u> <u>2013</u>	<u>Accounts</u> <u>Payable</u> <u>June 30,</u> <u>2013</u>	<u>Balance</u> <u>June 30,</u> <u>2013</u>
ELEMENTARY SCHOOLS:						
Middle	\$ 49,428	\$ 60,616	\$ 65,904	\$	\$	\$ 44,140
Norma	11,029	1,136	437			11,728
Olivet	14,512	6,754	5,651			15,615
Total Elementary Schools	<u>74,969</u>	<u>68,506</u>	<u>71,992</u>			<u>71,483</u>
SENIOR HIGH SCHOOL:						
Arthur P. Schalick - Field Trips	11	4,248	4,249			10
Arthur P. Schalick	73,574	248,945	232,346	2,250	7,210	85,213
Total Senior High Schools	<u>73,585</u>	<u>253,193</u>	<u>236,595</u>	<u>2,250</u>	<u>7,210</u>	<u>85,223</u>
OTHER STUDENT ACTIVITIES:						
Arthur P. Schalick High School Athletic Fund	283	80,499	80,648			134
Total Other Student Activities:	<u>283</u>	<u>80,499</u>	<u>80,648</u>			<u>134</u>
Total All Schools	<u>\$ 148,837</u>	<u>\$ 402,198</u>	<u>\$ 389,235</u>	<u>\$ 2,250</u>	<u>\$ 7,210</u>	<u>\$ 156,840</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 13,833	\$ 16,406,364	\$ 16,405,385	\$ 14,812
Total Assets	<u>\$ 13,833</u>	<u>\$ 16,406,364</u>	<u>\$ 16,405,385</u>	<u>\$ 14,812</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 13,780	\$ 16,406,332	\$ 16,405,332	\$ 14,780
Due to Current	53	32	53	32
Total Liabilities	<u>\$ 13,833</u>	<u>\$ 16,406,364</u>	<u>\$ 16,405,332</u>	<u>\$ 14,812</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2013

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Refunded</u>	<u>Balance June 30, 2013</u>
			<u>Date</u>	<u>Amount</u>						
Refunding Bonds of 2009 to refund Series 1999 above	5/1/09	4,850,000	11/1/13	\$ 350,000	3.00%	\$ 4,125,000		\$ 355,000		\$ 3,770,000
			11/1/14	345,000	3.00%					
			11/1/15	340,000	3.00%					
			11/1/16	335,000	4.00%					
			11/1/17-19	345,000	5.00%					
			11/1/20-21	345,000	4.25%					
			11/01/22	340,000	4.25%					
11/01/23	335,000	4.25%								
Various improvements to Elementary Schools, Middle School and High School and Acquisition of Furniture, Fixtures and Improvements		\$ 2,064,000	3/1/14	\$ 80,000	4.25%	\$ 1,859,000		\$ 50,000	\$ 1,729,000	\$ 80,000

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2013

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Refunded</u>	<u>Balance June 30, 2013</u>
2009 Various Capital Expenditures	12/18/09	\$ 1,856,000	6/30/14	\$ 60,000	3.50%	\$ 1,816,000	\$	\$ 50,000	\$	\$ 1,766,000
			6/30/15	70,000	3.75%					
			6/30/16	80,000	3.75%					
			6/30/17	90,000	3.75%					
			6/30/18	100,000	3.75%					
			6/30/19	110,000	3.75%					
			6/30/20	120,000	3.75%					
			6/30/21	130,000	3.75%					
			6/30/22	140,000	3.75%					
			6/30/23	155,000	4.00%					
			6/30/24	160,000	4.00%					
			6/30/25	170,000	4.00%					
			6/30/26	185,000	4.00%					
			6/30/27	196,000	4.00%					

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2013

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Refunded</u>	<u>Balance June 30, 2013</u>
2013 Refunding Issue	3/20/13	\$ 1,805,000	3/1/14	\$ 20,000	2.00%	\$	\$ 1,805,000	\$	\$	\$ 1,805,000
			3/1/15	115,000	2.00%					
			3/1/16	130,000	2.20%					
			3/1/17	135,000	2.00%					
			3/1/18	135,000	2.00%					
			3/1/19	140,000	2.00%					
			3/1/20	140,000	2.00%					
			3/1/21	165,000	3.00%					
			3/1/22	170,000	3.00%					
			3/1/23	180,000	3.00%					
			3/1/24	235,000	3.00%					
			3/1/25	240,000	3.00%					
Total Regular Serial Bonds						\$ 7,800,000	\$ 1,805,000	\$ 455,000	\$ 1,729,000	\$ 7,421,000

EXHIBIT I-1
(4)

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF NJEDA SERIAL BONDS
JUNE 30, 2013

<u>Series</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate Payable</u>	<u>Balance Outstanding July 1, 2012</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2013</u>
			<u>Date</u>	<u>Amount</u>				
NJEDA Safe Program	8/18/93	\$ 249,732	7/15/13	\$ 13,142	1.5%	\$ 26,285	\$ 13,143	\$ 13,142
NJEDA Small Project Loan	8/18/93	749,198	7/15/13	55,506	5.288%	108,640	53,134	55,506
						<u>\$ 134,925</u>	<u>\$ 66,277</u>	<u>\$ 68,648</u>

STATEMENT OF EARLY RETIREMENT SERIAL BONDS
JUNE 30, 2013

<u>Series</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate Payable</u>	<u>Balance Outstanding July 1, 2012</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2013</u>
			<u>Date</u>	<u>Amount</u>				
Early Retirement	7/1/03	\$ 520,000			5.5%	\$ 90,000	\$ 90,000	\$ 0
						<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 0</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2013

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2012</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Adjustment</u>	<u>Refinanced</u>	<u>Amount Outstanding June 30, 2013</u>
Lease #TE-1869 Roof Membrane and (3) School Buses	5.20%	\$ 752,000	\$ 752,000	\$	\$ 124,484	\$ 45,942	\$ (673,458)	\$
Lease # TE-1847 - Addition	4.29%	131,056	335,166		92,577	26,490	(269,079)	
Lease # PUB 10180 Laptops	2.49%	266,912	197,702		64,287			133,415
Lease # 1765700 Energy Retrofit	6.48%	829,974	554,075		69,004	8,703	(493,774)	
Lease # TE - 1799 Consolidated Lease	5.05%	777,785	666,533		130,629	35,206	(571,110)	
Lease # 74431 SHS Kitchen Renovation	4.95%	454,336	301,433				(301,433)	
Lease # 7365079 New Ipads	4.11%	114,121		114,121	39,357			74,764
Lease # 40099825 Refinancing	2.75%	1,815,080					1,815,080	1,815,080
Lease # 40099826 Refinancing	2.75%	493,774			23,012		493,774	470,762
Totals			\$ 2,806,909	\$ 114,121	\$ 543,350	\$ 116,341	\$ -	\$ 2,494,021

General Supplies	\$ 114,121	\$
Capital Outlay		166,607
Paid from Escrow Funds		26,545
Paid through budget line items		350,198
	<u>\$ 114,121</u>	<u>\$ 543,350</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 606,352	\$	\$ 606,352	\$ 606,352	\$
State Sources:					
Debt Service Aid Type II	324,557		324,557	324,557	
Total Revenues	<u>930,909</u>		<u>930,909</u>	<u>930,909</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Early Retirement Bonds	2,475		2,475	2,475	
Interest on Bonds	317,156		317,156	317,156	
Redemption of Principal	611,278		611,278	611,278	
Total Expenditures	<u>930,909</u>		<u>930,909</u>	<u>930,909</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1	<u>2</u>		<u>2</u>	<u>2</u>	
Fund Balance, June 30	\$ <u>2</u>	\$	\$ <u>2</u>	\$ <u>2</u>	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$ <u>2</u>	\$	\$ <u>2</u>	\$ <u>2</u>	\$

STATISTICAL SECTION

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 3,459,267	\$ 2,458,167	\$ 6,510,492	\$ 6,149,213	\$ 6,180,402	\$ 6,573,146	\$ 4,898,127	\$ 6,760,829	\$ 6,745,097	\$ 7,022,729
Restricted	1,069,079	4,954,024	1,165,504	1,325,565	1,052,999	1,175,800	(156,922)	728,346	1,194,025	712,709
Unrestricted	(1,130,901)	(1,054,721)	(800,077)	(629,761)	(142,959)	(1,445,934)	27,182	(1,587,578)	(1,484,352)	(1,474,560)
Total Governmental Activities Net Position	\$ 3,397,445	\$ 6,357,470	\$ 6,875,919	\$ 6,845,017	\$ 7,090,442	\$ 6,303,012	\$ 4,768,387	\$ 5,901,597	\$ 6,454,770	\$ 6,260,878
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 243	\$ 8,815	\$ 8,815	\$ 58,838	\$ 48,881	\$ 51,409	\$ 39,769	\$ 21,562	\$ 20,045	\$ 35,724
Unrestricted	14,077	30,925	31,742	58,838	48,881	51,409	39,769	21,562	40,464	20,110
Total Business-Type Activities Net Position	\$ 14,320	\$ 30,925	\$ 40,557	\$ 58,838	\$ 48,881	\$ 51,409	\$ 39,769	\$ 21,562	\$ 60,509	\$ 55,834
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 3,459,510	\$ 2,458,167	\$ 6,519,307	\$ 6,149,213	\$ 6,180,402	\$ 6,573,146	\$ 4,898,127	\$ 6,760,829	\$ 6,765,142	\$ 7,058,453
Restricted	1,069,079	4,954,024	1,165,504	1,325,565	1,052,999	1,175,800	(156,922)	728,346	1,194,025	712,709
Unrestricted	(1,116,824)	(1,023,796)	(768,335)	(570,923)	(94,078)	(1,394,525)	66,951	(1,566,016)	(1,443,888)	(1,454,450)
Total District-Wide Net Position	\$ 3,411,765	\$ 6,388,395	\$ 6,916,476	\$ 6,903,855	\$ 7,139,323	\$ 6,354,421	\$ 4,808,156	\$ 5,923,159	\$ 6,515,279	\$ 6,316,712

Source: CAFR Schedule A-1

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,505,187	7,777,298	7,758,975	7,468,165	7,634,910	8,096,230	8,093,806	7,615,098	7,794,480	7,949,881
Special Education	1,227,034	1,457,099	1,410,174	1,472,185	1,390,199	1,477,034	1,754,533	1,976,525	1,997,959	2,090,259
Other Special Instruction	89,057	167,352	109,993	156,531	180,051	261,667	201,808	265,475	398,908	265,282
Other Instruction	403,618	426,617	461,377	394,801	416,452	444,710	411,566	335,613	375,583	378,190
Support Services										
Tuition	482,220	453,243	317,399	426,362	467,006	460,091	573,628	604,526	515,590	507,683
Student and Instruction Related Services	2,263,304	2,427,358	2,697,032	2,690,429	2,960,358	3,157,058	3,372,253	3,025,587	2,966,962	3,135,539
School Administrative Services	3,074,545	2,456,458	2,620,626	3,402,293	809,369	979,112	990,849	1,135,057	1,131,465	1,140,257
General Administrative Services	429,457	735,838	456,942	488,868	2,892,248	3,672,041	3,120,429	2,229,581	2,301,980	1,766,822
Central Services and Information Technology		410,514	823,228	870,273	725,035	901,986	1,031,326	706,497	877,653	1,019,483
Plant Operations and Maintenance	2,381,268	2,325,600	2,059,603	2,121,444	2,384,032	2,619,454	2,447,903	2,526,263	2,556,330	2,439,996
Pupil Transportation	916,299	900,945	938,589	1,087,651	1,199,962	1,208,280	1,349,597	1,445,650	1,612,043	1,947,403
Employee Benefits	4,031,997	3,960,092	4,276,577	5,596,365	5,859,781	5,571,117	6,121,465	5,912,097	6,287,693	6,666,212
Business and Other Support Services	1,334,868	191,580	127,394	290,324	221,515	82,774	27,685	128,856	394,902	58,088
Special Schools			60,102	65,925	72,884	73,440	56,746	101,308	93,866	91,592
Amortization of Debt Issue Costs	5,257	6,683	8,109	8,109	8,109	25,867	25,867	6,509	6,510	45,000
Interest on Long-Term Debt	415,690	376,736	439,905	429,168	493,377	265,002	332,050	396,553	347,045	324,953
Unallocated Depreciation and Amortization	637,519	622,334	644,806	676,823	872,321	943,646	2,000,447	1,191,857	1,214,157	1,249,822
Total Governmental Activities Expenses	25,197,320	24,695,747	25,210,831	27,645,716	28,587,609	30,239,509	31,911,958	29,603,052	30,873,126	31,076,462
Business-Type Activities										
Food Service	739,384	778,178	749,039	784,383	846,267	859,983	832,174	773,902	779,706	735,073
Child Care	116,648	127,736	121,936	159,021	148,074	141,889	129,659	145,651	145,301	155,308
Total Business-Type Activities Expense	856,032	905,914	870,975	943,404	994,341	1,001,872	961,833	919,553	925,007	890,381
Total District Expenses	\$ 26,053,352	25,601,661	26,081,806	28,589,120	29,581,950	31,241,381	32,873,791	30,522,605	31,798,133	31,966,843
Program Revenues										
Governmental Activities										
Charges for Services	\$ 4,191,384	2,814,837	2,475,167	3,529,557	3,521,345	3,685,495	3,446,323	2,191,212	2,588,390	2,063,004
Operating Grants and Contributions	1,207,466	1,423,488	2,821,686	3,544,144	3,649,039	2,407,917	2,688,851	2,528,490	2,817,784	3,237,389
Total Governmental Activities Prog. Revenues	5,398,850	4,238,325	5,296,853	7,073,701	7,170,384	6,093,412	6,135,174	4,719,702	5,406,174	5,300,393
Business-Type Activities										
Charges for Services										
Food Service	448,678	447,550	456,659	464,742	484,560	489,920	473,046	409,787	425,683	384,801
Child Care	97,282	143,971	119,934	174,687	139,256	146,065	120,408	159,006	150,346	134,954
Operating Grants and Contributions	246,983	300,961	282,478	293,220	300,431	316,876	345,128	320,949	327,310	329,207
Total Business-Type Activities Prog. Revenues	792,943	892,482	859,071	932,649	924,247	952,861	938,582	889,742	903,339	848,962
Total District Program Revenues	\$ 6,191,793	5,130,807	6,155,924	8,006,350	8,094,631	7,046,273	7,073,756	5,609,444	6,309,513	6,149,355
Net (Expense)/Revenue										
Governmental Activities	\$ (19,798,470)	(20,457,422)	(19,913,978)	(20,572,015)	(21,417,225)	(24,146,097)	(25,776,784)	(24,883,350)	(25,466,952)	(25,776,069)
Business-Type Activities	(63,089)	(13,432)	(11,904)	(10,755)	(70,094)	(49,011)	(23,251)	(29,811)	(21,668)	(41,419)
Total District-Wide Net Expense	\$ (19,861,559)	(20,470,854)	(19,925,882)	(20,582,770)	(21,487,319)	(24,195,108)	(25,800,035)	(24,913,161)	(25,488,620)	(25,817,488)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 6,990,407	7,423,995	8,020,549	8,164,880	8,461,511	8,345,144	8,625,275	8,483,060	8,483,060	8,826,602
Taxes Levied for Debt Service	398,298	399,688	399,688	399,688	370,652	449,121	454,880	583,860	573,888	606,352
Unrestricted Grants and Contributions	11,284,252	13,873,384	10,524,806	10,525,828	10,996,417	12,612,748	13,276,946	13,956,827	13,752,737	13,216,567
Tuition Received	1,469,218	1,413,465	1,296,025	1,336,190	1,499,984	1,578,018	1,663,587	2,766,329	3,040,004	3,034,238
Investment Earnings	31,529	52,416	96,340	137,988	91,921	30,284	24,855	17,399	11,597	6,772
Miscellaneous Income	339,961	292,447	275,730	295,035	237,759	260,955	207,616	220,085	260,398	256,373
Gain on Defeasement of Debt						132,873			6,568	
Accrued Interest and Fixed Asset Adjustments			(114,933)	(308,020)	14,882					
Cancellation of Accounts Receivable									(6,341)	(61,129)
Transfer to Charter School	(7,378)	(7,948)	(8,478)						(41,906)	(183,845)
Transfers	(30,000)	(30,000)	(57,300)	(10,476)	(10,476)	(50,476)		(11,000)	(59,880)	(36,557)
Total Governmental Activities	20,476,287	23,417,447	20,432,427	20,541,113	21,662,650	23,358,667	24,253,159	26,016,560	26,020,125	25,665,373
Business-Type Activities										
Investment Earnings		37	2,088	6,560	4,038	1,063	611	604	735	187
Miscellaneous Income	24,205			12,000	12,732					
Prior Year Adjustments			(37,852)		32,891					
Transfer	30,000	30,000	57,300	10,476	10,476	50,476		11,000	59,880	36,557
Total Business-Type Activities	54,205	30,037	21,536	29,036	60,137	51,539	611	11,604	60,615	36,744
Total District-Wide	\$ 20,530,492	23,447,484	20,453,963	20,570,149	21,722,787	23,410,206	24,253,770	26,028,164	26,080,740	25,702,117
Change in Net Position										
Governmental Activities	\$ 677,817	2,960,025	518,449	(30,902)	245,425	(787,430)	(1,523,625)	1,133,210	553,173	(110,696)
Business-Type Activities	(8,884)	16,605	9,632	18,281	(9,957)	2,528	(22,640)	(18,207)	38,947	(4,675)
Total District-Wide	\$ 668,933	2,976,630	528,081	(12,621)	235,468	(784,902)	(1,546,265)	1,115,003	592,120	(115,371)

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 88,920	\$ 1,081,785	\$ 1,126,229	\$ 1,130,674	\$ 1,318,264	\$ 1,059,301	\$ 543,765	\$ 244,210	\$ 607,456	\$ 562,392
Unreserved	73,223	194,965	80,918	13,687	(67,668)	(756,755)	(1,032,703)	(806,569)	(700,726)	(778,052)
Total General Fund	\$ 162,143	\$ 1,276,750	\$ 1,207,147	\$ 1,144,361	\$ 1,250,596	\$ 302,546	\$ (488,938)	\$ (562,359)	\$ (93,270)	\$ (215,660)
All Other Governmental Funds										
Reserved	\$ 158,951	\$ 3,606,518	\$ 89,335	\$	\$	\$	\$ 2,503,077	\$	\$	\$
Unreserved, Reported in:										
Special Revenue Fund	(16,388)	(16,388)	(16,388)	(16,388)	(21,311)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)
Capital Projects Fund	40,526	194,871	60,584	114,382	112,254	112,254	(693,611)	385,035	395,953	66,265
Debt Service Fund	4,290	35,295	31,005		2	3	23,832	23,832	2	2
Permanent Fund	51,059	63,828	64,911	71,525	75,982	77,675	79,666	82,199	91,252	90,980
Total All Other Governmental Funds	\$ 238,438	\$ 3,884,124	\$ 229,447	\$ 169,519	\$ 166,927	\$ 183,002	\$ 1,906,034	\$ 484,136	\$ 480,277	\$ 150,317

Source: CAFR Schedule B-1

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax Levy	\$ 7,388,705	\$ 7,823,683	\$ 8,420,237	\$ 8,564,568	\$ 8,832,163	\$ 8,794,265	\$ 9,080,155	\$ 9,066,920	\$ 9,056,948	\$ 9,432,954
Tuition Charges	1,469,218	1,413,465	1,296,025	1,336,190	1,499,984	1,578,018	1,663,587	2,766,329	3,030,411	3,034,238
Tuition from State of New Jersey									9,593	
Rent	10,668									
Interest Earnings	31,529	34,389	95,854	137,988	91,894	30,284	24,855	17,399	11,597	6,772
Miscellaneous	318,098	297,366	279,898	303,225	244,638	267,644	207,616	220,085	260,398	356,756
State Sources	11,534,762	12,197,671	12,310,952	13,159,024	13,766,835	14,213,812	12,974,281	15,606,741	15,317,128	15,651,284
Federal Sources	859,341	991,556	1,027,497	902,715	871,742	800,166	2,991,516	878,576	1,253,393	802,672
Local Sources										
Total Revenues	21,612,321	22,758,130	23,430,463	24,403,710	25,307,256	25,684,189	26,942,010	28,556,050	28,939,468	29,284,676
Expenditures										
Instruction										
Regular Instruction	7,347,451	7,889,994	7,758,975	7,563,231	7,634,910	8,096,231	8,190,926	7,659,818	7,583,063	7,900,047
Special Education Instruction	1,227,034	1,457,099	1,410,174	1,472,185	1,390,199	1,477,034	1,754,533	1,976,525	1,997,959	2,090,259
Other Special Instruction	89,057	167,352	109,993	156,531	180,051	261,667	201,808	265,475	398,908	265,282
Other Instruction	403,618	426,617	461,377	394,801	416,452	444,710	411,566	335,613	375,583	378,190
Support Services										
Tuition	482,220	453,243	317,399	426,362	467,006	460,091	573,628	604,526	515,590	507,683
Student and Instruction Related Services	2,100,541	2,112,441	2,486,040	2,211,908	2,581,781	2,753,777	2,930,502	2,809,023	2,889,590	3,013,574
School Administrative Services	748,772	479,115	767,926	737,755	809,369	979,112	990,849	1,135,057	1,131,465	1,140,257
General Administrative Services	429,457	763,460	456,942	488,868	543,214	509,884	648,049	559,092	525,446	541,473
Central Services and Information Tech		415,514	823,228	870,273	725,035	767,403	786,096	693,832	770,183	754,783
Plant Operations and Maintenance	1,729,259	2,000,669	2,040,918	2,111,635	2,268,645	2,499,609	2,410,917	2,508,084	2,580,069	2,709,377
Pupil Transportation	881,061	907,824	1,040,497	1,037,745	1,281,853	1,223,458	1,357,368	1,262,832	1,528,691	1,741,610
Business and Other Support Services	419,953	328								
Unallocated Employee Benefits	3,818,973	3,966,167	4,389,189	5,657,445	5,764,717	5,549,810	6,124,014	5,938,758	6,267,598	6,658,694
Special Schools			60,102	65,925	72,884	73,440	56,746	101,308	93,866	91,592
Capital Outlay	341,039	887,300	4,321,312	575,601	1,371,952	1,224,172	856,466	3,291,389	1,929,261	907,015
Debt Service										
Principal	509,914	509,171	537,876	538,533	366,254	478,078	534,929	536,923	579,021	611,278
Interest and Other Charges	415,690	376,736	453,551	425,850	398,603	378,668	296,895	362,114	339,215	319,631
Total Expenditures	20,944,039	22,813,030	27,435,499	24,734,648	26,272,925	27,177,144	28,125,292	30,040,369	29,505,508	29,630,745
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	668,282	(54,900)	(4,005,036)	(330,938)	(965,669)	(1,492,955)	(1,183,282)	(1,484,319)	(566,040)	(346,069)
Other Financing Sources (Uses)										
Transfer to Charter School	(7,378)	(7,948)	(8,478)						(41,906)	(183,845)
Capital Lease (Non-budgeted)	85,200	443,162	346,534	218,700	1,081,916	611,456	269,830		1,133,056	114,121
Bond Proceeds							1,856,000			
Transfers	(107,461)	(21,933)	(57,300)	(10,476)	(12,604)	(50,476)	(11,000)	(11,000)	(59,880)	(36,557)
Total Other Financing Sources (Uses)	(29,639)	413,281	280,756	208,224	1,069,312	560,980	2,114,830	(11,000)	1,031,270	(106,281)
Special Item										
Prior Year Insurance Settlement										
Net Change in Fund Balances	\$ 638,643	\$ 358,381	\$ (3,724,280)	\$ (122,714)	\$ 103,643	\$ (931,975)	\$ 931,548	\$ (1,495,319)	\$ 465,230	\$ (452,350)
Debt Service as a Percentage of										
Noncapital Expenditures	4.5%	4.0%	4.3%	4.0%	3.1%	3.3%	3.1%	3.4%	3.3%	3.2%

Source: CAFR Schedule B-2

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals and Use of Facilities	Prior Year Tuition	Services to Other LEAs	Refund of Prior Year Expenditure	Insurance Refunds and Settlement	Athletic Receipts	Energy Admin Fee	Sale of Paper	Misc.	Total
2013	\$ 6,375	\$ 3,034,238	\$ 2,200	\$ 27,200	\$ 109,713	\$ 2,099	\$ 237	\$ 13,901	\$ 83,173	\$ 100,383	\$ 15,839	\$ 3,395,358
2012	9,998	3,040,004	5,992	21,530	107,562	24,269	982	12,776	47,735		1,079	3,271,927
2011	10,700	2,766,329	16,288	32,977	73,900	7,926	4,341	15,028	45,651		12,329	2,985,469
2010	14,748	1,663,587	15,792	19,205	105,917	500	11,004	14,038	26,674		3,701	1,875,166
2009	27,105	1,578,018	14,505	870	130,963	17,311	32,536	15,162	38,202		7,091	1,861,763
2008	76,102	1,499,984	11,251	527	126,267	18,041	39,459	23,359	14,087		18	1,809,095
2007	137,988	1,336,190	15,137	49,024	143,838	29,687	21,665	13,822			30,052	1,777,403
2006	95,854	1,296,025	13,155	6,046	95,445	16,186	33,953	18,634		80,000	16,479	1,671,777
2005	33,969	1,413,465	16,476	56,101	36,005	10,638	36,030	16,956		85,000	24,811	1,729,451
2004	31,529	1,469,218	10,668	48,035	124,589	19,728	14,234	7,000		58,825	25,779	1,809,605

Source: District Records

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2013	\$ 15,019,300	\$ 481,690,300	\$ 51,248,500	\$ 5,357,000	\$ 52,672,700	\$ 605,987,800	\$ 1,432,898	\$ 607,420,698	1.563	\$ 640,468,893 ^c
2012	15,634,200	479,213,600	52,128,600	5,404,900	52,936,800	605,318,100	1,488,950	606,807,050	1.524	656,677,416
2011	15,819,000	479,494,800	52,294,400	5,540,200	52,603,300	605,751,700	1,527,972	607,279,672	1.492	674,374,498
2010	15,784,300	478,832,100	53,269,500	5,502,600	51,823,700	605,212,200	1,831,644	607,043,844	1.495	711,299,851
2009	16,928,800	475,124,900	51,948,000	5,531,700	51,299,600	600,833,000	1,813,634	602,646,634	1.468	724,793,252
2008	16,892,800	471,670,200	53,651,800	5,236,200	51,371,500	598,822,500	1,628,094	600,450,594	1.468	745,017,560
2007	18,678,500	463,937,500	51,587,700	5,251,400	53,041,200	592,496,300	1,674,563	594,170,863	1.464	735,143,635
2006	20,531,200	452,487,700	50,310,800	5,270,700	53,660,200	582,260,600	1,815,309	584,075,909	1.398	599,495,883
2005	25,341,000	437,510,900	48,001,200	5,262,300	55,643,000	571,758,400	2,019,874	573,778,274	1.416	585,098,649
2004	29,878,100	436,399,400	47,958,400	5,260,200	61,031,200	580,527,300	2,061,256	582,588,556	1.306	529,871,577

Source: District records Tax list summary & Municipal Tax Assessor

Note: 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

c Estimate

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)

Year Ended June 30,	Pittsgrove Township Board of Education			Overlapping Rates			Total
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Pittsgrove Township	Salem County	Municipal Open Space	
2013	\$ 1.463	\$ 0.100	\$ 1.563	\$ 0.280	\$ 1.019	\$ 0.010	\$ 2.872
2012	1.427	0.097	1.524	0.261	1.019	0.015	2.819
2011	1.396	0.096	1.492	0.216	0.994	0.030	2.732
2010	1.420	0.075	1.495	0.216	1.034	0.030	2.775
2009	1.406	0.076	1.482	0.216	1.068	0.030	2.796
2008	1.406	0.062	1.468	0.238	1.150	0.031	2.887
2007	1.386	0.068	1.454	0.253	1.013	0.030	2.750
2006	1.332	0.066	1.398	0.253	1.013	0.030	2.694
2005	1.344	0.072	1.416	0.227	0.909	0.030	2.582
2004	1.236	0.070	1.306	0.169	0.815	0.030	2.320

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
Unaudited

<u>Taxpayer</u>	<u>2013</u>			<u>2004</u>		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Nancy-Lee Inc.	5,742,000	1	0.95%	5,742,000	1	0.99%
LJK Golf LLC	4,118,400	2	0.68%			
Bifulco Brothers	3,754,000	3	0.62%	2,199,500	6	0.38%
Rainbow of NJ	2,719,000	4	0.45%	2,719,000	4	0.47%
Taxpayer #1	2,427,300	5	0.40%	2,306,500	5	0.40%
Taxpayer #2	2,152,800	6	0.36%			
Windover LLC	2,015,200	7	0.33%	2,015,200	8	0.35%
PAR 3 Management LLC	1,790,000	8	0.30%			
Mayerfeld Farms & Supply Co. Inc.	1,732,100	9	0.29%			
T&T Management LLC	1,730,800	10	0.29%			
Running Deer Golf Co.				4,548,200	2	0.78%
K. Hovnanian at Pittsgrove, LLC				2,004,000	9	0.34%
Eatmor Market				2,168,400	7	0.37%
DEP c/o Sway Golf, Inc. (1)				3,298,900	3	0.57%
Headley Homes, Inc.				1,846,200	10	0.32%
Total	\$ 22,439,600		3.71%	\$ 28,847,900		4.97%

Source: Municipal Tax Assessor
 (1) Formerly Centerton Golf Club

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
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	% of Levy	
2013	\$ 9,432,954	\$ 9,432,954	100.00%	\$
2012	9,056,948	9,056,948	100.00%	
2011	9,066,921	9,066,921	100.00%	
2010	9,080,155	9,080,155	100.00%	
2009	8,794,265	8,794,265	100.00%	
2008	8,832,163	8,832,163	100.00%	
2007	8,564,256	8,564,256	100.00%	
2006	8,420,237	8,420,237	100.00%	
2005	8,420,237	8,420,237	100.00%	
2004	7,823,683	7,823,683	100.00%	

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

Note:

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	\$ 7,489,648	\$ 2,494,021	\$	\$	\$ 9,983,669	2.53%	\$ 1,075 *	
2012	8,024,925	2,806,909			10,831,834	2.79%	1,164	
2011	8,603,946	1,785,491			10,389,437	2.72%	1,109	
2010	9,140,869	2,000,764			11,141,633	2.91%	1,154	
2009	7,819,798	2,102,572			9,922,370	2.67%	1,029	
2008	8,352,876	1,792,501			10,145,377	2.81%	1,102	
2007	8,719,130	1,156,493			9,875,623	2.87%	1,046	
2006	9,257,663	1,345,147			10,602,810	3.19%	1,107	
2005	9,795,539	1,389,546			11,185,085	3.59%	1,186	
2004	8,240,710	1,314,581			9,555,291	3.16%	1,028	

* Estimate

Source: District CAFR Schedules I-1, I-2

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

a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2013	\$ 7,489,648	\$	\$ 7,489,648	1.17%	\$ 806 *
2012	8,024,925		8,024,925	1.22%	863
2011	8,603,946		8,603,946	1.21%	919
2010	9,140,869		9,140,869	1.26%	975
2009	7,819,798		7,819,798	1.08%	825
2008	8,352,876		8,352,876	1.12%	882
2007	8,719,130		8,719,130	1.19%	922
2006	9,257,663		9,257,663	1.54%	979
2005	9,795,539		9,795,539	1.67%	1,047
2004	8,240,710		8,240,710	1.56%	894

* Estimate

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pittsgrove Township	\$ 1,682,020		\$ 1,682,020
Other debt			
County of Salem - Township's Share	48,368,964	11.8%	5,696,378
Salem County Improvement Authority	1,855,000	11.8%	218,462
Subtotal, Overlapping Debt			7,596,860
Pittsgrove Township School District Direct Debt			8,603,946
Total Direct and Overlapping Debt			\$ 16,200,806

Sources: Pittsgrove Township Finance Officer and Salem County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pittsgrove. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized Valuation Basis	
	2012	\$ 638,251,898
	2011	653,665,372
	2010	669,927,164
	[A]	\$ 1,961,844,434
Average Equalized Valuation of Taxable Property	[A/3]	\$ 653,948,145
Debt Limit (4% of Average Equalization Value)	[B]	\$ 26,157,926
Net Bonded School Debt	[C]	7,489,648
Legal Debt Margin	[B-C]	\$ 18,668,278

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 16,901,734	\$ 18,702,736	\$ 21,036,495	\$ 23,744,900	\$ 26,459,533	\$ 28,229,424	\$ 28,713,938	\$ 27,866,713	\$ 27,011,045	\$ 26,157,926
Total Net Debt Applicable to Limit	8,240,710	9,795,539	9,257,663	8,719,130	8,352,876	7,819,798	9,140,869	8,603,946	8,024,925	7,489,648
Legal Debt Margin	\$ 8,661,024	\$ 8,907,197	\$ 11,778,832	\$ 15,025,770	\$ 18,106,657	\$ 20,409,626	\$ 19,573,069	\$ 19,262,767	\$ 18,986,120	\$ 18,668,278
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	48.76%	52.37%	44.01%	36.72%	31.57%	27.70%	31.83%	30.88%	29.71%	28.63%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	** 9,288	\$ 394,714,168	\$ 42,497	** 9.6%
2012	9,304	387,641,298	41,664	9.7%
2011	9,367	382,613,849	40,847	9.5%
2010	9,380	372,423,520	39,704	10.0%
2009	9,475	365,251,775	38,549	9.5%
2008	9,471	371,130,606	39,186	5.5%
2007	9,453	344,401,149	36,433	4.3%
2006	9,461	328,391,310	34,710	4.4%
2005	9,356	308,841,560	33,010	4.7%
2004	9,217	299,755,274	32,522	5.9%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	<u>2013</u>		<u>2004</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Not Available

Source:

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	140.50	143.50	145.50	142.00	136.50	135.50	127.50	125.70	128.00	129.00
Special education	13.00	11.50	13.50	21.00	24.00	25.10	25.10	25.10	25.10	26.00
Support Services:										
Student & instruction related services	31.10	30.20	33.45	28.50	24.30	36.00	38.50	38.50	38.50	38.50
General administrative services	4.00	3.50	4.00	4.00	4.00	3.50	2.50	2.50	2.50	2.50
School administrative services	15.50	14.00	14.00	13.00	15.50	16.00	14.00	14.00	14.00	14.00
Central services	4.50	4.50	5.50	8.00	10.50	10.00	6.50	5.50	5.50	5.50
Administrative information technology	-	1.00	1.00	4.00	4.00	4.50	4.50	4.50	4.50	4.50
Plant operations and maintenance	26.00	10.90	20.75	20.00	16.20	19.00	19.00	19.00	19.00	19.00
Pupil transportation	21.75	21.75	13.00	19.00	23.70	32.00	24.00	24.00	24.00	24.00
Total	256.35	240.85	250.70	259.50	258.70	281.60	261.60	258.80	261.10	263.00

Source: District Personnel Records

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
Unaudited

Fiscal	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pre K & K	Elementary	Middle School	High School				
2013	1,801	\$ 28,723,730	\$ 15,949	4.97%	155.00	1 : 14.8	1 : 16.6	1 : 11.4	1 : 11.7	1,720	1,646	-1.29%	95.69%
2012	1,815	27,576,247	15,194	7.41%	153.10	1 : 15.4	1 : 15.2	1 : 12.4	1 : 11.3	1,742	1,665	-5.12%	95.58%
2011	1,891	26,748,980	14,145	-0.85%	150.80	1 : 14.5	1 : 11.2	1 : 10.7	1 : 10.4	1,836	1,753	2.91%	95.48%
2010	1,853	26,437,002	14,267	5.12%	152.60	1 : 14.0	1 : 17.0	1 : 16.0	1 : 15.7	1,784	1,704	-0.61%	95.52%
2009	1,849	25,096,226	13,573	8.98%	166.50	1 : 7.7	1 : 8.8	1 : 9.0	1:08.7	1,795	1,704	-3.97%	94.93%
2008	1,938	24,136,116	12,454	7.28%	151.50	1:14.9	1:13.4	1:12.0	1:13.4	1,869	1,765	-3.30%	94.43%
2007	1,998	23,194,664	11,609	1.01%	143.00	1:18.7	1:12.9	1:13.6	1:12.6	1,933	1,827	0.16%	94.52%
2006	1,925	22,122,760	11,492	3.89%	147.90	1:17.2	1:12.2	1:13.2	1:13.0	1,930	1,825	-2.70%	94.56%
2005	1,902	21,039,823	11,062	2.76%	176.00	1:14.5	1:13.5	1:13.2	1:12.8	1,984	1,869	4.77%	94.20%
2004	1,828	19,677,396	10,764	10.87%	175.00	1:12.8	1:14.4	1:13.7	1:11.6	1,893	1,760	1.13%	92.95%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2006 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>District Building</u>										
<u>Elementary</u>										
Norma School (1953, 1994)										
Square Feet	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110
Capacity (students)	135	135	135	135	135	135	135	135	135	135
Enrollment	174.4	155.2	173.9	189.5	168.0	187.0	188.0	189.0	173.0	120.0
Olivet School (1930, 1957, 1966, 1992)										
Square Feet	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	367.8	384.6	406.0	425.2	441.0	476.0	481.0	456.0	466.0	486.0
Elmer School										
Square Feet	19,281	19,281	19,281							
Capacity (students)	158	158	158							
Enrollment	209.2	243.1	240.1							
<u>Middle School</u>										
Pittsgrove Middle School (1912, 1999)										
Square Feet	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	455.5	433.0	430.7	558.5	577.0	612.0	609.0	634.0	642.0	625.0
<u>High School</u>										
Arthur P. Schalick High School (1976)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity (students)	721	721	721	721	721	721	721	721	721	721
Enrollment	512.7	599.2	640.5	680.0	663.0	689.0	720.0	646.0	621.0	597.0
<u>Other</u>										
Maintenance Building (2000)										
Square Feet	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Annex Building (1933, 1942)										
Square Feet	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828
Board of Education (1989)										
Square Feet	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Round House (1985)										
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Number of Schools at June 30, 2013										
Preschool & Kindergarten = 1										
Elementary = 3										
Middle School = 1										
High School = 1										

Source: District records, ASSA

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

TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited

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

School Facilities	Gross Square Footage	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
A.P. Schalick High School	112,000	\$ 21,923	\$ 38,062	\$ 16,324	\$ 77,483	\$ 57,478	\$ 50,098	\$ 52,492	\$ 104,797	\$ 106,279	\$ 62,873
Pittsgrove Middle School	88,473	6,654	3,293	8,608	12,851	21,382	52,954	26,348	25,245	46,651	25,408
Olivet Elementary School	56,659	38,560	8,709	3,126	2,581	37,634	25,889	32,099	36,822	37,220	27,484
Elmer Elementary School	19,281	7,947	4,811	7,504							
Norma Elementary School	22,110	6,059	11,931	6,213	4,830	13,565	30,982	19,808	17,443	28,722	18,549
Total School Facilities		81,143	66,806	41,775	97,745	130,059	159,923	130,747	184,307	218,872	134,314
Other Facilities	15,028	58,253	47,607	59,108	58,143	63,280	10,310	10,585	6,421		
Grand Total		\$ 139,396	\$ 114,413	\$ 100,883	\$ 155,888	\$ 193,339	\$ 170,233	\$ 141,332	\$ 190,728	\$ 218,872	\$ 134,314

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

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Republic Franklin Insurance Company/Utica National Insurance Group		
Commercial Package Policy		
Property Section		
Property - Blanket Building & Contents	\$ 58,852,801	\$ 1,000
General Liability Section		
General Aggregate Limit	3,000,000	
Products and Completed Operations Limit	3,000,000	
Personal Advertising Injury Limit	1,000,000	
Each Occurrence Limit	1,000,000	
School District Legal Liability Coverage		
Legal Liability (Each Claim)	1,000,000	
Aggregate	3,000,000	
Insured's Retained Limit (Each Loss)	7,500	
Employee Benefit Liability		
Limit of Liability	1,000,000	
Annual Aggregate	3,000,000	
Retroactive Date 7/01/1990		
Insured's Retained Limit (Each Claim)	1,000	
Commercial Crime Section		
Employee Dishonest Coverage (Per Loss)	100,000	
Commercial Inland Marine		
Hardware	768,827	250
Misc Contractor Equip	28,000	250
Business Auto Policy		
Liability Limit	1,000,000	
Comprehensive Deductible		500
Collision Deductible		1,000
Utica National Insurance Group ERIC/NJSBAIG		
Umbrella Liability	10,000,000	
Workers Compensation		
Bodily Injury by Accident (Each Accident)	2,000,000	
Bodily Injury by Disease (Agreement Limit)	2,000,000	
Bodily Injury by Disease (Each Employee)	2,000,000	
Student Accident Coverage - Monumental Life/Bollinger		
Compulsory Student Accident Coverage	1,000,000	
Surety Bonds - The Ohio Casualty Insurance Company		
Public Official Bond -Business Administrator	250,000	
Public Official Bond - Business Administrator	250,000	

Source: District Insurance Agent

* Policy will pay the difference between what workers' compensation pays and what the employee is paid weekly.

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association
Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

November 1, 2013

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the 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 Pittsgrove School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2013, which collectively comprise the Board of Education of the Pittsgrove School District's basis financial statements and have issued our report thereon dated November 1, 2013. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Pittsgrove School District, in the County of Salem, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Pittsgrove 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 Pittsgrove Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pittsgrove Board of Education'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above and which is described in the accompanying schedule of findings and questioned costs. There were, however, one immaterial deficiency in internal control over financial reporting that we have reported to the Board of Education of the Pittsgrove School District in a separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 1, 2013, labeled *Finding 2013-1*.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pittsgrove 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 Office of School Finance, Department of Education, State of New Jersey.

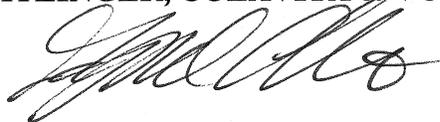
There was, however, an immaterial instance of noncompliance that we have reported to the Board of Education of the Pittsgrove School District in a separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 1, 2013, labeled *Finding 2013-2*.

Purpose of this Report

This report is intended solely for the information and use of the audit committee, management, the Pittsgrove Board of Education, the New Jersey 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. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

November 1, 2013

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Program

We have audited of the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, compliance 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 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Pittsgrove Township School District's major federal and state programs for the fiscal year ended June 30, 2013. The Pittsgrove Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Pittsgrove Township Board of Education'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 Office of School 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Pittsgrove 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 of Pittsgrove Township Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Board of Education of the Pittsgrove Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Pittsgrove Township 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 the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pittsgrove Township Board of Education's internal control over compliance.

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

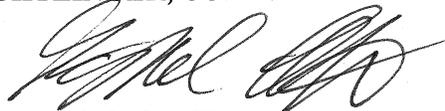
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. We did note one immaterial instance of deficiency in internal control over compliance that we have reported to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 1, 2013, labeled Finding 2013-2.

The Board of Education of the Pittsgrove Township School District responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned cost. We did not audit the Board of Education of the Pittsgrove Township School District responses and, accordingly, we express no opinion on the responses.

This report is intended for the information and use of the audit committee, management, the Pittsgrove Township Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

**PITTSBORO SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2012			Cash Received	Budgetary Expenditures	Repayments Adjustments	June 30, 2013		Due to Grantor at June 30, 2013
					Accounts Receivable	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education													
General Fund													
Medical Assistance Program	93.778	N/A	7/1/12- 6/30/13	\$ 8,812	\$	\$	\$ 8,812	\$ (8,812)	\$	\$	\$	\$	\$
Medical Assistance Program	93.778	N/A	7/1/11- 6/30/12	7,979	(527)		527						
Education Jobs Fund	84.410A	N/A	7/1/11- 6/30/12	443,855	(49,779)		49,779						
Education Jobs Fund	84.410A	N/A	7/1/12- 6/30/13	1,108				(1,108)			(1,108)		
Total U.S. Department of Education					(50,306)		59,118	(9,920)			(1,108)		
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	7/1/11- 6/30/12	47,538		3,352		(3,352)					
Food Distribution Program	10.550	N/A	7/1/12- 6/30/13	50,725			50,725	(45,387)				5,338	
National School Lunch Program	10.555	N/A	7/1/11- 6/30/12	225,336	(57,986)		57,986						
National School Lunch Program	10.555	N/A	7/1/12- 6/30/13	223,905			179,094	(223,905)			(44,811)		
National School Breakfast Program	10.553	N/A	7/1/11- 6/30/12	41,432	(12,515)		12,515						
National School Breakfast Program	10.553	N/A	7/1/12- 6/30/13	47,288			36,297	(47,288)			(10,991)		
Special Milk Program	10.556	N/A	7/1/11- 6/30/12	1,238	(285)		285						
Special Milk Program	10.556	N/A	7/1/12- 6/30/13	1,791			1,413	(1,791)			(378)		
Total U.S. Department of Agriculture					(70,786)	3,352	338,315	(321,723)			(56,180)	5,338	
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I	84.010	NCLB415013	9/1/12- 8/31/13	352,486			174,471	(262,121)			(87,650)		
Title I	84.010	NCLB415012	9/1/11- 8/31/12	353,997	(68,603)		68,603						
Title I, SIA, Summer	84.010	NCLB415010	9/1/11- 8/31/12	41,973			41,973	(41,973)					
I.D.E.A. Part B, Basic	84.027	IDEA415013	9/1/12- 8/31/13	396,564			356,907	(396,564)			(39,657)		
I.D.E.A. Part B, Basic	84.027	IDEA415012	9/1/11- 8/31/12	392,507	(39,252)		39,252						
I.D.E.A. Part B, Preschool	84.173	IDEA415013	9/1/12- 8/31/13	10,200				(10,200)			(10,200)		
NCLB T-II A	84.367	NCLB415013	9/1/12- 8/31/13	46,218				(36,477)			(36,477)		
NCLB T-II A, Summer	84.367	NCLB415012	9/1/11- 8/31/12	23,765			23,518	(23,765)	247				
NCLB T-II A	84.367	NCLB415012	9/1/11- 8/31/12	74,394	(18,334)		18,334						
NCLB T-II A	84.367	NCLB415011	9/1/10- 8/31/11	49,569									420
Total U.S. Department of Education					(126,189)		420	723,058	(771,100)	247	(173,984)		420
Total Federal Financial Assistance					\$ (247,281)	\$ 3,352	\$ 420	\$ 1,120,491	\$ (1,102,743)	\$ 247	\$ (231,272)	\$ 5,338	\$ 420

See accompanying notes to schedules of financial assistance

**PITTSBURGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2012		Cash Received	Budgetary Expenditures	Repayments Adjustments	June 30, 2013		MEMO	
				(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Equalization Aid	12-495-034-5120-078	\$10,260,115	7/1/11 to 6/30/12	\$ (913,510)	\$	\$ 913,510	\$	\$	\$	\$	\$	\$
Equalization Aid	13-495-034-5120-078	10,300,951	7/1/12 to 6/30/13			9,306,114	(10,300,951)		(994,837)		(994,837) *	10,300,951
Transportation Aid	12-495-034-5120-014	739,156	7/1/11 to 6/30/12	(73,916)		73,916						
Transportation Aid	13-495-034-5120-014	744,287	7/1/12 to 6/30/13			669,858	(744,287)		(74,429)		(74,429) *	744,287
Special Education Categorical Aid	12-495-034-5120-089	776,149	7/1/11 to 6/30/12	(52,693)		52,693						
Special Education Categorical Aid	13-495-034-5120-089	822,120	7/1/12 to 6/30/13			740,087	(822,120)		(82,033)		(82,033) *	822,120
Security Aid	12-495-034-5120-084	229,283	7/1/11 to 6/30/12	(22,928)		22,928						
Security Aid	13-495-034-5120-084	227,854	7/1/12 to 6/30/13			205,069	(227,854)		(22,785)		(22,785) *	227,854
Adjustment Aid	12-495-034-5120-085	15,649	7/1/11 to 6/30/12	(7,825)		7,825						
Adjustment Aid	13-495-034-5120-085	12,519	7/1/12 to 6/30/13			11,267	(12,519)		(1,252)		(1,252) *	12,519
School Choice Aid	12-495-034-5120-068	249,480	7/1/11 to 6/30/12	(13,860)		13,860						
School Choice Aid	13-495-034-5120-068	903,300	7/1/12 to 6/30/13			812,970	(903,300)		(90,330)		(90,330) *	903,300
Extraordinary Aid	12-100-034-5120-473	61,331	7/1/11 to 6/30/12	(31,031)		31,031						
Extraordinary Aid	13-100-034-5120-473	29,431	7/1/12 to 6/30/13				(29,431)		(29,431)		*	29,431
Non-Public Transportation Aid	12-495-034-5120-014	12,180	7/1/11 to 6/30/12	(12,180)		12,180						
Non-Public Transportation Aid	13-495-034-5120-014	10,962	7/1/12 to 6/30/13				(10,962)		(10,962)		*	10,962
On Behalf TPAF Pension Contribution	13-495-034-5095-007	731,248	7/1/12 to 6/30/13			731,248	(731,248)				*	731,248
On Behalf TPAF Post Retirement Post Med Contr	13-495-034-5095-001	826,857	7/1/12 to 6/30/13			826,857	(826,857)				*	826,857
Reimbursement TPAF Social Security Contr	12-495-034-5095-002	826,149	7/1/11 to 6/30/12	(5,568)		5,568						
Reimbursement TPAF Social Security Contr	13-495-034-5095-002	828,832	7/1/12 to 6/30/13			788,397	(828,832)		(40,435)		*	828,832
				(1,133,511)		15,225,378	(15,438,361)		(1,346,494)		(1,265,666)	15,438,361
Special Revenue Fund:												
Preschool Education Aid	13-495-034-5120-086	69,300	7/1/12 to 6/30/13			62,370	(69,300)		(6,930)		(6,930) *	69,300
Preschool Education Aid	12-495-034-5120-086	69,300	7/1/11 to 6/30/12	(6,930)		6,930						
Teacher Quality Mentoring	08-495-034-5120-052	3,033	7/1/07 to 6/30/08		902					902		
				(6,930)	902	69,300	(69,300)		(6,930)	902	(6,930)	69,300
Debt Service Fund:												
Debt Service Aid Type II	13-495-034-5120-016	324,557	7/1/12 to 6/30/13			324,557	(324,557)				*	324,557
Capital Projects Fund:												
N J EDA Grant - High School	05-592-003-0020-824	2,104,657	7/1/04 to Closing	(181,477)				85,329	(96,148)			
N J EDA Grant - Middle School	05-592-003-0020-824	2,104,657	7/1/04 to Closing	(14,091)				14,091				
NJSDA Grant - Olivet	4150-060-09-1001-GO2 PEC	2,013,670	7/1/09 to Closing	(609,975)				89,354	(520,621)		*	1,593,129
NJSDA Grant - Middle School	4150-060-09-1002-GO2 PEC	125,983	7/1/09 to Closing	(114,887)		54,702		11,526	(48,659)		*	156,063
				(920,430)		54,702		200,300	(665,428)			1,749,192
State Department of Agriculture:												
Enterprise Fund												
National School Lunch Program (State Share)	13-100-010-3350-023	7,484	7/1/12 to 6/30/13			5,664	(7,484)		(1,820)		*	7,484
National School Lunch Program (State Share)	12-100-010-3350-024	8,186	7/1/11 to 6/30/12	(2,071)		2,071						
				(2,071)		7,735	(7,484)		(1,820)			7,484
Total State Financial Assistance				\$ (2,062,942)	\$ 902	\$ 15,681,672	\$ (15,839,702)	\$ 200,300	\$ (2,020,672)	\$ 902	\$ (1,272,596)	\$ 17,588,894

See accompanying notes to schedules of financial assistance

TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2013

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the Township of Pittsgrove 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 are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented 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 bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits for States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$180,934) for the general fund and \$21,652 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT.
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2013

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 9,920	\$ 15,257,427	\$ 15,267,347
Special Revenue Fund	792,752	69,300	862,052
Debt Service		324,557	324,557
Food Service Fund	<u>321,723</u>	<u>7,484</u>	<u>329,207</u>
Total Awards & Financial Assistance	\$ <u>1,124,395</u>	\$ <u>15,658,768</u>	\$ <u>16,783,163</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Township of Pittsgrove School District had no outstanding loans at June 30, 2013 other than NJEDA debt in the amount of \$68,648.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

There were adjustments of \$200,300, reflected on Schedule B of State Financial Assistance, representing a reduction in NJEDA grants.

PITTSBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

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

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

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

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.173	I.D.E.A. Preschool
84.027	I.D.E.A. Part B, Basic
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

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

PITTSBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 475,191

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 X yes no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
13-495-034-5120-078	Equalization Aid
13-495-034-5120-014	Transportation Aid
13-495-034-5095-002	Reimbursement TPAF Social Security
13-495-034-5120-089	Special Education Categorical Aid
13-495-034-5120-084	Security Aid
13-495-034-5120-085	Adjustment Aid
13-495-034-5120-068	School Choice Aid

**PITTSBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)**

Section II - Financial Statement Findings

NONE

**PITTSGROVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: 2013-2

Information on the state program: Transportation Aid (GMIS No. 495-034-5120-014)

Criteria or specific requirement: The on-roll status of students, reported on the DRTRS Eligibility Summary Report, is to be verified.

Condition: The County Summary provided online by the Department of Education, did not agree with the District DRTRS Summary Report. The County Summary reflected two (2) less Reg. Special Education Students and two (2) more Special Education Special Needs than the District included on their Report.

Questioned Costs: None.

Context: The enrollment data should match the County Summary Report.

Effect: The information on the DRTRS report included four discrepancies, when compared to the County Summary report.

Cause: The district inadvertently did not perform the proper reconciliation to the County report.

Recommendation: Procedures to analyze and check edits received from other districts should be reviewed and updated, to insure that the information in each area is in agreement.

Management's response: The School District will be make a conscious effort to strengthen internal control procedures in the area of DRTRS reporting.

**PITTSGROVE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

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

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.