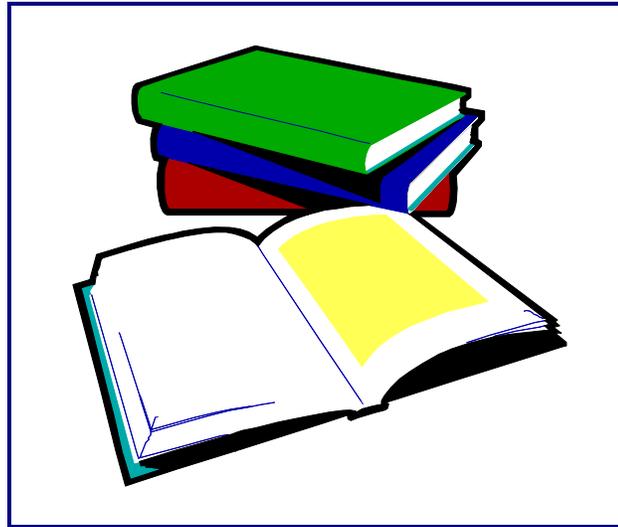


**CITY OF SALEM
SCHOOL DISTRICT**



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

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INTRODUCTORY SECTION

Salem City School District

205 Walnut Street
Salem, New Jersey 08079
Telephone 856.935.3800 ext. 4255 Fax 856.935.9141

Dr. Amiot Patrick Michel
Superintendent

Deborah A. Piccirillo
Business Administrator

Pamela Bates Thomas
Director of Special Services

September 24, 2013

Honorable President and Members of the Board of Education
Board of Education of the Salem City School District
County of Salem, New Jersey

The comprehensive annual financial report of the Salem City School District (District) for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity And Its Services:

Salem City School District is an independent reporting entity as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Salem City 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 Pre-K through 12. These include regular and special education services for children. The District completed the 2012-2013 fiscal year with an enrollment of 1,182 students, which represents a decrease of 66 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2012-2013	1,183	(5.3)%
2011-2012	1,248	1.3%
2010-2011	1,232	(2.9)%
2009-2010	1,269	(8.7)%
2008-2009	1,390	(1.8)%

2. Economic Condition and Outlook:

The Salem City community has not experienced any significant population or business growth in the past decade. Salem is an economically devastated area and dozens of businesses have closed down, thereby not only depressing the real estate market, but also putting pressure on the tax ratables. The economic outlook does not look bright in the foreseeable future, as there are very few avenues of business growth available to the community at present.

3. Major Initiatives:

Several renovations are in the process at the High School such as, Phase I of the HVAC System, completely renovated science labs, and partial roof replacement funded by the School Development Authority (SDA). Also, renovations at the John Fenwick Elementary School included asphalt resurfacing of the playground. Future projects include exterior masonry at the Middle School funded by the School Development Authority (SDA).

Discussions are in progress regarding a new elementary school. This project would be funded by the School Development Authority (SDA) and restructured to include PK through 4th grade. Currently, 3rd and 4th graders are integrated with the Middle School.

The District continued to participate in the consortia to purchase janitorial supplies, natural gas and transportation. The District also continued to provide shared services to our sending districts such as Child Study Team, Curriculum, Professional Development and Cafeteria.

The District continued an agreement with Metz Food Management Company to manage the operations of the cafeteria for the 13-14 fiscal year.

The district has awarded several service contracts with nationally known professional development providers. These providers have designed customized, sustainable professional development to our staff throughout the year and beyond.

We are proud to announce that Salem High School is now an International Baccalaureate (IB) School. The prestigious IB Diploma program is designed to develop inquiring, knowledgeable, and caring young people who help to create a better more peaceful world through intercultural understanding and respect. The IB program consists of a rigorous pre-university curriculum, leading to examinations which meet the needs of highly motivated students. Participants are expected to complete curricula and assessment activities that are coordinated and evaluated by international assessors and are measured against pre-established international standards.

4. Internal Accounting Controls:

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

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. While the IDEA ARRA audit was being conducted by the DOE for the year ending June 30, 2010, the state auditor commended the district for the condition of the accounting records. This internal control structure is also subject to periodic evaluation by the District management.

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

6. Accounting System and Reports:

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

7. Cash Management:

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

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.

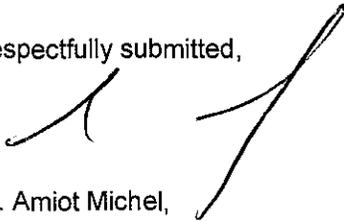
9. Other Information:

A) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the general-purpose 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. Acknowledgements:

We would like to express our appreciation to the members of the Salem City 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 combined with the efforts of our audit firm.

Respectfully submitted,



Dr. Amiot Michel,
Superintendent

Respectfully submitted,

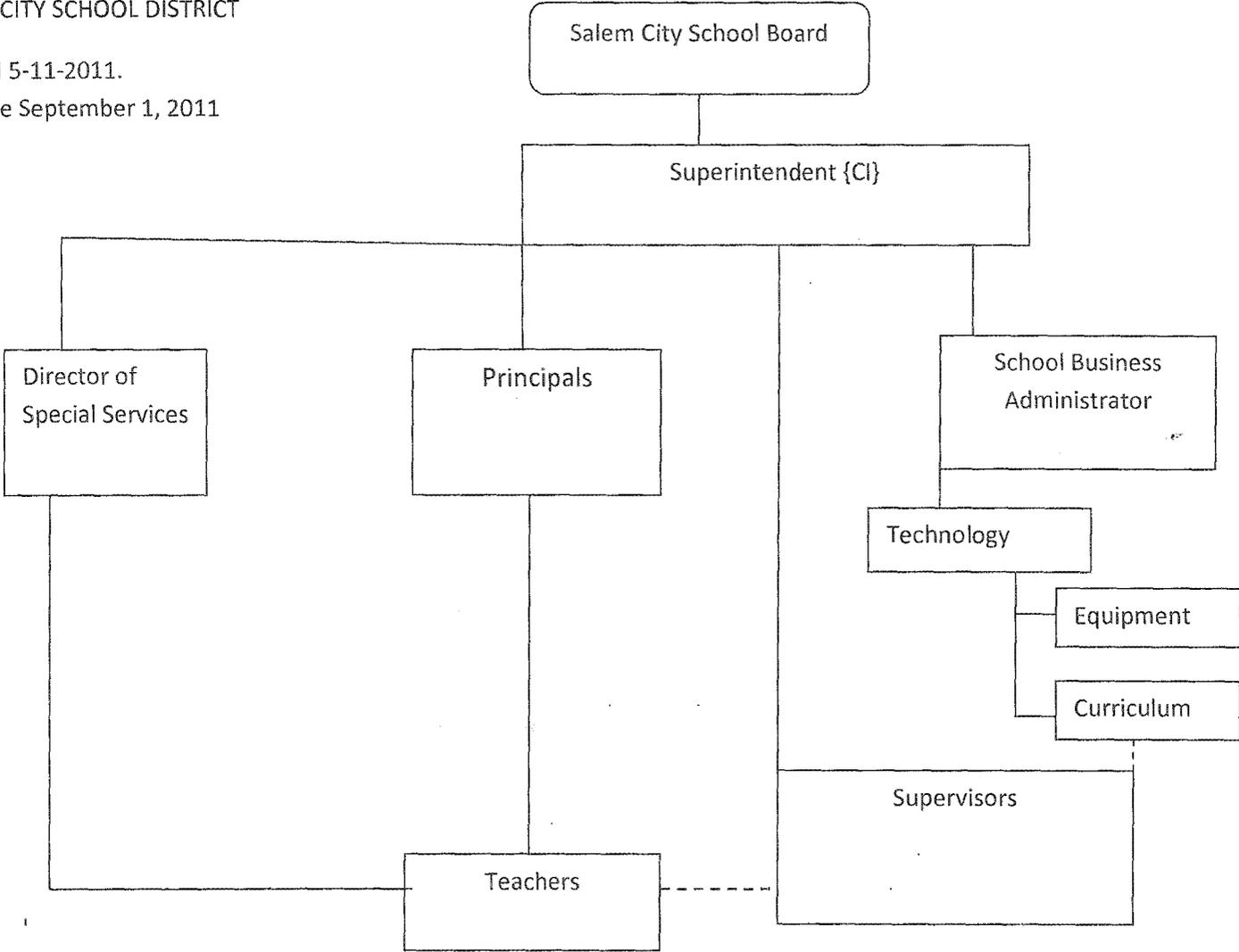


Deborah A. Piccirillo,
School Business Administrator

ORGANIZATIONAL FLOW CHART

SALEM CITY SCHOOL DISTRICT

Revised 5-11-2011.
Effective September 1, 2011



CITY OF SALEM SCHOOL DISTRICT
SALEM, NEW JERSEY
JUNE 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yuenge Groce, President	2013
Carol Adams, Vice President	2015
Barbara Chrisden	2014
Daffonie Moore	2014
Katrina Tatem	2014
Joan Hoolahan	2013
Stephanie Walsh	2013
Christopher Colon	2015
Julian Le Flore	2015
<u>Sending District Members</u>	
Mary Master, Elsinboro	2013
Alice Moore, Quinton through December 2012	2013
Imogene Brown, Quinton from December 2012	2013
Donald Richman, Mannington	2013
<u>Other Officials</u>	
Dr. Amiot Michel, Chief School Administrator	
Deborah Piccirillo, Board Secretary/School Business Administrator	
Linda Jones, Treasurer of School Monies	
Roger A. Barbour, Esq., Solicitor/Negotiator	

CITY OF SALEM SCHOOL DISTRICT

Consultants and Advisors

June 30, 2013

Audit Firm

Bowman & Company LLP
6 North Broad Street, Suite 201
Woodbury, NJ 08096

Attorney

Barbour & Barbour, P.A.
10 N. Chestnut Avenue
Maple Shade, NJ 08052

Bond Counsel

Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Dr.
Woodbridge, NJ 07095

Official Depository

Franklin Savings Bank
137 W. Broadway
Salem, NJ 08079

Insurance Agent

Connor Strong Companies, Inc.
P. O. Box 358
Bridgeton, NJ 08302

Doctor

Joseph LaCavera, III, D.O.
494 Barretts Run Road
Bridgeton, NJ 08302

Architect

Garrison Architects
130 Presidential Blvd.
Bala Cynwyd, PA 19004

Regan Young England Butera, PC
456 High Street
Mt. Holly, NJ 08060

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Salem School District
Salem, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2013, on our consideration of the City of Salem School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Salem School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



David C. Rollison
Certified Public Accountant
Public School Accountant No. CS 00346

Woodbury, New Jersey
November 22, 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
City of Salem School District
Salem, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salem School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 22, 2013.

Internal Control Over Financial Reporting

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

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

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

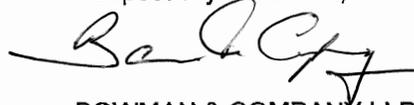
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



David C. Rollison
Certified Public Accountant
Public School Accountant No. CS 00346

Woodbury, New Jersey
November 22, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

(Unaudited)

This section of City of Salem School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two types of statements that present different views of the district.

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

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

(Unaudited)

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	District-Wide Statements	<u>Fund Financial Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and maintenance consultant	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

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

The two district-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and liabilities - are one way to measure the District's financial health or *position*.

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

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

(Unaudited)

District-Wide Statements (Cont'd)

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities* - The District charges fees to help it cover the cost for certain services it provides. The District's food services program and maintenance consultant service is included here.

Fund Financial Statements

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

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (completing approved capital projects) or to show that it is properly using certain revenues (such as federal grants).

The District has three kinds of funds:

- *Governmental Fund* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences between them).
- *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as it's business-type activities, but provide more detail and additional information, such as cash flow. *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs.
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's *combined* total net position is \$7,130,328 on June 30, 2013. Approximately 3.4% of the total net position is from business-type activities, while the balance of the total net position is 96.6%, attributable to governmental activities.

CITY OF SALEM SCHOOL DISTRICT'S NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2013	2012 (Restated)	2013	2012	2013	2012 (Restated)
	Current and Other Assets	\$ 1,821,783	\$ 2,556,425	\$ 189,111	\$ 182,203	\$ 2,010,894
Capital Assets	10,031,170	9,290,506	97,351	112,547	10,128,521	9,403,053
Total Assets	11,852,953	11,846,931	286,462	294,750	12,139,415	12,141,681
Current Liabilities	1,467,465	995,857	41,516	31,791	1,508,981	1,027,648
Noncurrent Liabilities	3,457,594	3,714,672			3,457,594	3,714,672
Total Liabilities	4,925,059	4,710,529	41,516	31,791	4,966,575	4,742,320
Deferred Inflows of Resources	42,512	50,325			42,512	50,325
Invested in Capital Assets	7,376,170	6,365,180	97,351	112,547	7,473,521	6,477,727
Restricted	532,253	1,814,016			532,253	1,814,016
Unrestricted (Deficit)	(1,023,041)	(1,093,119)	147,595	150,412	(875,446)	(942,707)
Total Net Position	\$ 6,885,382	\$ 7,086,077	\$ 244,946	\$ 262,959	\$ 7,130,328	\$ 7,349,036

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Changes in net assets. The District's total revenues are \$27,916,027 for the fiscal period ended June 30, 2013. The state formula aid accounted for 59% of the District's revenue, 24% is derived from state and federal aid for specific programs, 9% is derived from property taxes, and the remainder, 8% from fees charged for services and miscellaneous resources.

CITY OF SALEM SCHOOL DISTRICT'S NET POSITION						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u> <u>(Restated)</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u> <u>(Restated)</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,924,861	\$ 2,587,043			\$ 1,924,861	\$ 2,587,043
Operating Grants and Contributions	6,104,717	5,658,777	\$ 714,427	\$ 720,642	6,819,144	6,379,419
Business Type Activities:						
Food Service			255,521	259,201	255,521	259,201
General Revenues:						
Property Taxes	2,512,230	2,515,767			2,512,230	2,515,767
Grants and Contributions not Restricted to Specific Programs	16,375,304	17,171,431			16,375,304	17,171,431
Other	36,365	64,857	415	879	36,780	65,736
Total Revenues	26,953,477	27,997,875	970,363	980,722	27,923,840	28,978,597
Expenses:						
Instruction	10,749,125	10,611,453			10,749,125	10,611,453
Support Services	16,280,516	15,551,256			16,280,516	15,551,256
Other	124,531	132,611			124,531	132,611
Food Service			988,376	971,284	988,376	971,284
Internal Service					-	-
Total Expenses	27,154,172	26,295,320	988,376	971,284	28,142,548	27,266,604
Increase in Net Assets	(200,695)	1,702,555	(18,013)	9,438	(218,708)	1,711,993
Net Position, July 1	7,086,077	5,383,522	262,959	253,521	7,349,036	5,637,043
Net Position, June 30	\$ 6,885,382	\$ 7,086,077	\$ 244,946	\$ 262,959	\$ 7,130,328	\$ 7,349,036

The District's total expenses are \$28,142,548 for the fiscal period ending June 30, 2013. Instruction accounted for 38% of the District's expenses, 58% is comprised of support services and 4% is related to other and business type expenses.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Governmental Activities (Cont'd)

Revenues for the District's governmental activities amounted to \$26,953,477 while total expenses amounted to \$27,154,172. This resulted in a decrease in net assets in governmental activities of \$200,695 for the 2013 fiscal year.

Overall, the health of the District's finances can be credited to controlling expenses and the district securing grants to supplement local and state funding.

Business-type Activities

Revenues of the District's business-type activities amounted to \$970,363 and expenses were \$988,376. Factors contributing to these results include a decrease in sales revenue and Federal and State reimbursements and an overall small increase in costs. Food service expenses exceeded revenue by \$18,013 for the 2013 fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$7,130,328.

General Fund Budgetary Highlights

The District's final 12-13 budget anticipated utilizing \$1,072,625 in fund balance and \$1,698,765 of prior year encumbrances to fund a portion of the appropriation plan for this fiscal period.

Actual expenditures for capital outlay totaled \$1,489,579 in the Operating Fund. Capital outlay expenditures consist of numerous projects throughout the district.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2013, the District had invested a net amount of \$10,031,170 in a broad range of capital assets, including school buildings and improvements, athletic facilities, computer and audiovisual equipment administrative offices, HVAC systems, science lab upgrades and security cameras. (Detailed information about capital assets can be found in the notes to the financial statements). Total depreciation expense for the year was \$748,914.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

CITY OF SALEM SCHOOL DISTRICT'S NET POSITION (NET OF ACCUMULATED DEPRECIATION)							
	Governmental Activities		Business-Type Activities		Total		
	2013	2012	2013	2012	2013	2012	
Land	\$ 563,650	\$ 563,650			\$ 563,650	\$ 563,650	
Construction in Progress		325,260				325,260	
Land Improvements	191,600	203,686			191,600	203,686	
Building Improvements	8,501,775	7,486,689			8,501,775	7,486,689	
Equipment	774,145	711,220	\$ 97,351	\$ 112,547	871,496	823,767	
Total	\$ 10,031,170	\$ 9,290,505	\$ 97,351	\$ 112,547	\$ 10,128,521	\$ 9,403,052	

The District's fiscal year 2013 capital budget anticipated the following School Development Authority capital projects including these areas:

- Roof Replacement – Salem Middle School

Upon becoming an Abbott School District, these projects are eligible for 100% funding through the New Jersey Schools Development Authority.

Long-term Debt

The District has the authority to issue bonds. On February 15, 1999, the district authorized \$4,989,000 twenty-five year bond indebtedness. This long-term bond indebtedness was approved by the residents of the City of Salem. On August 20, 2008, the school bonds were refunded for \$3,670,000 producing a total present value savings of \$115,352.07.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The District is acutely aware of the need to improve student performance on standardized testing mandated by the State of New Jersey. The district acknowledges the need for professional development to enhance educational opportunities for the students of the district.
- The District had a decrease in the State Formula Aid for the fiscal year 2012-2013 of 2%.
- The District's special revenue is an unpredictable revenue source. The district avails itself of every grant opportunity to increase educational opportunities for the students.
- During the 2012-2013 budget process, \$1,072,625 of fund balance was used to support the budget and in 2013-2014 \$1,152,403 of fund balance was used to support the budget.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

(Unaudited)

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONT'D)

- The excess surplus generated during 2011-2012, in the amount of \$81,864 will be anticipated as revenue in the 2013-2014 budget. The excess surplus generated during 2012-2013, in the amount of \$154,358 will be anticipated as revenue in the 2014-2015 budget.
- The deferment of the nineteenth and twentieth state aid payments leaves the district in a precarious budgetary position regarding future budgets. The District was required to borrow moneys due to the delay in state aid payments.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Deborah A. Piccirillo, Business Administrator, Salem City School District, 205 Walnut Street, Suite 408, Salem, NJ 08079.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 741,989.68	\$ 43,809.39	\$ 785,799.07
Receivables, net	1,077,792.51	129,565.68	1,207,358.19
Inventory		15,735.52	15,735.52
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,001.06		1,001.06
Capital Reserve Account - Cash	1,000.00		1,000.00
Capital Assets, net	10,031,169.84	97,351.29	10,128,521.13
Total Assets	11,852,953.09	286,461.88	12,139,414.97
LIABILITIES:			
Accounts Payable	326,431.31	39,640.78	366,072.09
Interfund Accounts Payable	18,631.00		18,631.00
Loan Payable (Short Term)	999,862.00		999,862.00
Accrued Interest	44,379.00		44,379.00
Unearned Revenue	78,162.04	1,875.34	80,037.38
Noncurrent Liabilities:			
Due within One Year	270,071.73		270,071.73
Due beyond One Year	3,187,522.06		3,187,522.06
Total Liabilities	4,925,059.14	41,516.12	4,966,575.26
DEFERRED INFLOWS OF RESOURCES:			
Premium on Bond Refunding	42,512.14		42,512.14
Total Deferred Inflows of Resources	42,512.14	-	42,512.14
NET POSITION:			
Net Investment in Capital Assets	7,376,169.84	97,351.29	7,473,521.13
Restricted:			
Debt Service (Deficit)	(86,890.12)		(86,890.12)
Other Purposes	619,143.11		619,143.11
Unrestricted (Deficit)	(1,023,041.02)	147,594.47	(875,446.55)
Total Net Position	\$ 6,885,381.81	\$ 244,945.76	\$ 7,130,327.57

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instruction:						
Regular	\$ 8,190,283.78	\$ 1,924,860.66	\$ 2,036,187.95	\$ (4,229,235.17)		\$ (4,229,235.17)
Special Education	1,627,578.53			(1,627,578.53)		(1,627,578.53)
Other Special Instruction	42,528.00			(42,528.00)		(42,528.00)
Vocational	319,057.44			(319,057.44)		(319,057.44)
Other Instruction	569,677.40			(569,677.40)		(569,677.40)
Support Services:						
Tuition	903,669.25			(903,669.25)		(903,669.25)
Student and Instruction Related Services	4,132,287.16		1,507,657.17	(2,624,629.99)		(2,624,629.99)
School Administrative Services	891,522.09			(891,522.09)		(891,522.09)
General and Business Administrative Services	794,560.83			(794,560.83)		(794,560.83)
Plant Operations and Maintenance	2,382,235.26			(2,382,235.26)		(2,382,235.26)
General/Non-Allocated	655,929.35			(655,929.35)		(655,929.35)
Pupil Transportation	554,695.40			(554,695.40)		(554,695.40)
Unallocated Benefits	5,965,616.95		2,332,537.10	(3,633,079.85)		(3,633,079.85)
Other:						
Interest on Long-Term Debt	124,530.76		228,335.00	103,804.24		103,804.24
Total Governmental Activities	27,154,172.20	1,924,860.66	6,104,717.22	(19,124,594.32)	\$ -	(19,124,594.32)
Business-Type Activities:						
Food Service	988,376.37	255,521.32	714,427.50		(18,427.55)	(18,427.55)
Total Business-Type Activities	988,376.37	255,521.32	714,427.50	-	(18,427.55)	(18,427.55)
Total Primary Government	\$ 28,142,548.57	\$ 2,180,381.98	\$ 6,819,144.72	(19,124,594.32)	(18,427.55)	(19,143,021.87)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net				2,392,321.00		2,392,321.00
Taxes Levied for Debt Service				119,909.00		119,909.00
Federal and State Aid not Restricted				16,383,157.56		16,383,157.56
Federal and State Aid Restricted - Cancellation of State Aid				(7,853.49)		(7,853.49)
Investment Earnings					414.75	414.75
Miscellaneous Income				28,552.32		28,552.32
Amortization of Premium Received on Sale of Bonds				7,812.87		7,812.87
Total General Revenues, Special Items, Extraordinary Items and Transfers				18,923,899.26	414.75	18,924,314.01
Change in Net Position				(200,695.06)	(18,012.80)	(218,707.86)
Net Position -- July 1 -- Before Cumulative Effects of Changes in Accounting Principals				7,149,909.49	262,958.56	7,412,868.05
Cumulative Effects of Changes in Accounting Principals (See Note 21)				(63,832.62)		(63,832.62)
Net Position -- July 1 -- As Adjusted for Cumulative Effects of Changes in Accounting Principals				7,086,076.87	262,958.56	7,349,035.43
Net Position -- June 30				\$ 6,885,381.81	\$ 244,945.76	\$ 7,130,327.57

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

FUND FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 741,989.68		\$ 1,000.04	\$ 1.02	\$ 742,990.74
Capital Reserve	1,000.00				1,000.00
Interfunds Accounts Receivable	625,272.78				625,272.78
Other Accounts Receivable	400.00				400.00
Receivables from Other Governments	500,580.10	\$ 213,158.90	363,653.51		1,077,392.51
Total Assets	\$ 1,869,242.56	\$ 213,158.90	\$ 364,653.55	\$ 1.02	\$ 2,447,056.03
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 250,893.68	\$ 75,537.63			\$ 326,431.31
Interfunds Accounts Payable	18,631.00	275,619.23	\$ 349,653.55		643,903.78
Loans Payable (Short Term)	999,862.00				999,862.00
Unearned Revenue	16,823.00	46,339.04	15,000.00		78,162.04
Total Liabilities	1,286,209.68	397,495.90	364,653.55	\$ -	2,048,359.13
Fund Balances:					
Restricted:					
Capital Reserve	1,000.00				1,000.00
Legally Restricted Excess Surplus Designated for Subsequent Year's Expenditures	81,864.26				81,864.26
Excess Surplus - Current Year	154,358.13				154,358.13
Debt Service				1.02	1.02
Assigned:					
Designated for Subsequent Year's Expenditures	1,070,538.74				1,070,538.74
Other Purposes	381,920.72				381,920.72
Unassigned (Deficit)	(1,106,648.97)	(184,337.00)			(1,290,985.97)
Total Fund Balances	583,032.88	(184,337.00)		1.02	398,696.90
Total Liabilities and Fund Balances	\$ 1,869,242.56	\$ 213,158.90	\$ 364,653.55	\$ 1.02	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,312,896.07 and the accumulated depreciation is \$9,281,726.23.	10,031,169.84
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.	(3,457,593.79)
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	(42,512.14)
Interest on long-term debt is accrued on the Statement of Net Assets regardless of when due.	(44,379.00)
Net Position of governmental activities	<u>\$ 6,885,381.81</u>

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

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
REVENUES:					
Local Tax Levy	\$ 2,392,321.00			\$ 119,909.00	\$ 2,512,230.00
Tuition Charges	1,924,860.66				1,924,860.66
Miscellaneous	28,552.32				28,552.32
State Sources	18,605,166.10	\$ 2,133,346.41		228,335.00	20,966,847.51
Federal Sources	114,812.56	1,404,214.71			1,519,027.27
Local Sources		2,000.00			2,000.00
Total Revenues	23,065,712.64	3,539,561.12	\$ -	348,244.00	26,953,517.76
EXPENDITURES:					
Current:					
Regular Instruction	6,105,808.51	2,036,187.95			8,141,996.46
Special Education Instruction	1,627,578.53				1,627,578.53
Other Special Instruction	42,528.00				42,528.00
Vocational Education	319,057.44				319,057.44
Other Instruction	569,677.40				569,677.40
Support Services and Undistributed Costs:					
Tuition	903,669.25				903,669.25
Student and Instruction Related Services	2,624,629.99	1,507,657.17			4,132,287.16
School Administrative Services	891,522.09				891,522.09
Other Administrative Services	780,005.11				780,005.11
Plant Operations and Maintenance	2,352,093.42				2,352,093.42
Pupil Transportation	554,695.40				554,695.40
Unallocated Benefits	6,002,694.88				6,002,694.88
Debt Service:					
Principal				220,000.00	220,000.00
Interest and Other Charges				128,243.76	128,243.76
Capital Outlay	1,489,578.60				1,489,578.60
Total Expenditures	24,263,538.62	3,543,845.12		348,243.76	28,155,627.50

(Continued)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (1,197,825.98)	\$ (4,284.00)	\$ -	\$ 0.24	\$ (1,202,109.74)
OTHER FINANCING SOURCES (USES):					
Cancelation of State Aid			(7,853.49)		(7,853.49)
Total Other Financing Sources and Uses	-	-	(7,853.49)	-	(7,853.49)
Net Change in Fund Balances	(1,197,825.98)	(4,284.00)	(7,853.49)	0.24	(1,209,963.23)
Fund Balance(Deficit) -- July 1	1,780,858.86	(180,053.00)	7,853.49	0.78	1,608,660.13
Fund Balance(Deficit) -- June 30	\$ 583,032.88	\$ (184,337.00)	\$ -	\$ 1.02	\$ 398,696.90

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

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

Total Net Change in Fund Balances - Governmental Funds	\$ (1,209,963.23)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Depreciation Expense	\$ (748,914.23)
Capital Outlays	<u>1,489,578.60</u>
	740,664.37
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	220,000.00
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	7,812.87
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed. (-)	-
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)	3,713.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	37,077.93
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)	<u>-</u>
Change in Net Position of Governmental Activities	<u><u>\$ (200,695.06)</u></u>

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2013

	<u>Business-Type Activities</u>	
	<u>Enterprise Fund</u>	<u>Totals</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 43,809.39	\$ 43,809.39
Accounts Receivable:		
State	1,422.58	1,422.58
Federal	99,062.58	99,062.58
Other	29,080.52	29,080.52
Inventories	15,735.52	15,735.52
Total Current Assets	<u>189,110.59</u>	<u>189,110.59</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	230,824.60	230,824.60
Less Accumulated Depreciation	<u>(133,473.31)</u>	<u>(133,473.31)</u>
Total Noncurrent Assets	<u>97,351.29</u>	<u>97,351.29</u>
Total Assets	<u>286,461.88</u>	<u>286,461.88</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	39,640.78	39,640.78
Unearned Revenue:		
Lunches	892.29	892.29
USDA Commodities	983.05	983.05
Total Current Liabilities	<u>41,516.12</u>	<u>41,516.12</u>
NET POSITION:		
Investment in Capital Assets	97,351.29	97,351.29
Unrestricted	<u>147,594.47</u>	<u>147,594.47</u>
Total Net Position	<u>\$ 244,945.76</u>	<u>\$ 244,945.76</u>

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Business-Type Activities</u>	
	<u>Enterprise Fund</u>	<u>Totals</u>
OPERATING REVENUES:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 36,309.35	\$ 36,309.35
Daily Sales - Non-Reimbursable Programs	65,408.93	65,408.93
Special Functions	153,803.04	153,803.04
Total Operating Revenues	<u>255,521.32</u>	<u>255,521.32</u>
OPERATING EXPENSES:		
Purchased Professional Services	408,499.73	408,499.73
Cleaning, Repair and Maintenance Services	11,257.79	11,257.79
Other Purchased Services	14,781.91	14,781.91
General Supplies	66,658.43	66,658.43
Depreciation	15,195.63	15,195.63
Cost of Sales	471,982.88	471,982.88
Total Operating Expenses	<u>988,376.37</u>	<u>988,376.37</u>
Operating Income (Loss)	<u>(732,855.05)</u>	<u>(732,855.05)</u>
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	9,453.96	9,453.96
Federal Sources:		
National School Lunch Program	477,277.15	477,277.15
National School Breakfast Program	169,248.43	169,248.43
National School Snack Program	8,472.36	8,472.36
Food Distribution Program	49,975.60	49,975.60
Interest and Investment Revenue	414.75	414.75
Total Nonoperating Revenues (Expenses)	<u>714,842.25</u>	<u>714,842.25</u>
Change in Net Position	(18,012.80)	(18,012.80)
Net Position -- July 1	<u>262,958.56</u>	<u>262,958.56</u>
Net Position -- June 30	<u>\$ 244,945.76</u>	<u>\$ 244,945.76</u>

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Business-Type Activities</u>	
	<u>Enterprise Fund</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from Customers	\$ 238,943.31	\$ 238,943.31
Payments for Purchased Professional Services	(418,618.47)	(418,618.47)
Payments to Suppliers	(491,357.21)	(491,357.21)
Net Cash Provided by (used for) Operating Activities	<u>(671,032.37)</u>	<u>(671,032.37)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
State Sources	8,260.18	8,260.18
Federal Sources	572,274.68	572,274.68
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>580,534.86</u>	<u>580,534.86</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest Income	414.75	414.75
Net Cash Provided by (used for) Investing Activities	<u>414.75</u>	<u>414.75</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(90,082.76)	(90,082.76)
Balances -- July 1	133,892.15	133,892.15
Balances -- June 30	<u>\$ 43,809.39</u>	<u>\$ 43,809.39</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (732,855.05)	\$ (732,855.05)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Food Distribution Program	49,975.60	49,975.60
Depreciation and Net Amortization	15,195.63	15,195.63
(Increase) Decrease in Accounts Receivable, Net	(16,600.95)	(16,600.95)
(Increase) Decrease in Inventories	3,527.77	3,527.77
Increase (Decrease) in Interfund Payable	15,594.88	15,594.88
Increase (Decrease) in Unearned Revenue	(5,870.25)	(5,870.25)
Total Adjustments	<u>61,822.68</u>	<u>61,822.68</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (671,032.37)</u>	<u>\$ (671,032.37)</u>

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Trust Fund		Agency Funds	
	<u>Scholarship Trust</u>	<u>Uniform Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 21,616.16	\$ 254.49	\$ 114,921.59	\$ 18,735.21
Interfund Accounts Receivable:				
Due from General Fund				18,631.00
Investments, at Fair Value:				
Certificates of Deposit	18,335.16			
Mutual Fund				
Total Assets	\$ 39,951.32	\$ 254.49	\$ 114,921.59	\$ 37,366.21
LIABILITIES:				
Payable to Student Groups			\$ 114,921.59	
Payroll Deductions and Withholdings				\$ 37,366.21
Total Liabilities	\$ -	\$ -	\$ 114,921.59	\$ 37,366.21
NET POSITION:				
Reserved for Scholarships	39,951.32			
Reserved for Uniforms		254.49		
Total Net Position	\$ 39,951.32	\$ 254.49		

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Scholarship Trust</u>	<u>Uniform Trust</u>
ADDITIONS:		
Investment earnings:		
Net Increase (Decrease) in Fair Value of Investments	\$ (37.20)	
Contributions	1,470.96	
Interest and Dividends	271.61	\$ 0.12
Net Investment Earnings	<u>1,705.37</u>	<u>0.12</u>
Total Additions	<u>1,705.37</u>	<u>0.12</u>
DEDUCTIONS:		
Scholarships Awarded	<u>1,770.00</u>	
Total Deductions	<u>1,770.00</u>	<u>66.59</u>
Change in Net Position	(64.63)	(66.47)
Net Position -- July 1	<u>40,015.95</u>	<u>320.96</u>
Net Position -- June 30	<u>\$ 39,951.32</u>	<u>\$ 254.49</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Reporting Entity

The City of Salem School District (hereafter referred to as the "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. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-12 at its three schools. The School District has an approximate enrollment at June 30, 2013 of 1,206.

Beginning with the fiscal year July 1, 2004, the school district was approved as an "Abbott District" as defined in 18A:7F-3, which is a district classified as a special needs district under the "Quality Education Act of 1990, "P.L. 1990, c. 52(C.18A:7D-1 et. Al.) or in the appendix to Raymond Abbott, et. Al. v. Fred G. Burke, et. al. decided by the New Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394).

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

Component Units

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The School District maintains the following enterprise funds:

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

Fiduciary Funds

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

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

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

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

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

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

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

Modified Accrual

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

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

Accrual

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

Revenue Recognition

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

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

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

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

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

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

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

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

Encumbrances

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

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

Tuition Receivable

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

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

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

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	15 Years
Vehicles	5-10 Years	4-6 Years

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

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

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

Tuition charges for the fiscal years ended June 30, 2013 and 2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

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

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

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

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

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

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

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

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

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

Recently Issued Accounting Pronouncements

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2013, the School District's bank balances of \$1,689,754.88 were exposed to custodial credit risk as follows:

Insured	\$ 250,014.93
Uninsured and uncollateralized	280,553.81
Collateralized by securities held by the pledging financial institutions	<u>1,159,186.14</u>
	<u>\$ 1,689,754.88</u>

Note 3: INVESTMENTS

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the School District or other obligations of the local unit or units within which the School District is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by school districts, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The School District has no investment policy that would further limit its investment choices.

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the School District's total \$18,335.16 of investments, none of investments in certificates of deposit are uninsured, are not registered in the name of the School District, and are held by the counterparty.

Note 3: INVESTMENTS (CONT'D)

As of June 30, 2013, the School District's investments were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	09/14/14	\$ 6,866.78
Certificate of Deposit	02/20/14	1,110.25
Certificate of Deposit	02/20/14	2,235.06
Certificate of Deposit	04/25/14	<u>8,123.07</u>
Total Investments		<u>\$ 18,335.16</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 18A:20-37. The School District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District's investment policies place no limit on the amount the School District may invest in any one issuer. 100% of the School District's investments are in Certificates of Deposit. These investments are reported in the School District's Scholarship Trust.

Note 4: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$101,000.00 during the fiscal year ending 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Ending Balance June 30, 2012	<u>\$ 1,000.00</u>
Ending Balance June 30, 2013	<u>\$ 1,000.00</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted projects at June 30, 2013 is \$-0-.

Note 5: ACCOUNTS RECEIVABLE

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Other	\$ 400.00			\$ 29,080.52	\$ 29,480.52
Intergovernmental	500,580.10	\$ 213,158.90	\$ 363,653.51	100,485.16	1,177,877.67
Total	<u>\$ 500,980.10</u>	<u>\$ 213,158.90</u>	<u>\$ 363,653.51</u>	<u>\$ 129,565.68</u>	<u>\$ 1,207,358.19</u>

Note 6: INVENTORY

Inventory recorded at June 30, 2013 in governmental activities on the government-wide statement of net position, and on the general fund balance sheet is not material and therefore is not reflected in the financial statements at year end.

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

Food	\$ 12,410.65
Supplies	<u>3,324.87</u>
	<u>\$ 15,735.52</u>

Note 7: OPERATING LEASES

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 64,347.48
2015	64,347.48
2016	64,347.48
2017	<u>10,724.58</u>
	<u>\$ 203,767.02</u>

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$73,258.61.

Note 8: CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Completed</u> <u>Construction</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental Activities:					
Capital Assets					
not being Depreciated:					
Land	\$ 563,650.00				\$ 563,650.00
Construction in Progress	325,260.00			\$ (325,260.00)	
Total Capital Assets	888,910.00	\$ -	\$ -	(325,260.00)	563,650.00
Capital Assets, being Depreciated:					
Land Improvements	601,679.15	2,558.00	(2,100.00)		602,137.15
Building and Improvements	14,785,182.37	1,271,027.13		325,260.00	16,381,469.50
Equipment	1,549,645.95	215,993.47			1,765,639.42
Total Capital Assets	16,936,507.47	1,489,578.60	(2,100.00)	325,260.00	18,749,246.07
Less Accumulated Depreciation for:					
Land Improvements	(397,992.87)	(14,644.02)	2,100.00		(410,536.89)
Building and Improvements	(7,298,493.55)	(581,201.99)			(7,879,695.54)
Equipment	(838,425.58)	(153,068.22)			(991,493.80)
Total Accumulated Depreciation*	(8,534,912.00)	(748,914.23)	2,100.00	-	(9,281,726.23)
Total Capital Assets	8,401,595.47	740,664.37	-	325,260.00	9,467,519.84
Governmental Activities					
Capital Assets, Net	\$ 9,290,505.47	\$ 740,664.37	\$ -	\$ -	\$ 10,031,169.84
Business-Type Activities:					
Equipment	\$ 230,824.60				\$ 230,824.60
Less Accumulated Depreciation	(118,277.68)	\$ (15,195.63)			(133,473.31)
Business-Type Activities Capital	\$ 112,546.92	\$ (15,195.63)	\$ -	\$ -	\$ 97,351.29

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

Governmental Activities:	
Instruction	\$ 48,287.32
Administrative Support	14,555.72
General/Non-Allocated	655,929.35
Operations/Maintenance	30,141.84
Total Depreciation Expense - Governmental Activities	<u>\$ 748,914.23</u>

Note 9: LONG-TERM LIABILITIES

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

	<u>Principal Outstanding June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 2,875,000.00		\$ 220,000.00	\$ 2,655,000.00	\$ 230,000.00
Other Liabilities:					
Compensated Absences	839,671.72	\$ 10,294.52	47,372.45	802,593.79	40,071.73
<hr/>					
Governmental Activity					
Long-Term Liabilities	\$ 3,714,671.72	\$ 10,294.52	\$ 267,372.45	\$ 3,457,593.79	\$ 270,071.73

The bonds payable and obligations under capital lease are generally liquidated by the debt service fund, while claims and judgment, compensated absences, pension deferral, and postemployment benefits are liquidated by the general fund.

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

On August 20, 2008, the School District issued \$3,670,000.00 general obligation refunding bonds, series 2008 at interest rates varying from 3.00% to 4.50%. Such refunding bonds were issued to advance refund all of the school districts bonds outstanding dated February 15, 1999. The 1999 bonds were originally issued to fund various construction and renovation projects. The final maturity of the refunding bonds is February 15, 2024. The refunding bonds will be paid from property taxes and state aid.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 230,000.00	\$ 118,343.76	\$ 348,343.76
2015	230,000.00	106,843.76	336,843.76
2016	235,000.00	95,343.76	330,343.76
2017	240,000.00	83,593.76	323,593.76
2018	245,000.00	73,993.76	318,993.76
2019-2023	1,235,000.00	208,893.78	1,443,893.78
2024	240,000.00	10,800.00	250,800.00
	<hr/>		
	2,655,000.00	\$ 697,812.58	\$ 3,352,812.58
		<hr/>	
Due Within One Year	<u>(230,000.00)</u>		
Long - Term Portion	<u>\$ 2,425,000.00</u>		

Bonds Authorized but not Issued - As of June 30, 2013, the School District had no authorizations to issue additional bonded debt.

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

Note 10: LINE OF CREDIT

The School District entered into an agreement on May 7, 2003 with Sun National Bank for a \$1,000,000 line of credit. The purpose of the line of credit is to provide cash in the event a state aid payment is not made until the following school budget year. The line of credit was renewed on May 31, 2013 in the amount of \$1,000,000 and matures June 1, 2014. The interest rate charged for amounts advanced is 3.00%. The School District did not borrow against the line of credit for the fiscal year ended June 30, 2013.

Note 11: SHORT-TERM OBLIGATIONS

State School Aid Anticipation Note - N.J.S.A. 18A:22-44.2 states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the Commissioner the need to borrow and the Commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payments, and may execute and deliver promissory notes therefor through private sale or delivery thereof. In accordance with this statute, on June 13, 2013, the School District issued a State School Aid Anticipation Note in the amount of \$999,862.00, at an annual interest rate of 3.00%, maturing on July 8, 2013. The State of New Jersey shall pay, on behalf of the School District, the required interest due on the note.

The following represents short-term debt activity for the fiscal year ended June 30, 2013:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>June 30, 2013</u>
State School Aid Anticipation Note	<u>\$ 700,071.00</u>	<u>\$ 999,862.00</u>	<u>\$ 700,071.00</u>	<u>\$ 999,862.00</u>

Note 12: PENSION PLANS

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

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

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

Note 12: PENSION PLANS (CONT'D)

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

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

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

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

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2013	\$ 77,013.00	\$ 184,139.00	\$ 15,543.00	\$ 276,695.00	\$ 276,695.00
2012	92,891.00	185,782.00	17,755.00	296,428.00	296,428.00
2011	93,055.00	148,277.00	18,329.00	259,661.00	259,661.00

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

Note 12: PENSION PLANS (CONT'D)

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

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

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2013	None	None
2012	\$ 491.22	\$ 491.22
2011	159.30	159.30

Note 13: STATE POST-RETIREMENT MEDICAL BENEFITS

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

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

Note 14: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$723,067.00 and \$817,607.00, respectively.

Note 15: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The School District did not elect to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust fund for benefits paid to its former employees and charged to its account with the State. Instead, the School District opted to pay employee and employer unemployment compensation taxes directly to the State of New Jersey on a quarterly basis. Any unemployment benefits regarding former employees would be paid by the State of New Jersey, who retains the risk of loss.

Note 16: DEFERRED COMPENSATION

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

Lincoln Investments
MetLife
Midland National
GWN
LSW

Note 17: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2013, the liability for compensated absences reported on the government-wide statement of net position was \$802,593.79. At June 30, 2013 there were no compensated absences in proprietary fund types.

Note 18: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 625,272.78	\$ 18,631.00
Special Revenue		275,619.23
Capital Projects		349,653.55
Fiduciary	18,631.00	
	<u>\$ 643,903.78</u>	<u>\$ 643,903.78</u>

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

There were no budgeted transfers between funds in the current fiscal year.

Note 19: DEFICIT NET POSITION - GOVERNMENT-WIDE FINANCIAL STATEMENTS

As reflected on exhibit A-1, statement of net position, an unrestricted deficit of \$1,023,041.02 exists for the governmental activities. In addition to the delay in the payment of state aid until the following fiscal year, as described in note 20, another cause of the deficit is a result of the recording of long-term liabilities for compensated absences in the amount of \$802,593.79. In accordance with the rules and regulations that govern the school district in the formulation of their annual budget (see note 1), compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are funded in the period in which such services are rendered or in which such events take place; however, in accordance with full accrual accounting, which is the basis of accounting for exhibit A-1, statement of net position, such liabilities are required to be recorded in the period in which they are incurred.

Note 20: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,106,648.97 in the General Fund and \$184,337.00 in the Special Revenue Fund, as of June 30, 2013 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current school 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 an 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 June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in June payments 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 School District deficit in the GAAP funds statements of \$1,290,985.97 is less than the June state aid payments.

Note 21: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School District, as of June 30, 2013.

RESTRICTED

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$154,358.13. Additionally, \$81,864.26 of excess fund balance generated during 2011-2012 has been restricted and designated for utilization in the 2013-2014 budget.

For Capital Reserve Account - As of June 30, 2013, the balance in the capital reserve account is \$1,000.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Debt Service Fund - In accordance with N.J.S.A. 18A:7F-41(c)(2), the School District has established a debt service reserve in the amount of \$1.02 as of June 30, 2013. These funds were derived from the net interest cost savings of refunding bonds. These funds are to be used to retire any outstanding debt service obligation of the School District. The reserve is to be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance must be used for tax relief.

ASSIGNED

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014 \$1,070,538.74 of general fund balance at June 30, 2013.

Other Purposes - As of June 30, 2013, the School District had \$381,920.72 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 21: FUND BALANCES (CONT'D)**UNASSIGNED**

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

General Fund - As of June 30, 2013, the fund balance of the general fund was a deficit of \$1,106,648.97, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$1,106,648.97 is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2013, the fund balance of the special revenue fund was a deficit of \$184,337.00 thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$184,337.00 is less than the last state aid payment.

Note 22: CUMULATIVE EFFECT OF ADOPTION OF NEWLY ISSUED ACCOUNTING PRINCIPLES

As a result of the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the June 30, 2013 net position of the government-wide financial statements has been restated as of as follows:

Net Position, June 30, 2012	\$ 7,149,909.49
Expense of Bond Issuance Costs ^a	<u>(63,832.62)</u>
Net Position, June 30 2012 (Restated)	<u>\$ 7,086,076.87</u>

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

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Capital Reserve for Local Share less Excess Costs					
Local Sources:					
Ad Valorem Taxes - Local Tax Levy	\$ 2,392,321.00		\$ 2,392,321.00	\$ 2,392,321.00	
Tuition from Other LEA's Within State	1,754,047.00		1,754,047.00	1,924,860.66	\$ 170,813.66
Miscellaneous	9,500.00		9,500.00	28,552.32	19,052.32
Total - Local Sources	4,155,868.00	\$ -	4,155,868.00	4,345,733.98	189,865.98
State Sources:					
School Choice Aid	5,412.00		5,412.00	5,412.00	
ExtraordinaryAid	79,330.00		79,330.00	96,433.00	17,103.00
Categorical Special Education Aid	527,417.00		527,417.00	527,417.00	
Equalization Aid	12,815,193.00		12,815,193.00	12,815,193.00	
Categorical Security Aid	394,823.00		394,823.00	394,823.00	
Adjustment Aid	2,265,115.00		2,265,115.00	2,265,115.00	
Categorical Transportation Aid	155,448.00		155,448.00	155,448.00	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				817,607.00	817,607.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				723,067.00	723,067.00
Reimbursed TPAF Social Security (Non-Budgeted)				791,863.10	791,863.10
Total State Sources	16,242,738.00		16,242,738.00	18,592,378.10	2,349,640.10
Federal Sources:					
Education Jobs Fund		1,414.00	1,414.00	1,414.00	
Impact Aid	25,000.00		25,000.00	21,022.97	(3,977.03)
Medicaid Reimbursement	65,054.00		65,054.00	92,375.59	27,321.59
Total - Federal Sources	90,054.00	1,414.00	91,468.00	114,812.56	23,344.56
Total Revenues	20,488,660.00	1,414.00	20,490,074.00	23,052,924.64	2,562,850.64

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 356,303.00	\$ 42,756.03	\$ 399,059.03	\$ 397,732.27	\$ 1,326.76
Grades 1-5 - Salaries of Teachers	1,820,058.00	(23,960.68)	1,796,097.32	1,790,762.16	5,335.16
Grades 6-8 - Salaries of Teachers	989,488.00	(13,831.33)	975,656.67	974,294.26	1,362.41
Grades 9-12 - Salaries of Teachers	2,125,236.00	60,224.94	2,185,460.94	2,185,460.94	
Regular Programs - Home Instruction:					
Salaries of Teachers	16,478.00	(3,646.00)	12,832.00	3,683.00	9,149.00
Purchased Professional-Educational Services	8,541.00	3,646.00	12,187.00	12,187.00	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	145,969.00	53,094.46	199,063.46	195,342.84	3,720.62
Purchased Professional-Educational Services	41,600.00	(7,840.00)	33,760.00	33,740.00	20.00
Purchased Technical Services	102,107.00	(50,288.21)	51,818.79	51,619.09	199.70
Other Purchased Services (400-500 series)	76,457.00	(8,832.15)	67,624.85	48,896.41	18,728.44
General Supplies	259,739.56	130,970.11	390,709.67	388,723.33	1,986.34
Textbooks	55,000.00	(36,232.60)	18,767.40	17,572.67	1,194.73
Other Objects	6,500.00	(162.14)	6,337.86	5,794.54	543.32
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,003,476.56	145,898.43	6,149,374.99	6,105,808.51	43,566.48
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	59,128.00	(56,862.40)	2,265.60		2,265.60
General Supplies	500.00		500.00		500.00
Total Behavioral Disabilities	59,628.00	(56,862.40)	2,765.60		2,765.60
Multiple Disabilities:					
Salaries of Teachers	332,546.00	61,070.15	393,616.15	389,867.55	3,748.60
Other Salaries for Instruction	100,373.00	20,148.09	120,521.09	104,360.11	16,160.98
Purchased Technical Services		511.90	511.90	511.90	
Other Purchased Services (400-500 series)	1,500.00		1,500.00	943.48	556.52
General Supplies	6,500.00	(1,921.55)	4,578.45	3,213.28	1,365.17
Textbooks	3,500.00	(1,447.36)	2,052.64		2,052.64
Other Objects	500.00	153.00	653.00	153.00	500.00
Total Multiple Disabilities	444,919.00	78,514.23	523,433.23	499,049.32	24,383.91

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,106,403.00	\$ (88,108.33)	\$ 1,018,294.67	\$ 1,014,404.12	\$ 3,890.55
Purchased Professional - Educational Services	2,000.00	100.00	2,100.00	2,100.00	
General Supplies	7,800.00	2,080.69	9,880.69	4,636.89	5,243.80
Textbooks	2,000.00		2,000.00		2,000.00
Total Resource Room/Resource Center	1,118,203.00	(85,927.64)	1,032,275.36	1,021,141.01	11,134.35
Preschool Disabilities - Full-Time:					
Salaries of Teachers	66,343.00	(1,694.00)	64,649.00	62,929.00	1,720.00
Other Salaries for Instruction	17,151.00	(2,046.26)	15,104.74	14,142.00	962.74
General Supplies	1,000.00	292.06	1,292.06	1,002.06	290.00
Total Preschool Disabilities - Full-Time	84,494.00	(3,448.20)	81,045.80	78,073.06	2,972.74
Special Education - Home Instruction					
Salaries of Teachers	16,412.00	(6,875.00)	9,537.00	9,536.50	0.50
Purchased Professional - Educational Services	29,417.00	(7,487.00)	21,930.00	19,778.64	2,151.36
Total Special Education - Home Instruction	45,829.00	(14,362.00)	31,467.00	29,315.14	2,151.86
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,753,073.00	(82,086.01)	1,670,986.99	1,627,578.53	43,408.46
Basic Skills/Remedial - Instruction					
Salaries of Teachers		42,528.00	42,528.00	42,528.00	
Total Basic Skills/Remedial - Instruction		42,528.00	42,528.00	42,528.00	
Vocational Programs - Local - Instruction					
Salaries of Teachers	356,801.00	(131,054.00)	225,747.00	222,723.00	3,024.00
Purchase Prof/Educ Services	51,333.00	26,967.00	78,300.00	78,291.00	9.00
Other Purchased Services (400-500 series)	4,000.00	20.00	4,020.00	4,020.00	
General Supplies	15,000.00	(20.00)	14,980.00	13,005.86	1,974.14
Textbooks	11,000.00	(9,298.20)	1,701.80	1,017.58	684.22
Total Vocational Programs - Local - Instruction	438,134.00	(113,385.20)	324,748.80	319,057.44	5,691.36

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	\$ 24,841.00	\$ 17,693.74	\$ 42,534.74	\$ 38,029.12	\$ 4,505.62
Purchased Services (300-500 series)	7,385.00	4,213.50	11,598.50	7,700.00	3,898.50
Supplies and Materials	7,000.00	(5,259.00)	1,741.00	1,737.45	3.55
Other Objects	2,081.00	503.00	2,584.00	744.67	1,839.33
Total School-Spon. Cocurricular Actvts. - Inst.	41,307.00	17,151.24	58,458.24	48,211.24	10,247.00
School-Spon. Cocurricular Athletics - Inst.					
Salaries	178,399.00	58,505.92	236,904.92	235,768.92	1,136.00
Purchased Services (300-500 series)	66,288.89	4,979.59	71,268.48	69,737.14	1,531.34
Supplies and Materials	54,158.70	8,001.85	62,160.55	62,160.55	
Other Objects	8,700.00	(1,842.11)	6,857.89	6,857.89	
Total School-Spon. Cocurricular Athletics - Inst.	307,546.59	69,645.25	377,191.84	374,524.50	2,667.34
Before/After School Program - Inst.					
Salaries	26,352.00	(15,809.12)	10,542.88	7,384.00	3,158.88
Salaries of Teachers	1,800.00	(1,800.00)			
Supplies and Materials		1,998.99	1,998.99	1,998.99	
Total Before/After School Program - Inst.	28,152.00	(15,610.13)	12,541.87	9,382.99	3,158.88
Alternative Education Program - Inst.					
Salaries of Teachers	33,060.00	(7,365.00)	25,695.00	25,090.00	605.00
Salaries	26,820.00	30,670.08	57,490.08	57,490.08	
Purchased Prof- Educational Services	29,000.00	(2,450.00)	26,550.00	26,550.00	
Total Alternative Education Program - Inst.	88,880.00	20,855.08	109,735.08	109,130.08	605.00
Community Services Programs/Operations					
Salaries	21,760.00	(950.02)	20,809.98	7,478.57	13,331.41
Purchased Services (300-500 series)	20,000.00	950.02	20,950.02	20,950.02	
Total Community Services Programs/Operations	41,760.00		41,760.00	28,428.59	13,331.41
Total Instruction	8,702,329.15	84,996.66	8,787,325.81	8,664,649.88	122,675.93
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	50,499.60		50,499.60	26,378.32	24,121.28
Tuition to Other LEAs Within the State - Special	75,077.65		75,077.65	39,669.12	35,408.53
Tuition to Vocational School Districts - Special		14,228.36	14,228.36		14,228.36
Tuition to CSSD & Regional Day Schools	541,303.00	(86,672.47)	454,630.53	304,928.87	149,701.66
Tuition to Private Schools for the Disabled - Within State	659,561.00	(67,401.67)	592,159.33	435,668.94	156,490.39
Tuition - State Facilities	97,024.00		97,024.00	97,024.00	
Total Undistributed Expenditures - Instruction:	1,423,465.25	(139,845.78)	1,283,619.47	903,669.25	379,950.22

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Attend. & Social Work					
Salaries	\$ 201,568.00	\$ (3,160.52)	\$ 198,407.48	\$ 197,933.92	\$ 473.56
Sal. of Family Liasn & Comm. Parent Involvement Spec.	22,163.00	(539.15)	21,623.85	20,264.03	1,359.82
Other Purchased Services (400-500 series)	4,000.00	164.24	4,164.24	4,035.72	128.52
Supplies and Materials	3,000.00	(913.37)	2,086.63	1,312.94	773.69
Other Objects	850.00	1,378.50	2,228.50	2,228.50	
Total Undist. Expend. - Attend. & Social Work	231,581.00	(3,070.30)	228,510.70	225,775.11	2,735.59
Undist. Expend. - Health Services					
Salaries	186,286.00	5,617.53	191,903.53	191,839.81	63.72
Purchased Professional and Technical Services	22,200.00	450.00	22,650.00	22,525.00	125.00
Purchased Prof-Educational Services		2,544.00	2,544.00	2,544.00	
Other Purchased Services (400-500 series)	200.00		200.00		200.00
Supplies and Materials	7,005.00	(472.07)	6,532.93	6,532.93	
Other Objects	150.00	(6.50)	143.50	143.50	
Total Undist. Expend. - Health Services	215,841.00	8,132.96	223,973.96	223,585.24	388.72
Undist. Expend. - Speech, OT, PT & Related Svcs					
Salaries	87,237.00		87,237.00	86,057.00	1,180.00
Purchased Professional - Educational Services	130,900.00	41,815.00	172,715.00	158,361.50	14,353.50
Supplies and Materials	2,500.00		2,500.00	307.95	2,192.05
Other Objects	300.00		300.00		300.00
Total Undist. Expend. - Speech, OT, PT & Related Svcs	220,937.00	41,815.00	262,752.00	244,726.45	18,025.55
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	196,950.00	(8,500.00)	188,450.00	186,026.09	2,423.91
Purchased Professional - Educational Services	58,500.00	(3,500.00)	55,000.00	44,886.10	10,113.90
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	255,450.00	(12,000.00)	243,450.00	230,912.19	12,537.81
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	395,299.00	(9,233.18)	386,065.82	385,771.62	294.20
Salaries of Secretarial and Clerical Assistants	73,312.00	6,258.00	79,570.00	78,592.50	977.50
Other Salaries	58,315.00	122.61	58,437.61	58,431.12	6.49
Other Purchased Prof. and Tech. Services	23,580.00	(20,240.52)	3,339.48	3,219.34	120.14
Other Purchased Services (400-500 series)	3,000.00	5,489.38	8,489.38	8,263.72	225.66
Supplies and Materials	24,886.88	15,845.11	40,731.99	40,731.99	
Other Objects	400.00	(67.35)	332.65	332.65	
Total Undist. Expend. - Guidance	578,792.88	(1,825.95)	576,966.93	575,342.94	1,623.99

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	\$ 417,627.00	\$ (2,082.00)	\$ 415,545.00	\$ 415,545.00	
Salaries of Secretarial and Clerical Assistants	48,166.00	25,650.78	73,816.78	73,816.78	
Other Purchased Prof. and Tech. Services	12,500.00	6,749.20	19,249.20	14,968.20	\$ 4,281.00
Mis. Purchase Serv. (400-500 series other than Residential Costs)	9,995.00	358.78	10,353.78	10,353.78	
Supplies and Materials	7,082.20	(3,319.61)	3,762.59	3,762.59	
Other Objects	500.00	(500.00)			
Total Undist. Expend. - Child Study Teams	495,870.20	26,857.15	522,727.35	518,446.35	4,281.00
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Other Professional Staff	96,490.00	482.96	96,972.96	96,972.96	
Salaries of Secr and Clerical Assist.	32,737.00	1,884.50	34,621.50	34,621.48	0.02
Other Salaries	10,120.00	3,137.01	13,257.01	13,257.00	0.01
Salaries of Facilitators, Math Coaches and Literacy Coaches	2,128.00	(2,053.07)	74.93		74.93
Other Purch Prof. and Tech. Services		100.30	100.30	100.30	
Other Purch Services (400-500)	5,500.00	(1,159.63)	4,340.37	3,518.11	822.26
Supplies and Materials	7,250.00	(5,613.66)	1,636.34	924.56	711.78
Other Objects	2,609.00	(150.00)	2,459.00	1,872.99	586.01
Total Undist. Expend. - Improvement of Inst. Serv.	156,834.00	(3,371.59)	153,462.41	151,267.40	2,195.01
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	210,365.00	1,466.01	211,831.01	210,865.27	965.74
Salaries of Technology Coordinators	163,494.00	(688.83)	162,805.17	162,540.49	264.68
Purchased Professional and Technical Services	5,950.00	(3,208.74)	2,741.26	2,470.68	270.58
Supplies and Materials	7,285.06	(139.88)	7,145.18	6,431.81	713.37
Other Objects		100.00	100.00	100.00	
Total Undist. Expend. - Edu. Media Serv./Sch. Library	387,094.06	(2,471.44)	384,622.62	382,408.25	2,214.37
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Serv	13,100.00	45,815.67	58,915.67	50,380.69	8,534.98
Other Purchased Services (400-500 series)	23,500.00	(2,290.43)	21,209.57	14,541.15	6,668.42
Supplies and Materials	9,579.09	(2,157.47)	7,421.62	5,644.22	1,777.40
Other Objects	1,450.00	150.00	1,600.00	1,600.00	
Total Undist. Expend. - Instructional Staff Training Serv.	47,629.09	41,517.77	89,146.86	72,166.06	16,980.80

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 180,113.00	\$ 532.68	\$ 180,645.68	\$ 180,645.68	
Legal Services	70,531.50	(24,444.20)	46,087.30	42,946.90	\$ 3,140.40
Audit Fees	42,500.00	(500.00)	42,000.00	40,750.00	1,250.00
Architectural/Engineering Services	4,835.91		4,835.91		4,835.91
Other Purchased Professional Services	6,780.00	6,320.00	13,100.00	11,590.50	1,509.50
Purchased Technical Services		100.30	100.30	100.30	
Communications/Telephone	14,500.00	16,139.22	30,639.22	30,639.22	
BOE Other Purchased Services	16,450.00		16,450.00	12,718.71	3,731.29
Other Purchased Services (400-500 series)	56,159.00	9,566.00	65,725.00	65,707.90	17.10
Supplies and Materials	3,921.22		3,921.22	3,023.70	897.52
BOE In-House Training/Meeting Supplies	1,575.00		1,575.00	1,557.50	17.50
Judgements Against The School District	95,523.00	(7,714.00)	87,809.00	73,282.00	14,527.00
Miscellaneous Expenditures	2,780.00	1,135.00	3,915.00	3,915.00	
BOE Membership Dues and Fees	13,500.00	(1,135.00)	12,365.00	10,878.45	1,486.55
Total Undist. Expend. - Supp. Serv. - General Admin.	509,168.63		509,168.63	477,755.86	31,412.77
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	586,843.00	5,978.03	592,821.03	592,821.03	
Salaries of Other Professional Staff	199,901.00	541.82	200,442.82	196,889.95	3,552.87
Salaries of Secretarial and Clerical Assistants	92,523.00	(25,623.24)	66,899.76	66,709.36	190.40
Purchased Professional and Technical Services	750.00	(213.00)	537.00	537.00	
Other Purchased Services (400-500 series)	9,382.00	9,352.69	18,734.69	18,734.69	
Supplies and Materials	19,491.00	(10,267.94)	9,223.06	9,223.06	
Other Objects	7,600.00	(805.00)	6,795.00	6,607.00	188.00
Total Undist. Expend. - Support Serv. - School Admin.	916,490.00	(21,036.64)	895,453.36	891,522.09	3,931.27
Undistributed Expenditures - Central Services					
Salaries	271,788.00	3,608.62	275,396.62	273,347.27	2,049.35
Purchased Professional Services	15,890.00	(1,771.45)	14,118.55	13,682.90	435.65
Misc. Purch. Services (400-500 Series)	8,459.00	221.48	8,680.48	8,630.48	50.00
Supplies and Materials	7,548.00	(2,058.65)	5,489.35	5,062.60	426.75
Miscellaneous Expenditures	1,789.00		1,789.00	1,526.00	263.00
Total Undist. Expend. - Central Services	305,474.00		305,474.00	302,249.25	3,224.75
Undist. Expend. -Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	60,586.80	111,605.21	172,192.01	149,360.00	22,832.01
General Supplies	25,663.40	75,432.70	101,096.10	98,161.94	2,934.16
Total Undist. Expend. -Required Maintenance for School Facilities	86,250.20	187,037.91	273,288.11	247,521.94	25,766.17

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Other Oper. & Maint. Of Plant					
Salaries	\$ 846,877.00	\$ 18,898.03	\$ 865,775.03	\$ 826,789.38	\$ 38,985.65
Purchased Professional and Technical Services	63,045.00	(18,743.46)	44,301.54	39,671.54	4,630.00
Cleaning, Repair and Maintenance Services	59,642.00	(12,526.51)	47,115.49	47,115.49	
Rental of Land, Building & Other than Lease Purchases	4,280.00	(2,960.00)	1,320.00	1,320.00	
Other Purchased Property Services	50,789.00	(17,552.30)	33,236.70	33,236.70	
Insurance	97,011.00	(3,344.00)	93,667.00	93,667.00	
Miscellaneous Purchased Services	8,900.00	(7,890.20)	1,009.80	1,009.80	
General Supplies	187,764.80	(12,083.70)	175,681.10	167,428.29	8,252.81
Energy - Natural Gas	110,785.00	(14,419.91)	96,365.09	71,611.97	24,753.12
Energy - Electricity	635,889.00	(54,000.00)	581,889.00	563,383.10	18,505.90
Other Objects	750.00		750.00	733.00	17.00
Total Undist. Expend. - Other Oper. & Maint. Of Plant	2,065,732.80	(124,622.05)	1,941,110.75	1,845,966.27	95,144.48
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	53,641.00	2,350.00	55,991.00	55,925.63	65.37
Purchased Professional and Technical Services	1,850.00	(350.00)	1,500.00	1,319.30	180.70
Cleaning, Repair and Maintenance Services	16,500.00		16,500.00	270.65	16,229.35
General Supplies	30,849.00		30,849.00	19,585.49	11,263.51
Total Undist. Expend. - Care and Upkeep of Grounds	102,840.00	2,000.00	104,840.00	77,101.07	27,738.93
Undist. Expend. - Security					
Salaries	79,041.00	8,310.66	87,351.66	87,170.75	180.91
Purchased Professional and Technical Services	84,000.00	4,434.34	88,434.34	88,434.34	
Purchased Prof-Educational Services		4,596.66	4,596.66	4,596.66	
General Supplies	2,150.00	(847.61)	1,302.39	1,302.39	
Total Undist. Expend. - Security	165,191.00	16,494.05	181,685.05	181,504.14	180.91
Undist. Expend. - Student Transportation Serv.					
Contract Serv (Aid in Lieu of Payment - Choice School)	3,785.00	11,243.00	15,028.00	14,586.00	442.00
Contract Services (Other than Between Home & School)-Vendors	155,000.00	(35,519.37)	119,480.63	106,832.95	12,647.68
Contract Services - (Between Home and Sch) - Joint Agrmts	52,000.00	(11,243.00)	40,757.00	15,807.96	24,949.04
Contr Serv (Spl. Ed. Students) - Joint Agrmt	559,321.00	(53,329.28)	505,991.72	417,468.49	88,523.23
General Supplies	1,000.00		1,000.00	1,000.00	1,000.00
Total Undist. Expend. - Student Transportation Serv.	771,106.00	(88,848.65)	682,257.35	554,695.40	127,561.95

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 269,450.00		\$ 269,450.00	\$ 261,739.72	\$ 7,710.28
Other Retirement Contributions - Regular	342,500.00	\$ (65,805.00)	276,695.00	276,695.00	
Unemployment Compensation	52,508.00	3,460.00	55,968.00	55,459.92	508.08
Workmen's Compensation	171,685.00		171,685.00	169,774.03	1,910.97
Health Benefits	2,923,860.00	(181,675.29)	2,742,184.71	2,606,019.42	136,165.29
Tuition Reimbursement	20,000.00		20,000.00	15,336.20	4,663.80
Other Employee Benefits	307,853.00	535.26	308,388.26	285,133.49	23,254.77
TOTAL UNALLOCATED BENEFITS	4,087,856.00	(243,485.03)	3,844,370.97	3,670,157.78	174,213.19
On-Behalf Contributions					
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				817,607.00	(817,607.00)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				723,067.00	(723,067.00)
Reimbursed TPAF Social Security (Non-Budgeted)				791,863.10	(791,863.10)
TOTAL ON-BEHALF CONTRIBUTIONS				2,332,537.10	(2,332,537.10)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,087,856.00	(243,485.03)	3,844,370.97	6,002,694.88	(2,158,323.91)
TOTAL UNDISTRIBUTED EXPENDITURES	13,023,603.11	(316,722.59)	12,706,880.52	14,109,310.14	(1,402,429.62)
TOTAL GENERAL CURRENT EXPENSE	21,725,932.26	(231,725.93)	21,494,206.33	22,773,960.02	(1,279,753.69)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Kindergarten	1,995.50	(1,995.50)			
Grades 1-5 - Equipment	3,148.32	(3,148.32)			
Grades 6-8 - Equipment	4,108.28	(4,108.28)			
Grades 9-12 - Equipment	10,827.90	14,882.10	25,710.00	25,710.00	
School-Sponsored and Other Instructional Programs	53,151.05		53,151.05	53,151.05	
Undistributed Expenditures:					
Instruction		4,717.00	4,717.00		4,717.00
Multiple Disabilities		2,497.50	2,497.50	2,497.50	
Preschool Disabilities		2,497.50	2,497.50	2,497.50	
Required Maintenance for School Facilities	2,558.00		2,558.00	2,558.00	
Non-Instructional Equipment		4,995.00	4,995.00		4,995.00
Care and Upkeep of Grounds		15,908.00	15,908.00	15,908.00	
Security		196,894.93	196,894.93	178,995.73	17,899.20
Architect/Engineer Serv	77,941.55	(18,979.22)	58,962.33	37,417.98	21,544.35
Construction Service	1,352,701.73	18,979.22	1,371,680.95	1,170,842.84	200,838.11
Total Equipment	1,506,432.33	233,139.93	1,739,572.26	1,489,578.60	249,993.66
Total Capital Outlay Expenditures	1,506,432.33	233,139.93	1,739,572.26	1,489,578.60	249,993.66

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL CAPITAL OUTLAY	\$ 1,506,432.33	\$ 233,139.93	\$ 1,739,572.26	\$ 1,489,578.60	\$ 249,993.66
Transfer of Funds to Charter School	27,685.00		27,685.00		27,685.00
TOTAL EXPENDITURES	23,260,049.59	1,414.00	23,261,463.59	24,263,538.62	(1,002,075.03)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,771,389.59)	-	(2,771,389.59)	(1,210,613.98)	1,560,775.61
Other Financing Sources (Uses):					
Operating Transfers Out:					
Contribution to Whole School Reform - General Fund	(13,640,287.00)		(13,640,287.00)	(13,481,731.09)	(158,555.91)
Operating Transfers In:					
Contribution to Whole School Reform - General Fund	13,640,287.00		13,640,287.00	13,481,731.09	158,555.91
Total Other Financing Sources (Uses):					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,771,389.59)	-	(2,771,389.59)	(1,210,613.98)	1,560,775.61
Fund Balance, July 1	3,356,018.86		3,356,018.86	3,356,018.86	
Fund Balance, June 30	\$ 584,629.27	\$ -	\$ 584,629.27	\$ 2,145,404.88	\$ 1,560,775.61
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 1,000.00	
Legally Restricted Excess Surplus Designated for Subsequent Year's Expenditures				81,864.26	
Excess Surplus - Current Year				154,358.13	
Assigned:					
Designated for Subsequent Year's Expenditures				1,070,538.74	
Other Purposes - Funds 11 - 13				362,667.15	
Other Purposes - Fund 15				19,253.57	
Unassigned				455,723.03	
				2,145,404.88	
Reconciliation to Governmental Funds Statements(GAAP):					
Last State Aid Payment Not recognized on GAAP Basis				(1,562,372.00)	
				<u>\$ 583,032.88</u>	

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
REVENUES:												
Local Sources:												
Ad Valorem Taxes - Local Tax Levy	\$ 2,392,321.00		\$ 2,392,321.00				\$ 2,392,321.00		\$ 2,392,321.00	\$ 2,392,321.00		\$ 2,392,321.00
Tuition from Other LEA's Within State	1,754,047.00		1,754,047.00				1,754,047.00		1,754,047.00	1,924,860.66		1,924,860.66
Miscellaneous	9,500.00		9,500.00				9,500.00		9,500.00	28,552.32		28,552.32
Total - Local Sources	4,155,868.00	\$ -	4,155,868.00	\$ -	\$ -	\$ -	4,155,868.00	\$ -	4,155,868.00	4,345,733.98	\$ -	4,345,733.98
State Sources:												
School Choice Aid	5,412.00		5,412.00				5,412.00		5,412.00	5,412.00		5,412.00
Extraordinary Aid	79,330.00		79,330.00				79,330.00		79,330.00	96,433.00		96,433.00
Categorical Special Education Aid	527,417.00		527,417.00				527,417.00		527,417.00	527,417.00		527,417.00
Equalization Aid	12,815,193.00		12,815,193.00				12,815,193.00		12,815,193.00	12,815,193.00		12,815,193.00
Categorical Security Aid	394,823.00		394,823.00				394,823.00		394,823.00	394,823.00		394,823.00
Adjustment Aid	2,265,115.00		2,265,115.00				2,265,115.00		2,265,115.00	2,265,115.00		2,265,115.00
Categorical Transportation Aid	155,448.00		155,448.00				155,448.00		155,448.00	155,448.00		155,448.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)										817,607.00		817,607.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)										723,067.00		723,067.00
Reimbursed TPAF Social Security (Non-Budgeted)										791,863.10		791,863.10
Total State Sources	16,242,738.00	-	16,242,738.00	-	-	-	16,242,738.00	-	16,242,738.00	18,592,378.10	-	18,592,378.10
Federal Sources:												
Impact Aid	25,000.00		25,000.00				25,000.00		25,000.00	21,022.97		21,022.97
Medicaid Reimbursement	65,054.00		65,054.00				65,054.00		65,054.00	92,375.59		92,375.59
Total - Federal Sources	90,054.00	-	90,054.00	-	-	-	90,054.00	-	90,054.00	113,398.56	-	113,398.56
Total Revenues	20,488,660.00	-	20,488,660.00	-	-	-	20,488,660.00	-	20,488,660.00	23,051,510.64	-	23,051,510.64
EXPENDITURES:												
Current Expense:												
Regular Programs - Instruction												
Kindergarten - Salaries of Teachers		356,303.00	356,303.00		42,756.03	42,756.03		399,059.03	399,059.03		397,732.27	397,732.27
Grades 1-5 - Salaries of Teachers		1,820,058.00	1,820,058.00		(23,960.68)	(23,960.68)		1,796,097.32	1,796,097.32		1,790,762.16	1,790,762.16
Grades 6-8 - Salaries of Teachers		989,488.00	989,488.00		(13,831.33)	(13,831.33)		975,656.67	975,656.67		974,294.26	974,294.26
Grades 9-12 - Salaries of Teachers		2,125,236.00	2,125,236.00		60,224.94	60,224.94		2,185,460.94	2,185,460.94		2,185,460.94	2,185,460.94
Regular Programs - Home Instruction:												
Salaries of Teachers	16,478.00		16,478.00	(3,646.00)		(3,646.00)	12,832.00		12,832.00	3,683.00		3,683.00
Purchased Professional-Educational Services	8,541.00		8,541.00	3,646.00		3,646.00	12,187.00		12,187.00	12,187.00		12,187.00
Regular Programs - Undistributed Instruction												
Other Salaries for Instruction		145,969.00	145,969.00		53,094.46	53,094.46		199,063.46	199,063.46		195,342.84	195,342.84
Purchased Professional-Educational Services		41,600.00	41,600.00		(7,840.00)	(7,840.00)		33,760.00	33,760.00		33,740.00	33,740.00
Purchased Technical Services		102,107.00	102,107.00		(50,288.21)	(50,288.21)		51,818.79	51,818.79		51,619.09	51,619.09
Other Purchased Services (400-500 series)		76,457.00	76,457.00		(8,832.15)	(8,832.15)		67,624.85	67,624.85		48,896.41	48,896.41
General Supplies		259,739.56	259,739.56		130,970.11	130,970.11		390,709.67	390,709.67		388,723.33	388,723.33
Textbooks		55,000.00	55,000.00		(36,232.60)	(36,232.60)		18,767.40	18,767.40		17,572.67	17,572.67
Other Objects		6,500.00	6,500.00		(162.14)	(162.14)		6,337.86	6,337.86		5,794.54	5,794.54
TOTAL REGULAR PROGRAMS - INSTRUCTION	25,019.00	5,978,457.56	6,003,476.56	-	145,898.43	145,898.43	25,019.00	6,124,355.99	6,149,374.99	15,870.00	6,089,938.51	6,105,808.51
SPECIAL EDUCATION - INSTRUCTION												
Behavioral Disabilities:												
Salaries of Teachers		59,128.00	59,128.00		(56,862.40)	(56,862.40)		2,265.60	2,265.60		-	-
General Supplies		500.00	500.00					500.00	500.00			
Total Behavioral Disabilities	-	59,628.00	59,628.00	-	(56,862.40)	(56,862.40)	-	2,765.60	2,765.60	-	-	-

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Multiple Disabilities:												
Salaries of Teachers		\$ 332,546.00	\$ 332,546.00	\$ 61,070.15	\$ 61,070.15		\$ 393,616.15	\$ 393,616.15		\$ 389,867.55	\$ 389,867.55	
Other Salaries for Instruction		100,373.00	100,373.00	20,148.09	20,148.09		120,521.09	120,521.09		104,360.11	104,360.11	
Purchased Technical Services				511.90	511.90		511.90	511.90		511.90	511.90	
Other Purchased Services (400-500 series)		1,500.00	1,500.00				1,500.00	1,500.00		943.48	943.48	
General Supplies		6,500.00	6,500.00	(1,921.55)	(1,921.55)		4,578.45	4,578.45		3,213.28	3,213.28	
Textbooks		3,500.00	3,500.00	(1,447.36)	(1,447.36)		2,052.64	2,052.64				
Other Objects		500.00	500.00	153.00	153.00		653.00	653.00		153.00	153.00	
Total Multiple Disabilities	\$ -	444,919.00	444,919.00	\$ -	78,514.23	78,514.23	\$ -	523,433.23	523,433.23	\$ -	499,049.32	499,049.32
Resource Room/Resource Center:												
Salaries of Teachers		1,106,403.00	1,106,403.00	(88,108.33)	(88,108.33)		1,018,294.67	1,018,294.67		1,014,404.12	1,014,404.12	
Purchase Professional - Educational Services		2,000.00	2,000.00	100.00	100.00		2,100.00	2,100.00		2,100.00	2,100.00	
General Supplies		7,800.00	7,800.00	2,080.69	2,080.69		9,880.69	9,880.69		4,636.89	4,636.89	
Textbooks		2,000.00	2,000.00				2,000.00	2,000.00				
Total Resource Room/Resource Center	-	1,118,203.00	1,118,203.00	-	(85,927.64)	(85,927.64)	-	1,032,275.36	1,032,275.36	-	1,021,141.01	1,021,141.01
Preschool Disabilities - Full-Time:												
Salaries of Teachers		66,343.00	66,343.00	(1,694.00)	(1,694.00)		64,649.00	64,649.00		62,929.00	62,929.00	
Other Salaries for Instruction		17,151.00	17,151.00	(2,046.26)	(2,046.26)		15,104.74	15,104.74		14,142.00	14,142.00	
General Supplies		1,000.00	1,000.00	292.06	292.06		1,292.06	1,292.06		1,002.06	1,002.06	
Total Preschool Disabilities - Full-Time	-	84,494.00	84,494.00	-	(3,448.20)	(3,448.20)	-	81,045.80	81,045.80	-	78,073.06	78,073.06
Special Education - Home Instruction												
Salaries of Teachers	16,412.00		16,412.00	(6,875.00)	(6,875.00)		9,537.00	9,537.00		9,536.50	9,536.50	
Purchase Professional - Educational Services	29,417.00		29,417.00	(7,487.00)	(7,487.00)		21,930.00	21,930.00		19,778.64	19,778.64	
Total Special Education - Home Instruction	45,829.00	-	45,829.00	(14,362.00)	-	(14,362.00)	31,467.00	-	31,467.00	29,315.14	-	29,315.14
TOTAL SPECIAL EDUCATION - INSTRUCTION	45,829.00	1,707,244.00	1,753,073.00	(14,362.00)	(67,724.01)	(82,086.01)	31,467.00	1,639,519.99	1,670,986.99	29,315.14	1,598,263.39	1,627,578.53
Basic Skills/Remedial - Instruction												
Salaries of Teachers				42,528.00	42,528.00		42,528.00	42,528.00		42,528.00	42,528.00	
Total Basic Skills/Remedial - Instruction	-	-	-	42,528.00	42,528.00	-	42,528.00	42,528.00	-	42,528.00	42,528.00	42,528.00
Vocational Programs - Local - Instruction												
Salaries of Teachers		356,801.00	356,801.00	(131,054.00)	(131,054.00)		225,747.00	225,747.00		222,723.00	222,723.00	
Purchase Prof/Educ Services		51,333.00	51,333.00	26,967.00	26,967.00		78,300.00	78,300.00		78,291.00	78,291.00	
Other Purchased Services (400-500 series)		4,000.00	4,000.00	20.00	20.00		4,020.00	4,020.00		4,020.00	4,020.00	
General Supplies		15,000.00	15,000.00	(20.00)	(20.00)		14,980.00	14,980.00		13,005.86	13,005.86	
Textbooks		11,000.00	11,000.00	(9,298.20)	(9,298.20)		1,701.80	1,701.80		1,017.58	1,017.58	
Total Vocational Programs - Local - Instruction	-	438,134.00	438,134.00	-	(113,385.20)	(113,385.20)	-	324,748.80	324,748.80	-	319,057.44	319,057.44
School-Spon. Cocurricular Actvts. - Inst.												
Salaries		24,841.00	24,841.00	17,693.74	17,693.74		42,534.74	42,534.74		38,029.12	38,029.12	
Purchased Services (300-500 series)		7,385.00	7,385.00	4,213.50	4,213.50		11,598.50	11,598.50		7,700.00	7,700.00	
Supplies and Materials		7,000.00	7,000.00	(5,259.00)	(5,259.00)		1,741.00	1,741.00		1,737.45	1,737.45	
Other Objects		2,081.00	2,081.00	503.00	503.00		2,584.00	2,584.00		744.67	744.67	
Total School-Spon. Cocurricular Actvts. - Inst.	-	41,307.00	41,307.00	-	17,151.24	17,151.24	-	58,458.24	58,458.24	-	48,211.24	48,211.24
School-Spon. Cocurricular Athletics - Inst.												
Salaries		178,399.00	178,399.00	58,505.92	58,505.92		236,904.92	236,904.92		235,768.92	235,768.92	
Purchased Services (300-500 series)		66,288.89	66,288.89	4,979.59	4,979.59		71,268.48	71,268.48		69,737.14	69,737.14	
Supplies and Materials		54,158.70	54,158.70	8,001.85	8,001.85		62,160.55	62,160.55		62,160.55	62,160.55	
Other Objects		8,700.00	8,700.00	(1,842.11)	(1,842.11)		6,857.89	6,857.89		6,857.89	6,857.89	
Total School-Spon. Cocurricular Athletics - Inst.	-	307,546.59	307,546.59	-	69,645.25	69,645.25	-	377,191.84	377,191.84	-	374,524.50	374,524.50

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Before/After School Program - Inst.												
Salaries		\$ 26,352.00	\$ 26,352.00		\$ (15,809.12)	\$ (15,809.12)		\$ 10,542.88	\$ 10,542.88		\$ 7,384.00	\$ 7,384.00
Salaries of Teachers		1,800.00	1,800.00		(1,800.00)	(1,800.00)						
Supplies and Materials		-	-		1,998.99	1,998.99		1,998.99	1,998.99		1,998.99	1,998.99
Total Before/After School Program - Inst.	\$ -	28,152.00	28,152.00	\$ -	(15,610.13)	(15,610.13)	\$ -	12,541.87	12,541.87	\$ -	9,382.99	9,382.99
Alternative Education Program - Inst.												
Salaries of Teachers		33,060.00	33,060.00		(7,365.00)	(7,365.00)		25,695.00	25,695.00		25,090.00	25,090.00
Salaries		26,820.00	26,820.00		30,670.08	30,670.08		57,490.08	57,490.08		57,490.08	57,490.08
Purchased Prof- Educational Services		29,000.00	29,000.00		(2,450.00)	(2,450.00)		26,550.00	26,550.00		26,550.00	26,550.00
Total Alternative Education Program - Inst.	-	88,880.00	88,880.00	-	20,855.08	20,855.08	-	109,735.08	109,735.08	-	109,130.08	109,130.08
Community Services Programs/Operations												
Salaries	21,760.00		21,760.00	(950.02)		(950.02)	20,809.98		20,809.98	7,478.57		7,478.57
Purchased Services (300-500 series)	20,000.00		20,000.00	950.02		950.02	20,950.02		20,950.02	20,950.02		20,950.02
Total Community Services Programs/Operations	41,760.00	-	41,760.00	-	-	-	41,760.00	-	41,760.00	28,428.59	-	28,428.59
Total Instruction	112,608.00	8,589,721.15	8,702,329.15	(14,362.00)	99,358.66	84,996.66	98,246.00	8,689,079.81	8,787,325.81	73,613.73	8,591,036.15	8,664,649.88
Undistributed Expenditures - Instruction:												
Tuition to Other LEAs Within the State - Regular	50,499.60		50,499.60				50,499.60		50,499.60	26,378.32		26,378.32
Tuition to Other LEAs Within the State - Special	75,077.65		75,077.65				75,077.65		75,077.65	39,669.12		39,669.12
Tuition to Vocational School Districts - Special				14,228.36		14,228.36	14,228.36		14,228.36			
Tuition to CSSD & Regional Day Schools	541,303.00		541,303.00	(86,672.47)		(86,672.47)	454,630.53		454,630.53	304,928.87		304,928.87
Tuition to Private Schools for the Disabled - Within State	659,561.00		659,561.00	(67,401.67)		(67,401.67)	592,159.33		592,159.33	435,668.94		435,668.94
Tuition - State Facilities	97,024.00		97,024.00				97,024.00		97,024.00	97,024.00		97,024.00
Total Undistributed Expenditures - Instruction:	1,423,465.25	-	1,423,465.25	(139,845.78)	-	(139,845.78)	1,283,619.47	-	1,283,619.47	903,669.25	-	903,669.25
Undist. Expend. - Attend. & Social Work												
Salaries		201,568.00	201,568.00		(3,160.52)	(3,160.52)		198,407.48	198,407.48		197,933.92	197,933.92
Sal. of Family Liasn & Comm. Parent Involvement Spec.	22,163.00		22,163.00	(539.15)		(539.15)	21,623.85		21,623.85	20,264.03		20,264.03
Other Purchased Services (400-500 series)	4,000.00		4,000.00	164.24		164.24	4,164.24		4,164.24	4,035.72		4,035.72
Supplies and Materials	2,500.00	500.00	3,000.00	(1,542.74)	629.37	(913.37)	957.26	1,129.37	2,086.63	1,037.95		1,312.94
Other Objects	850.00		850.00	1,378.50		1,378.50	2,228.50		2,228.50	2,228.50		2,228.50
Total Undist. Expend. - Attend. & Social Work	29,513.00	202,068.00	231,581.00	(539.15)	(2,531.15)	(3,070.30)	28,973.85	199,536.85	228,510.70	26,803.24	198,971.87	225,775.11
Undist. Expend. - Health Services												
Salaries		186,286.00	186,286.00		5,617.53	5,617.53		191,903.53	191,903.53		191,839.81	191,839.81
Purchased Professional and Technical Services	22,000.00	200.00	22,200.00	525.00	(75.00)	450.00	22,525.00	125.00	22,650.00	22,525.00		22,525.00
Purchased Prof-Educational Services					2,544.00	2,544.00		2,544.00	2,544.00		2,544.00	2,544.00
Other Purchased Services (400-500 series)		200.00	200.00					200.00	200.00			
Supplies and Materials		7,005.00	7,005.00		(472.07)	(472.07)		6,532.93	6,532.93		6,532.93	6,532.93
Other Objects		150.00	150.00		(6.50)	(6.50)		143.50	143.50		143.50	143.50
Total Undist. Expend. - Health Services	22,000.00	193,841.00	215,841.00	525.00	7,607.96	8,132.96	22,525.00	201,448.96	223,973.96	22,525.00	201,060.24	223,585.24
Undist. Expend. - Speech, OT, PT & Related Svcs												
Salaries	87,237.00		87,237.00				87,237.00		87,237.00	86,057.00		86,057.00
Purchased Professional - Educational Services	130,900.00		130,900.00	41,815.00		41,815.00	172,715.00		172,715.00	158,361.50		158,361.50
Supplies and Materials	2,500.00		2,500.00				2,500.00		2,500.00	307.95		307.95
Other Objects	300.00		300.00				300.00		300.00			
Total Undist. Expend. - Speech, OT, PT & Related Svcs	220,937.00	-	220,937.00	41,815.00	-	41,815.00	262,752.00	-	262,752.00	244,726.45	-	244,726.45
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.												
Salaries	196,950.00		196,950.00	(8,500.00)		(8,500.00)	188,450.00		188,450.00	186,026.09		186,026.09
Purchased Professional - Educational Services	58,500.00		58,500.00	(3,500.00)		(3,500.00)	55,000.00		55,000.00	44,886.10		44,886.10
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	255,450.00	-	255,450.00	(12,000.00)	-	(12,000.00)	243,450.00	-	243,450.00	230,912.19	-	230,912.19
Undist. Expend. - Guidance												
Salaries of Other Professional Staff		395,299.00	395,299.00		(9,233.18)	(9,233.18)		386,065.82	386,065.82		385,771.62	385,771.62
Salaries of Secretarial and Clerical Assistants		73,312.00	73,312.00		6,258.00	6,258.00		79,570.00	79,570.00		78,592.50	78,592.50
Other Salaries		58,315.00	58,315.00		122.61	122.61		58,437.61	58,437.61		58,431.12	58,431.12
Other Purchased Prof. and Tech. Services		23,580.00	23,580.00		(20,240.52)	(20,240.52)		3,339.48	3,339.48		3,219.34	3,219.34
Other Purchased Services (400-500 series)		3,000.00	3,000.00		5,489.38	5,489.38		8,489.38	8,489.38		8,263.72	8,263.72
Supplies and Materials		24,886.88	24,886.88		15,845.11	15,845.11		40,731.99	40,731.99		40,731.99	40,731.99
Other Objects		400.00	400.00		(67.35)	(67.35)		332.65	332.65		332.65	332.65
Total Undist. Expend. - Guidance	-	578,792.88	578,792.88	-	(1,825.95)	(1,825.95)	-	576,966.93	576,966.93	-	575,342.94	575,342.94

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Undist. Expend. - Child Study Teams												
Salaries of Other Professional Staff	\$ 417,627.00		\$ 417,627.00	\$ (2,082.00)		\$ (2,082.00)	\$ 415,545.00		\$ 415,545.00	\$ 415,545.00		\$ 415,545.00
Salaries of Secretarial and Clerical Assistants	48,166.00		48,166.00	25,650.78		25,650.78	73,816.78		73,816.78	73,816.78		73,816.78
Other Purchased Prof. and Tech. Services	12,500.00		12,500.00	6,749.20		6,749.20	19,249.20		19,249.20	14,968.20		14,968.20
Mis. Purchase Serv. (400-500 series)	9,995.00		9,995.00	358.78		358.78	10,353.78		10,353.78	10,353.78		10,353.78
Supplies and Materials	7,082.20		7,082.20	(3,319.61)		(3,319.61)	3,762.59		3,762.59	3,762.59		3,762.59
Other Objects	500.00		500.00	(500.00)		(500.00)						
Total Undist. Expend. - Child Study Teams	495,870.20	\$ -	495,870.20	26,857.15	\$ -	26,857.15	522,727.35	\$ -	522,727.35	518,446.35	\$ -	518,446.35
Undist. Expend. - Improvement of Inst. Serv.												
Salaries of Other Professional Staff	96,490.00		96,490.00	482.96		482.96	96,972.96		96,972.96	96,972.96		96,972.96
Salaries of Secr and Clerical Assist.	32,737.00		32,737.00	1,884.50		1,884.50	34,621.50		34,621.50	34,621.48		34,621.48
Other Salaries		10,120.00	10,120.00		3,137.01	3,137.01		13,257.01	13,257.01		13,257.00	13,257.00
Salaries of Facilitators, Math and Literacy Coaches		2,128.00	2,128.00		(2,053.07)	(2,053.07)		74.93	74.93			
Other Purch Prof. and Tech. Services				100.30		100.30	100.30		100.30	100.30		100.30
Other Purch Services (400-500)	5,500.00		5,500.00	(1,159.63)		(1,159.63)	4,340.37		4,340.37	3,518.11		3,518.11
Supplies and Materials	1,250.00	6,000.00	7,250.00	(5,613.66)		(5,613.66)	1,250.00	386.34	1,636.34	924.56		924.56
Other Objects	2,609.00		2,609.00	(150.00)		(150.00)	2,459.00		2,459.00	1,872.99		1,872.99
Total Undist. Expend. - Improvement of Inst. Serv.	138,586.00	18,248.00	156,834.00	1,158.13	(4,529.72)	(3,371.59)	139,744.13	13,718.28	153,462.41	138,010.40	13,257.00	151,267.40
Undist. Expend. - Edu. Media Serv./Sch. Library												
Salaries		210,365.00	210,365.00		1,466.01	1,466.01		211,831.01	211,831.01		210,865.27	210,865.27
Salaries of Technology Coordinators		163,494.00	163,494.00		(688.83)	(688.83)		162,805.17	162,805.17		162,540.49	162,540.49
Purchased Professional and Technical Services		5,950.00	5,950.00		(3,208.74)	(3,208.74)		2,741.26	2,741.26		2,470.68	2,470.68
Supplies and Materials		7,285.06	7,285.06		(139.88)	(139.88)		7,145.18	7,145.18		6,431.81	6,431.81
Other Objects					100.00	100.00		100.00	100.00		100.00	100.00
Total Undist. Expend. - Edu. Media Serv./Sch. Library	-	387,094.06	387,094.06	-	(2,471.44)	(2,471.44)	-	384,622.62	384,622.62	-	382,408.25	382,408.25
Undist. Expend. - Instructional Staff Training Serv.												
Purchased Professional - Educational Serv	10,100.00	3,000.00	13,100.00	(3,149.26)	48,964.93	45,815.67	6,950.74	51,964.93	58,915.67	4,100.00	46,280.69	50,380.69
Other Purchased Services (400-500 series)		23,500.00	23,500.00	1,841.13	(4,131.56)	(2,290.43)	1,841.13	19,368.44	21,209.57	1,834.05	12,707.10	14,541.15
Supplies and Materials	4,079.09	5,500.00	9,579.09		(2,157.47)	(2,157.47)	4,079.09	3,342.53	7,421.62	3,945.44	1,698.78	5,644.22
Other Objects	1,450.00		1,450.00	150.00		150.00	1,600.00		1,600.00	1,600.00		1,600.00
Total Undist. Expend. - Instructional Staff Training Serv.	15,629.09	32,000.00	47,629.09	(1,158.13)	42,675.90	41,517.77	14,470.96	74,675.90	89,146.86	11,479.49	60,686.57	72,166.06
Undist. Expend. - Supp. Serv. - General Admin.												
Salaries	180,113.00		180,113.00	532.68		532.68	180,645.68		180,645.68	180,645.68		180,645.68
Legal Services	70,531.50		70,531.50	(24,444.20)		(24,444.20)	46,087.30		46,087.30	42,946.90		42,946.90
Audit Fees	42,500.00		42,500.00	(500.00)		(500.00)	42,000.00		42,000.00	40,750.00		40,750.00
Architectural/Engineering Services	4,835.91		4,835.91				4,835.91		4,835.91			
Other Purchased Professional Services	6,780.00		6,780.00	6,320.00		6,320.00	13,100.00		13,100.00	11,590.50		11,590.50
Purchased Technical Services				100.30		100.30	100.30		100.30	100.30		100.30
Communications/Telephone	14,500.00		14,500.00	16,139.22		16,139.22	30,639.22		30,639.22	30,639.22		30,639.22
BOE Other Purchased Services	16,450.00		16,450.00				16,450.00		16,450.00	12,718.71		12,718.71
Miscellaneous Purchased Services	56,159.00		56,159.00	9,566.00		9,566.00	65,725.00		65,725.00	65,707.90		65,707.90
Supplies and Materials	3,921.22		3,921.22				3,921.22		3,921.22	3,023.70		3,023.70
BOE In-House Training/Meeting Supplies	1,575.00		1,575.00				1,575.00		1,575.00	1,557.50		1,557.50
Judgements Against The School District	95,523.00		95,523.00	(7,714.00)		(7,714.00)	87,809.00		87,809.00	73,282.00		73,282.00
Miscellaneous Expenditures	2,780.00		2,780.00	1,135.00		1,135.00	3,915.00		3,915.00	3,915.00		3,915.00
BOE Membership Dues and Fees	13,500.00		13,500.00	(1,135.00)		(1,135.00)	12,365.00		12,365.00	10,878.45		10,878.45
Total Undist. Expend. - Supp. Serv. - General Admin.	509,168.63	-	509,168.63	-	-	-	509,168.63	-	509,168.63	477,755.86	-	477,755.86
Undist. Expend. - Support Serv. - School Admin.												
Salaries of Principals/Assistant Principals		586,843.00	586,843.00		5,978.03	5,978.03		592,821.03	592,821.03		592,821.03	592,821.03
Salaries of Other Professional Staff	100,395.00	99,506.00	199,901.00	43.90	497.92	541.82	100,438.90	100,003.92	200,442.82	96,886.03	100,003.92	196,889.95
Salaries of Secretarial and Clerical Assistants		92,523.00	92,523.00		(25,623.24)	(25,623.24)		66,899.76	66,899.76		66,709.36	66,709.36
Purchased Professional and Technical Services	750.00		750.00	(213.00)		(213.00)	537.00		537.00	537.00		537.00
Other Purchased Services (400-500 series)	500.00	8,882.00	9,382.00	457.10	8,895.59	9,352.69	957.10	17,777.59	18,734.69	17,777.59		18,734.69
Supplies and Materials		19,491.00	19,491.00		(10,267.94)	(10,267.94)		9,223.06	9,223.06	9,223.06		9,223.06
Other Objects	1,300.00	6,300.00	7,600.00		(805.00)	(805.00)	1,300.00	5,495.00	6,795.00	1,112.00	5,495.00	6,607.00
Total Undist. Expend. - Support Serv. - School Admin.	102,945.00	813,545.00	916,490.00	288.00	(21,324.64)	(21,036.64)	103,233.00	792,220.36	895,453.36	99,492.13	792,029.96	891,522.09

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Undistributed Expenditures - Central Services												
Salaries	\$ 271,788.00		\$ 271,788.00	\$ 3,608.62		\$ 3,608.62	\$ 275,396.62		\$ 275,396.62	\$ 273,347.27		\$ 273,347.27
Purchased Professional Services	15,890.00		15,890.00	(1,771.45)		(1,771.45)	14,118.55		14,118.55	13,682.90		13,682.90
Misc. Purch. Services (400-500 Series)	8,459.00		8,459.00	221.48		221.48	8,680.48		8,680.48	8,630.48		8,630.48
Supplies and Materials	7,548.00		7,548.00	(2,058.65)		(2,058.65)	5,489.35		5,489.35	5,062.60		5,062.60
Miscellaneous Expenditures	1,789.00		1,789.00				1,789.00		1,789.00	1,526.00		1,526.00
Total Undist. Expend. - Central Services	305,474.00	\$ -	305,474.00	-	\$ -	-	305,474.00	\$ -	305,474.00	302,249.25	\$ -	302,249.25
Undist. Expend. -Required Maintenance for School Facilities												
Cleaning, Repair, and Maintenance Services	60,586.80		60,586.80	111,605.21		111,605.21	172,192.01		172,192.01	149,360.00		149,360.00
General Supplies	25,663.40		25,663.40	75,432.70		75,432.70	101,096.10		101,096.10	98,161.94		98,161.94
Total Undist. Expend. -Required Maint. for School Facilities	86,250.20	-	86,250.20	187,037.91	-	187,037.91	273,288.11	-	273,288.11	247,521.94	-	247,521.94
Undist. Expend. - Other Oper. & Maint. Of Plant												
Salaries	846,877.00		846,877.00	18,898.03		18,898.03	865,775.03		865,775.03	826,789.38		826,789.38
Purchased Professional and Technical Services	63,045.00		63,045.00	(18,743.46)		(18,743.46)	44,301.54		44,301.54	39,671.54		39,671.54
Cleaning, Repair and Maintenance Services	59,642.00		59,642.00	(12,526.51)		(12,526.51)	47,115.49		47,115.49	47,115.49		47,115.49
Rental of Land, Building & Other than Lease Purchases	4,280.00		4,280.00	(2,960.00)		(2,960.00)	1,320.00		1,320.00	1,320.00		1,320.00
Other Purchased Property Services	50,789.00		50,789.00	(17,552.30)		(17,552.30)	33,236.70		33,236.70	33,236.70		33,236.70
Insurance	97,011.00		97,011.00	(3,344.00)		(3,344.00)	93,667.00		93,667.00	93,667.00		93,667.00
Miscellaneous Purchased Services	8,900.00		8,900.00	(7,890.20)		(7,890.20)	1,009.80		1,009.80	1,009.80		1,009.80
General Supplies	187,764.80		187,764.80	(12,083.70)		(12,083.70)	175,681.10		175,681.10	167,428.29		167,428.29
Energy - Natural Gas	110,785.00		110,785.00	(14,419.91)		(14,419.91)	96,365.09		96,365.09	71,611.97		71,611.97
Energy - Electricity	635,889.00		635,889.00	(54,000.00)		(54,000.00)	581,889.00		581,889.00	563,383.10		563,383.10
Other Objects	750.00		750.00				750.00		750.00	733.00		733.00
Total Undist. Expend. - Other Oper. & Maint. Of Plant	2,065,732.80	-	2,065,732.80	(124,622.05)	-	(124,622.05)	1,941,110.75	-	1,941,110.75	1,845,966.27	-	1,845,966.27
Total Undist. Expend. - Oper. & Maint. Of Plant	2,151,983.00	-	2,151,983.00	62,415.86	-	62,415.86	2,214,398.86	-	2,214,398.86	2,093,488.21	-	2,093,488.21
Undist. Expend. - Care and Upkeep of Grounds												
Salaries	53,641.00		53,641.00	2,350.00		2,350.00	55,991.00		55,991.00	55,925.63		55,925.63
Purchased Professional and Technical Services	1,850.00		1,850.00	(350.00)		(350.00)	1,500.00		1,500.00	1,319.30		1,319.30
Cleaning, Repair and Maintenance Services	16,500.00		16,500.00				16,500.00		16,500.00	270.65		270.65
General Supplies	30,849.00		30,849.00				30,849.00		30,849.00	19,585.49		19,585.49
Total Undist. Expend. - Care and Upkeep of Grounds	102,840.00	-	102,840.00	2,000.00	-	2,000.00	104,840.00	-	104,840.00	77,101.07	-	77,101.07
Undist. Expend. - Security												
Salaries		79,041.00	79,041.00		8,310.66	8,310.66		87,351.66	87,351.66		87,170.75	87,170.75
Purchased Professional and Technical Services		84,000.00	84,000.00		4,434.34	4,434.34		88,434.34	88,434.34		88,434.34	88,434.34
Purchased Prof-Educational Services					4,596.66	4,596.66		4,596.66	4,596.66		4,596.66	4,596.66
General Supplies		2,150.00	2,150.00		(847.61)	(847.61)		1,302.39	1,302.39		1,302.39	1,302.39
Total Undist. Expend. - Security	-	165,191.00	165,191.00	-	16,494.05	16,494.05	-	181,685.05	181,685.05	-	181,504.14	181,504.14
Undist. Expend. - Student Transportation Serv.												
Contract Serv (Aid in Lieu of Payment - Choice School)	3,785.00		3,785.00	11,243.00		11,243.00	15,028.00		15,028.00	14,586.00		14,586.00
Contract Serv (Other than Bet. Home & School)-Vendors		155,000.00	155,000.00		(35,519.37)	(35,519.37)		119,480.63	119,480.63		106,832.95	106,832.95
Contract Serv (Between Home and Sch) - Joint Agrmts	52,000.00		52,000.00	(11,243.00)		(11,243.00)	40,757.00		40,757.00	15,807.96		15,807.96
Contr Serv (Spl. Ed. Students) - Joint Agrmt	559,321.00		559,321.00	(53,329.28)		(53,329.28)	505,991.72		505,991.72	417,468.49		417,468.49
General Supplies	1,000.00		1,000.00				1,000.00		1,000.00			
Total Undist. Expend. - Student Transportation Serv.	616,106.00	155,000.00	771,106.00	(53,329.28)	(35,519.37)	(88,848.65)	562,776.72	119,480.63	682,257.35	447,862.45	106,832.95	554,695.40

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2013

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
UNALLOCATED BENEFITS												
Social Security Contributions	\$ 269,450.00		\$ 269,450.00				\$ 269,450.00		\$ 269,450.00	\$ 261,739.72		\$ 261,739.72
Other Retirement Contributions - Regular	342,500.00		342,500.00	(65,805.00)		(65,805.00)	276,695.00		276,695.00	276,695.00		276,695.00
Unemployment Compensation	52,508.00		52,508.00	3,460.00		3,460.00	55,968.00		55,968.00	55,459.92		55,459.92
Workers' Compensation	171,685.00		171,685.00				171,685.00		171,685.00	169,774.03		169,774.03
Health Benefits	627,794.00	\$ 2,296,066.00	2,923,860.00	(2,492.00)	\$ (180,597.29)	(183,089.29)	625,302.00	\$ 2,115,468.71	2,740,770.71	525,036.87	\$ 2,079,568.55	2,604,605.42
Tuition Reimbursement	20,000.00		20,000.00				20,000.00		20,000.00	15,336.20		15,336.20
Other Employee Benefits	74,683.00	233,170.00	307,853.00		535.26	535.26	74,683.00	233,705.26	308,388.26	53,831.23	231,302.26	285,133.49
TOTAL UNALLOCATED BENEFITS	1,558,620.00	2,529,236.00	4,087,856.00	(64,837.00)	(180,062.03)	(244,899.03)	1,493,783.00	2,349,173.97	3,842,956.97	1,357,872.97	2,310,870.81	3,668,743.78
On-Behalf Contributions												
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)										817,607.00		817,607.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)										723,067.00		723,067.00
Reimbursed TPAF Social Security (Non-Budgeted)										791,863.10		791,863.10
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	2,332,537.10	-	2,332,537.10
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,558,620.00	2,529,236.00	4,087,856.00	(64,837.00)	(180,062.03)	(244,899.03)	1,493,783.00	2,349,173.97	3,842,956.97	3,690,410.07	2,310,870.81	6,001,280.88
TOTAL UNDISTRIBUTED EXPENDITURES	7,948,587.17	5,075,015.94	13,023,603.11	(136,650.20)	(181,486.39)	(318,136.59)	7,811,936.97	4,893,529.55	12,705,466.52	9,284,931.41	4,822,964.73	14,107,896.14
TOTAL GENERAL CURRENT EXPENSE	8,061,195.17	13,664,737.09	21,725,932.26	(151,012.20)	(82,127.73)	(233,139.93)	7,910,182.97	13,582,609.36	21,492,792.33	9,358,545.14	13,414,000.88	22,772,546.02
CAPITAL OUTLAY												
Equipment												
Regular Programs - Instruction:												
Kindergarten	1,995.50		1,995.50	(1,995.50)		(1,995.50)						
Grades 1-5	3,148.32		3,148.32	(3,148.32)		(3,148.32)						
Grades 6-8	4,108.28		4,108.28	(4,108.28)		(4,108.28)						
Grades 9-12	5,827.90	5,000.00	10,827.90	(5,827.90)	20,710.00	14,882.10		25,710.00	25,710.00		25,710.00	25,710.00
School Sponsered and other Instructional Programs		53,151.05	53,151.05					53,151.05	53,151.05		53,151.05	53,151.05
Undistributed Expenditures:												
Instruction				4,717.00		4,717.00	4,717.00		4,717.00			
Multiple Disabilities					2,497.50	2,497.50		2,497.50	2,497.50		2,497.50	2,497.50
Preschool Disabilities					2,497.50	2,497.50		2,497.50	2,497.50		2,497.50	2,497.50
Required Maintenance for School Facilities	2,558.00		2,558.00				2,558.00		2,558.00	2,558.00		2,558.00
Non-Instructional Equipment				4,995.00		4,995.00		4,995.00	4,995.00			
Care and Upkeep of Grounds				15,908.00		15,908.00		15,908.00	15,908.00			
Security				140,472.20	56,422.73	196,894.93	140,472.20	56,422.73	196,894.93	131,774.00	47,221.73	178,995.73
Architect/Engineer Serv	77,941.55		77,941.55	(18,979.22)		(18,979.22)	58,962.33		58,962.33	37,417.98		37,417.98
Construction Service	1,352,701.73		1,352,701.73	18,979.22		18,979.22	1,371,680.95		1,371,680.95	1,170,842.84		1,170,842.84
Total Equipment	1,448,281.28	58,151.05	1,506,432.33	151,012.20	82,127.73	233,139.93	1,599,293.48	140,278.78	1,739,572.26	1,358,500.82	131,077.78	1,489,578.60
TOTAL CAPITAL OUTLAY	1,448,281.28	58,151.05	1,506,432.33	151,012.20	82,127.73	233,139.93	1,599,293.48	140,278.78	1,739,572.26	1,358,500.82	131,077.78	1,489,578.60
Transfer of Funds to Charter School	27,685.00		27,685.00				27,685.00		27,685.00			
TOTAL EXPENDITURES	9,537,161.45	13,722,888.14	23,260,049.59	-	-	-	9,537,161.45	13,722,888.14	23,260,049.59	10,717,045.96	13,545,078.66	24,262,124.62
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,951,498.55	(13,722,888.14)	(2,771,389.59)	-	-	-	10,951,498.55	(13,722,888.14)	(2,771,389.59)	12,334,464.68	(13,545,078.66)	(1,210,613.98)
Other Financing Sources (Uses):												
Operating Transfers Out:												
Contr. to Whole School Reform - General Fund	(13,640,287.00)		(13,640,287.00)				(13,640,287.00)		(13,640,287.00)	(13,481,731.09)		(13,481,731.09)
Operating Transfers In:												
Contr. to Whole School Reform - General Fund		13,640,287.00	13,640,287.00					13,640,287.00	13,640,287.00		13,481,731.09	13,481,731.09
Total Other Financing Sources (Uses):	(13,640,287.00)	13,640,287.00	-	-	-	-	(13,640,287.00)	13,640,287.00	-	(13,481,731.09)	13,481,731.09	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,688,788.45)	(82,601.14)	(2,771,389.59)	-	-	-	(2,688,788.45)	(82,601.14)	(2,771,389.59)	(1,147,266.41)	(63,347.57)	(1,210,613.98)
Fund Balance, July 1	3,273,417.72	82,601.14	3,356,018.86				3,273,417.72	82,601.14	3,356,018.86	3,273,417.72	82,601.14	3,356,018.86
Fund Balance, June 30	\$ 584,629.27	\$ -	\$ 584,629.27	\$ -	\$ -	\$ -	\$ 584,629.27	\$ -	\$ 584,629.27	\$ 2,126,151.31	\$ 19,253.57	\$ 2,145,404.88

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Federal Sources:					
Education Jobs Fund	_____	\$ 1,414.00	\$ 1,414.00	\$ 1,414.00	_____
Total - Federal Sources	_____	1,414.00	1,414.00	1,414.00	_____
Total Revenues	_____	1,414.00	1,414.00	1,414.00	_____
EXPENDITURES:					
UNALLOCATED BENEFITS					
Health Benefits	_____	1,414.00	1,414.00	1,414.00	_____
TOTAL UNALLOCATED BENEFITS	_____	1,414.00	1,414.00	1,414.00	_____
TOTAL EXPENDITURES	_____	1,414.00	1,414.00	1,414.00	_____
Excess (Deficiency) of Revenues Over (Under) Expenditures	_____	_____	_____	_____	_____
Fund Balance, July 1	_____	_____	_____	_____	_____
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Other Local Programs		\$ 18,005.00	\$ 18,005.00	\$ 13,005.00	\$ 5,000.00
Total - Local Sources		18,005.00	18,005.00	13,005.00	5,000.00
State Sources:					
Preschool Education	\$ 1,843,289.00		1,843,289.00	1,843,289.00	
Other State Programs	309,439.00	4,800.00	314,239.00	314,239.00	
Total - State Sources	2,152,728.00	4,800.00	2,157,528.00	2,157,528.00	
Federal Sources:					
Title I	932,798.00	99,767.87	1,032,565.87	888,214.54	144,351.33
Title II	153,904.00	3,033.91	156,937.91	156,937.91	
I.D.E.A., Part B	314,717.00	13,138.00	327,855.00	327,855.00	
I.D.E.A., Part B, Preschool Incentive		8,087.00	8,087.00	8,087.00	
Vocational-Federal Secondary	20,680.00	(3,999.00)	16,681.00	16,681.00	
Other Federal Programs		6,534.41	6,534.41	6,439.26	95.15
Total - Federal Sources	1,422,099.00	126,562.19	1,548,661.19	1,404,214.71	144,446.48
Total Revenues	3,574,827.00	149,367.19	3,724,194.19	3,574,747.71	149,446.48
EXPENDITURES:					
Instruction:					
Salaries	932,798.00	(363,928.17)	568,869.83	463,619.83	105,250.00
Salaries of Teachers	850,824.00	(19,902.18)	830,921.82	830,921.82	
Other Salaries for Instruction	256,554.00	(6,742.55)	249,811.45	249,811.45	
Purchased Professional and Technical Services		94,808.00	94,808.00	94,807.50	0.50
Other Purchased Services (400-500 series)	10,400.00	(889.43)	9,510.57	7,468.31	2,042.26
Tuition	314,717.00	13,138.00	327,855.00	327,855.00	
Supplies and Material	50,042.00	14,584.99	64,626.99	55,744.49	8,882.50
Equipment		5,176.00	5,176.00	5,176.00	
Other Objects		7,664.63	7,664.63	7,017.21	647.42
Total Instruction	2,415,335.00	(256,090.71)	2,159,244.29	2,042,421.61	116,822.68
Support Services:					
Salaries	153,904.00	(80,972.00)	72,932.00	57,216.66	15,715.34
Salaries - Superv Instruction	95,836.00	9.92	95,845.92	95,845.92	
Salaries of Principals/Asst. Principals/Program Directors		4,000.00	4,000.00	4,000.00	
Salaries of Other Professional Staff	331,855.00	(159,106.42)	172,748.58	172,748.58	
Salaries of Secretarial and Clerical Assistants	40,266.00	38,423.20	78,689.20	78,689.20	
Salaries - Other		46,267.15	46,267.15	46,267.15	
Sal. of Facilitators, Math, Literacy, and Master Teacher	65,748.00	2,791.00	68,539.00	68,539.00	
Personal Services - Employee Benefits	420,643.00	128,055.72	548,698.72	540,409.43	8,289.29
Purchased Professional and Technical Services		393,089.85	393,089.85	393,089.85	
Other Purchased Professional Services – Educational Services	30,667.00	(11,807.74)	18,859.26	18,859.26	
Other Purchased Professional Services	2,000.00	(2,000.00)			
Cleaning, Repair & Maintenance Services		4,023.25	4,023.25	4,023.25	
Other Purchased Services (400-500 series)		3,194.58	3,194.58	3,194.58	
Contracted Services - Transportation Other than Between Home and School	4,500.00	(4,500.00)			
Travel	3,000.00	(1,190.72)	1,809.28	1,809.28	
Supplies and Material	2,500.00	26,672.47	29,172.47	20,553.30	8,619.17
Other Objects	2,633.00	13,442.64	16,075.64	16,075.64	
Total Support Services	1,153,552.00	400,392.90	1,553,944.90	1,521,321.10	32,623.80
Facilities Acquisition/Construction:					
Construction Services		11,005.00	11,005.00	11,005.00	
Instructional Equipment	5,940.00	(5,940.00)			
Total Facilities Acquisition and Construction Services	5,940.00	5,065.00	11,005.00	11,005.00	
Total Expenditures	3,574,827.00	149,367.19	3,724,194.19	3,574,747.71	149,446.48
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 23,052,924.64	\$ 3,574,747.71
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(30,902.59)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,575,160.00	180,053.00
The Last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(1,562,372.00)	(184,337.00)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 23,065,712.64</u>	<u>\$ 3,539,561.12</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 24,263,538.62	\$ 3,574,747.71
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	(30,902.59)
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 24,263,538.62</u>	<u>\$ 3,543,845.12</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Combining Balance Sheet
 June 30, 2013

	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Assets:			
Cash and Cash Equivalents	\$ 741,989.68		\$ 741,989.68
Capital Reserve	1,000.00		1,000.00
Interfund Accounts Receivable:			
Operating Fund (11-13)		\$ 82,015.04	82,015.04
Special Revenue Fund	275,619.23		275,619.23
Capital Projects Fund	349,653.55		349,653.55
Intergovernmental Accounts Receivable:			
State	1,662,818.02		1,662,818.02
Federal	1,414.00		1,414.00
Other	398,720.08		398,720.08
Other Accounts Receivable	400.00		400.00
Total Assets	\$ 3,431,614.56	\$ 82,015.04	\$ 3,513,629.60
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 188,132.21	\$ 62,761.47	\$ 250,893.68
Unearned Revenue	16,823.00		16,823.00
Loan Payable (Short Term)	999,862.00		999,862.00
Interfund Accounts Payable:			
Blended Resource Fund (15)	82,015.04		82,015.04
Trust and Agency	18,631.00		18,631.00
Total Liabilities	1,305,463.25	62,761.47	1,368,224.72
Fund Balances:			
Restricted:			
Capital Reserve	1,000.00		1,000.00
Excess Surplus Designated for Subsequent Year's Expenditures	81,864.26		81,864.26
Excess Surplus - Current Year	154,358.13		154,358.13
Assigned:			
Designated for Subsequent Year's Expenditures	1,070,538.74		1,070,538.74
Other Purposes	362,667.15	19,253.57	381,920.72
Unassigned	455,723.03		455,723.03
Total Fund Balances	2,126,151.31	19,253.57	2,145,404.88
Total Liabilities and Fund Balances	\$ 3,431,614.56	\$ 82,015.04	\$ 3,513,629.60

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Combined Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2013

District-wide

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 13,640,287.00		\$ 13,462,477.52	\$ 177,809.48
General Fund Reserve for Encumbrances at June 30, 2012	82,601.14		82,601.14	
	<u>13,722,888.14</u>			
Combined General Fund Contribution & State Resources	<u>13,722,888.14</u>	<u>100.0000%</u>	<u>13,545,078.66</u>	<u>177,809.48</u>
Total Restricted Federal Resources				
Totals	<u>\$ 13,722,888.14</u>	<u>100.00%</u>	<u>\$ 13,545,078.66</u>	<u>\$ 177,809.48</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2013

School: John Fenwick School

<u>Resources</u>	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform	\$ 2,754,523.78		\$ 2,714,750.61	\$ 39,773.17
General Fund Reserve for Encumbrances at June 30, 2012	10,744.13		10,744.13	
	<u>2,765,267.91</u>			
Combined General Fund Contribution & State Resources	<u>2,765,267.91</u>	100.0000%	<u>2,725,494.74</u>	<u>39,773.17</u>
Total Restricted Federal Resources				
Totals	<u><u>\$ 2,765,267.91</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 2,725,494.74</u></u>	<u><u>\$ 39,773.17</u></u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2013

School: Salem Middle School

<u>Resources</u>	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform	\$ 4,728,083.23		\$ 4,676,298.45	\$ 51,784.78
General Fund Reserve for Encumbrances at June 30, 2012	5,954.37		5,954.37	
	<u>4,734,037.60</u>			
Combined General Fund Contribution & State Resources	<u>4,734,037.60</u>	<u>100.0000%</u>	<u>4,682,252.82</u>	<u>51,784.78</u>
Total Restricted Federal Resources				
Totals	<u><u>\$ 4,734,037.60</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 4,682,252.82</u></u>	<u><u>\$ 51,784.78</u></u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2013

School: Salem High School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 6,157,679.99		\$ 6,071,428.46	\$ 86,251.53
General Fund Reserve for Encumbrances at June 30, 2012	65,902.64		65,902.64	
	<u>6,223,582.63</u>			
Combined General Fund Contribution & State Resources	<u>6,223,582.63</u>	100.0000%	<u>6,137,331.10</u>	<u>86,251.53</u>
Total Restricted Federal Resources				
Totals	<u>\$ 6,223,582.63</u>	<u>100.00%</u>	<u>\$ 6,137,331.10</u>	<u>\$ 86,251.53</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 356,303.00	\$ 42,756.03	\$ 399,059.03	\$ 397,732.27	\$ 1,326.76
Grades 1-5 - Salaries of Teachers	1,820,058.00	(23,960.68)	1,796,097.32	1,790,762.16	5,335.16
Grades 6-8 - Salaries of Teachers	989,488.00	(13,831.33)	975,656.67	974,294.26	1,362.41
Grades 9-12 - Salaries of Teachers	2,125,236.00	60,224.94	2,185,460.94	2,185,460.94	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	145,969.00	53,094.46	199,063.46	195,342.84	3,720.62
Purchased Prof- Educational Services	41,600.00	(7,840.00)	33,760.00	33,740.00	20.00
Purchased Technical Services	102,107.00	(50,288.21)	51,818.79	51,619.09	199.70
Other Purchased Services (400-500 series)	76,457.00	(8,832.15)	67,624.85	48,896.41	18,728.44
General Supplies	259,739.56	130,970.11	390,709.67	388,723.33	1,986.34
Textbooks	55,000.00	(36,232.60)	18,767.40	17,572.67	1,194.73
Other Objects	6,500.00	(162.14)	6,337.86	5,794.54	543.32
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,978,457.56	145,898.43	6,124,355.99	6,089,938.51	34,417.48
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	59,128.00	(56,862.40)	2,265.60		2,265.60
General Supplies	500.00		500.00		500.00
Total Behavioral Disabilities	59,628.00	(56,862.40)	2,765.60	-	2,765.60
Multiple Disabilities:					
Salaries of Teachers	332,546.00	61,070.15	393,616.15	389,867.55	3,748.60
Other Salaries for Instruction	100,373.00	20,148.09	120,521.09	104,360.11	16,160.98
Purchased Technical Services		511.90	511.90	511.90	-
Other Purchased Services (400-500 series)	1,500.00		1,500.00	943.48	556.52
General Supplies	6,500.00	(1,921.55)	4,578.45	3,213.28	1,365.17
Textbooks	3,500.00	(1,447.36)	2,052.64		2,052.64
Other Objects	500.00	153.00	653.00	153.00	500.00
Total Multiple Disabilities	444,919.00	78,514.23	523,433.23	499,049.32	24,383.91

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,106,403.00	\$ (88,108.33)	\$ 1,018,294.67	\$ 1,014,404.12	\$ 3,890.55
Purchased Prof- Educational Services	2,000.00	100.00	2,100.00	2,100.00	-
General Supplies	7,800.00	2,080.69	9,880.69	4,636.89	5,243.80
Textbooks	2,000.00		2,000.00		2,000.00
Total Resource Room/Resource Center	1,118,203.00	(85,927.64)	1,032,275.36	1,021,141.01	11,134.35
Preschool Disabilities - Full-Time:					
Salaries of Teachers	66,343.00	(1,694.00)	64,649.00	62,929.00	1,720.00
Other Salaries for Instruction	17,151.00	(2,046.26)	15,104.74	14,142.00	962.74
General Supplies	1,000.00	292.06	1,292.06	1,002.06	290.00
Total Preschool Disabilities - Full-Time:	84,494.00	(3,448.20)	81,045.80	78,073.06	2,972.74
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,707,244.00	(67,724.01)	1,639,519.99	1,598,263.39	41,256.60
Basic Skills/Remedial - Instruction					
Salaries of Teachers		42,528.00	42,528.00	42,528.00	-
Total Basic Skills/Remedial - Instruction	-	42,528.00	42,528.00	42,528.00	-
Vocational Programs - Local - Instruction					
Salaries of Teachers	356,801.00	(131,054.00)	225,747.00	222,723.00	3,024.00
Purchase Prof/Educ Services	51,333.00	26,967.00	78,300.00	78,291.00	9.00
Other Purchased Services (400-500 series)	4,000.00	20.00	4,020.00	4,020.00	-
General Supplies	15,000.00	(20.00)	14,980.00	13,005.86	1,974.14
Textbooks	11,000.00	(9,298.20)	1,701.80	1,017.58	684.22
Total Vocational Programs - Local - Instruction	438,134.00	(113,385.20)	324,748.80	319,057.44	5,691.36

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Activities. - Inst.					
Salaries	\$ 24,841.00	\$ 17,693.74	\$ 42,534.74	\$ 38,029.12	\$ 4,505.62
Purchased Services (300-500 series)	7,385.00	4,213.50	11,598.50	7,700.00	3,898.50
Supplies and Materials	7,000.00	(5,259.00)	1,741.00	1,737.45	3.55
Other Objects	2,081.00	503.00	2,584.00	744.67	1,839.33
Total School-Spon. Cocurricular Activities. - Inst.	41,307.00	17,151.24	58,458.24	48,211.24	10,247.00
School-Spon. Cocurricular Athletics - Inst.					
Salaries	178,399.00	58,505.92	236,904.92	235,768.92	1,136.00
Purchased Services (300-500 series)	66,288.89	4,979.59	71,268.48	69,737.14	1,531.34
Supplies and Materials	54,158.70	8,001.85	62,160.55	62,160.55	-
Other Objects	8,700.00	(1,842.11)	6,857.89	6,857.89	-
Total School-Spon. Cocurricular Athletics - Inst.	307,546.59	69,645.25	377,191.84	374,524.50	2,667.34
Before/After School Program - Inst.					
Salaries	26,352.00	(15,809.12)	10,542.88	7,384.00	3,158.88
Salaries of Teachers	1,800.00	(1,800.00)			-
Supplies and Materials		1,998.99	1,998.99	1,998.99	-
Total Before/After School Program - Inst.	28,152.00	(15,610.13)	12,541.87	9,382.99	3,158.88
Alternative Education Program - Inst.					
Salaries of Teachers	33,060.00	(7,365.00)	25,695.00	25,090.00	605.00
Salaries	26,820.00	30,670.08	57,490.08	57,490.08	-
Purchased Prof- Educational Services	29,000.00	(2,450.00)	26,550.00	26,550.00	-
Total Alternative Education Program - Inst.	88,880.00	20,855.08	109,735.08	109,130.08	605.00
Total Instruction	8,589,721.15	99,358.66	8,689,079.81	8,591,036.15	98,043.66

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expend. - Attend. & Social Work					
Salaries	\$ 201,568.00	\$ (3,160.52)	\$ 198,407.48	\$ 197,933.92	\$ 473.56
Supplies and Materials	500.00	629.37	1,129.37	1,037.95	91.42
Total Undistributed Expend. - Attend. & Social Work	202,068.00	(2,531.15)	199,536.85	198,971.87	564.98
Undistributed Expenditures - Health Services					
Salaries	186,286.00	5,617.53	191,903.53	191,839.81	63.72
Purchased Professional and Technical Services	200.00	(75.00)	125.00		125.00
Purchased Prof-Educational Services		2,544.00	2,544.00	2,544.00	-
Other Purchased Services (400-500 series)	200.00		200.00		200.00
Supplies and Materials	7,005.00	(472.07)	6,532.93	6,532.93	-
Other Objects	150.00	(6.50)	143.50	143.50	-
Total Undistributed Expenditures - Health Services	193,841.00	7,607.96	201,448.96	201,060.24	388.72
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	395,299.00	(9,233.18)	386,065.82	385,771.62	294.20
Salaries of Secretarial and Clerical Assistants	73,312.00	6,258.00	79,570.00	78,592.50	977.50
Other Salaries	58,315.00	122.61	58,437.61	58,431.12	6.49
Other Purchased Prof. and Tech. Services	23,580.00	(20,240.52)	3,339.48	3,219.34	120.14
Other Purchased Services (400-500 series)	3,000.00	5,489.38	8,489.38	8,263.72	225.66
Supplies and Materials	24,886.88	15,845.11	40,731.99	40,731.99	-
Other Objects	400.00	(67.35)	332.65	332.65	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	578,792.88	(1,825.95)	576,966.93	575,342.94	1,623.99
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	10,120.00	3,137.01	13,257.01	13,257.00	0.01
Salaries of Facilitators, Math, and Literacy Coaches	2,128.00	(2,053.07)	74.93		74.93
Supplies and Materials	6,000.00	(5,613.66)	386.34		386.34
Total Undist. Expend. - Improvement of Inst. Serv.	18,248.00	(4,529.72)	13,718.28	13,257.00	461.28

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 210,365.00	\$ 1,466.01	\$ 211,831.01	\$ 210,865.27	\$ 965.74
Salaries of Technology Coordinators	163,494.00	(688.83)	162,805.17	162,540.49	264.68
Purchased Professional and Technical Services	5,950.00	(3,208.74)	2,741.26	2,470.68	270.58
Supplies and Materials	7,285.06	(139.88)	7,145.18	6,431.81	713.37
Other Objects		100.00	100.00	100.00	-
	<u>387,094.06</u>	<u>(2,471.44)</u>	<u>384,622.62</u>	<u>382,408.25</u>	<u>2,214.37</u>
Total Undist. Expend. - Edu. Media Serv./Sch. Library					
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Servic	3000.00	48,964.93	51,964.93	46,280.69	5,684.24
Other Purchased Services (400-500 series)	23,500.00	(4,131.56)	19,368.44	12,707.10	6,661.34
Supplies and Materials	5,500.00	(2,157.47)	3,342.53	1,698.78	1,643.75
	<u>32,000.00</u>	<u>42,675.90</u>	<u>74,675.90</u>	<u>60,686.57</u>	<u>13,989.33</u>
Total Undist. Expend. - Instructional Staff Training Serv.					
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	586,843.00	5,978.03	592,821.03	592,821.03	-
Salaries of Other Professional Staff	99,506.00	497.92	100,003.92	100,003.92	-
Salaries of Secretarial and Clerical Assistants	92,523.00	(25,623.24)	66,899.76	66,709.36	190.40
Other Purchased Services (400-500 series)	8,882.00	8,895.59	17,777.59	17,777.59	-
Supplies and Materials	19,491.00	(10,267.94)	9,223.06	9,223.06	-
Other Objects	6,300.00	(805.00)	5,495.00	5,495.00	-
	<u>813,545.00</u>	<u>(21,324.64)</u>	<u>792,220.36</u>	<u>792,029.96</u>	<u>190.40</u>
Total Undist. Expend. - Support Serv. - School Admin.					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Security					
Salaries	\$ 79,041.00	\$ 8,310.66	\$ 87,351.66	\$ 87,170.75	\$ 180.91
Purchased Professional and Technical Services	84,000.00	4,434.34	88,434.34	88,434.34	-
Purchased Prof-Educational Services		4,596.66	4,596.66	4,596.66	-
General Supplies	2,150.00	(847.61)	1,302.39	1,302.39	-
Total Undist. Expend. - Security	165,191.00	16,494.05	181,685.05	181,504.14	180.91
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	155,000.00	(35,519.37)	119,480.63	106,832.95	12,647.68
Total Undist. Expend. - Student Transportation Serv.	155,000.00	(35,519.37)	119,480.63	106,832.95	12,647.68
UNALLOCATED BENEFITS					
Health Benefits	2,296,066.00	(180,597.29)	2,115,468.71	2,079,568.55	35,900.16
Other Employee Benefits	233,170.00	535.26	233,705.26	231,302.26	2,403.00
TOTAL UNALLOCATED BENEFITS	2,529,236.00	(180,062.03)	2,349,173.97	2,310,870.81	38,303.16
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,529,236.00	(180,062.03)	2,349,173.97	2,310,870.81	38,303.16
TOTAL UNDISTRIBUTED EXPENDITURES	5,075,015.94	(181,486.39)	4,893,529.55	4,822,964.73	70,564.82
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	13,664,737.09	(82,127.73)	13,582,609.36	13,414,000.88	168,608.48

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Increase in Capital Reserve					
Equipment					
School Sponsered and other Instructional Programs	\$ 53,151.05		\$ 53,151.05	\$ 53,151.05	
Undistributed Expenditures:					
Multiple Disabilities		\$ 2,497.50	2,497.50	2,497.50	
Preschool Disabilities		2,497.50	2,497.50	2,497.50	
Security		56,422.73	56,422.73	47,221.73	\$ 9,201.00
Total Equipment	<u>\$ 58,151.05</u>	<u>82,127.73</u>	<u>140,278.78</u>	<u>131,077.78</u>	<u>9,201.00</u>
TOTAL CAPITAL OUTLAY	<u>58,151.05</u>	<u>82,127.73</u>	<u>140,278.78</u>	<u>131,077.78</u>	<u>9,201.00</u>
TOTAL SCHOOL BASED EXPENDITURES	<u>13,722,888.14</u>		<u>13,722,888.14</u>	<u>13,545,078.66</u>	<u>177,809.48</u>
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	13,640,287.00	-	13,640,287.00	13,481,731.09	158,555.91
Total Other Financing Sources:	<u>13,640,287.00</u>	<u>-</u>	<u>13,640,287.00</u>	<u>13,481,731.09</u>	<u>158,555.91</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(82,601.14)	0.00	(82,601.14)	(63,347.57)	19,253.57
Fund Balance, July 1	<u>82,601.14</u>	<u>-</u>	<u>82,601.14</u>	<u>82,601.14</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,253.57</u>	<u>\$ 19,253.57</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

School: John Fenwick School

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 356,303.00	\$ 42,756.03	\$ 399,059.03	\$ 397,732.27	\$ 1,326.76
Grades 1-5 - Salaries of Teachers	762,995.00	(21,910.96)	741,084.04	735,748.88	5,335.16
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	114,269.00	24,616.64	138,885.64	138,885.64	-
Purchased Prof- Educational Services	7,500.00	(400.00)	7,100.00	7,080.00	20.00
Purchased Technical Services	32,107.00	(18,730.54)	13,376.46	13,376.46	-
Other Purchased Services (400-500 series)	13,757.00		13,757.00	12,881.28	875.72
General Supplies	69,744.13	38,197.38	107,941.51	107,746.03	195.48
Textbooks		2,090.00	2,090.00	2,064.44	25.56
Other Objects	5,300.00	(964.86)	4,335.14	4,335.14	-
	<u>1,361,975.13</u>	<u>65,653.69</u>	<u>1,427,628.82</u>	<u>1,419,850.14</u>	<u>7,778.68</u>
Multiple Disabilities:					
Salaries of Teachers	67,004.00	3,294.00	70,298.00	69,978.00	320.00
Other Salaries for Instruction	25,042.00	7,403.58	32,445.58	18,403.94	14,041.64
General Supplies	1,000.00	289.86	1,289.86	999.86	290.00
	<u>93,046.00</u>	<u>10,987.44</u>	<u>104,033.44</u>	<u>89,381.80</u>	<u>14,651.64</u>
Total Multiple Disabilities					
	<u>93,046.00</u>	<u>10,987.44</u>	<u>104,033.44</u>	<u>89,381.80</u>	<u>14,651.64</u>
Resource Room/Resource Center:					
Salaries of Teachers	52,728.00	32,882.56	85,610.56	85,310.56	300.00
General Supplies	500.00	286.33	786.33	701.20	85.13
	<u>53,228.00</u>	<u>33,168.89</u>	<u>86,396.89</u>	<u>86,011.76</u>	<u>385.13</u>
Total Resource Room/Resource Center					
	<u>53,228.00</u>	<u>33,168.89</u>	<u>86,396.89</u>	<u>86,011.76</u>	<u>385.13</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	66,343.00	(1,694.00)	64,649.00	62,929.00	1,720.00
Other Salaries for Instruction	17,151.00	(2,046.26)	15,104.74	14,142.00	962.74
General Supplies	1,000.00	292.06	1,292.06	1,002.06	290.00
	<u>84,494.00</u>	<u>(3,448.20)</u>	<u>81,045.80</u>	<u>78,073.06</u>	<u>2,972.74</u>
Total Preschool Disabilities - Full-Time:					
	<u>84,494.00</u>	<u>(3,448.20)</u>	<u>81,045.80</u>	<u>78,073.06</u>	<u>2,972.74</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION					
	<u>230,768.00</u>	<u>40,708.13</u>	<u>271,476.13</u>	<u>253,466.62</u>	<u>18,009.51</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
School-Spon. Cocurricular Actvts. - Inst. Salaries		\$ 2,886.00	\$ 2,886.00	\$ 2,886.00	\$ -
Total School-Spon. Cocurricular Actvts. - Inst.	\$ -	2,886.00	2,886.00	2,886.00	-
Before/After School Program - Inst. Salaries	22,032.00	(13,810.13)	8,221.87	7,384.00	837.87
Total Before/After School Program - Inst.	22,032.00	(13,810.13)	8,221.87	7,384.00	837.87
Total Instruction	1,614,775.13	95,437.69	1,710,212.82	1,683,586.76	26,626.06
Undistributed Expend. - Attend. & Social Work Salaries	46,088.00	1,308.00	47,396.00	47,257.73	138.27
Supplies and Materials	500.00	(29.63)	470.37	378.95	91.42
Total Undistributed Expend. - Attend. & Social Work	46,588.00	1,278.37	47,866.37	47,636.68	229.69
Undistributed Expenditures - Health Services Salaries	41,696.00	(1,312.00)	40,384.00	40,346.31	37.69
Purchased Professional and Technical Services	200.00	(75.00)	125.00		125.00
Purchased Prof- Educational Services		2,544.00	2,544.00	2,544.00	-
Other Purchased Services (400-500 series)	200.00		200.00		200.00
Supplies and Materials	3,000.00	434.08	3,434.08	3,434.08	-
Total Undistributed Expenditures - Health Services	45,096.00	1,591.08	46,687.08	46,324.39	362.69
Undist. Expend. - Guidance Salaries of Other Professional Staff	62,822.00	(934.80)	61,887.20	61,848.27	38.93
Other Salaries	19,361.00	(78.44)	19,282.56	19,282.20	0.36
Other Purchased Prof. and Tech. Services	1,600.00	(1,479.86)	120.14		120.14
Other Purchased Services		556.03	556.03	556.03	-
Supplies and Materials	1,000.00	1,218.90	2,218.90	2,218.90	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	84,783.00	(718.17)	84,064.83	83,905.40	159.43

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2013

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	\$ 3,120.00	\$ (559.83)	\$ 2,560.17	\$ 2,560.17	\$ -
Salaries of Facilitators, Math and Literacy Coaches	2,128.00	(2,053.07)	74.93		74.93
Total Undist. Expend. - Improvement of Inst. Serv.	5,248.00	(2,612.90)	2,635.10	2,560.17	74.93
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	63,862.00	(818.45)	63,043.55	63,043.27	0.28
Salaries of Technology Coordinators	88,146.00	441.12	88,587.12	88,587.12	-
Purchased Professional and Technical Services	1,400.00	(1,335.00)	65.00	65.00	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	153,408.00	(1,712.33)	151,695.67	151,695.39	0.28
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services	1,000.00	3,537.97	4,537.97	4,537.97	-
Other Purchased Services (400-500 series)	3,500.00	(2,147.19)	1,352.81	1,352.81	-
Supplies and Materials		986.28	986.28	986.28	-
Total Undist. Expend. - Instructional Staff Training Serv.	4,500.00	2,377.06	6,877.06	6,877.06	-
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	90,545.00	3,496.03	94,041.03	94,041.03	-
Salaries of Secretarial and Clerical Assistants	25,891.00	(25,891.00)			-
Other Purchased Services (400-500 series)	3,500.00	6,124.58	9,624.58	9,624.58	-
Supplies and Materials	6,500.00	(3,926.50)	2,573.50	2,573.50	-
Other Objects	900.00	500.00	1,400.00	1,400.00	-
Total Undist. Expend. - Support Serv. - School Admin.	127,336.00	(19,696.89)	107,639.11	107,639.11	-
Undist. Expend. - Security					
Salaries	24,763.00	73.00	24,836.00	24,655.09	180.91
Purchased Prof- Educational Services		2,298.33	2,298.33	2,298.33	-
General Supplies	900.00	(900.00)			-
Total Undist. Expend. - Security	25,663.00	1,471.33	27,134.33	26,953.42	180.91

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Student Transportation Serv. Contr Serv (Oth. Than Bet Home & Sch) - Vendors	\$ 6,000.00	\$ -	\$ 6,000.00	\$ 5,012.88	\$ 987.12
Total Undist. Expend. - Student Transportation Serv.	6,000.00	-	6,000.00	5,012.88	987.12
UNALLOCATED BENEFITS					
Health Benefits	523,407.00	(46,066.43)	477,340.57	468,591.51	8,749.06
Other Employee Benefits	89,115.00	3,004.97	92,119.97	89,716.97	2,403.00
TOTAL UNALLOCATED BENEFITS	612,522.00	(43,061.46)	569,460.54	558,308.48	11,152.06
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	612,522.00	(43,061.46)	569,460.54	558,308.48	11,152.06
TOTAL UNDISTRIBUTED EXPENDITURES	1,111,144.00	(61,083.91)	1,050,060.09	1,036,912.98	13,147.11
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	2,725,919.13	34,353.78	2,760,272.91	2,720,499.74	39,773.17
CAPITAL OUTLAY					
Undistributed Expenditures:					
Multiple Disabilities		2,497.50	2,497.50	2,497.50	-
Preschool Disabilities		2,497.50	2,497.50	2,497.50	-
Total Equipment	-	4,995.00	4,995.00	4,995.00	-
TOTAL CAPITAL OUTLAY	-	4,995.00	4,995.00	4,995.00	-
TOTAL SCHOOL BASED EXPENDITURES	2,725,919.13	39,348.78	2,765,267.91	2,725,494.74	39,773.17
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	2,715,175.00	39,348.78	2,754,523.78	2,714,937.55	39,586.23
Total Other Financing Sources:	2,715,175.00	39,348.78	2,754,523.78	2,714,937.55	39,586.23
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(10,744.13)		(10,744.13)	(10,557.19)	186.94
Fund Balance, July 1	10,744.13		10,744.13	10,744.13	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 186.94	\$ 186.94

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	\$ 1,057,063.00	\$ (2,049.72)	\$ 1,055,013.28	\$ 1,055,013.28	\$ -
Grades 6-8 - Salaries of Teachers	989,488.00	(13,831.33)	975,656.67	974,294.26	1,362.41
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	31,700.00	158.00	31,858.00	31,858.00	-
Purchased Prof- Educational Services	4,100.00	11,900.00	16,000.00	16,000.00	-
Purchased Technical Services	40,000.00	(21,506.55)	18,493.45	18,493.45	-
Other Purchased Services (400-500 series)	21,200.00		21,200.00	16,260.60	4,939.40
General Supplies	87,463.73	93,359.20	180,822.93	180,822.93	-
Textbooks	5,000.00	(480.64)	4,519.36	3,521.75	997.61
Other Objects	1,200.00	(194.60)	1,005.40	1,005.40	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,237,214.73	67,354.36	2,304,569.09	2,297,269.67	7,299.42
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	59,128.00	(56,862.40)	2,265.60		2,265.60
General Supplies	500.00		500.00		500.00
Total Behavioral Disabilities	59,628.00	(56,862.40)	2,765.60	-	2,765.60
Multiple Disabilities:					
Salaries of Teachers	207,694.00	57,428.15	265,122.15	262,282.55	2,839.60
Other Salaries for Instruction	54,019.00	12,744.51	66,763.51	65,367.67	1,395.84
Purchased Technical Services		511.90	511.90	511.90	-
General Supplies	1,500.00	136.59	1,636.59	1,568.42	68.17
Textbooks	1,500.00	(1,447.36)	52.64		52.64
Other Objects		153.00	153.00	153.00	-
Total Multiple Disabilities	264,713.00	69,526.79	334,239.79	329,883.54	4,356.25

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Resource Room/Resource Center:					
Salaries of Teachers	\$ 411,021.00	\$ (56,242.06)	\$ 354,778.94	\$ 354,730.06	\$ 48.88
General Supplies	2,300.00	1,294.36	3,594.36	1,506.36	2,088.00
Total Resource Room/Resource Center	<u>413,321.00</u>	<u>(54,947.70)</u>	<u>358,373.30</u>	<u>356,236.42</u>	<u>2,136.88</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>737,662.00</u>	<u>(42,283.31)</u>	<u>695,378.69</u>	<u>686,119.96</u>	<u>9,258.73</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers		42,528.00	42,528.00	42,528.00	-
Total Basic Skills/Remedial - Instruction	-	42,528.00	42,528.00	42,528.00	-
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	4,841.00	9,713.50	14,554.50	14,554.50	-
Other Purchased Services (400-500 series)	600.00	1,949.25	2,549.25	600.00	1,949.25
Supplies and Materials	1,000.00	(4.00)	996.00	992.45	3.55
Other Objects	2,081.00	(496.50)	1,584.50	414.84	1,169.66
Total School-Spon. Cocurricular Actvts. - Inst.	<u>8,522.00</u>	<u>11,162.25</u>	<u>19,684.25</u>	<u>16,561.79</u>	<u>3,122.46</u>
School-Spon. Cocurricular Athletics - Inst.					
Salaries	10,304.00	(3,000.00)	7,304.00	6,168.00	1,136.00
Other Purchased Services (400-500 series)	2,880.00	(548.75)	2,331.25	2,300.00	31.25
Supplies and Materials	1,558.70	(1,500.00)	58.70	58.70	-
Other Objects	900.00	(900.00)			-
Total School-Spon. Cocurricular Athletics - Inst.	<u>15,642.70</u>	<u>(5,948.75)</u>	<u>9,693.95</u>	<u>8,526.70</u>	<u>1,167.25</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Before/After School Program - Inst.					
Salaries	\$ 4,320.00	\$ (1,998.99)	\$ 2,321.01		\$ 2,321.01
Supplies and Materials		1,998.99	1,998.99	\$ 1,998.99	-
Total Before/After School Program - Inst.	4,320.00	-	4,320.00	1,998.99	2,321.01
Alternative Education Program - Inst.					
Salaries of Teachers	14,560.00	(14,365.00)	195.00		195.00
Salaries	15,020.00	(15,020.00)			-
Total Alternative Education Program - Inst.	29,580.00	(29,385.00)	195.00	-	195.00
Total Instruction	3,032,941.43	43,427.55	3,076,368.98	3,053,005.11	23,363.87
Undistributed Expend. - Attend. & Social Work					
Salaries	58,529.00	(3,186.06)	55,342.94	55,007.65	335.29
Supplies and Materials		659.00	659.00	659.00	-
Total Undistributed Expend. - Attend. & Social Work	58,529.00	(2,527.06)	56,001.94	55,666.65	335.29
Undistributed Expenditures - Health Services					
Salaries	72,643.00	3,256.00	75,899.00	75,899.00	-
Supplies and Materials	2,500.00	(959.12)	1,540.88	1,540.88	-
Other Objects	150.00	(6.50)	143.50	143.50	-
Total Undistributed Expenditures - Health Services	75,293.00	2,290.38	77,583.38	77,583.38	-

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	\$ 122,678.00	\$ (9,963.88)	\$ 112,714.12	\$ 112,458.85	\$ 255.27
Salaries of Secretarial and Clerical Assistants	39,242.00	172.00	39,414.00	39,414.00	-
Other Salaries	19,186.00	96.32	19,282.32	19,282.32	-
Other Purchased Professional & Tech. Services	4,380.00	(4,380.00)			-
Other Purchased Services		618.69	618.69	611.65	7.04
Supplies and Materials	2,778.88	2,865.69	5,644.57	5,644.57	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	188,264.88	(10,591.18)	177,673.70	177,411.39	262.31
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries		8,179.17	8,179.17	8,179.17	-
Total Undist. Expend. - Improvement of Inst. Serv.	-	8,179.17	8,179.17	8,179.17	-
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	59,710.00	(531.00)	59,179.00	59,179.00	-
Salaries of Technology Coordinators	38,628.00	(1,314.03)	37,313.97	37,049.29	264.68
Purchased Professional and Technical Services	2,850.00	(1,689.66)	1,160.34	1,160.34	-
Supplies and Materials	285.06	997.16	1,282.22	1,282.22	-
Other Objects		50.00	50.00	50.00	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	101,473.06	(2,487.53)	98,985.53	98,720.85	264.68

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services	\$ 1,000.00	\$ 22,408.25	\$ 23,408.25	\$ 20,890.67	\$ 2,517.58
Other Purchased Services (400-500 series)		2,352.78	2,352.78	482.78	1,870.00
Supplies and Materials	\$ 3,500.00	(3,143.75)	356.25	356.25	-
Total Undist. Expend. - Instructional Staff Training Serv.	4,500.00	21,617.28	26,117.28	21,729.70	4,387.58
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	279,297.00	1,397.16	280,694.16	280,694.16	-
Salaries of Secretarial and Clerical Assistants	29,466.00	397.44	29,863.44	29,863.44	-
Other Purchased Services (400-500 series)	2,782.00	1,752.92	4,534.92	4,534.92	-
Supplies and Materials	4,991.00	(1,081.55)	3,909.45	3,909.45	-
Other Objects	2,400.00		2,400.00	2,400.00	-
Total Undist. Expend. - Support Serv. - School Admin.	318,936.00	2,465.97	321,401.97	321,401.97	-
Undist. Expend. - Security					
Salaries	24,388.00	478.00	24,866.00	24,866.00	-
Purchased Prof- Educational Services		2,298.33	2,298.33	2,298.33	-
General Supplies	250.00	(250.00)			-
Total Undist. Expend. - Security	24,638.00	2,526.33	27,164.33	27,164.33	-
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	19,000.00	(4,582.26)	14,417.74	9,801.06	4,616.68
Total Undist. Expend. - Student Transportation Serv.	19,000.00	(4,582.26)	14,417.74	9,801.06	4,616.68
UNALLOCATED BENEFITS					
Health Benefits	830,069.00	(70,414.42)	759,654.58	741,100.21	18,554.37
Other Employee Benefits	91,258.00	(769.00)	90,489.00	90,489.00	-
TOTAL UNALLOCATED BENEFITS	921,327.00	(71,183.42)	850,143.58	831,589.21	18,554.37

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 921,327.00	\$ (71,183.42)	\$ 850,143.58	\$ 831,589.21	\$ 18,554.37
TOTAL UNDISTRIBUTED EXPENDITURES	1,711,960.94	(54,292.32)	1,657,668.62	1,629,247.71	28,420.91
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	4,744,902.37	(10,864.77)	4,734,037.60	4,682,252.82	51,784.78
TOTAL SCHOOL BASED EXPENDITURES	4,744,902.37	(10,864.77)	4,734,037.60	4,682,252.82	51,784.78
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	4,738,948.00	(10,864.77)	4,728,083.23	4,679,954.86	48,128.37
Total Other Financing Sources:	4,738,948.00	(10,864.77)	4,728,083.23	4,679,954.86	48,128.37
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(5,954.37)		(5,954.37)	(2,297.96)	3,656.41
Fund Balance, July 1	5,954.37		5,954.37	5,954.37	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 3,656.41	\$ 3,656.41

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	\$ 2,125,236.00	\$ 60,224.94	\$ 2,185,460.94	\$ 2,185,460.94	\$ -
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		28,319.82	28,319.82	24,599.20	3,720.62
Purchased Prof- Educational Services	30,000.00	(19,340.00)	10,660.00	10,660.00	-
Purchased Technical Services	30,000.00	(10,051.12)	19,948.88	19,749.18	199.70
Other Purchased Services (400-500 series)	41,500.00	(8,832.15)	32,667.85	19,754.53	12,913.32
General Supplies	102,531.70	(586.47)	101,945.23	100,154.37	1,790.86
Textbooks	50,000.00	(37,841.96)	12,158.04	11,986.48	171.56
Other Objects		997.32	997.32	454.00	543.32
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,379,267.70</u>	<u>12,890.38</u>	<u>2,392,158.08</u>	<u>2,372,818.70</u>	<u>19,339.38</u>
Multiple Disabilities:					
Salaries of Teachers	57,848.00	348.00	58,196.00	57,607.00	589.00
Other Salaries for Instruction	21,312.00		21,312.00	20,588.50	723.50
Other Purchased Services (400-500 series)	1,500.00		1,500.00	943.48	556.52
General Supplies	4,000.00	(2,348.00)	1,652.00	645.00	1,007.00
Textbooks	2,000.00		2,000.00		2,000.00
Other Objects	500.00		500.00		500.00
Total Multiple Disabilities	<u>87,160.00</u>	<u>(2,000.00)</u>	<u>85,160.00</u>	<u>79,783.98</u>	<u>5,376.02</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 642,654.00	\$ (64,748.83)	\$ 577,905.17	\$ 574,363.50	\$ 3,541.67
Purchased Prof- Educational Services	2,000.00	100.00	2,100.00	2,100.00	-
General Supplies	5,000.00	500.00	5,500.00	2,429.33	3,070.67
Textbooks	2,000.00		2,000.00		2,000.00
	<u>651,654.00</u>	<u>(64,148.83)</u>	<u>587,505.17</u>	<u>578,892.83</u>	<u>8,612.34</u>
Total Resource Room/Resource Center	<u>651,654.00</u>	<u>(64,148.83)</u>	<u>587,505.17</u>	<u>578,892.83</u>	<u>8,612.34</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>738,814.00</u>	<u>(66,148.83)</u>	<u>672,665.17</u>	<u>658,676.81</u>	<u>13,988.36</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	356,801.00	(131,054.00)	225,747.00	222,723.00	3,024.00
Purchase Prof/Educ Services	51,333.00	26,967.00	78,300.00	78,291.00	9.00
Purchased Services (300-500 series)	4,000.00	20.00	4,020.00	4,020.00	-
General Supplies	15,000.00	(20.00)	14,980.00	13,005.86	1,974.14
Textbooks	11,000.00	(9,298.20)	1,701.80	1,017.58	684.22
	<u>438,134.00</u>	<u>(113,385.20)</u>	<u>324,748.80</u>	<u>319,057.44</u>	<u>5,691.36</u>
Total Vocational Programs - Local - Instruction	<u>438,134.00</u>	<u>(113,385.20)</u>	<u>324,748.80</u>	<u>319,057.44</u>	<u>5,691.36</u>
School-Spon. Cocurricular Activities - Inst.					
Salaries	20,000.00	5,094.24	25,094.24	20,588.62	4,505.62
Purchased Services (300-500 series)	6,785.00	2,264.25	9,049.25	7,100.00	1,949.25
Supplies and Materials	6,000.00	(5,255.00)	745.00	745.00	-
Other Objects		999.50	999.50	329.83	669.67
	<u>32,785.00</u>	<u>3,102.99</u>	<u>35,887.99</u>	<u>28,763.45</u>	<u>7,124.54</u>
Total School-Spon. Cocurricular Activities. - Inst.	<u>32,785.00</u>	<u>3,102.99</u>	<u>35,887.99</u>	<u>28,763.45</u>	<u>7,124.54</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2013

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Athletics - Inst.					
Salaries	\$ 168,095.00	\$ 61,505.92	\$ 229,600.92	\$ 229,600.92	\$ -
Purchased Services (300-500 series)	63,408.89	5,528.34	68,937.23	67,437.14	1,500.09
Supplies and Materials	52,600.00	9,501.85	62,101.85	62,101.85	-
Other Objects	7,800.00	(942.11)	6,857.89	6,857.89	-
	<u>291,903.89</u>	<u>75,594.00</u>	<u>367,497.89</u>	<u>365,997.80</u>	<u>1,500.09</u>
Total School-Spon. Cocurricular Athletics - Inst.					
Before/After School Program - Inst.					
Salaries of Teachers	1,800.00	(1,800.00)			-
	<u>1,800.00</u>	<u>(1,800.00)</u>	-	-	-
Total Before/After School Program - Inst.					
Alternative Education Program - Inst.					
Salaries of Teachers	18,500.00	7,000.00	25,500.00	25,090.00	410.00
Salaries	11,800.00	45,690.08	57,490.08	57,490.08	-
Purchased Prof- Educational Services	29,000.00	(2,450.00)	26,550.00	26,550.00	-
	<u>59,300.00</u>	<u>50,240.08</u>	<u>109,540.08</u>	<u>109,130.08</u>	<u>410.00</u>
Total Alternative Education Program - Inst.					
Total Instruction	<u>3,942,004.59</u>	<u>(39,506.58)</u>	<u>3,902,498.01</u>	<u>3,854,444.28</u>	<u>48,053.73</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	96,951.00	(1,282.46)	95,668.54	95,668.54	-
	<u>96,951.00</u>	<u>(1,282.46)</u>	<u>95,668.54</u>	<u>95,668.54</u>	<u>-</u>
Total Undistributed Expend. - Attend. & Social Work					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expenditures - Health Services					
Salaries	\$ 71,947.00	\$ 3,673.53	\$ 75,620.53	\$ 75,594.50	\$ 26.03
Supplies and Materials	1,505.00	52.97	1,557.97	1,557.97	-
Total Undistributed Expenditures - Health Services	<u>73,452.00</u>	<u>3,726.50</u>	<u>77,178.50</u>	<u>77,152.47</u>	<u>26.03</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	209,799.00	1,665.50	211,464.50	211,464.50	-
Salaries of Secretarial and Clerical Assistants	34,070.00	6,086.00	40,156.00	39,178.50	977.50
Other Salaries	19,768.00	104.73	19,872.73	19,866.60	6.13
Other Purchased Prof. and Tech. Services	17,600.00	(14,380.66)	3,219.34	3,219.34	-
Other Purchased Services (400-500 series)	3,000.00	4,314.66	7,314.66	7,096.04	218.62
Supplies and Materials	21,108.00	11,760.52	32,868.52	32,868.52	-
Other Objects	400.00	(67.35)	332.65	332.65	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	<u>305,745.00</u>	<u>9,483.40</u>	<u>315,228.40</u>	<u>314,026.15</u>	<u>1,202.25</u>
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	7,000.00	(4,482.33)	2,517.67	2,517.66	0.01
Supplies and Materials	6,000.00	(5,613.66)	386.34	386.34	386.34
Total Undist. Expend. - Improvement of Inst. Serv.	<u>13,000.00</u>	<u>(10,095.99)</u>	<u>2,904.01</u>	<u>2,517.66</u>	<u>386.35</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 86,793.00	\$ 2,815.46	\$ 89,608.46	\$ 88,643.00	\$ 965.46
Salaries of Technology Coordinators	36,720.00	184.08	36,904.08	36,904.08	-
Purchased Professional and Technical Services	1,700.00	(184.08)	1,515.92	1,245.34	270.58
Supplies and Materials	7,000.00	(1,137.04)	5,862.96	5,149.59	713.37
Other Objects		50.00	50.00	50.00	-
	<u>132,213.00</u>	<u>1,728.42</u>	<u>133,941.42</u>	<u>131,992.01</u>	<u>1,949.41</u>
Total Undist. Expend. - Edu. Media Serv./Sch. Library					
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services	1,000.00	23,018.71	24,018.71	20,852.05	3,166.66
Other Purchased Services (400-500 series)	20,000.00	(4,337.15)	15,662.85	10,871.51	4,791.34
Supplies and Materials	2,000.00		2,000.00	356.25	1,643.75
	<u>23,000.00</u>	<u>18,681.56</u>	<u>41,681.56</u>	<u>32,079.81</u>	<u>9,601.75</u>
Total Undist. Expend. - Instructional Staff Training Serv.					
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	217,001.00	1,084.84	218,085.84	218,085.84	-
Salaries of Other Professional Staff	99,506.00	497.92	100,003.92	100,003.92	-
Salaries of Secretarial and Clerical Assistants	37,166.00	(129.68)	37,036.32	36,845.92	190.40
Other Purchased Services (400-500 series)	2,600.00	1,018.09	3,618.09	3,618.09	-
Supplies and Materials	8,000.00	(5,259.89)	2,740.11	2,740.11	-
Other Objects	3,000.00	(1,305.00)	1,695.00	1,695.00	-
	<u>367,273.00</u>	<u>(4,093.72)</u>	<u>363,179.28</u>	<u>362,988.88</u>	<u>190.40</u>
Total Undist. Expend. - Support Serv. - School Admin.					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Security					
Salaries	\$ 29,890.00	\$ 7,759.66	\$ 37,649.66	\$ 37,649.66	\$ -
Purchased Professional and Technical Services	84,000.00	4,434.34	88,434.34	88,434.34	-
General Supplies	1,000.00	302.39	1,302.39	1,302.39	-
Total Undist. Expend. - Security	<u>114,890.00</u>	<u>12,496.39</u>	<u>127,386.39</u>	<u>127,386.39</u>	<u>-</u>
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	130,000.00	(30,937.11)	99,062.89	92,019.01	7,043.88
Total Undist. Expend. - Student Transportation Serv.	<u>130,000.00</u>	<u>(30,937.11)</u>	<u>99,062.89</u>	<u>92,019.01</u>	<u>7,043.88</u>
UNALLOCATED BENEFITS					
Health Benefits	942,590.00	(64,116.44)	878,473.56	869,876.83	8,596.73
Other Employee Benefits	52,797.00	(1,700.71)	51,096.29	51,096.29	-
TOTAL UNALLOCATED BENEFITS	<u>995,387.00</u>	<u>(65,817.15)</u>	<u>929,569.85</u>	<u>920,973.12</u>	<u>8,596.73</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>995,387.00</u>	<u>(65,817.15)</u>	<u>929,569.85</u>	<u>920,973.12</u>	<u>8,596.73</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>2,251,911.00</u>	<u>(66,110.16)</u>	<u>2,185,800.84</u>	<u>2,156,804.04</u>	<u>28,996.80</u>
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	<u>6,193,915.59</u>	<u>(105,616.74)</u>	<u>6,088,298.85</u>	<u>6,011,248.32</u>	<u>77,050.53</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2013

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
CAPITAL OUTLAY					
Increase in Capital Reserve					
Equipment					
Regular Programs - Instruction:					
Grades 9-12	\$ 5,000.00	\$ 20,710.00	\$ 25,710.00	\$ 25,710.00	\$ -
School Sponsored and other Instructional Programs	53,151.05	-	53,151.05	53,151.05	-
Undistributed Expenditures:					
Security		56,422.73	56,422.73	47,221.73	9,201.00
Total Equipment	58,151.05	77,132.73	135,283.78	126,082.78	9,201.00
TOTAL CAPITAL OUTLAY	58,151.05	77,132.73	135,283.78	126,082.78	9,201.00
TOTAL SCHOOL BASED EXPENDITURES	6,252,066.64	(28,484.01)	6,223,582.63	6,137,331.10	86,251.53
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	6,186,164.00	(28,484.01)	6,157,679.99	6,086,838.68	70,841.31
Total Other Financing Sources:	6,186,164.00	(28,484.01)	6,157,679.99	6,086,838.68	70,841.31
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(65,902.64)	0.00	(65,902.64)	(50,492.42)	15,410.22
Fund Balance, July 1	65,902.64	-	65,902.64	65,902.64	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 15,410.22	\$ 15,410.22

SPECIAL REVENUE FUND

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

	N.C.L.B.					Total Carried Forward
	Title I		Title II			
	Part A		Part A - Training			
	2012-13	2011-12 Carryover	2011-12	2012-13	2011-12	
REVENUES:						
Federal Sources	\$ 744,026.67	\$ 5,231.77	\$ 138,956.10	\$ 143,424.00	\$ 13,513.91	\$ 1,045,152.45
State Sources						
Local Sources						
Total Revenues	744,026.67	5,231.77	138,956.10	143,424.00	13,513.91	1,045,152.45
EXPENDITURES:						
Instruction:						
Salaries	341,881.00		71,478.83	50,260.00		463,619.83
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional and Technical Services	91,027.50					91,027.50
Other Purchased Services (400-500 series)	417.74					417.74
Tuition						
Supplies and Material	1,162.50					1,162.50
Equipment						
Other Objects	2,427.58					2,427.58
Total Instruction	436,916.32		71,478.83	50,260.00		558,655.15
Support Services:						
Salaries	56,441.66					56,441.66
Salaries - Superv Instruction						
Salaries of Principals/Asst. Principals/Program Directors						
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Salaries - Other						
Sal. of Facilitators, Math, Literacy, and Master Teacher						
Personal Services - Employee Benefits	77,707.71		5,656.10	10,063.00		93,426.81
Purchased Professional and Technical Services	172,317.00	5,231.77	61,821.17	83,101.00	13,513.91	335,984.85
Other Purchased Professional Services – Educational Services						
Cleaning, Repair & Maintenance Services						
Other Purchased Services (400-500 series)						
Travel						
Supplies and Material	643.98					643.98
Other Objects						
Total Support Services	307,110.35	5,231.77	67,477.27	93,164.00	13,513.91	486,497.30
Facilities Acquisition/Construction:						
Construction Services						
Total Facilities Acquisition & Construction Services						
Total Expenditures	744,026.67	5,231.77	138,956.10	143,424.00	13,513.91	1,045,152.45
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Total Brought Forward	I.D.E.A. Part B		McKinney	Perkins	Total Carried Forward
		Basic	Preschool	Education for Homeless Children	Vocational	
		2012-13	2012-13	2012-13	2012-13	
REVENUES:						
Federal Sources	\$ 1,045,152.45	\$ 327,855.00	\$ 8,087.00	\$ 6,439.26	\$ 16,681.00	\$ 1,404,214.71
State Sources						
Local Sources						
Total Revenues	1,045,152.45	327,855.00	8,087.00	6,439.26	16,681.00	1,404,214.71
EXPENDITURES:						
Instruction:						
Salaries	463,619.83					463,619.83
Salaries of Teachers						
Other Salaries for Instruction			7,512.00			7,512.00
Purchased Professional and Technical Services	91,027.50				3,780.00	94,807.50
Other Purchased Services (400-500 series)	417.74					417.74
Tuition		327,855.00				327,855.00
Supplies and Material	1,162.50				9,402.27	10,564.77
Equipment						
Other Objects	2,427.58				1,441.28	3,868.86
Total Instruction	558,655.15	327,855.00	7,512.00		14,623.55	908,645.70
Support Services:						
Salaries	56,441.66				775.00	57,216.66
Salaries - Superv Instruction						
Salaries of Principals/Asst. Principals/Program Directors						
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Salaries - Other						
Sal. of Facilitators, Math, Literacy, and Master Teacher						
Personal Services - Employee Benefits	93,426.81		575.00		59.00	94,060.81
Purchased Professional and Technical Services	335,984.85					335,984.85
Other Purchased Professional Services – Educational Services						
Cleaning, Repair & Maintenance Services						
Other Purchased Services (400-500 series)				1,070.06	417.74	1,487.80
Travel						
Supplies and Material	643.98			5,369.20	805.71	6,818.89
Other Objects						
Total Support Services	486,497.30		575.00	6,439.26	2,057.45	495,569.01
Facilities Acquisition/Construction:						
Construction Services						
Total Facilities Acquisition and Construction Services						
Total Expenditures	1,045,152.45	327,855.00	8,087.00	6,439.26	16,681.00	1,404,214.71
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Total Brought Forward	Preschool	School Based	Family	Toolbox	Safety Grant	Total
		Education Aid	Youth Services	Friendly Centers	for Education Grant		
		2012-13	2012-13	2012-13	2011-12	2011-12	
REVENUES:							
Federal Sources	\$ 1,404,214.71						\$ 1,404,214.71
State Sources		\$ 1,843,289.00	\$ 268,776.00	\$ 45,463.00			2,157,528.00
Local Sources					\$ 2,000.00	\$ 11,005.00	13,005.00
Total Revenues	1,404,214.71	1,843,289.00	268,776.00	45,463.00	2,000.00	11,005.00	3,574,747.71
EXPENDITURES:							
Instruction:							
Salaries	463,619.83						463,619.83
Salaries of Teachers		800,800.82		30,121.00			830,921.82
Other Salaries for Instruction	7,512.00	242,299.45					249,811.45
Purchased Professional and Technical Services	94,807.50						94,807.50
Other Purchased Services (400-500 series)	417.74	7,050.57					7,468.31
Tuition	327,855.00						327,855.00
Supplies and Material	10,564.77	43,607.95		1,571.77			55,744.49
Equipment			5,176.00				5,176.00
Other Objects	3,868.86	2,037.60		1,110.75			7,017.21
Total Instruction	908,645.70	1,095,796.39	5,176.00	32,803.52			2,042,421.61
Support Services:							
Salaries	57,216.66						57,216.66
Salaries - Superv Instruction		95,845.92					95,845.92
Salaries of Principals/Asst. Principals/Program Directors				4,000.00			4,000.00
Salaries of Other Professional Staff		72,653.61	97,884.97	2,210.00			172,748.58
Salaries of Secretarial and Clerical Assistants		41,402.08	35,343.12	1,944.00			78,689.20
Salaries - Other		46,267.15					46,267.15
Sal. of Facilitators, Math, Literacy, and Master Teacher		68,539.00					68,539.00
Personal Services - Employee Benefits	94,060.81	389,505.42	53,915.15	2,928.05			540,409.43
Purchased Professional and Technical Services	335,984.85		56,190.00	915.00			393,089.85
Other Purchased Professional Services – Educational Services		18,859.26					18,859.26
Cleaning, Repair & Maintenance Services		4,023.25					4,023.25
Other Purchased Services (400-500 series)	1,487.80		1,044.35	662.43			3,194.58
Travel		1,809.28					1,809.28
Supplies and Material	6,818.89	7,787.64	3,946.77		2,000.00		20,553.30
Other Objects		800.00	15,275.64				16,075.64
Total Support Services	495,569.01	747,492.61	263,600.00	12,659.48	2,000.00		1,521,321.10
Facilities Acquisition/Construction:							
Construction Services						11,005.00	11,005.00
Total Facilities Acquisition and Construction Services						11,005.00	11,005.00
Total Expenditures	1,404,214.71	1,843,289.00	268,776.00	45,463.00	2,000.00	11,005.00	3,574,747.71
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 805,361.00	\$ (4,560.18)	\$ 800,800.82	\$ 800,800.82	
Other Salaries for Instruction	256,554.00	(14,254.55)	242,299.45	242,299.45	
Other Purchased Services (400-500 series)	10,400.00	(3,349.43)	7,050.57	7,050.57	
Supplies and Materials	29,362.00	14,245.95	43,607.95	43,607.95	
Other Objects	-	2,037.60	2,037.60	2,037.60	
Total Instruction	1,101,677.00	(5,880.61)	1,095,796.39	1,095,796.39	\$ -
Support Services:					
Salaries - Superv Instruction	95,836.00	9.92	95,845.92	95,845.92	
Salaries of Other Professional Staff	67,879.00	4,774.61	72,653.61	72,653.61	
Salaries of Secretarial and Clerical Assistants	40,266.00	1,136.08	41,402.08	41,402.08	
Salaries - Other	-	46,267.15	46,267.15	46,267.15	
Sal. of Facilitators, Math, Literacy, and Master Teacher	65,748.00	2,791.00	68,539.00	68,539.00	
Personal Services - Employee Benefits	420,643.00	(31,137.58)	389,505.42	389,505.42	
Other Purchased Professional Services – Educational Services	30,667.00	(11,807.74)	18,859.26	18,859.26	
Other Purchased Professional Services	2,000.00	(2,000.00)	-	-	
Cleaning, Repair & Maintenance Services	-	4,023.25	4,023.25	4,023.25	
Contracted Services - Transportation Other than Between Home and School	4,500.00	(4,500.00)	-	-	
Travel	3,000.00	-1190.72	1,809.28	1,809.28	
Supplies and Material	2,500.00	5,287.64	7,787.64	7,787.64	
Other Objects	2,633.00	(1,833.00)	800.00	800.00	
Total Support Services	735,672.00	11,820.61	747,492.61	747,492.61	-
Facilities Acquisition/Construction:					
Instructional Equipment	5,940.00	(5,940.00)	-	-	-
Total Expenditures	\$ 1,843,289.00	\$ -	\$ 1,843,289.00	\$ 1,843,289.00	\$ -
<u>Calculation of Budget and Carryover</u>					
Total 2012-2013 Preschool Education Aid Allocation					\$ 1,843,289.00
Add: Actual Preschool Education Aid Carryover June 30, 2012					<u>10,436.25</u>
Total Preschool Education Aid Funds Available for 2012-13 Budget					1,853,725.25
Less: 2012-13 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)					<u>1,843,289.00</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2013					10,436.25
Add: June 30, 2013 Unexpended Preschool Education Aid					<u>-</u>
2012-13 Carryover - Preschool Education Aid/Preschool					<u>\$ 10,436.25</u>
2012-13 Preschool Education Aid Carryover Budgeted for Preschool Programs 2013-14					<u>\$ 10,436.00</u>

CITY OF SALEM SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid Expenditures
 Preschool - Full Day 3yr and 4 yr - Regular
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 805,361.00	\$ (4,560.18)	\$ 800,800.82	\$ 800,800.82	
Other Salaries for Instruction	256,554.00	(14,254.55)	242,299.45	242,299.45	
Other Purchased Services (400-500 series)	10,400.00	(3,349.43)	7,050.57	7,050.57	
Supplies and Materials	29,362.00	14,245.95	43,607.95	43,607.95	
Other Objects		2,037.60	2,037.60	2,037.60	
Total Instruction	1,101,677.00	(5,880.61)	1,095,796.39	1,095,796.39	\$ -
Support Services:					
Salaries - Superv Instruction	95,836.00	9.92	95,845.92	95,845.92	
Salaries of Other Professional Staff	67,879.00	4,774.61	72,653.61	72,653.61	
Salaries of Secretarial and Clerical Assistants	40,266.00	1,136.08	41,402.08	41,402.08	
Salaries - Other		46,267.15	46,267.15	46,267.15	
Sal. of Facilitators, Math, Literacy, and Master Teacher	65,748.00	2,791.00	68,539.00	68,539.00	
Personal Services - Employee Benefits	420,643.00	(31,137.58)	389,505.42	389,505.42	
Other Purchased Professional Services – Educational Services	30,667.00	(11,807.74)	18,859.26	18,859.26	
Other Purchased Professional Services	2,000.00	(2,000.00)	-	-	
Cleaning, Repair & Maintenance Services		4,023.25	4,023.25	4,023.25	
Contracted Services - Transportation Other than Between Home and School	4,500.00	(4,500.00)			
Travel	3,000.00	(1,190.72)	1,809.28	1,809.28	
Supplies and Material	2,500.00	5,287.64	7,787.64	7,787.64	
Other Objects	2,633.00	(1,833.00)	800.00	800.00	
Total Support Services	735,672.00	11,820.61	747,492.61	747,492.61	-
Facilities Acquisition/Construction:					
Instructional Equipment	5,940.00	(5,940.00)	-	-	
Total Expenditures	\$ 1,843,289.00	\$ -	\$ 1,843,289.00	\$ 1,843,289.00	\$ -

Calculation of Budget and Carryover

Total 2012-2013 Preschool Education Aid Allocation	\$ 1,843,289.00
Add: Actual Preschool Education Aid Carryover June 30, 2012	<u>10,436.25</u>
Total Preschool Education Aid Funds Available for 2012-13 Budget	1,853,725.25
Less: 2012-13 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)	<u>1,843,289.00</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2013	10,436.25
Add: June 30, 2013 Unexpended Preschool Education Aid	<u>-</u>
2012-13 Carryover - Preschool Education Aid/Preschool	<u>\$ 10,436.25</u>
2012-13 Preschool Education Aid Carryover Budgeted for Preschool Programs 2013-14	<u>\$ 10,436.00</u>

CAPITAL PROJECTS FUND

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2013

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditure to Date</u>		<u>Unexpended Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>	
(a) Replacement of Roof at the Middle School	07/08/09	\$ 325,260.00	\$ 325,260.00	\$ -	\$ -
		<u>\$ 325,260.00</u>	<u>\$ 325,260.00</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Revenues, Expenditures and Changes in Fund Balance--Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

Revenues and Other Financing Sources:	
Bond Proceeds	
State Sources	
Transfer from Capital Outlay	
Total Revenues	\$ -
Expenditures and Other Financing Uses:	
Other Purchase Professional-Technical Service	-
General Supplies	
Land and Improvements	
Construction Services	-
Other Objects	
Equipment purchases	
Total Expenditures	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-
Other Financing Sources (Uses):	
State Sources - Cancellation of State Aid	(7,853.49)
Net Change in Fund Balance	(7,853.49)
Fund Balance - July 1	7,853.49
Fund Balance - June 30	\$ -

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of Roof at the Middle School
 From Inception and for the Fiscal Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 333,113.49	\$ (7,853.49)	\$ 325,260.00	\$ 325,260.00
Total Revenues	333,113.49	\$ (7,853.49)	325,260.00	325,260.00
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	30,000.00		30,000.00	30,000.00
General Supplies				
Land and Improvements				
Construction Services	295,260.00		295,260.00	295,260.00
Other Objects				
Equipment purchases				
Total Expenditures	325,260.00	-	325,260.00	325,260.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 7,853.49	\$ (7,853.49)	-	-
Additional Project Information:				
Project Number	4630-090-08-1400			
Grant Date	07/08/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 355,870.00			
Additional Authorized Cost	\$ (30,610.00)			
Revised Authorized Cost	\$ 325,260.00			
Percentage Increase over Original Authorized Cost	-9%			
Percentage Completion	100%			
Original Target Completion Date	12/31/09			
Revised Target Completion Date	12/31/12			

PROPRIETARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Position
June 30, 2013

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 43,809.39
Accounts Receivable:	
State	1,422.58
Federal	99,062.58
Other	29,080.52
Inventories	15,735.52
Total Current Assets	189,110.59
Noncurrent Assets:	
Furniture, Machinery and Equipment	230,824.60
Less Accumulated Depreciation	(133,473.31)
Total Noncurrent Assets	97,351.29
Total Assets	286,461.88
LIABILITIES:	
Current Liabilities:	
Accounts Payable	39,640.78
Unearned Revenue:	
Lunches	892.29
USDA Commodities	983.05
Total Current Liabilities	41,516.12
NET POSITION:	
Investment in Capital Assets	97,351.29
Unrestricted	147,594.47
Total Net Position	\$ 244,945.76

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

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 36,309.35
Daily Sales - Non-Reimbursable Programs	65,408.93
Special Functions	153,803.04
	255,521.32
Total Operating Revenues	
	255,521.32
OPERATING EXPENSES:	
Purchased Professional Services	408,499.73
Cleaning/Repair/Maintenance	11,257.79
Other Purchased Services	14,781.91
General Supplies	66,658.43
Depreciation	15,195.63
Cost of Sales	471,982.88
	988,376.37
Total Operating Expenses	
	988,376.37
Operating Income / (Loss)	
	(732,855.05)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
School Lunch Program	9,453.96
Federal Sources:	
National School Lunch Program	477,277.15
National School Breakfast Program	169,248.43
National Snack Program	8,472.36
Food Distribution Program	49,975.60
Interest and Investment Revenue	414.75
	714,842.25
Total Nonoperating Revenues (Expenses)	
	714,842.25
Change in Net Position	
	(18,012.80)
Net Position -- July 1	
	262,958.56
Net Position -- June 30	
	\$ 244,945.76

CITY OF SALEM SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 238,943.31
Payments for Purchased Professional Services	(418,618.47)
Payments to Suppliers	<u>(491,357.21)</u>
Net Cash Provided by (used for) Operating Activities	<u>(671,032.37)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	8,260.18
Federal Sources	<u>572,274.68</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>580,534.86</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest	<u>414.75</u>
Net Cash Provided by (used for) Investing Activities	<u>414.75</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(90,082.76)
Cash and Cash Equivalents -- July 1	<u>133,892.15</u>
Cash and Equivalents -- June 30	<u><u>\$ 43,809.39</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (732,855.05)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Food Distribution Program	49,975.60
Depreciation and Net Amortization	15,195.63
(Increase) Decrease in Accounts Receivable, Net	(16,600.95)
(Increase) Decrease in Inventories	3,527.77
Increase (Decrease) in Accounts Payable	15,594.88
Increase (Decrease) in Unearned Revenue	<u>(5,870.25)</u>
Total Adjustments	<u>61,822.68</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (671,032.37)</u></u>

FIDUCIARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2013

	<u>Trust Fund</u>		<u>Agency Funds</u>		<u>Total</u>
	<u>Scholarship Trust</u>	<u>Uniform Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:					
Cash and Cash Equivalents	\$ 21,616.16	\$ 254.49	\$ 114,921.59	\$ 18,735.21	\$ 155,527.45
Interfund Accounts Receivable:					
Due from General Fund				18,631.00	18,631.00
Investments, at Fair Value:					
Certificates of Deposit	18,335.16				18,335.16
Total Assets	\$ 39,951.32	\$ 254.49	\$ 114,921.59	\$ 37,366.21	\$ 192,493.61
LIABILITIES:					
Payable to Student Groups			\$ 114,921.59		\$ 114,921.59
Payroll Deductions and Withholdings				\$ 37,366.21	37,366.21
Total Liabilities	\$ -	\$ -	\$ 114,921.59	\$ 37,366.21	152,287.80
NET POSITION:					
Reserved for Scholarships	39,951.32				39,951.32
Reserved for Uniforms		254.49			254.49
Total Net Position	\$ 39,951.32	\$ 254.49			\$ 40,205.81

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 June 30, 2013

	Scholarship Trust	Uniform Trust	Total
ADDITIONS:			
Investment Earnings:			
Net Increase (Decrease) in Fair Value of Investments	\$ (37.20)		\$ (37.20)
Contributions	1,470.96		1,470.96
Interest and Dividends	271.61	\$ 0.12	271.73
Net Investment Earnings	<u>1,705.37</u>	<u>0.12</u>	<u>1,705.49</u>
Total Additions	<u>1,705.37</u>	<u>0.12</u>	<u>1,705.49</u>
DEDUCTIONS:			
Scholarships Awarded	1,770.00		1,770.00
Uniform Purchases		66.59	66.59
Total Deductions	<u>1,770.00</u>	<u>66.59</u>	<u>1,836.59</u>
Change in Net Position	(64.63)	(66.47)	(131.10)
Net Position -- July 1	<u>40,015.95</u>	<u>320.96</u>	<u>40,336.91</u>
Net Position -- June 30	<u>\$ 39,951.32</u>	<u>\$ 254.49</u>	<u>\$ 40,205.81</u>

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>06/30/12</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>06/30/13</u>
JOHN FENWICK SCHOOL	\$ 5,651.99	\$ 10,896.74	\$ 10,063.56	\$ 6,485.17
Total Elementary School	5,651.99	10,896.74	10,063.56	6,485.17
SALEM MIDDLE SCHOOL	17,961.51	14,814.51	11,863.53	20,912.49
Total Middle School	17,961.51	14,814.51	11,863.53	20,912.49
SALEM HIGH SCHOOL	63,437.89	44,118.31	33,508.02	74,048.18
Total High School	63,437.89	44,118.31	33,508.02	74,048.18
ATHLETIC FUND	9,397.74	63,705.42	59,627.41	13,475.75
Total Athletic Fund	9,397.74	63,705.42	59,627.41	13,475.75
Total All Schools	\$ 96,449.13	\$ 133,534.98	\$ 115,062.52	\$ 114,921.59

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

	Balance June 30, 2012	Receipts	Disbursements	Balance June 30, 2013
ASSETS:				
Cash and Cash Equivalents - Payroll	\$ 64.72	\$ 8,735,824.79	\$ (8,735,854.56)	\$ 34.95
Cash and Cash Equivalents - Agency	45,635.23	7,442,420.87	(7,469,355.84)	18,700.26
Interfund Accounts Receivable:				
Due from General Fund	18,827.57	18,631.00	(18,827.57)	18,631.00
Total Assets	\$ 64,527.52	\$ 16,196,876.66	\$ (16,224,037.97)	\$ 37,366.21
LIABILITIES:				
Payroll Deductions and Withholdings - Agency	\$ 64,527.52	\$ 7,461,022.10	\$ (7,488,183.41)	\$ 37,366.21
Net Payroll		8,735,854.56	(8,735,854.56)	
Total Liabilities	\$ 64,527.52	\$ 16,196,876.66	\$ (16,224,037.97)	\$ 37,366.21

LONG-TERM DEBT

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended 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 June 30, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2013</u>							
			<u>Date</u>	<u>Amount</u>												
Refunding School Bonds, Series 2008	08/20/08	\$ 3,670,000.00	02/15/14	\$ 230,000.00	5.000%	\$ 2,875,000.00		\$ 220,000.00	\$ 2,655,000.00							
			02/15/15	230,000.00	5.000%											
			02/15/16	235,000.00	5.000%											
			02/15/17	240,000.00	4.000%											
			02/15/18	245,000.00	5.000%											
			02/15/19	245,000.00	4.000%											
			02/15/20	250,000.00	4.000%											
			02/15/21	245,000.00	4.125%											
			02/15/22	245,000.00	4.250%											
			02/15/23	250,000.00	4.250%											
			02/15/24	240,000.00	4.500%											
										<u>\$ 2,875,000.00</u>	<u>\$ -</u>	<u>\$ 220,000.00</u>	<u>\$ 2,655,000.00</u>			

CITY OF SALEM 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	\$ 119,909.00		\$ 119,909.00	\$ 119,909.00	
Total Local Sources	119,909.00	\$ -	119,909.00	119,909.00	\$ -
State Sources:					
Debt Service Aid Type II	228,335.00		228,335.00	228,335.00	
Total State Sources	228,335.00	-	228,335.00	228,335.00	-
Total Revenues	348,244.00	-	348,244.00	348,244.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	128,244.00		128,244.00	128,243.76	0.24
Redemption of Principal	220,000.00		220,000.00	220,000.00	
Total Expenditures	348,244.00	-	348,244.00	348,243.76	0.24
Excess (Deficiency) of Revenues Over (Under) Expenditures				0.24	0.24
Fund Balance, July 1	0.78	-	0.78	0.78	-
Fund Balance, June 30	\$ 0.78	\$ -	\$ 0.78	\$ 1.02	\$ 0.24
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources:					
Budgeted Fund Balance	\$ 0.78	\$ -	\$ 0.78	\$ 1.02	\$ 0.24
	\$ 0.78	\$ -	\$ 0.78	\$ 1.02	\$ 0.24

STATISTICAL SECTION

Financial Trends Information

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

CITY OF SALEM SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net Investment in Capital Assets	\$ 7,376,169.84	\$ 6,365,180.46	\$ 6,116,295.74	\$ 5,943,565.41	\$ 5,110,887.59	\$ 3,080,202.40	\$ 2,059,005.46	\$ 1,194,271.80	\$ 966,205.96	\$ 5,282,981.88
Restricted	532,252.99	1,814,016.06	445,678.49	894,663.33	2,939,252.90	3,725,567.04	3,911,200.91	4,758,698.19	4,901,905.22	2,344,833.29
Unrestricted	(1,023,041.02)	(1,093,119.65)	(1,105,188.75)	(1,303,884.66)	(743,875.19)	214,312.39	252,208.75	271,970.79	(245,410.06)	(67,862.97)
Total Governmental Activities Net Position	\$ 6,885,381.81	\$ 7,086,076.87	\$ 5,456,785.48	\$ 5,534,344.08	\$ 7,306,265.30	\$ 7,020,081.83	\$ 6,222,415.12	\$ 6,224,940.78	\$ 5,622,701.12	\$ 7,559,952.20
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 97,351.29	\$ 112,546.92	\$ 88,112.96	\$ 99,420.78	\$ 53,104.00	\$ 61,526.37	\$ 70,346.96			\$ 36,110.80
Unrestricted	147,594.47	150,411.64	165,407.66	143,491.82	184,395.58	135,971.37	206,589.15	\$ 319,877.34	\$ 292,350.05	206,380.01
Total Business-Type Activities Net Position	\$ 244,945.76	\$ 262,958.56	\$ 253,520.62	\$ 242,912.60	\$ 237,499.58	\$ 197,497.74	\$ 276,936.11	\$ 319,877.34	\$ 292,350.05	\$ 242,490.81
District-Wide										
Net Investment in Capital Assets,	\$ 7,473,521.13	\$ 6,477,727.38	\$ 6,204,408.70	\$ 6,042,986.19	\$ 5,163,991.59	\$ 3,141,728.77	\$ 2,129,352.42	\$ 1,194,271.80	\$ 966,205.96	\$ 5,319,092.68
Restricted	532,252.99	1,814,016.06	445,678.49	894,663.33	2,939,252.90	3,725,567.04	3,911,200.91	4,758,698.19	4,901,905.22	2,344,833.29
Unrestricted	(875,446.55)	(942,708.01)	(939,781.09)	(1,160,392.84)	(559,479.61)	350,283.76	458,797.90	591,848.13	46,939.99	138,517.04
Total District-Wide Net Position	\$ 7,130,327.57	\$ 7,349,035.43	\$ 5,710,306.10	\$ 5,777,256.68	\$ 7,543,764.88	\$ 7,217,579.57	\$ 6,499,351.23	\$ 6,544,818.12	\$ 5,915,051.17	\$ 7,802,443.01

Source: Exhibit A-1

CITY OF SALEM SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

Expenses	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities										
Instruction:										
Regular	\$ 8,190,283.78	\$ 8,113,641.04	\$ 8,160,387.93	\$ 8,127,220.30	\$ 7,300,591.45	\$ 7,020,932.28	\$ 7,620,245.76	\$ 6,925,517.15	\$ 7,713,341.67	\$ 6,549,793.91
Special Education	1,627,578.53	1,610,863.99	1,650,229.47	1,966,434.09	1,716,484.59	1,890,818.93	1,811,626.07	1,800,307.65	1,565,842.61	1,104,451.93
Other Special Education	42,528.00		61,426.46	213,715.85	361,700.78	1,230,793.50	1,194,531.36	1,181,092.52	381,631.96	58,982.60
Vocational	319,057.44	379,765.76	391,878.73	408,879.09	387,241.85	464,232.54	453,218.92	480,094.78	432,958.89	351,599.18
Other Instruction	569,677.40	507,181.82	388,031.11	482,335.27	378,612.60	405,233.90	359,610.86	298,770.80	325,749.02	285,698.52
Support Services:										
Tuition	903,669.25	1,159,700.85	1,109,041.02	1,513,852.71	1,248,774.20	1,442,908.91	1,097,607.00	1,170,721.41	1,301,419.04	1,034,343.96
Student & Instruction Related Services	4,132,287.16	4,135,688.14	4,253,565.15	4,298,446.48	3,966,793.97	3,977,933.89	2,921,833.68	3,867,349.85	2,998,146.89	2,016,149.55
General & Business Administrative Services	794,560.83	749,358.19	860,797.54	789,431.69	917,271.58	957,223.92	926,162.03	865,097.15	1,021,675.97	832,943.58
School Administrative Services	891,522.09	948,154.08	945,451.78	1,000,985.41	992,946.23	938,737.31	1,909,288.71	773,144.07	855,394.91	797,477.27
Plant Operations and Maintenance	2,382,235.26	2,292,826.72	2,280,342.25	2,480,463.00	3,251,422.53	2,105,420.97	2,111,915.08	2,346,478.00	1,766,507.89	1,351,987.23
Unallocated Depreciation	655,929.35	583,140.48	541,362.76	347,654.78	304,849.13	317,667.70	269,183.26			
Pupil Transportation	554,695.40	558,027.05	647,115.59	673,562.46	580,916.43	706,741.67	696,467.88	532,068.33	523,652.50	480,704.23
Interest on Long-term Debt	124,530.76	132,611.28	139,235.16	145,387.50	152,349.44	179,413.44	187,102.50	194,554.06	201,768.16	208,744.66
Unallocated Benefits	5,965,616.95	5,124,360.98	5,195,766.16	5,183,180.38	4,607,364.71	5,815,748.86	5,855,809.96	4,923,605.87	4,127,410.28	3,292,573.19
Amortization of Debt Issuance Costs		9,430.56	9,801.49	10,420.28	5,681.40	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
Total Governmental Activities Expenses	27,154,172.20	26,304,750.94	26,634,432.60	27,641,969.29	26,173,000.89	27,455,407.82	27,416,203.07	25,360,401.64	23,217,099.79	18,367,049.81
Business-type Activities:										
Food Service	988,376.37	971,284.21	892,713.69	914,037.00	901,173.58	941,585.13	892,432.98	866,218.09	827,664.16	767,939.89
Total Business-type Activities Expense	988,376.37	971,284.21	892,713.69	914,037.00	901,173.58	941,585.13	892,432.98	866,218.09	827,664.16	767,939.89
Total District Expenses	\$ 28,142,548.57	\$ 27,276,035.15	\$ 27,527,146.29	\$ 28,556,006.29	\$ 27,074,174.47	\$ 28,396,992.95	\$ 28,308,636.05	\$ 26,226,619.73	\$ 24,044,763.95	\$ 19,134,989.70

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30.</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 1,924,860.66	\$ 2,587,043.08	\$ 2,269,504.22	\$ 2,169,821.80	\$ 2,241,663.19	\$ 2,624,213.11	\$ 2,581,883.00	\$ 2,419,340.09	\$ 2,325,551.00	\$ 2,256,614.36
Operating Grants and Contributions	6,104,717.22	5,658,776.87	5,768,250.70	5,598,516.07	5,334,219.05	5,843,778.18	7,258,815.83	6,575,842.21	5,880,960.24	5,299,133.08
Total Governmental Activities Program Revenues	<u>8,029,577.88</u>	<u>8,245,819.95</u>	<u>8,037,754.92</u>	<u>7,768,337.87</u>	<u>7,575,882.24</u>	<u>8,467,991.29</u>	<u>9,840,698.83</u>	<u>8,995,182.30</u>	<u>8,206,511.24</u>	<u>7,555,747.44</u>
Business-type activities:										
Charges for Services:										
Food Service	255,521.32	259,200.56	252,885.44	257,995.82	334,874.31	290,492.59	284,880.40	307,544.43	336,342.49	290,379.98
Operating Grants and Contributions	714,427.50	720,642.75	649,537.00	661,501.79	605,014.15	565,497.59	531,778.50	576,583.66	565,110.22	514,770.83
Total Business-type Activities Program Revenues	<u>969,948.82</u>	<u>979,843.31</u>	<u>902,422.44</u>	<u>919,497.61</u>	<u>939,888.46</u>	<u>855,990.18</u>	<u>816,658.90</u>	<u>884,128.09</u>	<u>901,452.71</u>	<u>805,150.81</u>
Total District Program Revenues	<u>\$ 8,999,526.70</u>	<u>\$ 9,225,663.26</u>	<u>\$ 8,940,177.36</u>	<u>\$ 8,687,835.48</u>	<u>\$ 8,515,770.70</u>	<u>\$ 9,323,981.47</u>	<u>\$ 10,657,357.73</u>	<u>\$ 9,879,310.39</u>	<u>\$ 9,107,963.95</u>	<u>\$ 8,360,898.25</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (19,124,594.32)	\$ (18,058,930.99)	\$ (18,596,677.68)	\$ (19,873,631.42)	\$ (18,597,118.65)	\$ (18,987,416.53)	\$ (17,575,504.24)	\$ (16,365,219.34)	\$ (15,010,588.55)	\$ (10,811,302.37)
Business-type Activities	(18,427.55)	8,559.10	9,708.75	5,460.61	38,714.88	(85,594.95)	(75,774.08)	17,910.00	73,788.55	372,109.92
Total District-wide Net Expense	<u>\$ (19,143,021.87)</u>	<u>\$ (18,050,371.89)</u>	<u>\$ (18,586,968.93)</u>	<u>\$ (19,868,170.81)</u>	<u>\$ (18,558,403.77)</u>	<u>\$ (19,073,011.48)</u>	<u>\$ (17,651,278.32)</u>	<u>\$ (16,347,309.34)</u>	<u>\$ (14,936,800.00)</u>	<u>\$ (10,774,091.45)</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,366,655.00	\$ 2,366,655.00	\$ 2,366,655.00	\$ 2,366,656.00	\$ 1,831,655.00
Taxes Levied for Debt Service	119,909.00	123,446.00	105,301.00	82,972.00	74,698.00	79,412.00	80,006.00	80,546.00	81,031.00	81,463.00
Unrestricted Grants and Contributions	16,383,157.56	17,194,441.41	16,119,494.15	16,289,726.70	16,282,267.86	17,178,440.24	14,236,181.84	14,351,984.92	12,302,829.19	8,865,799.16
Restricted Grants and Contributions	(7,853.49)	(23,010.83)	(250,457.08)	(782,856.51)			576,968.33		2,963,681.00	1,341,297.91
Miscellaneous Income	28,552.32	56,618.86	80,735.32	129,493.79	140,672.19	167,926.00	214,505.75	177,273.08	147,530.13	139,639.37
Amortization of Premium Received on Bonds	7,812.87	8,238.56	8,628.84	8,994.37	4,579.57					
Loss on Disposal of Asset			63,095.85	(18,941.15)	(11,236.50)	(7,350.00)				
Total Governmental Activities	18,923,899.26	19,752,055.00	18,519,119.08	18,101,710.20	18,883,302.12	19,785,083.24	17,474,316.92	16,976,459.00	17,861,727.32	12,259,854.44
Business-type Activities:										
Investment Earnings	414.75	878.84	899.27	202.41	1,286.96	6,156.58	13,886.18	9,617.29	4,264.83	1,277.47
Loss on Disposal of Asset				(250.00)						
Total Business-type Activities	414.75	878.84	899.27	(47.59)	1,286.96	6,156.58	13,886.18	9,617.29	4,264.83	1,277.47
Total District-wide	\$ 18,924,314.01	\$ 19,752,933.84	\$ 18,520,018.35	\$ 18,101,662.61	\$ 18,884,589.08	\$ 19,791,239.82	\$ 17,488,203.10	\$ 16,986,076.29	\$ 17,865,992.15	\$ 12,261,131.91
Change in Net Position										
Governmental Activities	\$ (200,695.06)	\$ 1,693,124.01	\$ (77,558.60)	\$ (1,771,921.22)	\$ 286,183.47	\$ 797,666.71	\$ (101,187.32)	\$ 611,239.66	\$ 2,851,138.77	\$ 1,448,552.07
Business-type Activities	(18,012.80)	9,437.94	10,608.02	5,413.02	40,001.84	(79,438.37)	(61,887.90)	27,527.29	78,053.38	38,488.39
Total District	\$ (218,707.86)	\$ 1,702,561.95	\$ (66,950.58)	\$ (1,766,508.20)	\$ 326,185.31	\$ 718,228.34	\$ (163,075.22)	\$ 638,766.95	\$ 2,929,192.15	\$ 1,487,040.46

Source: Exhibit A-2

CITY OF SALEM SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund										
Reserved				\$ 670,252.67	\$ 1,461,912.73	\$ 1,195,139.25	\$ 467,494.24	\$ 1,237,188.54	\$ 1,161,095.96	\$ 1,145,507.44
Unreserved-(Deficit)				(247,198.40)	107,058.57	1,019,100.46	1,024,679.11	918,069.07	528,849.94	657,371.32
Restricted	\$ 237,222.39	\$ 155,489.20	\$ 79,580.47							
Assigned	1,452,459.46	2,698,764.65	1,299,216.45							
Unassigned-(Deficit)	(1,106,648.97)	(1,073,394.99)	(1,005,547.93)							
Total General Fund	\$ 583,032.88	\$ 1,780,858.86	\$ 373,248.99	\$ 423,054.27	\$ 1,568,971.30	\$ 2,214,239.71	\$ 1,492,173.35	\$ 2,155,257.61	\$ 1,689,945.90	\$ 1,802,878.76
All Other Governmental Funds										
Reserved				\$ 12,853.49	\$ 178,399.00	\$ 1,386,584.85	\$ 935,616.26	\$ 516,900.00		\$ 388,542.76
Unreserved, Reported in:										
Special Revenue Fund-(Deficit)				(160,614.00)	(117,890.80)	(27,985.00)	(27,985.00)	(27,985.95)	\$ (24,056.00)	(26,108.00)
Capital Projects Fund				252,582.95	1,337,432.45	1,204,078.62	2,571,265.65	3,214,158.79	3,814,802.39	887,447.06
Debt Service Fund				12,088.28	16,872.78	5,207.45	5,206.95			1.00
Restricted	\$ 1.02	\$ 0.78	\$ 48,125.76							
Assigned		7,853.49								
Unassigned-(Deficit)	(184,337.00)	(180,053.00)	(147,492.00)							
Total All Other Governmental Funds	\$ (184,335.98)	\$ (172,198.73)	\$ (99,366.24)	\$ 116,910.72	\$ 1,414,813.43	\$ 2,567,885.92	\$ 3,484,103.86	\$ 3,703,072.84	\$ 3,790,746.39	\$ 1,249,882.82

Source: Exhibit B-1

CITY OF SALEM SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Tax Levy	\$ 2,512,230.00	\$ 2,515,767.00	\$ 2,497,622.00	\$ 2,475,293.00	\$ 2,467,019.00	\$ 2,446,067.00	\$ 2,446,661.00	\$ 2,447,201.00	\$ 2,447,687.00	\$ 1,913,118.00
Tuition Charges	1,924,860.66	2,579,740.58	2,269,504.22	2,169,821.80	2,241,663.19	2,624,213.11	2,581,883.00	2,419,340.09	2,325,551.00	2,256,614.36
Miscellaneous	28,552.32	63,921.36	80,735.32	129,493.79	140,672.19	167,926.00	217,225.75	217,273.08	147,530.13	139,639.37
Local Sources	2,000.00	12,529.00	26,196.00	1,606.81	780.85					
State Sources	20,966,847.51	20,700,708.77	19,738,703.56	17,232,806.72	19,373,346.79	20,896,425.53	19,712,009.60	18,769,277.57	18,931,177.71	13,372,945.34
Federal Sources	1,519,027.27	2,139,980.51	2,122,845.29	4,653,829.24	2,242,359.27	2,125,792.89	2,359,956.40	2,253,759.47	2,216,292.72	2,133,284.71
Total Revenue	26,953,517.76	28,012,647.22	26,735,606.39	26,662,851.36	26,465,841.29	28,260,424.53	27,317,735.75	26,106,851.21	26,068,238.56	19,815,601.78
Expenditures										
Instruction										
Regular Instruction	8,141,996.46	8,065,550.91	8,114,973.37	8,081,900.24	7,273,223.32	7,013,115.36	7,611,698.55	7,050,771.19	7,709,929.03	6,122,669.05
Special Education Instruction	1,627,578.53	1,610,863.99	1,650,229.47	1,966,434.09	1,716,484.59	1,890,818.93	1,811,626.07	1,800,307.65	1,565,842.61	1,104,451.93
Other Special Instruction	42,528.00		61,426.46	213,715.85	361,700.78	1,230,793.50	1,194,531.36	1,181,092.52	381,631.96	58,982.60
Vocational Education	319,057.44	379,765.76	391,878.73	408,879.09	387,241.85	464,232.54	453,218.92	480,094.78	432,958.89	351,599.18
Other Instruction	569,677.40	507,181.82	388,031.11	482,335.27	378,612.60	405,233.90	359,610.86	298,770.80	325,749.02	285,698.52
Support Services:										
Tuition	903,669.25	1,159,700.85	1,109,041.02	1,513,852.71	1,248,774.20	1,442,908.91	1,097,607.00	1,170,721.41	1,301,419.04	1,034,343.96
Student & Instruction Related Services	4,132,287.16	4,135,688.14	4,253,565.15	4,298,446.48	3,966,793.97	3,977,933.89	2,921,833.68	3,867,349.85	2,998,146.89	2,016,149.55
School Administrative Services	891,522.09	948,154.08	945,451.78	1,000,985.41	992,946.23	938,737.31	926,162.03	836,146.20	852,464.91	823,658.26
Other Administrative Services	780,005.11	734,114.93	845,851.53	766,480.45	889,083.17	921,988.79	1,879,420.62	540,367.75	755,098.29	788,191.95
Plant Operations and Maintenance	2,352,093.42	2,268,610.60	2,262,315.81	2,462,123.14	3,233,551.52	2,088,662.28	2,105,665.72	2,281,083.03	1,762,289.72	1,333,417.18
Pupil Transportation	554,695.40	558,027.05	647,115.59	673,562.46	580,916.43	706,741.67	696,467.88	532,068.33	510,638.49	480,704.23
Unallocated Employee Benefits	6,002,694.88	5,467,370.55	5,209,157.13	5,020,151.08	4,651,124.82	5,783,431.15	5,732,563.97	4,923,605.87	4,067,332.57	3,342,874.20
Capital Outlay	1,489,578.60	469,599.33	525,556.90	1,087,310.82	2,246,300.20	1,242,625.38	924,219.92	367,711.67	622,366.43	166,937.93
Debt Service:										
Principal	220,000.00	215,000.00	205,000.00	200,000.00	175,000.00	165,000.00	160,000.00	155,000.00	150,000.00	145,000.00
Interest and Other Charges	128,243.76	135,231.00	141,637.50	147,637.50	162,428.51	182,352.50	189,952.50	197,315.00	204,440.00	211,327.50
Total Expenditures	28,155,627.50	26,654,859.01	26,751,231.55	28,323,814.59	28,264,182.19	28,454,576.11	28,064,579.08	25,682,406.05	23,640,307.85	18,266,006.04
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,202,109.74)	1,357,788.21	(15,625.16)	(1,660,963.23)	(1,798,340.90)	(194,151.58)	(746,843.33)	424,445.16	2,427,930.71	1,549,595.74
Other Financing Sources (Uses)										
Prior Years' Accounts Payable								(46,807.00)		
Refunding Bond Proceeds					3,674,000.00					
Bonds Refunded					(3,674,000.00)					
Cancelation of State Aid	(7,853.49)	(23,010.83)	(250,457.08)	(782,856.51)						
Total Other Financing Sources (Uses)	(7,853.49)	(23,010.83)	(250,457.08)	(782,856.51)	-	-	-	(46,807.00)	-	-
Net Change in Fund Balances	\$ (1,209,963.23)	\$ 1,334,777.38	\$ (266,082.24)	\$ (2,443,819.74)	\$ (1,798,340.90)	\$ (194,151.58)	\$ (746,843.33)	\$ 377,638.16	\$ 2,427,930.71	\$ 1,549,595.74
Debt Service as a Percentage of Noncapital Expenditures	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%	1.5%	2.0%

Source: Exhibit B-2

CITY OF SALEM SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Refunds of Prior Year Expenses	\$ 7,606.37	\$ 15,577.41	\$ 21,116.37	\$ 16,352.84	\$ 10,065.02			\$ 1,104.73	\$ 2,778.81	\$ 3,372.25
Reimbursements					4,785.84	\$ 3,698.20	\$ 4,799.69			97.00
Cancellation of Prior Years' Payables	4,274.31	16,021.50	502.00	40,540.16					20.50	
Cancellation of Prior Years' Outstanding Checks					785.00					1,626.31
Donations	50.00				800.00					
Rentals	3,295.00	2,530.00	2,340.00	4,652.00	400.00	100.00	915.00	790.00	990.00	40,500.00
Child Study Team Services Provided to their LEA's			46,700.00	46,700.00	109,040.00	97,543.00	52,005.00	65,927.00	52,000.00	
Sale of Equipment		50.00						7,751.00		
Bridgeton Board of Education - Distance Learning										12,000.00
Prior Year Tuition Reimbursements								12,200.00	15,319.93	51,264.71
Excess Revenue - Food Service Fund							26,300.00			
NJ Clean Energy Program		10,664.00								
Anti-Bullying Bill		897.00								
Interest on Investments	5,574.02	7,632.59	1,926.99	2,661.25	13,147.02	54,929.76	132,511.97	79,419.86	61,150.40	21,246.76
Miscellaneous	7,752.62	3,246.36	8,149.96	18,587.54	1,649.31	11,655.04	694.09	9,080.48	5,312.49	7,395.00
	<u>\$ 28,552.32</u>	<u>\$ 56,618.86</u>	<u>\$ 80,735.32</u>	<u>\$ 129,493.79</u>	<u>\$ 140,672.19</u>	<u>\$ 167,926.00</u>	<u>\$ 217,225.75</u>	<u>\$ 176,273.07</u>	<u>\$ 137,572.13</u>	<u>\$ 137,502.03</u>

Source: District Records

Revenue Capacity Information

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

CITY OF SALEM SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Year Ended	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Value)	Total Direct School Tax Rate (2)
Dec. 31, 2013	\$ 5,207,300	\$ 149,992,100	\$ 406,500	\$ 167,700	\$ 44,342,843	\$ 22,891,396	\$ 6,181,900	\$ 229,189,739	\$ 2,142,019	\$ 231,331,758	\$ 93,141,441	\$ 223,829,116	\$ 1.079
2012	5,204,500	152,171,600	406,500	167,700	44,545,043	22,891,396	6,181,900	231,568,639	2,455,218	234,023,857	93,429,141	217,707,718	1.073
2011	5,097,100	152,826,700	406,500	167,700	44,629,943	22,891,396	6,224,000	232,243,339	2,419,575	234,662,914	93,249,741	230,035,003	1.072
2010	5,300,100	154,040,900	406,500	167,700	45,835,742	22,891,396	6,224,000	234,866,338	2,442,075	237,308,413	91,438,841	234,866,339	1.052
2009	5,345,200	154,347,300	507,300	167,700	46,241,343	22,891,396	6,808,300	236,308,539	2,319,740	238,628,279	91,528,341	258,624,116	1.038
2008	5,180,600	155,078,300	534,900	165,800	48,814,990	22,945,396	18,410,100	251,130,086	2,722,458	253,852,544	79,541,641	259,497,259	0.972
2007	5,065,500	155,733,400	534,900	165,800	53,904,890	20,213,818	17,907,500	253,525,808	2,664,760	256,190,568	73,819,696	204,275,741	0.955
2006	1,360,525	68,545,025	256,650	-	26,146,625	9,787,300	8,446,750	114,542,875	1,912,232	116,455,107	50,178,115	166,303,974	2.100
2005	1,387,625	68,262,025	256,650	-	26,920,275	9,620,800	8,446,750	114,894,125	2,061,720	116,955,845	49,787,215	156,776,974	2.061
2004	1,481,425	68,268,825	256,650	-	26,940,575	9,620,800	8,446,750	115,015,025	2,198,463	117,213,488	45,139,015	150,140,871	2.061

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

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

Source: Municipal Tax Assessor

CITY OF SALEM SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten (Fiscal) Years
 (rate per \$100 of assessed value)
 Unaudited

Year Ended <u>Dec. 31,</u>	District Direct Rate			Overlapping Rate		Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	City of <u>Salem</u>	Salem County	
2013	1.027	0.052	1.079	1.812	0.932	3.823
2012	1.022	0.051	1.073	1.753	0.902	3.728
2011	1.019	0.053	1.072	1.706	0.909	3.688
2010	1.008	0.044	1.052	1.609	0.930	3.591
2009	1.007	0.031	1.038	1.509	0.959	3.506
2008	0.940	0.032	0.972	1.430	0.937	3.339
2007	0.924	0.031	0.955	1.160	0.770	2.885
2006	2.099	0.001	2.100	2.057	1.412	5.569
2005	2.060	0.001	2.061	1.970	1.350	5.381
2004	2.060	0.001	2.061	1.830	1.270	5.161

Source: Municipal Tax Collector

CITY OF SALEM SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2013			2004		
	<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>
PSEG Power, LLC	\$ 11,031,700	1	4.8%	\$ 4,021,700	3	3.4%
Whispering Waters Apartments				5,330,000	2	4.5%
Anchor Glass Acquisition Corp.	9,849,600	2	4.3%	6,047,200	1	5.1%
B and B Properties				2,285,750	4	1.9%
Incollingo's Salem Properties	2,985,200	3	1.3%			
Stergencies E Corporation	2,596,300	4	1.1%	1,340,000	7	1.1%
Salem Manor Holding	2,534,700	5	1.1%	1,566,900	5	1.3%
Verizon	2,142,019	6	0.9%			
Aluchem, Inc.	2,116,778	7	0.9%	1,091,000	10	0.9%
Tilbury Road Associates, Inc.	2,091,800	8	0.9%	1,400,350	6	1.2%
Barbera, Eddis, & Co. (WirePro)	1,970,700	9	0.9%	1,106,400	8	0.9%
Salem Chestnut Apartments	1,968,100	10	0.9%	1,094,000	9	0.9%
Total	\$ 39,286,897		17.0%	\$ 25,283,300		21.3%

Sources: Tax Assessor's Records

CITY OF SALEM SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes Levied</u> <u>for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2013	\$ 2,512,230.00	\$ 2,113,509.92	84.13%	\$ 398,720.08
2012	2,515,767.00	2,515,767.00	100.00%	
2011	2,497,622.00	2,298,261.88	92.02%	199,360.12
2010	2,475,293.00	2,475,293.00	100.00%	
2009	2,467,019.00	2,467,019.00	100.00%	
2008	2,446,067.00	2,446,067.00	100.00%	
2007	2,446,661.00	2,446,661.00	100.00%	
2006	2,447,201.00	2,447,201.00	100.00%	
2005	2,447,687.00	2,447,687.00	100.00%	
2004	1,913,118.00	1,913,118.00	100.00%	

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

Source: District Records

Debt Capacity Information

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

CITY OF SALEM SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	\$ 2,655,000.00	-	-	-	-	\$ 2,655,000.00	1.54%	\$ 40,847.00	
2012	2,875,000.00	-	-	-	-	2,875,000.00	1.42%	40,847.00	
2011	3,090,000.00	-	-	-	-	3,090,000.00	1.32%	40,847.00	
2010	3,295,000.00	-	-	-	-	3,295,000.00	1.20%	39,704.00	
2009	3,495,000.00	-	-	-	-	3,495,000.00	1.10%	38,549.00	
2008	3,674,000.00	-	-	-	-	3,674,000.00	1.07%	39,186.00	
2007	3,839,000.00	-	-	-	-	3,839,000.00	0.95%	36,433.00	
2006	3,999,000.00	-	-	-	-	3,999,000.00	0.87%	34,710.00	
2005	4,154,000.00	-	-	-	-	4,154,000.00	0.79%	33,010.00	
2004	4,304,000.00	-	-	-	-	4,304,000.00	0.76%	32,522.00	

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

Sources: (1) District Records

(2) Personal income has been estimated based upon the municipal population and per capita

(3) Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised November 2012.

CITY OF SALEM SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31,	General Bonded Debt Outstanding (1)			Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 46,606,920.42	\$ 42,114,684.36	\$ 4,492,236.06	1.92%	\$ 869.75
2011	48,210,451.93	42,832,205.65	5,378,246.28	2.29%	1,047.78
2010	48,786,671.54	43,540,821.08	5,245,850.46	2.21%	1,020.79
2009	55,610,054.33	49,714,505.58	5,895,548.75	2.47%	1,012.81
2008	48,921,221.61	42,494,919.81	6,426,301.80	2.53%	1,135.79
2007	43,218,692.49	39,238,941.88	3,979,750.61	1.55%	702.14
2006	33,828,190.80	30,088,217.79	3,739,973.01	3.21%	654.07
2005	13,094,858.00	9,671,992.00	3,422,866.00	2.93%	597.67
2004	12,935,735.80	9,977,660.85	2,958,074.95	2.52%	515.16
2003	13,025,455.00	10,345,291.00	6,022,800.20	5.12%	1,046.72

Sources:

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

CITY OF SALEM SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012
 Unaudited

<u>Governmental Unit</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Salem City (3)</u>
Municipal Debt: (1)				
Salem City School District	\$ 2,875,000.00	\$ 2,875,000.00		
City of Salem	43,731,920.42	39,239,684.36	\$ 4,492,236.06	\$ 4,492,236.06
Overlapping Debt Apportioned to Municipality:				
County of Salem - City's Share (1)	74,713,000.00	26,344,036.20	48,368,963.80	1,942,353.00
Salem County Improvement Authority - City's Share (2)	23,704,000.00	23,704,000.00		
Total Direct and Overlapping Debt				<u><u>\$ 6,434,589.06</u></u>

Sources:

- (1) 2012 Annual Debt Statement
- (2) Official Statements
- (3) Such debt is allocated as a proportion of the Township's share of the total 2012 Equalized Value, which is 4.016%.
 The source for this computation was the 2012 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.
 Assessed value data used to estimate applicable percentages provided by County of Salem.
 Debt outstanding provided by applicable governmental unit.

CITY OF SALEM SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2013

<u>Equalized Valuation Basis (1)</u>	
2012	\$ 217,701,080
2011	215,879,661
2010	<u>232,633,062</u>
[A]	\$ 666,213,803
Average equalized valuation of taxable property [A/3]	
	\$ 222,071,268
Debt limit (4 % of average equalization value) (2)	[B] \$ 8,882,851
Total Net Debt Applicable to Limit (3)	[C] <u>2,655,000</u>
Legal Debt Margin	[B-C] <u>\$ 6,227,851</u>

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$ 8,882,850.71	\$ 9,282,874.59	\$ 9,935,803.00	\$ 10,202,247.00	\$ 9,582,674.00	\$ 8,173,419.00	\$ 6,794,736.00	\$ 6,000,356.00	\$ 5,705,487.40	\$ 5,555,971.33
Total net debt applicable to limit	<u>2,655,000.00</u>	<u>2,875,000.00</u>	<u>3,090,000.00</u>	<u>3,295,000.00</u>	<u>3,495,000.00</u>	<u>3,674,000.00</u>	<u>3,839,000.00</u>	<u>3,999,000.00</u>	<u>4,154,000.00</u>	<u>4,304,000.00</u>
Legal debt margin	<u>\$ 6,227,850.71</u>	<u>\$ 6,407,874.59</u>	<u>\$ 6,907,247.00</u>	<u>\$ 6,087,674.00</u>	<u>\$ 4,499,419.00</u>	<u>\$ 2,955,736.00</u>	<u>\$ 2,001,356.00</u>	<u>\$ 1,551,487.40</u>	<u>\$ 1,251,971.33</u>	<u>\$ 974,512.41</u>
Total net debt applicable to the limit as a percentage of debt limit	29.89%	30.97%	31.10%	32.30%	36.47%	44.95%	56.50%	66.65%	72.81%	77.47%

Sources:

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

Demographic and Economic Information

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

CITY OF SALEM SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2012	5,165	\$ 210,974,755	\$ 40,847	17.4%
2011	5,133	209,667,651	40,847	17.0%
2010	5,139	204,038,856	39,704	18.2%
2009	5,821	224,393,729	38,549	16.9%
2008	5,658	221,714,388	39,186	10.2%
2007	5,668	206,502,244	36,433	4.9%
2006	5,718	198,471,780	34,710	8.2%
2005	5,727	189,048,270	33,010	7.6%
2004	5,742	186,741,324	32,522	12.0%
2003	5,754	177,907,926	30,919	14.8%

Source:

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

CITY OF SALEM SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	2013			2004		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>
	NOT AVAILABLE			NOT AVAILABLE		
	_____		_____	_____		_____
	=====		=====	=====		=====

Source: City of Salem

Operating Information

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

CITY OF SALEM SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Instruction:										
Regular	130	129	137	139	121	122	136	155	94	91
Special education	37	34	37	44	44	41	58	39	35	35
Other special education							2	2	2	2
Support Services:										
Student & instruction related services	39	34	37	42	60	63	54	37	46	45
General administrative services	3	3	3	3	3	3	3	3	3	5
School administrative services	13	16	17	19	19	14	13	14	12	12
Business administrative services	5	5	5	5	5	7	7	7	5	4
Plant operations and maintenance	17	17	20	21	20	23	25	30	19	19
Pupil transportation										
Total	244	238	256	273	272	273	298	287	216	213

Source: District Personnel Records

CITY OF SALEM SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily	% Change	Student	
						Elementary	Middle School	High School	Enrollment (ADE)	Attendance (ADA)	Average Daily Enrollment	Attendance Percentage
2013	1,206	\$ 26,317,805	21,822	4.49%	206	1:11	1:9	1:7	1,183	1,090	-5.21%	92.1%
2012	1,237	25,835,029	20,885	0.80%	197	1:10	1:9	1:8	1,248	1,154	1.27%	92.5%
2011	1,249	25,879,037	20,720	2.41%	211	1:8	1:9	1:8	1,232	1,134	-2.89%	92.0%
2010	1,329	26,888,866	20,232	10.77%	225	1:8	1:8	1:9	1,269	1,166	-8.71%	91.9%
2009	1,406	25,680,453	18,265	-1.55%	224	1:8	1:9	1:10	1,390	1,268	-1.77%	91.2%
2008	1,448	26,864,598	18,553	3.74%	226	1:6	1:7	1:8	1,415	1,299	-3.54%	91.8%
2007	1,498	26,790,407	17,884	8.76%	250	1:5	1:7	1:7	1,467	1,340	-0.14%	91.3%
2006	1,518	24,962,379	16,444	11.16%	233	1:9	1:7	1:15	1,469	1,354	-1.41%	92.2%
2005	1,532	22,663,501	14,793	20.90%	177	1:8	1:9	1:10	1,490	1,366	5.97%	91.7%
2004	1,450	17,742,741	12,236	4.43%	173	1:10	1:10	1:11	1,406	1,291	-1.33%	91.8%

Sources: District records, ASSA Report, School Register Summary Report, and Schedules J-4 & J-16

CITY OF SALEM SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Elementary</u>										
John Fenwick (1953)										
Square Feet	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913
Capacity (students)	455	455	455	455	455	455	455	455	455	455
Enrollment	420	402	363	384	386	420	419	473	491	not avail.
<u>Middle School</u>										
Salem City Middle School (1912)										
Square Feet	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431
Capacity (students)	772	772	772	772	772	772	772	772	772	772
Enrollment	439	452	447	469	467	486	512	459	461	not avail.
<u>High School</u>										
Salem City High School (1970)										
Square Feet	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700
Capacity (students)	879	879	879	879	879	879	879	879	879	879
Enrollment	347	383	439	476	553	542	567	575	580	
<u>Other</u>										
Maintenance Garage (1985)										
Square Feet	288	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Storage Garage (1985)										
Square Feet	4,800	960	960	960	960	960	960	960	960	960
Storage Shed (1980)										
Square Feet	960	288	288	288	288	288	288	288	288	288
Athletic Storage (2000)										
Square Feet	10,565	10,565	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
Greenhouse #1 (1990)										
Square Feet	1,056	1,056	10,565	10,656	10,656	10,656	10,565	10,565	10,565	10,565
Greenhouse #2 (1990)										
Square Feet	1,144	1,144	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056
Maintenance Building										
Square Feet (2006)	2,016	2,016	21,600	21,600	21,600	21,600	21,600	21,600	N/A	N/A
Garage Building										
Square Feet (2005)	1,200	1,200	2,016	2,016	2,016	2,016	2,016	2,016	2,016	N/A
Mini Barn										
Square Feet (2005)	21,600	21,600	1,200	1,200	1,200	1,200	1,200	1,200	1,200	N/A
Garage Buildings (2)										
Square Feet (2007)	1,344	1,344	1,344	1,344	1,344	1,344	1,344	N/A	N/A	N/A
TCU Trailers (6)										
Square Feet (2012)	6,336	6,336	N/A							

Number of Schools at June 30, 2013

 Elementary = 1

 Middle School = 1

 High School = 1

Source: District records, ASSA Report

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions.

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

<u>* School Facilities</u>	<u>Project #</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
District Wide	N/A							\$55,010.18	\$ 53,640.07	\$350,946.15	\$108,820.55
Elementary School	N/A	\$ 34,856.56	\$ 19,808.66	\$ 10,617.78	\$ 22,608.86	\$150,433.36	\$ 21,238.00	2,711.89	17,266.00	20,767.00	3,728.26
Middle School	N/A	24,803.39	37,390.78	31,965.00	55,992.78	211,155.23	33,327.00	5,674.31	43,166.00	8,606.63	33,763.48
High School	N/A	187,861.99	60,187.61	76,532.71	4,657.25	559,686.38	55,941.97	11,939.47	60,434.00	10,920.00	42,146.07
Total		\$247,521.94	\$ 117,387.05	\$ 119,115.49	\$ 83,258.89	\$ 921,274.97	\$ 110,506.97	\$ 75,335.85	\$ 174,506.07	\$ 391,239.78	\$ 188,458.36

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

Source: District Records

Salem City School District
Insurance Schedule
June 30, 2013
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property:		
Real & Personal Property	\$ 400,000,000	\$ 5,000
Demolition and Increased Cost of Construction	10,000,000	
Loss of Income/Tuition	1,082,977	
Earthquake	50,000,000	
Flood Zones	10,000,000	500,000
Other Flood Zones	50,000,000	10,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Pollutant Cleanup and Removal	250,000	
Arson Reward	10,000	
Fire Department Service Charge	10,000	
Terrorism	1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software	1,082,977	1,000
Transit	25,000	
Loss of Income	10,000	
Flood:	1,000,000	
Zone A & V	500,000	
Other Zones	10,000	
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability:		
Bodily Injury and Property Damage	6,000,000	
Bodily Injury from Products and Completed Operations	6,000,000	
Sexual Abuse	6,000,000	
Personal Injury and Advertising Injury	6,000,000	
Employee Benefits Liability	6,000,000	1,000
Terrorism	1,000,000	
Premises Medical Payments:		
Per Person	5,000	
Per Accident	10,000	
Automobile Liability:		
Bodily Injury and Property Damage	6,000,000	1,000
Uninsured/Underinsured Motorists-Private Passenger Auto	1,000,000	
Uninsured/Underinsured Motorists-All Other Vehicles		
Per Person	15,000	
Per Accident	30,000	
Property Damage	5,000	
Personal Injury Protection	250,000	
Medical Payments for Private Passenger Vehicles	10,000	
Medical Payments for All Other Vehicles	5,000	
Terrorism	1,000,000	
Crime:		
Blanket Faithful Performance	100,000	500
Bodily Injury Each Employee	2,000,000	
Policy Limit Bodily Injury by Disease	2,000,000	
School Leaders Errors & Omissions:		
Coverage A: Per Policy Period	3,000,000	10,000
Coverage B: Per Each Claim/Per Policy Period	100,000/300,000	10,000
Student Accident	1,000,000	
Workers' Compensation	2,000,000	
Environmental Impairment Liability (Aggregate)	2,000,000	25,000
Surety Bonds:		
Treasurer	300,000	
Board Secretary/Business Administrator	50,000	

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Salem School District
Salem, New Jersey

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



David C. Rollison
Certified Public Accountant
Public School Accountant No. CS 00346

Woodbury, New Jersey
November 22, 2013

25800

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2013

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2012</u>
				<u>From</u>	<u>To</u>	
General Fund:						
U.S. Department of Education:						
Impact Aid	84.041	N/A	\$ 21,022.97	07/01/12	06/30/13	
Education Jobs Fund	84.410	N/A	1,414.00	07/01/13	09/30/13	
U.S. Department of Health and Human Services:						
Medical Assistance Program	93.778	N/A	92,375.59	07/01/12	06/30/13	
Total General Fund						
Special Revenue Fund:						
U.S. Department of Education						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I Part A	84.010	NCLB463013	893,609.77	09/01/12	08/31/13	
Title I Part A	84.010	NCLB463012	939,544.23	09/01/11	08/31/12	\$ (114,932.13)
Title I School Improvement	84.377	NCLB463012	7,312.00	09/01/11	08/31/12	(7,312.00)
Title II Part A	84.367	NCLB463013	143,424.00	09/01/12	08/31/13	
Title II Part A	84.367	NCLB463012	153,904.00	09/01/11	08/31/12	(21,610.09)
I.D.E.A. Part B:						
I.D.E.A. Part B, Basic Regular	84.027	IDEA463013	327,855.00	09/01/12	08/31/13	
I.D.E.A. Part B, Basic Regular	84.027	IDEA463012	314,717.00	09/01/11	08/31/12	(2,711.00)
I.D.E.A. Preschool Incentive	84.173	IDEA463013	8,087.00	09/01/12	08/31/13	
I.D.E.A. Preschool Incentive	84.173	IDEA463012	7,898.00	09/01/11	08/31/12	(778.00)
McKinney - Education for Homeless Children & Youth	84.196	09-BR12-H02	6,534.41	09/01/12	08/31/13	
Vocational Education - Carl Perkins (Secondary)	84.048	PERK463013	16,681.00	07/01/12	06/30/13	
Vocational Education - Carl Perkins (Secondary)	84.048	PERK463012	20,680.00	07/01/11	06/30/12	(3,549.00)
Total U.S. Department of Education						(150,892.22)
Total Special Revenue Fund						(150,892.22)
Enterprise Fund:						
U.S. Department of Agriculture						
Passed-through State Department of Education:						
Fresh Fruit & Vegetable Program	10.582	Unavailable	21,165.46	07/01/11	06/30/12	(1,376.99)
Child Nutrition Cluster:						
Cash Assistance:						
National School Lunch Program -- (Federal Share)	10.555	Unavailable	477,277.15	07/01/12	06/30/13	
National School Lunch Program -- (Federal Share)	10.555	Unavailable	470,260.09	07/01/11	06/30/12	(11,080.27)
National School Breakfast Program -- (Federal Share)	10.553	Unavailable	169,248.43	07/01/12	06/30/13	
National School Breakfast Program -- (Federal Share)	10.553	Unavailable	158,541.72	07/01/11	06/30/12	(3,882.06)
National School Snack Program -- (Federal Share)	10.555	Unavailable	8,472.36	07/01/12	06/30/13	
National School Snack Program -- (Federal Share)	10.555	Unavailable	3,784.80	07/01/11	06/30/12	
Non-Cash Assistance (Food Distribution):						
Food Distribution Program	10.555	Unavailable	44,082.41	07/01/12	06/30/13	
Food Distribution Program	10.555	Unavailable	62,147.56	07/01/11	06/30/12	6,876.24
Total U.S. Department of Agriculture						(9,463.08)
Total Enterprise Fund						(9,463.08)
Total Federal Financial Assistance						\$ (160,355.30)

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

Schedule A
Exhibit K-3

Carryover / (Walkover)	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2013		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 21,022.97	\$ (21,022.97) (1,414.00)			\$ (1,414.00)		
	92,375.59	(92,375.59)					
	113,398.56	(114,812.56)			(1,414.00)		
\$ (5,231.77) 5,231.77	575,359.77 253,888.23 7,312.00 106,407.00 35,124.00 327,855.00 2,711.00 8,087.00 778.00 5,217.03 15,660.00 3,549.00	(744,026.67) (144,187.87) (143,424.00) (13,513.91) (327,855.00) (8,087.00) (6,439.26) (16,681.00)			(173,898.67) (37,017.00) (1,222.23) (1,021.00)		
	1,341,948.03	(1,404,214.71)			(213,158.90)		
	1,341,948.03	(1,404,214.71)			(213,158.90)		
	1,376.99						
	404,948.68 11,080.27 143,140.66 3,882.06 7,846.02	(477,277.15) (169,248.43) (8,472.36)			(72,328.47) (26,107.77) (626.34)		
	44,082.41	(43,099.36) (6,876.24)				\$ 983.05	
	616,357.09	(704,973.54)			(99,062.58)	983.05	
	616,357.09	(704,973.54)			(99,062.58)	983.05	
\$	2,071,703.68	\$ (2,224,000.81)			\$ (313,635.48)	\$ 983.05	

SALEM CITY BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2013

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2012</u>	<u>Carryover / (Walkover)</u>
			<u>From</u>	<u>To</u>		
General Fund:						
Current Expense:						
Equalization Aid	495-034-5120-078	\$ 12,994,055.00	07/01/11	06/30/12	\$ (1,240,877.33)	
Equalization Aid	495-034-5120-078	12,815,193.00	07/01/12	06/30/13		
School Choice	495-034-5120-068	5,412.00	07/01/12	06/30/13		
Transportation Aid	495-034-5120-014	155,244.00	07/01/11	06/30/12	(14,825.15)	
Transportation Aid	495-034-5120-014	155,448.00	07/01/12	06/30/13		
Special Education Categorical Aid	495-034-5120-089	503,798.00	07/01/11	06/30/12	(48,110.58)	
Special Education Categorical Aid	495-034-5120-089	527,417.00	07/01/12	06/30/13		
Security Aid	495-034-5120-084	402,313.00	07/01/11	06/30/12	(38,419.19)	
Security Aid	495-034-5120-084	394,823.00	07/01/12	06/30/13		
Adjustment Aid	495-034-5120-085	2,439,142.00	07/01/11	06/30/12	(232,927.75)	
Adjustment Aid	495-034-5120-085	2,265,115.00	07/01/12	06/30/13		
Extraordinary Special Education Aid	100-034-5120-473	134,741.00	07/01/11	06/30/12	(134,741.00)	
Extraordinary Special Education Aid	100-034-5120-473	96,433.00	07/01/12	06/30/13		
T.P.A.F. Social Security Aid	495-034-5095-002	799,184.82	07/01/11	06/30/12	(4,192.85)	
T.P.A.F. Social Security Aid	495-034-5095-002	791,863.10	07/01/12	06/30/13		
Total General Fund					(1,714,093.85)	
Special Revenue Fund:						
Preschool Education Aid	495-034-5120-086	1,797,920.00	07/01/11	06/30/12	(169,616.55)	
Preschool Education Aid	495-034-5120-086	1,843,289.00	07/01/12	06/30/13		
School Based Youth Services	11XWSP	268,776.00	07/01/12	06/30/13		
Family Friendly Centers	11XWSP	45,463.00	09/01/12	06/30/13		
Education of Homeless Children and Youth	09-BR12-HO2	4,400.00	09/01/10	08/31/11	(874.89)	
Total Special Revenue Fund					(170,491.44)	
Capital Projects Fund:						
New Jersey School Development Authority:						
Additional State School Building Aid - SDA Grants	100-034-5120-016	536,914.76	Project Completion		(371,507.00)	
Debt Service Fund:						
Debt Service Aid, Type 2	495-034-5120-075	228,335.00	07/01/12	06/30/13		
Enterprise Fund:						
National School Lunch Program -- (State Share)	100-010-3350-023	9,453.96	07/01/12	06/30/13		
National School Lunch Program -- (State Share)	100-010-3350-023	10,355.82	07/01/11	06/30/12	(228.80)	
Total Enterprise Fund					(228.80)	
Total State Financial Assistance					\$ (2,256,321.09)	\$ -

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

(A) - New Project Approvals and Project Budget Revisions

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2013			MEMO	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2013	Cumulative Total Expenditures
\$ 1,240,877.33								\$(12,994,055.00)
11,576,462.98	\$ (12,815,193.00)			\$ (1,238,730.02)			\$ (1,238,730.02)	(12,815,193.00)
4,888.88	(5,412.00)			(523.12)			(523.12)	(5,412.00)
14,825.15								(155,244.00)
140,422.23	(155,448.00)			(15,025.77)			(15,025.77)	(155,448.00)
48,110.58								(503,798.00)
476,436.32	(527,417.00)			(50,980.68)			(50,980.68)	(527,417.00)
38,419.19								(402,313.00)
356,658.99	(394,823.00)			(38,164.01)			(38,164.01)	(394,823.00)
232,927.75								(2,439,142.00)
2,046,166.60	(2,265,115.00)			(218,948.40)			(218,948.40)	(2,265,115.00)
134,741.00								(134,741.00)
	(96,433.00)			(96,433.00)				(96,433.00)
4,192.85								(799,184.82)
787,850.08	(791,863.10)			(4,013.02)				(791,863.10)
17,102,979.93	(17,051,704.10)			(1,662,818.02)			(1,562,372.00)	(34,480,181.92)
180,053.00					\$ 10,436.45			(1,797,920.00)
1,658,952.00	(1,843,289.00)			(184,337.00)			(184,337.00)	(1,843,289.00)
268,776.00	(268,776.00)							(268,776.00)
45,463.00	(45,463.00)							(45,463.00)
874.89								(4,400.00)
2,154,118.89	(2,157,528.00)			(184,337.00)	10,436.45		(184,337.00)	(3,959,848.00)
		\$ 7,853.49 A		(363,653.51)				(536,914.76)
228,335.00	(228,335.00)							(228,335.00)
8,031.38	(9,453.96)			(1,422.58)				(9,453.96)
228.80								(10,355.82)
8,260.18	(9,453.96)			(1,422.58)				(19,809.78)
\$ 19,493,694.00	\$ (19,447,021.06)	\$ 7,853.49	\$ -	\$ (2,212,231.11)	\$ 10,436.45	\$ -	\$ (1,746,709.00)	\$(38,688,174.70)

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

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$12,788.00 for the general fund and \$(35,186.59) for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$0.00 for the general fund and \$(30,902.59) for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 114,812.56	\$ 18,605,166.10	\$ 18,719,978.66
Special Revenue	1,404,214.71	2,133,346.41	3,537,561.12
Debt Service		228,335.00	228,335.00
Food Service	704,973.54	9,453.96	714,427.50
Total Awards and Financial Assistance	<u>\$ 2,224,000.81</u>	<u>\$ 20,976,301.47</u>	<u>\$ 23,200,302.28</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2011-2012, minor cancelations and capital projects approvals or modifications. Adjustments are identified and explained as footnotes to Exhibit K-3 and K-4.

Note 6: OTHER

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

Note 7: MAJOR PROGRAMS

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

**CITY OF SALEM BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013**

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-068	School Choice Aid
495-034-5095-002	Reimbursed TPAF Social Security Contributions
495-034-5120-086	Preschool Education Aid

Dollar threshold used to determine Type A programs \$ 583,411.00

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

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Section 2- Schedule of Financial Statement Findings

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

None

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

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

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

None

**CITY OF SALEM SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management**

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

No Prior Year Audit Findings.

25800

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the District officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "D. C. Rollison", written over the printed name below.

David C. Rollison
Public School Accountant
No. CS00346

