TOWNSHIP OF MOUNT LAUREL
SCHOOL DISTRICT
MOUNT LAUREL, NEW JERSEY

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
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INTRODUCTORY SECTION

Mount Laurel SCHOOLS
Inspiring potential. Enriching futures.

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Robert F. Wachter Jr., MBA
Assistant Superintendent for Business/Board Secretary
www.mtlaurelschools.org rwachter@mountlaurel.k12.nj.us

November 20, 2014

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

Dear Board Members:

The comprehensive annual financial report of the Township of Mount Laurel School District for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the School District. 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 governmental activities, the business type activities, and each major fund 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 Management's Discussion and Analysis and 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 OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Township of Mount Laurel School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All major funds of the District are included in this report. The Township of Mount Laurel School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped students. The following details the changes in the student enrollment of the District over the last ten years.

1) REPORTING ENTITY AND ITS SERVICES (CONT'D):

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2013-14	4,175	+0.79%
2012-13	4,142	-1.69%
2011-12	4,213	-2.06%
2010-11	4,302	-0.94%
2009-10	4,343	-0.13%
2008-09	4,348	-1.40%
2007-08	4,410	-2.14%
2006-07	4,506	-0.74%
2005-06	4,540	-0.75%
2004-05	4,574	-0.02%

2) ECONOMIC CONDITIONS AND OUTLOOK: Commercial development, population and residential housing construction within the Township have remained relatively unchanged over the past couple of years. The Township's population has more than tripled over the past 30 years. The latest official census of 2010 recorded the population at 41,864 residents.

3) MAJOR INITIATIVES AND ACCOMPLISHMENTS: Major initiatives and accomplishments for 2013-2014 in the academic, instructional and operational programs include the following:

The Mount Laurel Education Fund, Inc. donated $30,000 to the Board of Education representing proceeds from the "19th Annual Driving To The Green Golf Tournament" held in September of 2013. These funds, coupled with support from Mount Laurel's seven Parent-Teacher Organizations, retained after-school clubs and extracurricular activities across the district.

The Mount Laurel Emergency Procedures Manual was revised to comply with the Memorandum of Agreement Between Education and Law Enforcement Officials, the New Jersey Department of Education School Safety and Security Plans Minimum Requirement dated August 2011 and in consultation with Mount Laurel Police, Fire and Emergency Management Officials.

The Mount Laurel Board of Education and Administration hosted a Community Summit to discuss the transformation facing our schools, namely the new Common Core Standards, the new PARCC Test to be administered in 2015 and student attendance rates. A total of 110 community representatives participated in the Summit.

Fifteen students were recognized for award-winning submissions to the district School Bus Safety Poster Contest. Also recognized were five bus drivers for their efforts in coordinating the Contest.

Larchmont Media Specialist Jean Stock was selected as one of 56 people to participate in the American Library Association's 2014 class of Emerging Leaders.

Harrington student Samantha Sorid won first-place honors in the Burlington County Science Fair, competing against students in grades 8-12.

Five Harrington Middle School students were selected by audition for regional and state honors band and orchestra. Six students were chosen for the All South Jersey Band, two students for the Olympic Conference Honors Band, and two for the All South Jersey Band.

Ten Hartford School students were selected by audition for regional and state honors band and orchestra. Two students were chosen for the All South Jersey Band and three students for the Olympic Conference Honors Band.

3) MAJOR INITIATIVES AND ACCOMPLISHMENTS (CONT'D):

Mount Laurel Schools received a $15,000 grant from The Sallie Mae Foundation for Science, Technology, Engineering and Math (STEM) initiatives.

Mount Laurel Schools received a $4,000 grant from the Federal Naval Air Grant with Lakehurst Naval Air Station for the Harrington STEM program.

Harrington Middle School's summer Sea Perch Program at Harrington was featured on Bob Ballard's Underwater Exploration Program that live-streams globally.

Mount Laurel's STEM Program at Harrington Middle School won the New Jersey School Leader Award from the New Jersey School Boards Association.

The district was cited in "Climbing Mount Laurel: The Struggle For Affordable Housing and Social Mobility In An American Suburb" published by Princeton University Press for its efforts in providing quality education for all students.

Mount Laurel Superintendent of Schools Dr. Antoinette Rath was named Woman Of The Year in Education by the Burlington County Advisory Council on Women.

Mount Laurel teachers Maureen Barrett, Ceil Lynn, Marianne Rubba and Sheila Miller were featured as "Star Teachers" by Suburban Magazine.

Mount Laurel School District approved a new three-year maintenance plan for facilities.

The district's security and safety program was advanced with the final phase of camera installation in common areas in all eight schools. A regional tabletop drill was also conducted with municipal and county emergency personnel.

Mount Laurel's technology program was advanced via an initiative to place additional Chromebook computer carts in each school for student and testing use.

New elective courses were introduced at Harrington Middle School, to include: IPublish, CSI, Inventive and Creative Thinking, and Show Me The Money. New middle school curriculum was also adopted.

New Jersey Attorney General John Jay Hoffman and New Jersey Director of Homeland Security Edward Dickson visited Hartford School along with a contingent of staff and colleagues, as part of an unannounced visit by the New Jersey Department of Education and Homeland Security to assess our school safety and planning efforts.

Mount Laurel School District participated in the Mount Laurel Fall Festival and hosted A Taste of Mount Laurel, both widely-attended community events.

Mount Laurel's TIME Mentor Program provided one-on-one mentors to approximately 70 students on a volunteer basis.

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 accounting principles generally accepted in the United States of America (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 is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

4) INTERNAL ACCOUNTING CONTROLS (CONT'D):

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

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

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

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

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

8) 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 failed banking institutions 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.

9) RISK MANAGEMENT: The District carries various forms of insurance, including but not limited to workers compensation insurance, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

A professional appraisal firm is retained by the District to provide up-to-date insurable values of equipment, property and buildings.

The District is a member of the Burlington County Insurance Pool - Joint Insurance Fund.

10) 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 District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the basic financial statements, required supplemental information and supplemental information are 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.

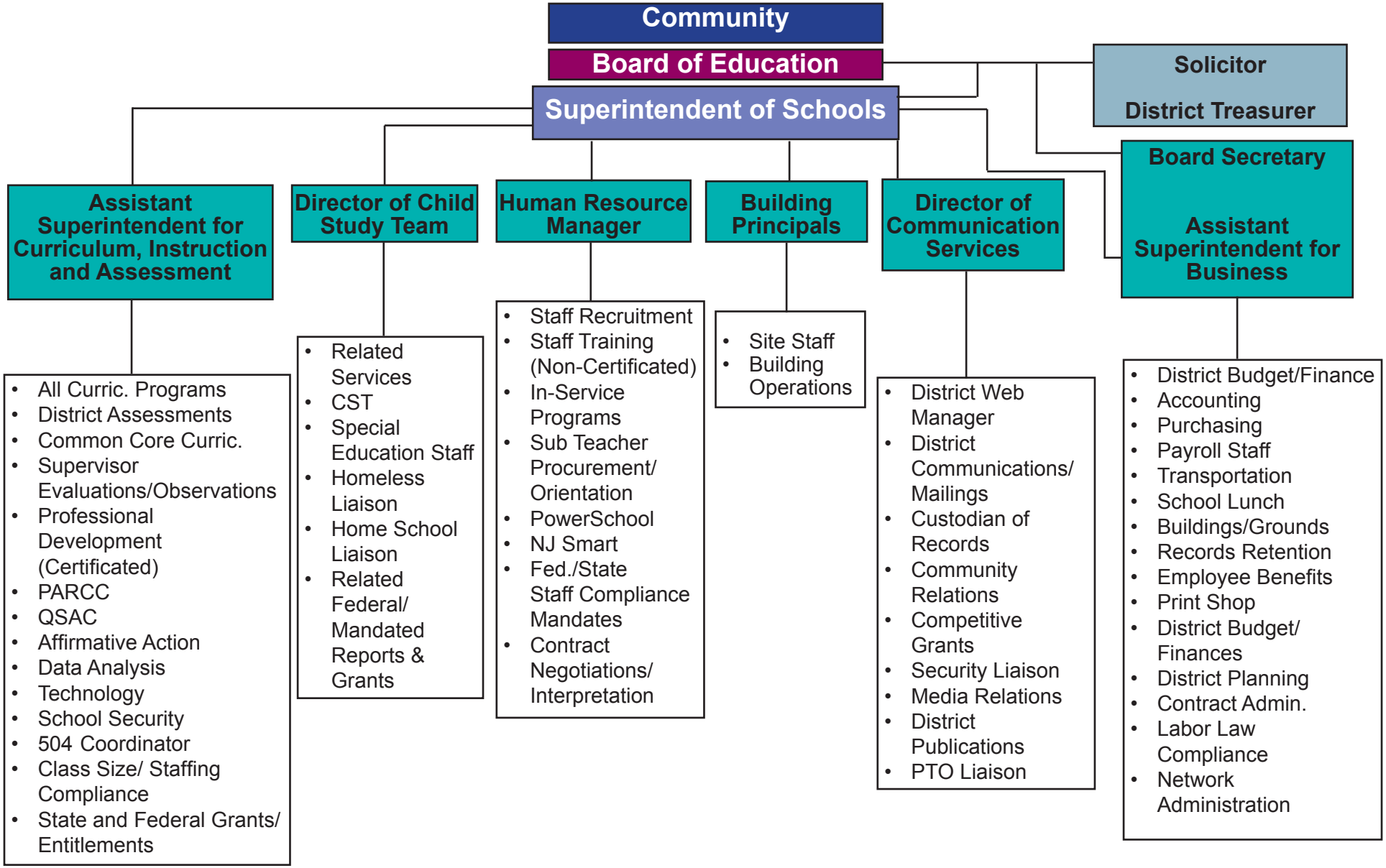
11) ACKNOWLEDGEMENTS: The preparation of this report would not have been possible without the dedication and skill of the Business Office staff. We would also like to express our appreciation to the members of the Township of Mount Laurel School District Board of Education for their support in providing a sound financial operation.

Respectfully Submitted,

Antoinette Rath, Ed. D.
Superintendent

Respectfully Submitted,

Robert F. Wachter Jr.
Assistant Superintendent for Business/
Board Secretary


Community
Board of Education
Superintendent of Schools
Solicitor
District Treasurer
Board Secretary
Assistant Superintendent for Business
Assistant Superintendent for Curriculum, Instruction and Assessment
Director of Child Study Team
Human Resource Manager
Building Principals
Director of Communication Services
• All Curric. Programs
• District Assessments
• Common Core Curric.
• Supervisor Evaluations/Observations
• Professional Development (Certificated)
• PARCC
• QSAC
• Affirmative Action
• Data Analysis
• Technology
• School Security
• 504 Coordinator
• Class Size/ Staffing Compliance
• State and Federal Grants/ Entitlements
• Related Services
• CST
• Special Education Staff
• Homeless Liaison
• Home School Liaison
• Related Federal/ Mandated Reports & Grants
• Staff Recruitment
• Staff Training (Non-Certificated)
• In-Service Programs
• Sub Teacher Procurement/ Orientation
• PowerSchool
• NJ Smart
• Fed./State Staff Compliance Mandates
• Contract Negotiations/ Interpretation
• Site Staff
• Building Operations
• District Web Manager
• District Communications/ Mailings
• Custodian of Records
• Community Relations
• Competitive Grants
• Security Liaison
• Media Relations
• District Publications
• PTO Liaison
• District Budget/Finance
• Accounting
• Purchasing
• Payroll Staff
• Transportation
• School Lunch
• Buildings/Grounds
• Records Retention
• Employee Benefits
• Print Shop
• District Budget/ Finances
• District Planning
• Contract Admin.
• Labor Law Compliance
• Network Administration

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

ROSTER OF OFFICIALS

June 30, 2014

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Margaret L. Haynes, President	2014
Maureen Sojka, Vice President	2015
Diane Blair	2014
Christine Dickson	2014
Ronald F. Frey	2015
Michael Gallagher	2016
Marc Jones	2016
Scott Jones	2016
Joanne Pelly	2015

OTHER OFFICIALS

Dr. Antoinette Rath, Superintendent

Dr. Sharon A. Vitella, Assistant Superintendent

Robert F. Wachter, Jr., Assistant Superintendent for Business / Board Secretary

Barbara Krumpe, Treasurer of School Monies

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

June 30, 2014

AUDIT FIRM

Bowman & Company LLP
Certified Public Accountants & Consultants
6 North Broad Street, Suite 201
Woodbury, New Jersey 08096

ATTORNEY

Frank P. Cavallo, Jr.
Parker McCay P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

TD Bank
201 Ark Road
Mount Laurel, New Jersey 08054

Beneficial Bank
4522 Church Road
Mount Laurel, New Jersey 08054

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Mount Laurel School District
Mount Laurel, New Jersey 08054

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mount Laurel School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mount Laurel School District in the County of Burlington, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mount Laurel 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 date November 20, 2014 on our consideration of the Township of Mount Laurel School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Mount Laurel School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Henry J. Ludwigsen

Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
November 20, 2014

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Mount Laurel School District
Mount Laurel, New Jersey 08054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mount Laurel School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 20, 2014.

Internal Control Over Financial Reporting

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Mount Laurel 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Henry J. Ludwigsen

Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
November 20, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

The Management's Discussion and Analysis (MD&A) of the Township of Mount Laurel School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- The total assets of the Township of Mount Laurel School District exceeded its total liabilities at the close of the most recent fiscal year by $37,606,563.63 (net position).
- The Township of Mount Laurel School District's total net position increased by $2,669,903.03.
- The Township of Mount Laurel School District's total Long Term Obligations decreased by $4,498,707.23.

Overview of the Financial Statements

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

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

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

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

Both of the district-wide financial statements distinguish functions of the Township of Mount Laurel School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township of Mount Laurel School District include the education of students in grades K-8 at the Township of Mount Laurel School District's eight schools. The business-type activities of the Township of Mount Laurel School District include a food service and daycare programs.

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

Governmental Funds - Most of the Township of Mount Laurel School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township of Mount Laurel School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The Township of Mount Laurel School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

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

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

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

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township of Mount Laurel School District, assets exceeded liabilities by $37,606,563.63 at the close of the most recent fiscal year.

The table below provides a summary of the School District's net position.

	June 30, 2014	June 30, 2013
Current and Other Assets	$ 12,192,797.15	$ 18,446,755.47
Capital Assets	51,739,129.09	53,502,415.92
Total Asset	63,931,926.24	71,949,171.39
Deferred Loss on Defeasance	1,355,440.51	1,596,837.51
Total Deferred Outflow of Resources	1,355,440.51	1,596,837.51
Long-term Liabilities	27,047,908.50	26,790,965.60
Other Liabilities	611,724.62	5,466,883.37
Total Liabilities	27,659,633.12	32,257,848.97
Unearned Revenue		
Total Deferred Inflow of Resources	21,170.00	6,351,499.33
	21,170.00	6,351,499.33
Net Investment in Capital Assets	27,679,618.57	25,100,272.38
Restricted	8,376,044.19	8,674,440.43
Unrestricted	1,550,900.87	1,161,947.79
Total Net Position	$ 37,606,563.63	$ 34,936,660.60

The table below reflects changes in net position for 2014 and 2013

Revenues	June 30, 2014	June 30, 2013
Program revenues		
Charges for services	$ 2,509,169.51	$ 2,431,729.37
Operating grants and contributions	7,822,864.88	8,724,984.11
General Revenues		
Property taxes	57,880,157.00	56,745,545.00
State and Federal Aid	4,736,220.59	4,642,531.02
Other	295,170.60	446,217.71
Total Revenues	73,243,582.58	72,991,007.21
Expenses		
Governmental activities		
Instruction:		
Regular	22,782,578.47	21,924,086.65
Special education	7,135,275.05	7,332,086.76
Other special education	665,675.60	616,478.04
Other instruction	228,557.73	275,883.40
Support Services:		
Tuition	1,194,266.81	996,187.31
Student & instruction related services	5,879,802.08	5,809,069.10
General administration	971,789.31	1,021,098.43
School Administrative services	2,105,748.54	2,062,779.82
Central Services	882,838.49	893,318.87
Administrative information technology	529,963.95	550,541.41
Plant operations and maintenance	5,629,237.84	5,132,298.80
Pupil transportation	3,235,003.74	2,952,168.00
Unallocated Benefits	15,956,334.87	16,561,764.40
Special Schools	400,308.19	391,280.86
Interest on long-term debt	840,236.35	1,098,322.68
Unallocated depreciation	437,575.00	576,536.27
Total governmental activities expenses	68,875,192.02	68,193,900.80
Business-type activities:		
Food service	1,224,069.65	1,158,486.45
Child Care	474,417.88	478,502.41
Total business-type activities expense	1,698,487.53	1,636,988.86
Total Expenses	70,573,679.55	69,830,889.66
Special Items	-	(9,157.00)
Net Increase / Decrease in Net Position	2,669,903.03	3,150,960.55
Net Position Beginning of Year	34,936,660.60	31,785,700.05
Net Position End of Year	$ 37,606,563.63	$ 34,936,660.60

Governmental-Type Activities

- There was an increase of $2,412,276.88 or 7.36% increase in governmental activities net position.
- Property taxes increased $1,134,612.00 or 2.00% from the prior year. Most of this increase is the product of funding general fund services and programs. Property taxes had increased by $1,103,951.00 or 1.98% from the 11-12 to the 12-13 school year.
- State and Federal Aid general revenue increased by $93,689.57 or 2.02%.
- Total Expenses (GASB level) increased $681,291.22 or 1.00% from the prior year.
    - Capital Lease Payment for Technology Upgrades in the amount of $282,192.78 was made during 2013-14.
    - A contribution to the Unemployment Compensation Trust Fund in the amount of $300,000.00 was made during 2013-14.
    - Total General Fund Salaries increased $110,708.21 or 0.28% ($39,668,117.07 - $39,557,408.86).
    - Health Benefits charged to the budget were $8,448,251.86 in 2013-2014 compared to $8,440.031.05 in 2012-2013, an increase of only $8,220.81.
    - Employee contributions toward Health Benefits were $1,256,858.61 in 2013-2014 compared to $792,394.23 in 2012-2013, an increase of $464,464.38.
    - On-behalf Contributions made by the State of NJ for Pension and Post-Retirement Medical Benefits decreased $884,281.00 ($3,275,788.00 - $4,160,069.00)
    - Increase Energy Costs due to the harsh winter/snow and increases in Special Education Costs also occurred during the year.
- Total Expenses (GASB level) increased $2,346,450.28 or 3.56% from the 11-12 to the 12-13 school year.

Business-Type Activities

- There was an increase of $257,626.15 or 12.00% in business-type activities net position.
- Expenses for food service activities increased by $65,583.20 or 5.66%, revenues decreased by $6,157.33 or -0.51%.
- Expenses for daycare activities services decreased by $4,084.53 revenues increased by $111,194.25.

General Fund Budgetary Highlights

During the course of the 2014 fiscal year, the Township of Mount Laurel School District modified its general fund budget numerous times.

The final budgetary basis anticipated revenue was $59,391,494.00, actual revenues were $65,685,018.28.

During fiscal year 2014, the Township of Mount Laurel School District budgeted $54,288,538.00 and $4,265,312.00 for property taxes (local tax levy) and state aid revenues, respectively. The Township of Mount Laurel School District also received $2,115,293.87 and $3,275,788.00 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The final budgetary basis expenditures was $63,719,658.92, actual expenditures were $66,380,123.67.

The Township of Mount Laurel School District's expenditures also include the reimbursed TPAF Social Security Aid and T.P.A.F. Pension Contributions of $2,115,293.87 and $3,275,788.00 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Township of Mount Laurel School District's governmental funds reported combined ending fund balances of $9,614,492.86, a decrease of $202,763.65 in comparison with the prior year.

Of the combined ending fund balances of $9,614,492.86, $1,238,448.67 constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed. For example, to liquidate contracts and purchase orders of the prior period fund balance of $148,102.67 is assigned.

The general fund is the main operating fund of the Township of Mount Laurel School District. At the end of the current fiscal year, unreserved fund balance of the general fund was $1,238,448.67, while total fund balance was $9,316,871.68.

The fund balance of the Township of Mount Laurel School District's general fund at June 30, 2014 fund decreased by $277,450.17 over the previous year.

The debt service fund has a total fund balance of $245,898.27. Fund balance at June 30, 2014 increased by $74,508.41 in comparison to the fund balance at the prior year end.

The capital projects fund had fund balance of $51,722.91 at the end of the current fiscal year. This was an increase of $178.11 in comparison to the prior fiscal year.

Financial Analysis of the Government's Funds (Cont'd)

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

Unrestricted net position consisted of the following: $335,606.97 for the food service program and $1,867,402.70 for the daycare program. Other factors concerning the finance of this fund have already been addressed in the discussion of the Township of Mount Laurel School District's business-type activities.

Capital Asset and Debt Administration

Capital Assets - The Township of Mount Laurel School District's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to $51,739,129.09 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

There were no major capital asset events during the fiscal year.

Township of Mount Laurel School District
Capital Assets

	June 30, 2014	June 30, 2013
Land	$ 4,095,400.00	$ 4,095,400.00
Land Improvements	2,643,712.00	2,643,712.00
Building & Bldg Improvements	83,757,121.96	83,508,622.96
Equipment	13,785,283.55	13,323,356.05
Total Capital Assets	104,281,517.51	103,571,091.01
Less: Accumulated Depreciation	(52,542,388.42)	(50,068,675.09)
Net Capital Assets	$ 51,739,129.09	$ 53,502,415.92

Additional information on the Township of Mount Laurel School District's capital assets can be found in Note 6.

Long-term Debt - At the end of the current fiscal year, the Township of Mount Laurel School District had total bonded debt outstanding of $23,025,000.00. The entire Township of Mount Laurel School District's bonded debt is governmental as opposed to business-type. Bonds mature all the way to 2019.

Economic Factors and Next Year's Budget

For the 2013-14 school year, the Township of Mount Laurel School District was able to sustain its budget through property taxes, federal and state aid, and miscellaneous revenue sources.

One of the most important factors affecting the Township of Mount Laurel School District's budget is state aid. The 2014-15 budget was adopted with a two percent total (general and debt service) tax levy increase; based in part on the state aid the Township of Mount Laurel School District anticipates receiving. The anticipated state aid General Fund amount was $77,570.00 greater than the prior year and the Debt Service Fund amount increased $28,693.00

Any reduction of state aid and increase in expenditures will put an additional burden on the taxpayers of Mount Laurel.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Robert F. Wachter, Jr. Assistant Superintendent for Business/Board Secretary at:

Township of Mount Laurel School District
330 Mount Laurel Road
Mount Laurel, New Jersey 08054

BASIC FINANCIAL STATEMENTS

DISTRICT- WIDE FINANCIAL STATEMENTS

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$ 8,899,203.20	$ 2,258,891.97	$ 11,158,095.17
Receivables, net	668,221.15	33,477.30	701,698.45
Inventory		25,328.84	25,328.84
Restricted Assets:			
Restricted Cash and Cash Equivalents	307,674.69		307,674.69
Capital Assets, net (Note 6)	51,537,363.35	201,765.74	51,739,129.09
Total Assets	61,412,462.39	2,519,463.85	63,931,926.24
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Defeasance	1,355,440.51		1,355,440.51
Total Deferred Outflows of Resources	1,355,440.51	-	1,355,440.51
LIABILITIES:			
Accounts Payable	279,280.35	12,973.95	292,254.30
Internal Balances	(65,989.68)	65,989.68	-
Payable to State Government	16,092.00		16,092.00
Accrued Interest	257,600.00		257,600.00
Unearned Revenue		35,724.81	35,724.81
Outstanding Bonds and Coupons	10,053.51		10,053.51
Noncurrent Liabilities (Note 7):			
Due within One Year	4,755,650.13		4,755,650.13
Due beyond One Year	22,292,258.37		22,292,258.37
Total Liabilities	27,544,944.68	114,688.44	27,659,633.12
DEFERRED INFLOWS OF RESOURCES:			
Unearned Revenue	21,170.00		21,170.00
Total Deferred Inflows of Resources	21,170.00	-	21,170.00
NET POSITION:			
Net Investment in Capital Assets	27,477,852.83	201,765.74	27,679,618.57
Restricted for:			
Debt Service	245,898.27		245,898.27
Capital Projects	1,502,722.91		1,502,722.91
Other Purposes	6,627,423.01		6,627,423.01
Unrestricted (Deficit)	(652,108.80)	2,203,009.67	1,550,900.87
Total Net Position	$ 35,201,788.22	$ 2,404,775.41	$ 37,606,563.63

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	$ 22,782,578.47	$ 606,351.13	$ 488,980.01		$ (21,687,247.33)		$ (21,687,247.33)
Special Education	7,135,275.05		450,000.00		(6,685,275.05)		(6,685,275.05)
Other Special Instruction	665,675.60				(665,675.60)		(665,675.60)
Other Instruction	228,557.73				(228,557.73)		(228,557.73)
Support Services:							
Tuition	1,194,266.81				(1,194,266.81)		(1,194,266.81)
Student and Instruction Related Services	5,879,802.08		382,183.50		(5,497,618.58)		(5,497,618.58)
General Administrative Services	971,789.31				(971,789.31)		(971,789.31)
School Administrative Services	2,105,748.54				(2,105,748.54)		(2,105,748.54)
Central Services	882,838.49				(882,838.49)		(882,838.49)
Administrative Information Technology	529,963.95				(529,963.95)		(529,963.95)
Plant Operations and Maintenance	5,629,237.84				(5,629,237.84)		(5,629,237.84)
Pupil Transportation	3,235,003.74				(3,235,003.74)		(3,235,003.74)
Unallocated Benefits	15,956,334.87		5,391,081.87		(10,565,253.00)		(10,565,253.00)
Special Schools	400,308.19	367,893.46			(32,414.73)		(32,414.73)
Interest on Long-Term Debt	840,236.35		696,892.00		(143,344.35)		(143,344.35)
Unallocated Depreciation	437,575.00				(437,575.00)		(437,575.00)
Total Governmental Activities	68,875,192.02	974,244.59	7,409,137.38	-	(60,491,810.05)	-	(60,491,810.05)
Business-Type Activities:							
Food Service	1,224,069.65	779,732.49	413,727.50			$ (30,609.66)	(30,609.66)
Daycare	474,417.88	755,192.43				280,774.55	280,774.55
Total Business-Type Activities	1,698,487.53	1,534,924.92	413,727.50	-	-	250,164.89	250,164.89
Total Primary Government	$ 70,573,679.55	$ 2,509,169.51	$ 7,822,864.88	$ -	(60,491,810.05)	250,164.89	(60,241,645.16)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					54,288,538.00		54,288,538.00
Property Taxes Levied for Debt Service					3,591,619.00		3,591,619.00
Federal and State Aid Not Restricted					4,736,220.59		4,736,220.59
Miscellaneous Income					287,709.34	7,461.26	295,170.60
Total General Revenues, Special Items, Extraordinary Items and Transfers					62,904,086.93	7,461.26	62,911,548.19
Change in Net Position					2,412,276.88	257,626.15	2,669,903.03
Net Position -- July 1					32,789,511.34	2,147,149.26	34,936,660.60
Net Position -- June 30					$ 35,201,788.22	$ 2,404,775.41	$ 37,606,563.63

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	$ 8,899,203.20		$ 51,722.91	$ 255,951.78	$ 9,206,877.89
Accounts Receivable					
Federal		$ 154,638.70			154,638.70
State	513,582.45				513,582.45
Interfunds Receivable	204,536.38				204,536.38
Total Assets	$ 9,617,322.03	$ 154,638.70	$ 51,722.91	$ 255,951.78	$ 10,079,635.42
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	$ 279,280.35				$ 279,280.35
Outstanding Bond and Coupons				$ 10,053.51	10,053.51
Interfunds Payable		138,546.70			138,546.70
Payable to State Government		16,092.00			16,092.00
Total Liabilities	279,280.35	154,638.70	-	10,053.51	443,972.56
DEFERRED INFLOWS OF RESOURCES:					
Unearned Revenue	21,170.00				21,170.00
Total Deferred Inflows of Resources	21,170.00	-	-	-	21,170.00
Fund Balances:					
Restricted:					
Capital Reserve	1,451,000.00				1,451,000.00
School Bus Advertising 50% fuel offset reserve - Current Year	2,624.99				2,624.99
Excess Surplus - Current Year	3,000,559.35				3,000,559.35
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures	3,422,841.00				3,422,841.00
Debt Service Fund				199,969.27	199,969.27
Capital Projects Fund			$ 51,722.91		51,722.91
Assigned:					
Other Purposes	148,102.67				148,102.67
Designated for Subsequent Year's Expenditures	53,295.00			45,929.00	99,224.00
Unassigned	1,238,448.67				1,238,448.67
Total Fund Balances	9,316,871.68	-	51,722.91	245,898.27	9,614,492.86
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 9,617,322.03	$ 154,638.70	$ 51,722.91	$ 255,951.78	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $103,860,905.96, and the accumulated depreciation is $52,323,542.61.	51,537,363.35
Deferred Loss on Defeasance	1,355,440.51
Accrued Interest	(257,600.00)
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.	(27,047,908.50)
Net position of governmental activities	$ 35,201,788.22

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	$ 54,288,538.00			$ 3,591,619.00	$ 57,880,157.00
Other Restricted Miscellaneous Revenues	367,893.46				367,893.46
Unrestricted Miscellaneous Revenues	893,882.36		$ 178.11		894,060.47
State Sources	10,057,992.87	$ 31,880.58		696,892.00	10,786,765.45
Federal Sources	69,309.59	1,289,282.93			1,358,592.52
Total Revenues	65,677,616.28	1,321,163.51	178.11	4,288,511.00	71,287,468.90
EXPENDITURES:					
Current:					
Regular Instruction	20,406,149.28	488,980.01			20,895,129.29
Special Education Instruction	7,030,416.76				7,030,416.76
Other Special Instruction	665,675.60				665,675.60
Other Instruction	228,557.73				228,557.73
Support Services and Undistributed Costs:					
Tuition	744,266.81	450,000.00			1,194,266.81
Student and Instruction Related Services	5,497,618.58	382,183.50			5,879,802.08
General Administrative Services	971,789.31				971,789.31
School Administrative Services	2,000,890.25				2,000,890.25
Central Services	882,838.49				882,838.49
Administrative Information Technology	529,963.95				529,963.95
Plant Operations and Maintenance	6,227,900.96				6,227,900.96
Pupil Transportation	3,235,003.74				3,235,003.74
Unallocated Benefits	15,995,367.14				15,995,367.14
Special Schools	400,308.19				400,308.19
Debt Service:					
Principal				3,752,662.61	3,752,662.61
Interest and Other Charges	83,924.00			761,339.98	845,263.98
Capital Outlay	1,179,452.88				1,179,452.88
Total Expenditures	66,080,123.67	1,321,163.51	-	4,514,002.59	71,915,289.77
Excess (Deficiency) of Revenues over Expenditures	(402,507.39)	-	178.11	(225,491.59)	(627,820.87)
OTHER FINANCING SOURCES (USES):					
Capital Lease (Non Budgeted)	425,057.22				425,057.22
Operating Transfers In				300,000.00	300,000.00
Operating Transfers Out	(300,000.00)				(300,000.00)
Total Other Financing Sources and Uses	125,057.22	-	-	300,000.00	425,057.22
Net Change in Fund Balances	(277,450.17)	-	178.11	74,508.41	(202,763.65)
Fund Balance -- July 1	9,594,321.85	-	51,544.80	171,389.86	9,817,256.51
Fund Balance -- June 30	$ 9,316,871.68	$ -	$ 51,722.91	$ 245,898.27	$ 9,614,492.86

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

Total Net Change in Fund Balances - Governmental Funds		$ (202,763.65)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	$ (2,534,740.76)	
Capital Outlays	1,179,452.88	
		(1,355,287.88)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		3,752,662.61
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets. Capital Lease Proceeds		(425,057.22)
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. (+)		(55,845.23)
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 (+).		698,568.25
Change in Net Position of Governmental Activities		$ 2,412,276.88

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Food Service	Daycare	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 325,499.59	$ 1,933,392.38	$ 2,258,891.97
Accounts Receivable:			
State	1,264.82		1,264.82
Federal	32,212.48		32,212.48
Inventories	25,328.84		25,328.84
Total Current Assets	384,305.73	1,933,392.38	2,317,698.11
Noncurrent Assets:			
Furniture, Machinery and Equipment	420,611.55		420,611.55
Less Accumulated Depreciation	(218,845.81)		(218,845.81)
Total Noncurrent Assets	201,765.74	-	201,765.74
Total Assets	586,071.47	1,933,392.38	2,519,463.85
LIABILITIES :			
Current Liabilities:			
Accounts Payable	12,973.95	-	12,973.95
Interfund Payable	-	65,989.68	65,989.68
Unearned Revenues	35,724.81		35,724.81
Total Liabilities	48,698.76	65,989.68	114,688.44
NET POSITION:			
Net Investment in Capital Assets	201,765.74		201,765.74
Unrestricted	335,606.97	1,867,402.70	2,203,009.67
Total Net Position	$ 537,372.71	$ 1,867,402.70	$ 2,404,775.41

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Fund		
	Food Service	Daycare	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	$ 473,940.29		$ 473,940.29
Daily Sales - Non-Reimbursable Programs	284,338.78		284,338.78
Other Miscellaneous	21,453.42		21,453.42
Daycare Fees		$ 755,192.43	755,192.43
Total Operating Revenues	779,732.49	755,192.43	1,534,924.92
OPERATING EXPENSES:			
Salaries	451,412.73	434,646.84	886,059.57
Employee Benefits	37,925.94		37,925.94
Supplies and Materials	31,425.79	24,302.84	55,728.63
Cost of Sales	516,458.85		516,458.85
Management Fee	67,141.79		67,141.79
Insurance	18,571.03		18,571.03
Office Supplies	1,293.32		1,293.32
Auto Expense	1,570.90		1,570.90
Service Contracts	58,976.88		58,976.88
Miscellaneous	12,403.85	15,468.20	27,872.05
Depreciation	26,888.57		26,888.57
Total Operating Expenses	1,224,069.65	474,417.88	1,698,487.53
Operating Income (Loss)	(444,337.16)	280,774.55	(163,562.61)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	13,029.07		13,029.07
Federal Sources:			
National School Lunch Program	317,373.79		317,373.79
National School Breakfast Program	5,509.44		5,509.44
Food Distribution Program	77,815.20		77,815.20
Interest and Investment Revenue	1,306.26	6,155.00	7,461.26
Total Nonoperating Revenues (Expenses)	415,033.76	6,155.00	421,188.76
Change in Net Position	(29,303.40)	286,929.55	257,626.15
Net Position -- July 1	566,676.11	1,580,473.15	2,147,149.26
Net Position -- June 30	$ 537,372.71	$ 1,867,402.70	$ 2,404,775.41

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Food Service	Daycare	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	$ 779,917.77	$ 754,463.13	$ 1,534,380.90
Payments to Employees	(451,412.73)	(392,960.00)	(844,372.73)
Payments for Employee Benefits	(37,925.94)		(37,925.94)
Payments to Suppliers	(408,093.14)		(408,093.14)
Payments to Others	(247,508.55)	(15,468.20)	(262,976.75)
Net Cash Provided by (used for) Operating Activities	(365,022.59)	346,034.93	(18,987.66)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal and State Sources	323,457.64		323,457.64
Net Cash Provided by (used for) Non-Capital Financing Activities	323,457.64	-	323,457.64
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(30,226.50)		(30,226.50)
Net Cash Provided by (used for) Capital and Related Financing Activities	(30,226.50)	-	(30,226.50)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	1,306.26	6,155.00	7,461.26
Net Cash Provided by (used for) Investing Activities	1,306.26	6,155.00	7,461.26
Net Increase (Decrease) in Cash and Cash Equivalents	(70,485.19)	352,189.93	281,704.74
Cash and Cash Equivalents -- July 1	395,984.78	1,581,202.45	1,977,187.23
Cash and Cash Equivalents -- June 30	$ 325,499.59	$ 1,933,392.38	$ 2,258,891.97
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (444,337.16)	$ 280,774.55	$ (163,562.61)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	26,888.57		26,888.57
Food Distribution Program	77,815.20		77,815.20
(Increase) Decrease in Inventories	8,337.70		8,337.70
(Increase) Decrease in Other Current Assets		(729.30)	(729.30)
Increase (Decrease) in Other Current Liabilities	(33,726.90)	65,989.68	32,262.78
Total Adjustments	79,314.57	65,260.38	144,574.95
Net Cash Provided by (used for) Operating Activities	$ (365,022.59)	$ 346,034.93	$ (18,987.66)

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2014

	Trust Funds	Agency Funds	
	Unemployment Compensation Trust	Student Activity	Payroll
ASSETS:			
Cash and Cash Equivalents	$ 926,935.00	$ 109,718.37	$ 317,276.23
Total Assets	926,935.00	$ 109,718.37	$ 317,276.23
LIABILITIES:			
Payable to Student Groups	$ -	$ 109,718.37	-
Payroll Deductions and Withholdings	-	-	$ 317,276.23
Total Liabilities	-	$ 109,718.37	$ 317,276.23
NET POSITION:			
Held in Trust for Unemployment Claims and Other Purposes	$ 926,935.00		

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Board Contribution	$ 300,000.00
Plan member	113,715.88
Total Contributions	413,715.88
Investment Earnings:	
Interest	2,135.61
Net Investment Earnings	2,135.61
Total Additions	415,851.49
DEDUCTIONS:	
Unemployment Claims	68,782.14
Quarterly Payroll Reports	54,384.37
Total Deductions	123,166.51
Change in Net Position	292,684.98
Net Position -- July 1	634,250.02
Net Position -- June 30	$ 926,935.00

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K-8 at its eight schools. The School District has an approximate enrollment at June 30, 2014 of 4,175.

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

Component Units

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

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

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

Component Units

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

Based upon the application of these criteria, the School District has determined that the following organization is considered a component unit, however the School District has determined that it is not significant and, therefore, has not been included in the basic financial statements.

Mount Laurel Public Education Fund, Inc.
P.O. Box 1304
Mount Laurel, New Jersey 08054

Requests for financial information should be addressed to the organization listed above.

Government-wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition of 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, and 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 expenditures for principal and interest.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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

The School District maintains the following proprietary funds:

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

Daycare Fund - This fund accounts for financial activity related to providing day care services for School District students before school, after school, and during the summer camp.

Additionally, the School District reports the following fund types:

Fiduciary Funds

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

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

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

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

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

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

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

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 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 deferred revenues at fiscal year end.

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

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 units 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 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, 2014.

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

Short-Term Interfund Receivables / Payables

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

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:

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

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2014 and 2013 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.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2014, the amounts earned by these employees were disbursed to the employees own accounts.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Bond Discounts / Premiums

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

Net Position

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

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

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

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

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

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 spend. 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.

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

Fund Balance (Cont'd)

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62.* GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASBS 66, however, does not have a material impact on the School District's financial statements.

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

Recently Issued Accounting Pronouncements

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

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

Recently Issued Accounting Pronouncements (Cont'd)

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

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

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material when considered in conjunction with the adoption of Statement No. 68.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may 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 trust 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.

As of June 30, 2014, the School District's bank balances of $16,101,833.15 were exposed to custodial credit risk as follows:

Insured	$ 500,000.00
Uninsured and collateralized with securities held by pledging financial institutions	14,994,444.23
Uninsured and uncollateralized	607,388.92
Total	$ 16,101,833.15

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2014, the School District's deposits with the New Jersey Cash Management Fund were $305,388.74.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of $1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance July 1, 2013	$ 1,000,500.00
Decreased by: 13-14 Budget	(300,000.00)
Increased by: Interest Earnings	500.00
Increased by: Board Resolution	750,000.00
Ending Balance June 30, 2014	$ 1,451,000.00
Analysis of Balance	
Anticipated as Revenue 2014-2015 Budget	$ 652,071.00
Reserved for Future Use	798,929.00
	$ 1,451,000.00

The LRFP balance of local support costs of uncompleted projects at June 30, 2014 is $1,000,500.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

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

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

	Governmental Funds			Proprietary Funds	
Description	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total
Federal Awards		$ 154,638.70	$ 154,638.70	$ 32,212.48	$ 186,851.18
State Awards	$ 513,582.45		513,582.45	1,264.82	514,847.27
	$ 513,582.45	$ 154,638.70	$ 668,221.15	$ 33,477.30	$ 701,698.45

Note 5: INVENTORY

Inventory recorded at June 30, 2014 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	$ 9,912.39
Commodities	9,874.99
Supplies	5,541.46
	$ 25,328.84

Note 6: CAPITAL ASSETS

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

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	$ 4,095,400.00			$ 4,095,400.00
Total Capital Assets, not being Depreciated	4,095,400.00	-	-	4,095,400.00
Capital Assets, being Depreciated:				
Land Improvements	2,643,712.00			2,643,712.00
Building and Improvements	83,508,622.96	$ 248,499.00		83,757,121.96
Equipment	12,932,971.00	519,617.00	$ (87,916.00)	13,364,672.00
Total Capital Assets, being Depreciated	99,085,305.96	768,116.00	(87,916.00)	99,765,505.96
Total Capital Assets, Cost	103,180,705.96	768,116.00	(87,916.00)	103,860,905.96
Less Accumulated Depreciation for:				
Land Improvements	(2,330,093.00)	(63,442.00)		(2,393,535.00)
Building and Improvements	(37,181,547.85)	(2,097,165.76)		(39,278,713.61)
Equipment	(10,365,077.00)	(374,133.00)	87,916.00	(10,651,294.00)
Total Accumulated Depreciation	(49,876,717.85)	(2,534,740.76) *	87,916.00	(52,323,542.61)
Total Capital Assets, being Depreciated, Net	49,208,588.11	(1,766,624.76)		47,441,963.35
Governmental Activities Capital Assets, Net	$ 53,303,988.11	$ (1,766,624.76)	$ -	$ 51,537,363.35
Business-Type Activities:				
Equipment	$ 390,385.05	$ 30,226.50		$ 420,611.55
Less Accumulated Depreciation	(191,957.24)	(26,888.57)		(218,845.81)
Business-Type Activities Capital Assets, Net	$ 198,427.81	$ 3,337.93	$ -	$ 201,765.74

* Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction - Regular	$ 1,887,449.18
Instruction - Special Education	104,858.29
School Administration Services	104,858.29
Unallocated	437,575.00
Total Depreciation Expense - Governmental Activities	$ 2,534,740.76
Business-Type Activities:	
Food Service	$ 26,888.57

Note 7: LONG-TERM LIABILITIES

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

Governmental Activities:	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due within One Year
Bonds Payable:					
General Obligation Bonds	$ 26,410,000.00		$ (3,385,000.00)	$ 23,025,000.00	$ 3,935,000.00
Add Amounts:					
Bond Premium	2,009,564.09		(302,270.28)	1,707,293.81	302,270.28
Total Bonds Payable	28,419,564.09	-	(3,687,270.28)	24,732,293.81	4,237,270.28
Other Liabilities:					
Loan Payable	367,662.20		(367,662.20)		
Obligations under Capital Lease	1,010,000.00	$ 425,057.22	(1,010,000.00)	425,057.22	139,968.36
Compensated Absences	1,929,589.74		(39,032.27)	1,890,557.47	378,411.49
Total Other Liabilities	3,307,251.94	425,057.22	(1,416,694.47)	2,315,614.69	518,379.85
Governmental Activity Long-term Liabilities	$ 31,726,816.03	$ 425,057.22	$ (5,103,964.75)	$ 27,047,908.50	$ 4,755,650.13

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

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

Principal and interest due on bonds outstanding is as follows:

Year Ending June 30,	Principal	Interest	Total
2015	$ 3,935,000.00	$ 743,300.00	$ 4,678,300.00
2016	4,020,000.00	609,300.00	4,629,300.00
2017	4,085,000.00	476,250.00	4,561,250.00
2018	4,150,000.00	329,375.00	4,479,375.00
2019	4,280,000.00	178,725.00	4,458,725.00
2020	2,555,000.00	51,100.00	2,606,100.00
	$ 23,025,000.00	$ 2,388,050.00	$ 25,413,050.00

Note 7: LONG-TERM LIABILITIES (CONT'D)

Bonds Authorized But Not Issued – As of June 30, 2014, 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.

Obligations under Capital Lease - The School District is leasing technology improvements totaling $425,057.22 under a capital lease. The capital lease has a five year term. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2014.

Year Ending June 30,	Principal	Interest	Total
2015	$ 139,968.36	$ 5,194.20	$ 145,162.56
2016	141,678.77	3,483.79	145,162.56
2017	143,410.09	1,752.47	145,162.56
	$ 425,057.22	$ 10,430.46	$ 435,487.68

Note 8: PENSION PLANS

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

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on 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.

Note 8: PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd)

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:

Fiscal Year	Normal Contribution	Accrued Liability	Non-Contributory Group Life Insurance	Total Liability	Paid by School District
2014	$ 269,848.00	$ 627,432.00	$ 15,260.00	$ 912,540.00	$ 912,540.00
2013	245,066.00	585,958.00	49,460.00	880,484.00	880,484.00
2012	290,853.00	581,705.00	55,593.00	928,151.00	928,151.00

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

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

Note 8: PENSION PLANS (CONT'D)

Defined Contribution Retirement Program (Cont'd)

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

Fiscal Year	Paid by School District
2014	$ 6,838.68
2013	7,323.95
2012	1,853.37

Note 9: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for postemployment medical benefits, and the State contributed $1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid $173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were $1,241,006.00 and $2,034,782.00, respectively.

Note 11: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

Note 11: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd)

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

Fiscal Year Ended June 30,	School District Contributions	Amount Reimbursed	Ending Balance
2014	$ 300,000.00	$ 72,139.48	$ 926,935.00
2013	none	34,554.18	634,250.02
2012	200,000.00	44,951.29	604,157.31

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

Property, Inland Marine and Automobile Physical Damages
Boiler and Machinery
Crime
General and Automobile Liability
Workers' Compensation
Educator's Legal Liability
Pollution Legal Liability
Cyber Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for the year ended June 30, 2014 which can be obtained from the following address:

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

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of six (6) 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:

Fidelity
Equitable
Valic
Lincoln Investment
Tom Sealy Investment
Prudential

Note 13: 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 are granted vacation and sick leave in varying amounts under the School District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin accumulating and vesting upon commencement of employment. The School District shall pay each employee retiring from the School District for each accumulated unused sick day in accordance with the School District's schedule up to a maximum of 200 days.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2014, the liability for compensated absences reported on the government-wide statement of net position was $1,890,557.47. As of June 30, 2014 no liability for compensated absences in proprietary fund statement of net position exists.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Fund	Interfunds Receivable	Interfunds Payable
General	$ 204,536.38	
Special Revenue		$ 138,546.70
Day Care		65,989.68
	$ 204,536.38	$ 204,536.38

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.

An interfund transfer from the General Fund to the Debt Service Fund was the result of the 2013-2014 Debt Service Fund budget anticipating the $300,000.00 as revenue from the General Fund.

Note 15: DEFEASED DEBT

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the School District's financial statements. As of June 30, 2014, the total amount of defeased debt outstanding, but removed from the School District's financial statements, is $12,900,000.00.

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: FUND BALANCES

RESTRICTED

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

General Fund -

For Capital Reserve Account - As of June 30, 2014, the balance in the capital reserve account is $1,451,000.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Legally Restricted Appropriations - In accordance with N.J.S.A.. 18A:39-31, the School District has restricted $2,624.99 of school bus advertising revenue to be designated for utilization in the 2015-16 budget, to offset fuel costs.

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is $3,000,559.35. Additionally, $3,422,841.00 of excess fund balance generated during 2013-2014 has been restricted and designated for utilization in the 2014-2015 budget.

Capital Projects Fund – The School District had issued general obligation bonds for various capital projects. The bonds were approved by the voters of the School District at special elections. As of June 30, 2014, the restricted fund balance amount was $51,722.91.

Debt Service Fund – Interest earnings on bond proceeds are to be utilized to payback any outstanding debt service obligations of the School District. As of June 30, 2014, the restricted fund balance amount was $199,969.27.

Note 18: FUND BALANCES (CONT'D)

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 -

Other Purposes - As of June 30, 2014, the School District had $148,102.67 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2015 $53,295.00 of general fund balance at June 30, 2014.

Debt Service Fund –

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2015 $45,929.00 of debt service fund balance at June 30, 2014.

UNASSIGNED

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

General Fund - As of June 30, 2014, $1,238,448.67 of general fund balance was unassigned.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 54,288,538.00	$ -	$ 54,288,538.00	$ 54,288,538.00	$ -
Interest Earned on Capital Reserve Funds	500.00	-	500.00	500.00	-
Other Restricted Miscellaneous Revenues	367,431.00	-	367,431.00	367,893.46	462.46
Advertising Fees - School Buses	25,000.00	-	25,000.00	5,249.97	(19,750.03)
Unrestricted Miscellaneous Revenues	405,681.00	-	405,681.00	888,132.39	482,451.39
Total - Local Sources	55,087,150.00	-	55,087,150.00	55,550,313.82	463,163.82
State Sources:					
Extraordinary Aid	-	-	-	368,100.00	368,100.00
Categorical Special Education Aid	2,290,692.00	-	2,290,692.00	2,290,692.00	-
Categorical Security Aid	335,153.00	-	335,153.00	335,153.00	-
Categorical Transportation Aid	1,636,080.00	-	1,636,080.00	1,636,080.00	-
Nonpublic Transportation Aid	-	-	-	40,901.00	40,901.00
Additional Adjustment Aid	3,387.00	-	3,387.00	3,387.00	-
On-Behalf T.P.A.F. Pension (non-budgeted)	-	-	-	1,241,006.00	1,241,006.00
On-Behalf T.P.A.F. Post Retirement Benefits (non-budgeted)	-	-	-	2,034,782.00	2,034,782.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	2,115,293.87	2,115,293.87
Total - State Sources	4,265,312.00	-	4,265,312.00	10,065,394.87	5,800,082.87
Federal Sources:					
SEMI Medicaid Program	39,032.00	-	39,032.00	69,309.59	30,277.59
Total - Federal Sources	39,032.00	-	39,032.00	69,309.59	30,277.59
Total Revenues	59,391,494.00	-	59,391,494.00	65,685,018.28	6,293,524.28

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	$ 48,000.00	$ (43,157.00)	$ 4,843.00	$ -	$ 4,843.00
Kindergarten	1,164,159.00	(401,357.00)	762,802.00	746,299.04	16,502.96
Grades 1-5	11,581,898.00	(326,459.00)	11,255,439.00	11,240,576.57	14,862.43
Grades 6-8	6,952,107.00	(39,599.00)	6,912,508.00	6,909,443.61	3,064.39
Regular Programs - Home Instruction:					
Salaries of Teachers	45,000.00	91,640.00	136,640.00	136,639.35	0.65
Purchased Professional - Educational Services	105,000.00	127,627.00	232,627.00	232,626.23	0.77
Regular Programs - Undistributed Instruction:					
General Supplies	603,350.00	107,809.00	711,159.00	706,945.48	4,213.52
Textbooks	392,937.02	68,605.00	461,542.02	346,747.28	114,794.74
Other Objects	102,650.00	(15,751.00)	86,899.00	86,871.72	27.28
Total Regular Programs - Instruction	20,995,101.02	(430,642.00)	20,564,459.02	20,406,149.28	158,309.74
Special Education Instruction -					
Learning and/or Language Disabilities:					
Salaries of Teachers	424,838.00	(30,109.00)	394,729.00	365,630.60	29,098.40
Other Salaries for Instruction	180,033.00	-	180,033.00	175,067.49	4,965.51
General Supplies	2,500.00	-	2,500.00	220.00	2,280.00
Total Learning and/or Language Disabilities	607,371.00	(30,109.00)	577,262.00	540,918.09	36,343.91
Auditory Impairments:					
Salaries of Teachers	67,920.00	873.00	68,793.00	65,875.00	2,918.00
General Supplies	250.00	-	250.00	-	250.00
Total Auditory Impairments	68,170.00	873.00	69,043.00	65,875.00	3,168.00
Behavioral Disabilities:					
Salaries of Teachers	66,680.00	(39,540.00)	27,140.00	5,864.00	21,276.00
Other Salaries for Instruction	76,262.00	(35,864.00)	40,398.00	1,533.10	38,864.90
General Supplies	2,000.00	-	2,000.00	-	2,000.00
Total Behavioral Disabilities	144,942.00	(75,404.00)	69,538.00	7,397.10	62,140.90

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Multiple Disabilities:					
Salaries of Teachers	$ 131,063.00	$ 8,202.00	$ 139,265.00	$ 137,721.94	$ 1,543.06
Other Salaries for Instruction	245,948.00	(35,992.00)	209,956.00	158,836.39	51,119.61
Total Multiple Disabilities	377,011.00	(27,790.00)	349,221.00	296,558.33	52,662.67
Resource Room / Resource Center:					
Salaries of Teachers	3,447,536.00	(85,282.00)	3,362,254.00	3,281,522.89	80,731.11
Other Salaries for Instruction	1,071,175.00	-	1,071,175.00	1,020,261.21	50,913.79
General Supplies	10,000.00	-	10,000.00	901.40	9,098.60
Total Resource Room / Resource Center	4,528,711.00	(85,282.00)	4,443,429.00	4,302,685.50	140,743.50
Autism:					
Salaries of Teachers	457,048.00	53,884.00	510,932.00	471,554.77	39,377.23
Other Salaries for Instruction	540,503.00	217,513.00	758,016.00	752,979.32	5,036.68
General Supplies	2,000.00	-	2,000.00	1,972.50	27.50
Total Autism	999,551.00	271,397.00	1,270,948.00	1,226,506.59	44,441.41
Preschool Disabilities - Part Time:					
Salaries of Teachers	434,531.00	-	434,531.00	386,801.60	47,729.40
Other Salaries for Instruction	406,648.00	(133,071.00)	273,577.00	203,674.55	69,902.45
General Supplies	7,500.00	-	7,500.00	-	7,500.00
Total Preschool Disabilities - Part Time	848,679.00	(133,071.00)	715,608.00	590,476.15	125,131.85
Total Special Education - Instruction	7,574,435.00	(79,386.00)	7,495,049.00	7,030,416.76	464,632.24
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	665,445.00	(68,167.00)	597,278.00	482,580.00	114,698.00
Total Basic Skills / Remedial - Instruction	665,445.00	(68,167.00)	597,278.00	482,580.00	114,698.00

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	$ 170,450.00	$ 14,482.00	$ 184,932.00	$ 183,095.60	$ 1,836.40
Total Bilingual Education - Instruction	170,450.00	14,482.00	184,932.00	183,095.60	1,836.40
School Sponsored Cocurricular Activities - Instruction:					
Salaries	78,000.00	-	78,000.00	68,585.28	9,414.72
Supplies and Materials	3,000.00	-	3,000.00	223.90	2,776.10
Total School Sponsored Cocurricular Activities - Instruction	81,000.00	-	81,000.00	68,809.18	12,190.82
School Sponsored Athletics - Instruction:					
Salaries	91,081.00	1,082.00	92,163.00	92,163.00	-
Purchased Services (300-500 series)	12,950.00	(1,082.00)	11,868.00	8,819.00	3,049.00
Supplies and Materials	6,784.00	-	6,784.00	1,618.63	5,165.37
Other Objects	3,800.00	-	3,800.00	2,161.00	1,639.00
Total School Sponsored Athletics - Instruction	114,615.00	-	114,615.00	104,761.63	9,853.37
Other Instructional Programs - Instruction:					
Salaries	55,000.00	-	55,000.00	24,986.92	30,013.08
Purchased Services (300-500 series)	30,000.00	-	30,000.00	30,000.00	-
Total Other Instructional Programs - Instruction	85,000.00	-	85,000.00	54,986.92	30,013.08
Total Instruction	29,686,046.02	(563,713.00)	29,122,333.02	28,330,799.37	791,533.65
Undistributed Expenditures - Instruction:					
Tuition - Other LEAs Within the State - Special	7,950.00	20,412.00	28,362.00	28,361.22	0.78
Tuition - Co. Spec. Services and Regional Day Schls	275,677.00	20,906.00	296,583.00	296,583.00	-
Tuition - Private Schls/Disabled within State	593,773.00	(45,495.00)	548,278.00	393,969.59	154,308.41
Tuition - Other	21,176.00	4,177.00	25,353.00	25,353.00	-
Total Undistributed Expenditures - Instruction	898,576.00	-	898,576.00	744,266.81	154,309.19

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
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For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	$ 699,774.00	$ 1,595.00	$ 701,369.00	$ 701,368.28	$ 0.72
Purchased Professional and Technical Services	123,560.00	(85,977.00)	37,583.00	37,000.00	583.00
Supplies and Materials	12,000.00	39,446.00	51,446.00	51,445.71	0.29
Other Objects	5,000.00	-	5,000.00	-	5,000.00
Total Undistributed Expenditures - Health Services	840,334.00	(44,936.00)	795,398.00	789,813.99	5,584.01
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	736,787.00	-	736,787.00	658,359.40	78,427.60
Supplies and Materials	500.00	-	500.00	-	500.00
Total Undist. Expend. - Speech, OT, PT & Related Svcs	737,287.00	-	737,287.00	658,359.40	78,927.60
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	661,452.00	(20,560.00)	640,892.00	619,261.60	21,630.40
Salaries of Secretarial and Clerical Assistants	107,463.00	(6,513.00)	100,950.00	98,141.96	2,808.04
Other Purchased Services	45,700.00	6,407.00	52,107.00	52,106.24	0.76
Supplies and Materials	5,000.00	-	5,000.00	4,303.78	696.22
Total Undistributed Expenditures - Guidance	819,615.00	(20,666.00)	798,949.00	773,813.58	25,135.42
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	1,346,507.00	(2,031.00)	1,344,476.00	1,344,475.09	0.91
Salaries of Secretarial and Clerical Assistants	150,851.00	-	150,851.00	145,850.80	5,000.20
Purchased Professional - Educational Services	10,500.00	353,392.00	363,892.00	363,891.79	0.21
Supplies and Materials	18,696.00	8,963.00	27,659.00	27,658.06	0.94
Other Objects	6,250.00	-	6,250.00	1,633.14	4,616.86
Total Undistributed Expenditures - Child Study Teams	1,532,804.00	360,324.00	1,893,128.00	1,883,508.88	9,619.12
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	428,589.00	-	428,589.00	401,652.86	26,936.14
Salaries of Other Professional Staff	20,000.00	-	20,000.00	5,376.00	14,624.00
Salaries of Secretarial and Clerical Assistants	5,000.00	-	5,000.00	-	5,000.00
Supplies and Materials	5,000.00	-	5,000.00	1,724.64	3,275.36
Total Undistributed Expenditures - Improvement of Instruction Services	458,589.00	-	458,589.00	408,753.50	49,835.50

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	$ 708,144.00	$ -	$ 708,144.00	$ 679,740.39	$ 28,403.61
Supplies and Materials	117,736.90	2,243.00	119,979.90	103,200.27	16,779.63
Other Objects	23,500.00	-	23,500.00	-	23,500.00
Total Undistributed Expend. - Educational Media Services / Sch Library	849,380.90	2,243.00	851,623.90	782,940.66	68,683.24
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	93,148.00	(184.00)	92,964.00	92,650.92	313.08
Salaries of Other Professional Staff	33,000.00	184.00	33,184.00	30,983.66	2,200.34
Supplies and Materials	41,100.00	-	41,100.00	36,823.67	4,276.33
Other Objects	51,100.00	-	51,100.00	39,970.32	11,129.68
Total Undistributed Expenditures - Instructional Staff Training Services:	218,348.00	-	218,348.00	200,428.57	17,919.43
Undistributed Expenditures - Support Services - General Administration:					
Salaries	414,552.00	(1,050.00)	413,502.00	398,948.73	14,553.27
Legal Services	74,000.00	(10,027.00)	63,973.00	31,262.17	32,710.83
Audit Fees	54,000.00	-	54,000.00	49,100.00	4,900.00
Other Purchased Professional Services	45,725.00	28,179.00	73,904.00	72,153.25	1,750.75
Purchased Technical Services	13,900.00	(408.00)	13,492.00	4,320.00	9,172.00
Communications / Telephone	256,594.00	15,250.00	271,844.00	240,495.32	31,348.68
Other Purchased Services	157,500.00	(38,605.00)	118,895.00	96,553.12	22,341.88
General Supplies	25,000.00	5,435.00	30,435.00	30,244.79	190.21
Miscellaneous Expenditures	33,297.00	31,526.00	64,823.00	48,711.93	16,111.07
BOE Membership Dues and Fees	30,300.00	(30,300.00)	-	-	-
Total Undistributed Expenditures - Support Services - General Admin	1,104,868.00	-	1,104,868.00	971,789.31	133,078.69
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	1,354,511.00	(13,265.00)	1,341,246.00	1,290,709.88	50,536.12
Salaries of Secretarial and Clerical Assistants	622,472.00	-	622,472.00	603,653.34	18,818.66
Purchased Professional and Technical Services	10,000.00	-	10,000.00	-	10,000.00
Supplies and Materials	47,550.00	13,265.00	60,815.00	53,942.12	6,872.88
Other Objects	83,849.00	-	83,849.00	52,584.91	31,264.09
Total Undistributed Expenditures - Support Services - School Amin.	2,118,382.00	-	2,118,382.00	2,000,890.25	117,491.75

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Central Services					
Salaries	$ 733,885.00	$ 816.00	$ 734,701.00	$ 721,918.68	$ 12,782.32
Purchased Professional Services	9,500.00	-	9,500.00	-	9,500.00
Purchased Technical Services	48,000.00	12,305.00	60,305.00	53,205.00	7,100.00
Supplies and Materials	20,000.00	842.00	20,842.00	20,841.91	0.09
Other Object	88,925.00	(6.00)	88,919.00	86,872.90	2,046.10
Total Undistributed Expenditures - Central Services	900,310.00	13,957.00	914,267.00	882,838.49	31,428.51
Undistributed Expenditures - Admin. Info. Technology					
Salaries	309,776.00	(41,647.00)	268,129.00	246,174.22	21,954.78
Purchased Technical Services	231,100.00	27,650.00	258,750.00	258,749.86	0.14
Supplies and Materials	25,000.00	40.00	25,040.00	25,039.87	0.13
Total Undistributed Expenditures - Admin. Info. Technology	565,876.00	(13,957.00)	551,919.00	529,963.95	21,955.05
Undistributed Expenditures - Required Maint for School Facilities:					
Salaries	431,985.00	(31,883.00)	400,102.00	389,931.15	10,170.85
Cleaning, Repair and Maintenance Services	378,800.00	179,955.00	558,755.00	490,555.06	68,199.94
General Supplies	140,575.00	18,588.00	159,163.00	146,734.40	12,428.60
Other Objects	39,100.00	24,500.00	63,600.00	63,598.55	1.45
Total Undistributed Expenditures - Required Maint for School Facilities	990,460.00	191,160.00	1,181,620.00	1,090,819.16	90,800.84
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	2,080,075.00	194,915.00	2,274,990.00	2,266,008.38	8,981.62
Purchased Prof and Technical Services	20,000.00	-	20,000.00	3,963.00	16,037.00
Other Purchased Property Services	95,000.00	2,785.00	97,785.00	97,784.01	0.99
Insurance	115,335.00	(10,708.00)	104,627.00	80,975.65	23,651.35
General Supplies	150,000.00	70,969.00	220,969.00	220,286.38	682.62
Energy (Natural Gas)	694,185.00	(694,185.00)	-	-	-
Energy (Heat and Electricity)	1,195,000.00	318,736.00	1,513,736.00	1,485,160.56	28,575.44
Lease Purchase Pymts - Energy Savings Impr Prog	390,163.00	592,741.00	982,904.00	982,903.82	0.18
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	4,739,758.00	475,253.00	5,215,011.00	5,137,081.80	77,929.20

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Trans (Bet Home & Sch) - Reg.	$ 1,001,318.00	$ 8,799.00	$ 1,010,117.00	$ 946,744.05	$ 63,372.95
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	723,061.00	48,256.00	771,317.00	762,210.98	9,106.02
Sal for Pupil Trans (Other than Bet. Home & Sch)	20,000.00	4,353.00	24,353.00	16,429.76	7,923.24
Social Security Contributions	56,782.00	-	56,782.00	-	56,782.00
Health Benefits	907,317.00	(850,361.00)	56,956.00	-	56,956.00
Other Purchased Professional and Technical Services	6,000.00	800.00	6,800.00	6,800.00	-
Cleaning, Repair and Maintenance Services	25,000.00	2,231.00	27,231.00	27,230.80	0.20
Lease Purchase Payments - School Buses	192,645.00	186,420.00	379,065.00	379,064.91	0.09
Contr Serv. - Aid in Lieu of Payments - Non Public Sch	136,186.00	18,203.00	154,389.00	154,388.64	0.36
Contracted Services - (Between Home and School) - Joint Agreement	192,500.00	-	192,500.00	189,706.25	2,793.75
Contracted Services (Special Education Students) - Vendors	16,500.00	-	16,500.00	-	16,500.00
Contracted Services (Special Education Students) - Joint Agreements	423,428.00	-	423,428.00	228,661.12	194,766.88
Miscellaneous Purchased Services - Transportation	80,273.00	-	80,273.00	59,773.34	20,499.66
General Supplies	301,941.00	20,221.00	322,162.00	306,724.32	15,437.68
Fuel Costs Funded by Advertising Revenue	12,500.00	(12,500.00)	-	-	-
Miscellaneous Expenditures	141,490.00	19,712.00	161,202.00	157,269.57	3,932.43
Total Undistributed Expenditures - Student Transportation Services	4,236,941.00	(553,866.00)	3,683,075.00	3,235,003.74	448,071.26
Unallocated Benefits - Employee Benefits					
Social Security Contributions	883,156.00	36,977.00	920,133.00	920,132.41	0.59
Other Retirement Contributions - PERS	965,277.00	95,904.00	1,061,181.00	912,540.00	148,641.00
Unemployment Compensation	-	300,000.00	300,000.00	300,000.00	-
Workmen's Compensation	359,188.00	(359,188.00)	-	-	-
Health Benefits	9,287,104.00	(36,716.00)	9,250,388.00	8,448,251.86	802,136.14
Tuition Reimbursement	49,000.00	-	49,000.00	23,361.00	25,639.00
Total Unallocated Benefits - Employee Benefits	11,543,725.00	36,977.00	11,580,702.00	10,604,285.27	976,416.73
On-Behalf T.P.A.F. Pension (non-budgeted)	-	-	-	1,241,006.00	(1,241,006.00)
On-Behalf T.P.A.F. Post Retirement Benefits (non-budgeted)	-	-	-	2,034,782.00	(2,034,782.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	2,115,293.87	(2,115,293.87)
Total On-behalf Contributions	-	-	-	5,391,081.87	(5,391,081.87)
Total Undistributed Expenditures	32,555,253.90	446,489.00	33,001,742.90	36,085,639.23	(3,083,896.33)
Total Current Expense	62,241,299.92	(117,224.00)	62,124,075.92	64,416,438.60	(2,292,362.68)

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Interest Deposit to Capital Reserve	$ 500.00	$ -	$ 500.00	$ -	$ 500.00
Total Interest Deposit to Capital Reserve	500.00	-	500.00	-	500.00
Capital Outlay:					
Equipment:					
Grades 1-5	5,000.00	(5,000.00)	-	-	-
Grades 6-8	5,000.00	(5,000.00)	-	-	-
Undistributed Expenditures:					
General Administration	16,000.00	(5,866.00)	10,134.00	10,133.84	0.16
Admin Info Tech	160,000.00	130,326.00	290,326.00	290,325.12	0.88
Non-Instructional Service	41,000.00	2,764.00	43,764.00	10,455.00	33,309.00
Total Equipment	227,000.00	117,224.00	344,224.00	310,913.96	33,310.04
Facilities Acquisition and Construction Services					
Construction Services	398,000.00	45,482.00	443,482.00	443,481.70	0.30
Assessment for Debt Service on SDA Funding	129,406.00	(45,482.00)	83,924.00	83,924.00	-
Capital Reserve - Transfer to Repayment of Debt	300,000.00	-	300,000.00	300,000.00	-
Total Facilities Acquisition and Construction Services	827,406.00	-	827,406.00	827,405.70	0.30
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Technology Lease	-	-	-	425,057.22	(425,057.22)
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	425,057.22	(425,057.22)
Total Capital Outlay	1,054,906.00	117,224.00	1,172,130.00	1,563,376.88	(391,246.88)
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	208,345.00	34,108.00	242,453.00	242,452.94	0.06
General Supplies	25,500.00	(8,116.00)	17,384.00	17,383.91	0.09
Other Objects	15,000.00	19,574.00	34,574.00	34,573.83	0.17
Total Summer School - Instruction	248,845.00	45,566.00	294,411.00	294,410.68	0.32

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Adult Education - Local - Instruction					
Salaries of Teachers	$ 63,537.00	$ (14,856.00)	$ 48,681.00	$ 48,680.48	$ 0.52
General Supplies	15,500.00	-	15,500.00	12,434.83	3,065.17
Other Objects	35,000.00	(30,710.00)	4,290.00	80.91	4,209.09
Total Adult Education - Local - Instruction	114,037.00	(45,566.00)	68,471.00	61,196.22	7,274.78
Adult Education-Local-Support Serv.					
Salaries	60,571.00	-	60,571.00	44,701.29	15,869.71
Total Adult Education-Local-Support Serv.	60,571.00	-	60,571.00	44,701.29	15,869.71
Total Special Schools	423,453.00	-	423,453.00	400,308.19	23,144.81
Total Expenditures	63,719,658.92	-	63,719,658.92	66,380,123.67	(2,660,464.75)
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,328,164.92)	-	(4,328,164.92)	(695,105.39)	3,633,059.53
Other Financing Sources (Uses):					
Capital Leases	-	-	-	425,057.22	425,057.22
Total Other Financing Sources (Uses)	-	-	-	425,057.22	425,057.22
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,328,164.92)	-	(4,328,164.92)	(270,048.17)	4,058,116.75
Fund Balances, July 1	9,971,376.85	-	9,971,376.85	9,971,376.85	-
Fund Balances, June 30	$ 5,643,211.93	$ -	$ 5,643,211.93	$ 9,701,328.68	$ 4,058,116.75

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Recapitulation:					
Restricted:					
Capital Reserve				$ 1,451,000.00	
School Bus Advertising 50% fuel offset reserve - Current Year				2,624.99	
Excess Surplus - Current Year				3,000,559.35	
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				3,422,841.00	
Assigned:					
Year-End Encumbrances				148,102.67	
Designated for Subsequent Year's Expenditures				53,295.00	
Unassigned				1,622,905.67	
				9,701,328.68	
Reconciliation to Governmental Funds Statements(GAAP):					
June 2014 State Aid Payments Not Recognized on GAAP Basis				(384,457.00)	
				$ 9,316,871.68	

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:					
NJ Non-Public Nursing	$ 8,948.00	$ 84.00	$ 9,032.00	$ 9,032.00	-
NJ Non-Public Textbook Aid	6,447.00	(29.00)	6,418.00	6,303.92	$ 114.08
NJ Non-Public Technology Aid	2,380.00	(40.00)	2,340.00	2,340.00	-
NJ Non-Public Chapter 192/193	23,754.00	6,429.00	30,183.00	14,204.66	15,978.34
Total - State Sources	41,529.00	6,444.00	47,973.00	31,880.58	16,092.42
Federal Sources:					
Title I	141,802.00	16,693.00	158,495.00	157,112.80	1,382.20
Title IIA	52,799.00	16,805.36	69,604.36	69,237.76	366.60
Title III	15,975.00	3,380.12	19,355.12	19,063.00	292.12
I.D.E.A., Part B, Basic	782,572.00	214,744.00	997,316.00	994,149.86	3,166.14
I.D.E.A., Part B, Preschool	39,621.00	11,131.00	50,752.00	49,719.51	1,032.49
Total - Federal Sources	1,032,769.00	262,753.48	1,295,522.48	1,289,282.93	6,239.55
Total Revenues	$ 1,074,298.00	$ 269,197.48	$ 1,343,495.48	$ 1,321,163.51	$ 22,331.97

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries of Teachers	$ 357,246.00	$ (40,102.88)	$ 317,143.12	$ 316,871.76	$ 271.36
Purchased Professional and Technical Services	68,882.46	(24,476.64)	44,405.82	43,903.98	501.84
Other Purchased Services	500,000.00	(50,000.00)	450,000.00	450,000.00	-
Supplies and Materials	41,518.12	82,803.42	124,321.54	121,900.35	2,421.19
Textbooks	6,447.00	(29.00)	6,418.00	6,303.92	114.08
Total Instruction	974,093.58	(31,805.10)	942,288.48	938,980.01	3,308.47
Support Services:					
Salaries	-	3,000.00	3,000.00	2,750.00	250.00
Personal Services - Employee Benefits	67,502.42	72,940.58	140,443.00	140,443.00	-
Purchased Technical Services	-	221,502.00	221,502.00	218,706.84	2,795.16
Purchased Professional - Educational Services	32,702.00	(2,519.00)	30,183.00	14,204.66	15,978.34
Other Purchased Services (400-500 series)	-	6,079.00	6,079.00	6,079.00	-
Supplies and Materials	-	-	-	-	-
Total Support Services	100,204.42	301,002.58	401,207.00	382,183.50	19,023.50
Total Expenditures	1,074,298.00	269,197.48	1,343,495.48	1,321,163.51	22,331.97
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2014

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	$ 65,685,018.28	$ 1,321,163.51
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		none
Prior Year		none
The June 2013 State aid payments are 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)	377,055.00	
The June 2014 State aid payments are 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)	(384,457.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 65,677,616.28	$ 1,321,163.51
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 66,380,123.67	$ 1,321,163.51
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.		
Current Year		none
Prior Year		none
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	$ 66,380,123.67	$ 1,321,163.51

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

		N.C.L.B.					
		Title I		Title IIA	Title III		Total Carried Forward
	Total	2013-2014	2012-2013	2013-2014	2013-2014	2012-2013	
REVENUES:							
Federal Sources	$ 1,289,282.93	$ 137,112.80	$ 20,000.00	$ 69,237.76	$ 16,563.00	$ 2,500.00	$ 1,043,869.37
State Sources	31,880.58						31,880.58
Total Revenues	1,321,163.51	137,112.80	20,000.00	69,237.76	16,563.00	2,500.00	1,075,749.95
EXPENDITURES:							
Instruction:							
Salaries of Teachers	316,871.76	84,728.76			12,143.00		220,000.00
Purchased Professional and Technical Services	43,903.98	24,840.00		16,723.98			2,340.00
Other Purchased Services	450,000.00						450,000.00
Supplies & Materials	121,900.35	5,244.04		52,513.78	1,627.00		62,515.53
Textbooks	6,303.92						6,303.92
Total Instruction	938,980.01	114,812.80	-	69,237.76	13,770.00	-	741,159.45
Support Services:							
Salaries	2,750.00	2,750.00					
Personal Services - Employee Benefits	140,443.00	19,550.00	20,000.00		2,793.00	2,500.00	95,600.00
Purchased Technical Services	218,706.84						218,706.84
Purchased Professional - Educational Services	14,204.66						14,204.66
Other Purchased Services (400-500 series)	6,079.00						6,079.00
Supplies & Materials	-						-
Total Support Services	382,183.50	22,300.00	20,000.00	-	2,793.00	2,500.00	334,590.50
Total Expenditures	$ 1,321,163.51	$ 137,112.80	$ 20,000.00	$ 69,237.76	$ 16,563.00	$ 2,500.00	$ 1,075,749.95

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Carried Forward	I.D.E.A Part B, Basic 2013-2014	I.D.E.A Part B, Basic 2012-2013	I.D.E.A. Part B, Preschool 2013-2014	Total Brought Forward
REVENUES:					
Federal Sources	$ 1,043,869.37	$ 949,149.86	$ 45,000.00	$ 49,719.51	-
State Sources	31,880.58				$ 31,880.58
Total Revenues	1,075,749.95	949,149.86	45,000.00	49,719.51	31,880.58
EXPENDITURES:					
Instruction:					
Salaries of Teachers	220,000.00	200,000.00		20,000.00	-
Purchased Professional and Technical Services	2,340.00				2,340.00
Other Purchased Services	450,000.00	450,000.00			-
Supplies & Materials	62,515.53	37,396.02		25,119.51	-
Textbooks	6,303.92				6,303.92
Total Instruction	741,159.45	687,396.02	-	45,119.51	8,643.92
Support Services:					
Salaries	-				
Personal Services - Employee Benefits	95,600.00	46,000.00	45,000.00	4,600.00	-
Purchased Technical Services	218,706.84	209,674.84			9,032.00
Purchased Professional - Educational Services	14,204.66				14,204.66
Other Purchased Services (400-500 series)	6,079.00	6,079.00			-
Supplies & Materials	-				-
Total Support Services	334,590.50	261,753.84	45,000.00	4,600.00	23,236.66
Total Expenditures	$ 1,075,749.95	$ 949,149.86	$ 45,000.00	$ 49,719.51	$ 31,880.58

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Carried Forward	NJ Non-Public Nursing 2013-2014	NJ Non-Public Textbook Aid 2013-2014	NJ Non-Public Technology Aid 2013-2014	NJ Non-Public Chapter 192/193 2013-2014
REVENUES:					
Federal Sources	-				
State Sources	$ 31,880.58	$ 9,032.00	$ 6,303.92	$ 2,340.00	$ 14,204.66
Total Revenues	31,880.58	9,032.00	6,303.92	2,340.00	14,204.66
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-				
Purchased Professional and Technical Services	2,340.00			2,340.00	
Other Purchased Services	-				
Supplies & Materials	-				
Textbooks	6,303.92		6,303.92		
Total Instruction	8,643.92	-	6,303.92	2,340.00	-
Support Services:					
Salaries	-				
Personal Services - Employee Benefits	-				
Purchased Technical Services	9,032.00	9,032.00			
Purchased Professional - Educational Services	14,204.66				14,204.66
Other Purchased Services (400-500 series)	-				
Supplies & Materials	-				
Total Support Services	23,236.66	9,032.00	-	-	14,204.66
Total Expenditures	$ 31,880.58	$ 9,032.00	$ 6,303.92	$ 2,340.00	$ 14,204.66

PROPRIETARY FUNDS

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Net Position
June 30, 2014

	Food Service	Daycare	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 325,499.59	$ 1,933,392.38	$ 2,258,891.97
Accounts Receivable:			
State	1,264.82		1,264.82
Federal	32,212.48		32,212.48
Inventories	25,328.84		25,328.84
Total Current Assets	384,305.73	1,933,392.38	2,317,698.11
Noncurrent Assets:			
Furniture, Machinery and Equipment	420,611.55		420,611.55
Less Accumulated Depreciation	(218,845.81)		(218,845.81)
Total Noncurrent Assets	201,765.74	-	201,765.74
Total Assets	586,071.47	1,933,392.38	2,519,463.85
LIABILITIES:			
Current Liabilities:			
Accounts Payable	12,973.95	-	12,973.95
Interfund Payable	-	65,989.68	65,989.68
Unearned Revenues	35,724.81		35,724.81
Total Liabilities	48,698.76	65,989.68	114,688.44
NET POSITION:			
Net Investment in Capital Assets	201,765.74		201,765.74
Unrestricted	335,606.97	1,867,402.70	2,203,009.67
Total Net Position	$ 537,372.71	$ 1,867,402.70	$ 2,404,775.41

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2014

	Food Service	Daycare	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	$ 473,940.29		$ 473,940.29
Daily Sales - Non-Reimbursable Programs	284,338.78		284,338.78
Other Miscellaneous	21,453.42		21,453.42
Daycare Fees		$ 755,192.43	755,192.43
Total Operating Revenues	779,732.49	755,192.43	1,534,924.92
OPERATING EXPENSES:			
Salaries	451,412.73	434,646.84	886,059.57
Employee Benefits	37,925.94		37,925.94
Supplies and Materials	31,425.79	24,302.84	55,728.63
Cost of Sales	516,458.85		516,458.85
Management Fee	67,141.79		67,141.79
Insurance	18,571.03		18,571.03
Office Supplies	1,293.32		1,293.32
Auto Expense	1,570.90		1,570.90
Service Contracts	58,976.88		58,976.88
Miscellaneous	12,403.85	15,468.20	27,872.05
Depreciation	26,888.57		26,888.57
Total Operating Expenses	1,224,069.65	474,417.88	1,698,487.53
Operating Income / (Loss)	(444,337.16)	280,774.55	(163,562.61)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	13,029.07		13,029.07
Federal Sources:			
National School Lunch Program	317,373.79		317,373.79
National School Breakfast Program	5,509.44		5,509.44
Food Distribution Program	77,815.20		77,815.20
Interest and Investment Revenue	1,306.26	6,155.00	7,461.26
Total Nonoperating Revenues (Expenses)	415,033.76	6,155.00	421,188.76
Change in Net Position	(29,303.40)	286,929.55	257,626.15
Net Position -- July 1	566,676.11	1,580,473.15	2,147,149.26
Net Position -- June 30	$ 537,372.71	$ 1,867,402.70	$ 2,404,775.41

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	Food Service	Daycare	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	$ 779,917.77	$ 754,463.13	$ 1,534,380.90
Payments to Employees	(451,412.73)	(392,960.00)	(844,372.73)
Payments for Employee Benefits	(37,925.94)		(37,925.94)
Payments to Suppliers	(408,093.14)		(408,093.14)
Payments to Other	(247,508.55)	(15,468.20)	(262,976.75)
Net Cash Provided by (used for) Operating Activities	(365,022.59)	346,034.93	(18,987.66)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Federal and State Sources	323,457.64		323,457.64
Net Cash Provided by (used for) Non-Capital Financing Activities	323,457.64	-	323,457.64
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(30,226.50)		(30,226.50)
Net Cash Provided by (used for) Capital and Related Financing Activities	(30,226.50)	-	(30,226.50)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	1,306.26	6,155.00	7,461.26
Net Cash Provided by (used for) Investing Activities	1,306.26	6,155.00	7,461.26
Net Increase (Decrease) in Cash and Cash Equivalents	(70,485.19)	352,189.93	281,704.74
Cash and Cash Equivalents -- July 1	395,984.78	1,581,202.45	1,977,187.23
Cash and Cash Equivalents -- June 30	$ 325,499.59	$ 1,933,392.38	$ 2,258,891.97
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (444,337.16)	$ 280,774.55	$ (163,562.61)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	26,888.57		26,888.57
Food Distribution Program	77,815.20		77,815.20
(Increase) Decrease in Inventories	8,337.70		8,337.70
(Increase) Decrease in Other Current Assets		(729.30)	(729.30)
Increase (Decrease) in Other Current Liabilities	(33,726.90)	65,989.68	32,262.78
Total Adjustments	79,314.57	65,260.38	144,574.95
Net Cash Provided by (used for) Operating Activities	$ (365,022.59)	$ 346,034.93	$ (18,987.66)

FIDUCIARY FUNDS

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2014

	Trust Funds	Agency Funds		
	Unemployment Compensation Trust	Student Activity	Payroll	Total
ASSETS:				
Cash and Cash Equivalents	$ 926,935.00	$ 109,718.37	$ 317,276.23	$1,353,929.60
Total Assets	926,935.00	$ 109,718.37	$ 317,276.23	1,353,929.60
LIABILITIES:				
Payable to Student Groups	-	$ 109,718.37	-	109,718.37
Payroll Deductions and Withholdings	-	-	$ 317,276.23	317,276.23
Total Liabilities	-	$ 109,718.37	$ 317,276.23	426,994.60
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	$ 926,935.00			$ 926,935.00

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2014

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Board Contribution	$ 300,000.00
Plan Member	113,715.88
Total Contributions	413,715.88
Investment Earnings:	
Interest	2,135.61
Net Investment Earnings	2,135.61
Total Additions	415,851.49
DEDUCTIONS:	
Unemployment Claims	68,782.14
Quarterly Payroll Reports	54,384.37
Total Deductions	123,166.51
Change in Net Position	292,684.98
Net Position -- July 1	634,250.02
Net Position -- June 30	$ 926,935.00

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Cash Receipts	Cash Disbursements	Balance June 30, 2014
ELEMENTARY SCHOOLS:				
Countryside	$ 58.13	$ 6,727.56	$ 6,259.78	$ 525.91
Fleetwood	2,027.68	3,496.27	2,946.37	2,577.58
Hillside	9,066.04	9,740.66	11,052.97	7,753.73
Larchmont	5,043.89	13,526.76	14,803.72	3,766.93
Parkway	11,372.89	7,399.29	6,643.89	12,128.29
Springville	10,302.49	27,175.66	26,448.15	11,030.00
Hartford	10,730.75	57,442.13	51,762.59	16,410.29
Total Elementary Schools	48,601.87	125,508.33	119,917.47	54,192.73
MIDDLE SCHOOL:				
Harrington	42,693.35	86,128.45	73,296.16	55,525.64
Total Middle School	42,693.35	86,128.45	73,296.16	55,525.64
Total All Schools	$ 91,295.22	$ 211,636.78	$ 193,213.63	$ 109,718.37

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
ASSETS:				
Cash and Cash Equivalents	$ 321,171.63	$ 45,171,992.03	$ 45,175,887.43	$ 317,276.23
Total Assets	$ 321,171.63	$ 45,171,992.03	$ 45,175,887.43	$ 317,276.23
LIABILITIES:				
Payroll Deductions and Withholdings	$ 321,171.63	$ 45,171,992.03	$ 45,175,887.43	$ 317,276.23
Total Liabilities	$ 321,171.63	$ 45,171,992.03	$ 45,175,887.43	$ 317,276.23

LONG-TERM DEBT

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2013	Decrease	Balance June 30, 2014
School Refunding Bonds Series 2003	10/15/2003	$ 23,290,000.00	08/01/14	$ 2,290,000.00	5.000%	$ 4,115,000.00	$ 1,825,000.00	$ 2,290,000.00
School Refunding Bonds Series 2013	5/7/2013	11,905,000.00	08/01/15	2,215,000.00	3.000%			
			08/01/16	2,295,000.00	4.000%			
			08/01/17	2,375,000.00	4.000%			
			08/01/18	2,465,000.00	4.000%			
			08/01/19	2,555,000.00	4.000%	11,905,000.00		11,905,000.00
School District Bonds Series 2003	12/1/2003	17,088,000.00				1,525,000.00	1,525,000.00	
School Refunding Bonds Series 2012	3/20/2012	8,900,000.00	12/01/14	1,645,000.00	2.000%			
			12/01/15	1,805,000.00	3.000%			
			12/01/16	1,790,000.00	3.000%			
			12/01/17	1,775,000.00	3.000%			
			12/01/18	1,815,000.00	3.000%	8,865,000.00	35,000.00	8,830,000.00
						$ 26,410,000.00	$ 3,385,000.00	$ 23,025,000.00

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2014

Series	Date of Lease	Term of Lease	Amount of Original Issue Principal	Amount of Original Issue Interest	Interest Rate Payable	Amount Outstanding June 30, 2013 (a)	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2014 (a)
Solar Panels	7/15/2010	5 years	$ 2,550,000.00	$183,893.89	2.59%	$ 1,010,000.00		$ 1,010,000.00	
Technology Lease	5/23/2013	5 years	425,057.22	10,430.46	1.22%		$ 425,057.22		$ 425,057.22
						$ 1,010,000.00	$ 425,057.22	$ 1,010,000.00	$ 425,057.22

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 3,591,619.00	$ -	$ 3,591,619.00	$ 3,591,619.00	$ -
State Sources:					
Debt Service Aid Type II	696,892.00	-	696,892.00	696,892.00	-
Other Sources:					
Transfers from Capital Reserve	300,000.00	-	300,000.00	300,000.00	-
Total Revenues	4,588,511.00	-	4,588,511.00	4,588,511.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	961,309.00	-	961,309.00	761,339.98	199,969.02
Redemption of Principal	3,752,663.00	-	3,752,663.00	3,752,662.61	0.39
Total Expenditures	4,713,972.00	-	4,713,972.00	4,514,002.59	199,969.41
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,461.00)	-	(125,461.00)	74,508.41	199,969.41
Fund Balance, July 1	171,389.86	-	171,389.86	171,389.86	-
Fund Balance, June 30	$ 45,928.86	$ -	$ 45,928.86	$ 245,898.27	$ 199,969.41
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	$ (125,461.00)	$ -	$ (125,461.00)	$ 74,508.41	$ 199,969.41

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Statement of Economic Development Loan
For the Fiscal Year Ended June 30, 2014

	Date of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2013	Retired Current Year	Amount Outstanding June 30, 2014
Facilities Loan of 1993	8/31/1993	n/a	n/a	n/a	$ 367,662.20	$ 367,662.20	$ -

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.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net Investment in Capital Assets	1,037,522.33	13,981,260.87	15,690,592.64	16,515,656.26	18,124,368.89	19,400,820.27	20,818,610.71	22,952,048.96	24,901,844.57	27,477,852.83
Restricted	15,832,642.20	7,879,245.12	7,495,291.24	7,663,564.50	9,131,676.68	8,269,748.58	7,284,786.77	7,971,520.12	8,674,440.43	8,376,044.19
Unrestricted	(856,988.15)	(367,902.27)	(642,869.07)	(674,085.98)	(973,290.67)	(343,646.82)	(457,229.54)	(750,740.07)	(786,773.66)	(652,108.80)
Total governmental activities net position	16,013,176.38	21,492,603.72	22,543,014.81	23,505,134.78	26,282,754.90	27,326,922.03	27,646,167.94	30,172,829.01	32,789,511.34	35,201,788.22
Business-type activities										
Net Investment in Capital Assets	36,550.84	35,161.95	24,713.59	101,720.77	96,784.63	105,696.63	108,001.41	162,054.86	198,427.81	201,765.74
Restricted	17,492.20	-	-	-	-	-	-	-	-	-
Unrestricted	453,725.47	656,117.92	825,268.30	1,056,571.83	1,201,516.10	1,342,658.47	1,553,766.84	1,767,439.46	1,948,721.45	2,203,009.67
Total business-type activities net position	507,768.51	691,279.87	849,981.89	1,158,292.60	1,298,300.73	1,448,355.10	1,661,768.25	1,929,494.32	2,147,149.26	2,404,775.41
District-wide										
Net Investment in Capital Assets	1,074,073.17	14,016,422.82	15,715,306.23	16,617,377.03	18,221,153.52	19,506,516.90	20,926,612.12	23,114,103.82	25,100,272.38	27,679,618.57
Restricted	15,850,134.40	7,879,245.12	7,495,291.24	7,663,564.50	9,131,676.68	8,269,748.58	7,284,786.77	7,971,520.12	8,674,440.43	8,376,044.19
Unrestricted	(403,262.68)	288,215.65	182,399.23	382,485.85	228,225.43	999,011.65	1,096,537.30	1,016,699.39	1,161,947.79	1,550,900.87
Total district net position	16,520,944.89	22,183,883.59	23,392,996.70	24,663,427.38	27,581,055.63	28,775,277.13	29,307,936.19	32,102,323.33	34,936,660.60	37,606,563.63

Source: District Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	18,609,923.72	19,824,338.23	21,124,789.29	21,311,172.48	21,638,524.21	21,899,412.23	21,560,497.25	21,521,460.39	21,924,086.65	22,782,578.47
Special education	5,009,275.42	5,613,910.39	5,261,033.42	5,709,094.57	6,402,670.56	7,484,076.15	7,635,313.68	7,218,345.92	7,332,086.76	7,135,275.05
Other special education	650,374.98	746,652.30	683,934.50	707,293.85	789,323.50	881,768.50	788,842.20	759,044.11	616,478.04	665,675.60
Other instruction	280,246.53	240,648.89	358,692.75	342,437.92	396,442.78	391,642.75	266,350.21	265,603.54	275,883.40	228,557.73
Support Services:										
Tuition	1,225,731.66	832,460.39	1,114,486.82	1,145,431.15	1,018,860.20	937,529.57	1,117,817.57	1,185,929.92	996,187.31	1,194,266.81
Student & instruction related services	4,833,929.40	5,207,472.90	5,425,011.25	5,481,900.62	5,743,459.78	5,969,481.46	5,249,015.92	5,504,469.20	5,809,069.10	5,879,802.08
General administration	937,784.21	946,744.34	916,201.08	952,419.97	951,486.13	1,020,466.61	900,332.29	929,477.00	1,021,098.43	971,789.31
School Administrative services	2,018,387.47	2,080,746.56	2,048,624.58	1,985,177.25	2,117,348.72	2,136,754.29	1,994,375.33	2,082,862.39	2,062,779.82	2,105,748.54
Central Services	807,051.14	795,750.31	821,720.44	830,804.50	851,014.18	881,595.63	868,022.24	871,928.63	893,318.87	882,838.49
Administrative information technology	429,185.00	505,551.99	483,961.33	544,618.28	595,731.03	530,636.65	559,215.10	552,797.08	550,541.41	529,963.95
Plant operations and maintenance	4,382,184.12	4,789,372.95	4,775,668.82	5,699,750.05	4,989,786.15	5,001,521.19	5,007,669.10	5,445,479.18	5,132,298.80	5,629,237.84
Pupil transportation	3,398,065.16	3,766,847.18	3,314,775.11	3,416,515.77	3,151,442.69	3,222,447.86	3,357,015.61	3,013,420.42	2,952,168.00	3,235,003.74
Unallocated Benefits	9,371,793.52	10,433,827.69	13,640,514.27	14,331,160.31	11,649,199.13	12,305,823.29	13,588,057.22	14,339,201.71	16,561,764.40	15,956,334.87
Special Schools	309,095.33	327,441.33	351,955.58	365,322.15	400,329.01	413,192.62	409,943.37	368,401.42	391,280.86	400,308.19
Interest on long-term debt	2,280,299.72	1,948,589.38	1,873,201.08	1,787,981.97	1,652,729.83	1,581,197.56	1,551,077.63	1,350,365.61	1,098,322.68	840,236.35
Unallocated depreciation	254,309.17	118,391.00	302,129.00	155,470.26	648,687.75	519,769.00	462,212.00	438,664.00	576,536.27	437,575.00
Total governmental activities expenses	54,797,636.55	58,178,745.83	62,496,699.32	64,766,551.10	62,997,035.65	65,177,315.36	65,315,756.72	65,847,450.52	68,193,900.80	68,875,192.02
Business-type activities:										
Food service	948,531.11	987,434.36	1,046,117.87	1,005,700.62	1,149,718.70	1,166,576.04	1,190,859.19	1,147,468.10	1,158,486.45	1,224,069.65
Child Care	361,358.85	394,608.37	411,193.21	399,366.76	431,475.35	453,475.52	415,437.25	436,117.66	478,502.41	474,417.88
Total business-type activities expense	1,309,889.96	1,382,042.73	1,457,311.08	1,405,067.38	1,581,194.05	1,620,051.56	1,606,296.44	1,583,585.76	1,636,988.86	1,698,487.53
Total district expenses	56,107,526.51	59,560,788.56	63,954,010.40	66,171,618.48	64,578,229.70	66,797,366.92	66,922,053.16	67,431,036.28	69,830,889.66	70,573,679.55
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	111,241.44	118,862.53	324,234.63	275,335.67	310,970.32	320,938.27	341,543.90	537,821.63	597,830.24	606,351.13
Pupil transportation	3,517.77	14,180.75	20,669.75	9,477.25	8,194.30	-	8,479.20	-	-	-
Special Schools	376,563.34	402,899.17	368,768.82	410,029.07	421,921.30	425,244.38	423,928.01	361,091.95	394,262.24	367,893.46
Operating grants and contributions	4,255,126.71	5,134,177.48	6,695,643.20	7,017,835.51	5,757,069.16	6,411,025.62	6,236,541.36	6,938,134.80	8,335,458.00	7,409,137.38
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	4,746,449.26	5,670,119.93	7,409,316.40	7,712,677.50	6,498,155.08	7,157,208.27	7,010,492.47	7,837,048.38	9,327,550.48	8,383,381.97

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services										
Food service	781,667.92	763,477.69	781,543.36	808,230.19	858,700.05	848,982.19	847,696.80	818,134.24	810,091.21	779,732.49
Child care	479,599.05	530,201.44	541,308.46	560,331.88	560,803.71	581,911.21	618,623.56	648,910.00	643,998.18	755,192.43
Operating grants and contributions	218,840.51	251,025.73	258,792.51	306,938.51	294,877.49	332,588.78	339,406.13	364,651.20	389,526.11	413,727.50
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	1,480,107.48	1,544,704.86	1,581,644.33	1,675,500.58	1,714,381.25	1,763,482.18	1,805,726.49	1,831,695.44	1,843,615.50	1,948,652.42
Total district program revenues	6,226,556.74	7,214,824.79	8,990,960.73	9,388,178.08	8,212,536.33	8,920,690.45	8,816,218.96	9,668,743.82	11,171,165.98	10,332,034.39
Net (Expense)/Revenue										
Governmental activities	(50,051,187.29)	(52,508,625.90)	(55,087,382.92)	(57,053,873.60)	(56,498,880.57)	(58,020,107.09)	(58,305,264.25)	(58,010,402.14)	(58,866,350.32)	(60,491,810.05)
Business-type activities	170,217.52	162,662.13	124,333.25	270,433.20	133,187.20	143,430.62	199,430.05	248,109.68	206,626.64	250,164.89
Total district-wide net expense	(49,880,969.77)	(52,345,963.77)	(54,963,049.67)	(56,783,440.40)	(56,365,693.37)	(57,876,676.47)	(58,105,834.20)	(57,762,292.46)	(58,659,723.68)	(60,241,645.16)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	41,666,253.00	43,504,304.00	45,932,163.00	47,973,294.00	49,485,496.00	50,186,321.00	51,256,979.00	52,282,119.00	53,302,761.00	54,288,538.00
Taxes levied for debt service	3,536,561.00	3,748,009.00	3,476,427.00	3,709,952.00	3,727,609.00	3,728,475.00	3,362,585.00	3,359,475.00	3,442,784.00	3,591,619.00
Federal and State Aid Not Restricted	5,559,145.00	5,789,822.00	5,724,603.78	5,843,605.65	5,584,485.62	4,750,054.36	3,617,810.42	4,550,346.50	4,639,109.02	4,736,220.59
Federal and State Aid Restricted	-	5,659.00	29,369.99	5,649.00	-	114,712.07	49,491.54	35,738.34	3,422.00	-
Miscellaneous income	658,077.71	765,874.20	975,230.24	697,549.23	478,910.07	337,850.13	345,636.71	315,262.37	420,736.91	287,709.34
Special Items	-	281,502.58	-	(214,056.31)	-	(53,138.34)	(7,992.51)	(5,878.00)	(9,157.00)	-
Total governmental activities	51,420,036.71	54,095,170.78	56,137,794.01	58,015,993.57	59,276,500.69	59,064,274.22	58,624,510.16	60,537,063.21	61,799,655.93	62,904,086.93
Business-type activities:										
Miscellaneous income	4,592.50	20,849.23	34,368.77	37,877.51	6,820.93	6,623.75	13,983.10	19,616.39	11,028.30	7,461.26
Special Items	-	-	-	-	-	-	-	-	-	-
Total business-type activities	4,592.50	20,849.23	34,368.77	37,877.51	6,820.93	6,623.75	13,983.10	19,616.39	11,028.30	7,461.26
Total district-wide	51,424,629.21	54,116,020.01	56,172,162.78	58,053,871.08	59,283,321.62	59,070,897.97	58,638,493.26	60,556,679.60	61,810,684.23	62,911,548.19
Change in Net Position										
Governmental activities	1,368,849.42	1,586,544.88	1,050,411.09	962,119.97	2,777,620.12	1,044,167.13	319,245.91	2,526,661.07	2,933,305.61	2,412,276.88
Business-type activities	174,810.02	183,511.36	158,702.02	308,310.71	140,008.13	150,054.37	213,413.15	267,726.07	217,654.94	257,626.15
Total district	1,543,659.44	1,770,056.24	1,209,113.11	1,270,430.68	2,917,628.25	1,194,221.50	532,659.06	2,794,387.14	3,150,960.55	2,669,903.03

Source: District Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	4,654,711.77	5,095,868.44	5,434,390.90	6,054,660.60	8,072,498.77	7,306,249.85				
Unreserved	683,476.65	851,150.39	924,280.06	903,662.20	630,746.91	1,297,002.66				
Restricted							4,518,858.85	6,817,775.63	7,844,712.85	7,877,025.34
Assigned							1,969,276.68	754,775.97	606,792.92	201,397.67
Unassigned							1,335,059.33	1,186,251.40	1,142,816.08	1,238,448.67
Total general fund	5,338,188.42	5,947,018.83	6,358,670.96	6,958,322.80	8,703,245.68	8,603,252.51	7,823,194.86	8,758,803.00	9,594,321.85	9,316,871.68
All Other Governmental Funds										
Reserved	9,272,841.27	1,263,659.17	749,662.50	870,736.95	354,214.71	439,717.81				
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	1,490,618.91	1,341,821.75	1,013,980.48	636,666.21	518,266.21	518,266.21				
Debt service fund	414,470.25	177,895.76	297,257.36	101,500.74	186,696.99	5,514.71				
Restricted							796,651.24	398,968.52	97,473.66	251,692.18
Assigned									125,461.00	45,929.00
Total all other governmental funds	11,177,930.43	2,783,376.68	2,060,900.34	1,608,903.90	1,059,177.91	963,498.73	796,651.24	398,968.52	222,934.66	297,621.18

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	45,202,814.00	47,252,313.00	49,408,590.00	51,683,246.00	53,213,105.00	53,914,796.00	54,619,564.00	55,641,594.00	56,745,545.00	57,880,157.00
Other Restricted Miscellaneous Revenues	376,563.34	402,899.17	368,768.82	410,029.07	421,921.30	425,244.38	423,928.01	361,091.95	394,262.24	367,893.46
Unrestricted Miscellaneous Revenues	772,836.92	898,917.48	1,320,134.62	982,362.15	798,074.69	658,788.40	661,748.81	853,084.00	1,018,567.15	894,060.47
State sources	8,531,463.30	9,423,936.07	11,119,901.64	11,459,187.35	9,941,815.82	9,208,572.54	8,340,773.05	9,878,064.03	11,596,569.02	10,786,765.45
Federal sources	1,282,808.41	1,505,722.41	1,329,715.33	1,407,902.81	1,399,738.96	2,067,219.51	1,596,981.27	1,646,155.61	1,381,420.00	1,358,592.52
Total revenue	56,166,485.97	59,483,788.13	63,547,110.41	65,942,727.38	65,774,655.77	66,274,620.83	65,642,995.14	68,379,989.59	71,136,363.41	71,287,468.90
Expenditures										
Instruction										
Regular Instruction	17,418,641.06	17,718,899.56	19,022,732.88	19,426,643.93	19,726,885.52	20,182,169.97	19,960,678.89	19,890,594.73	20,290,308.59	20,895,129.29
Special education instruction	4,986,152.81	5,589,911.81	5,163,591.20	5,604,398.54	6,297,928.93	7,388,673.80	7,546,434.88	7,127,742.27	7,241,321.31	7,030,416.76
Other special instruction	650,374.98	746,652.30	683,934.50	707,293.85	789,323.50	881,768.50	788,842.20	759,044.11	616,478.04	665,675.60
Other instruction	280,246.53	240,648.89	358,692.75	342,437.92	396,442.78	391,642.75	266,350.21	265,603.54	275,883.40	228,557.73
Support Services:										
Tuition	1,225,731.66	832,460.39	1,114,486.82	1,145,431.15	1,018,860.20	937,529.57	1,117,817.57	1,185,929.92	996,187.31	1,194,266.81
Student & inst. related services	4,833,929.40	5,207,472.90	5,425,011.25	5,481,900.62	5,743,459.78	5,969,481.46	5,249,015.92	5,550,631.39	5,809,069.10	5,879,802.08
General administration	937,784.21	946,744.34	916,201.08	952,419.97	951,486.13	1,020,466.61	900,332.29	929,477.00	1,021,098.43	971,789.31
School administrative services	1,960,671.63	2,006,387.11	1,951,182.36	1,880,481.22	2,012,607.09	2,041,351.94	1,905,496.53	1,992,258.74	1,972,014.37	2,000,890.25
Central services	807,051.14	795,750.31	821,720.44	830,804.50	851,014.18	881,595.63	868,022.24	871,928.63	893,318.87	882,838.49
Admin. information technology	429,185.00	505,551.99	483,961.33	544,618.28	595,731.03	530,636.65	559,215.10	552,797.08	550,541.41	529,963.95
Plant operations and maintenance	4,382,184.12	4,789,372.95	4,775,668.82	5,469,750.05	5,230,379.87	5,001,521.19	5,007,669.10	5,445,479.18	5,132,298.80	6,227,900.96
Pupil transportation	3,755,083.75	3,841,046.79	3,540,445.55	3,258,154.69	3,151,442.69	3,555,228.52	3,394,904.47	3,013,420.42	2,952,168.00	3,235,003.74
Unallocated Benefits	9,371,793.52	10,433,827.69	13,640,514.27	14,320,561.25	11,649,199.13	12,269,211.39	13,436,417.83	14,194,499.11	16,569,166.13	15,995,367.14
Special Schools	309,095.33	327,441.33	351,955.58	365,322.15	400,329.01	413,192.62	409,943.37	368,401.42	391,280.86	400,308.19
Capital outlay	15,361,828.47	10,241,748.02	2,169,616.88	1,119,220.33	989,624.20	980,590.00	3,127,805.54	1,238,451.59	1,264,422.30	1,179,452.88
Debt service:										
Principal	1,892,662.59	2,302,662.59	2,442,662.59	2,592,662.59	2,710,812.80	2,744,662.59	3,062,662.59	3,207,662.59	3,322,662.59	3,752,662.61
Interest and other charges	2,329,939.30	1,942,932.50	1,855,671.32	1,767,327.63	1,617,398.31	1,543,659.99	1,538,291.55	1,248,142.45	1,178,658.91	845,263.98
Total expenditures	70,932,355.50	68,469,511.47	64,718,049.62	65,809,428.67	64,132,925.15	66,733,383.18	69,139,900.28	67,842,064.17	70,476,878.42	71,915,289.77
Excess (Deficiency) of revenues over (under) expenditures	(14,765,869.53)	(8,985,723.34)	(1,170,939.21)	133,298.71	1,641,730.62	(458,762.35)	(3,496,905.14)	537,925.42	659,484.99	(627,820.87)
Other Financing sources (uses)										
Capital leases (non-budgeted)	665,539.74	1,200,000.00	860,115.00	280,600.00	132,499.16	263,090.00	2,550,000.00	-	-	425,057.22
Cancelation of Prior Year Accounts Receivable	-	-	-	(266,243.31)	(579,032.89)	-	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-	-	-	-	8,900,000.00	8,900,000.00	-
Deferred Loss of Defeasance of Bonds	-	-	-	-	-	-	-	(650,590.40)	(650,590.40)	-
Cost of Issuance - Refunding Bonds	-	-	-	-	-	-	-	(105,705.00)	(105,705.00)	-
Premium - Refunding Bonds	-	-	-	-	-	-	-	744,295.40	744,295.40	-
Payment to Refunded Bond Escrow Account	-	-	-	-	-	-	-	(8,888,000.00)	(8,888,000.00)	-
Transfers in	414,468.05	177,892.60	297,254.27	101,499.84	9,750.36	5,511.30	537,670.61	518,266.21	-	-
Transfers out	(414,468.05)	(177,892.60)	(297,254.27)	(101,499.84)	(9,750.36)	(5,511.30)	(537,670.61)	(518,266.21)	-	-
Total other financing sources (uses)	665,539.74	1,200,000.00	860,115.00	14,356.69	(446,533.73)	263,090.00	2,550,000.00	-	-	425,057.22
Net change in fund balances	(14,100,329.79)	(7,785,723.34)	(310,824.21)	147,655.40	1,195,196.89	(195,672.35)	(946,905.14)	537,925.42	659,484.99	(202,763.65)
Debt service as a percentage of noncapital expenditures	7.60%	7.29%	6.87%	6.74%	6.85%	6.52%	6.97%	6.69%	6.50%	6.50%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
General Fund - Other Local Revenue By Source
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Restricted Miscellaneous Revenues										
Summer School	191,726.20	199,093.99	208,716.56	216,730.94	290,459.01	221,981.22	226,540.53	221,858.27	248,793.28	267,301.19
Adult Education	184,837.14	203,805.18	160,052.26	193,298.13	131,462.29	203,263.16	197,387.48	139,233.68	145,468.96	100,592.27
Total Other Restricted Misc. Revenue	376,563.34	402,899.17	368,768.82	410,029.07	421,921.30	425,244.38	423,928.01	361,091.95	394,262.24	367,893.46
Unrestricted Miscellaneous Revenue										
Tuition / Transportation	114,759.21	133,043.28	344,904.38	284,812.92	319,164.62	320,938.27	350,023.10	537,821.63	597,830.24	606,903.63
Interest	182,453.84	263,310.98	321,156.94	327,301.96	95,287.97	142,885.14	121,387.91	143,303.04	86,926.10	65,390.64
Miscellaneous Prior Year Refunds	27,341.42	15,427.29	157,211.95	94,912.02	108,135.04	21,311.63	5,391.00	21,168.00		
Miscellaneous	6,546.64	27,502.40	47,494.48	35,460.30	66,627.47	59,324.91	30,639.87	11,847.59	43,808.90	37,990.25
Building Rentals	59,364.86	41,117.95	64,450.75	56,314.56	54,700.92	50,494.32	51,979.51	52,455.20	23,326.63	52,245.97
E-RATE			57,661.85	80,349.34	114,007.55	58,015.73	92,597.77	81,330.22	90,864.64	126,101.90
Advertising-Sch Bus										5,249.97
State of NJ FEMA							33,911.00			
D.R. Horton, Inc. - Sewer		237,423.00								
Nickelodeon Donation		5,000.00								
Mount Laurel Public Education Fund Donation	30,000.00		30,000.00		30,000.00					
Procacci Developers - Easement SV	136,250.00									
Total Unrestricted Miscellaneous Revenues:	556,715.97	722,824.90	1,022,880.35	879,151.10	787,923.57	652,970.00	685,930.16	847,925.68	842,756.51	893,882.36
Total Miscellaneous Revenues	933,279.31	1,125,724.07	1,391,649.17	1,289,180.17	1,209,844.87	1,078,214.38	1,109,858.17	1,209,017.63	1,237,018.75	1,261,775.82

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.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Years
Unaudited

Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [b]
2014 R	53,450,200	3,881,977,200	9,305,800	469,500	1,571,550,300	150,364,200	119,039,900	5,786,157,100	-	5,786,157,100	303,903,300	6,395,426,411	1.021
2013	31,753,500	2,321,692,900	6,115,100	435,400	860,497,100	82,293,300	55,256,900	3,358,044,200	-	3,358,044,200	251,369,300	6,441,313,693	1.724
2012	33,255,200	2,320,319,800	5,997,300	474,800	912,915,100	86,433,900	56,792,000	3,416,188,100	6,680,913	3,422,869,013	250,662,000	6,447,484,862	1.659
2011	34,328,800	2,318,845,700	5,997,300	474,800	920,176,300	88,844,200	56,792,000	3,425,459,100	6,550,063	3,432,009,163	249,075,500	6,594,153,835	1.622
2010	40,216,900	2,320,475,600	6,142,700	434,600	924,046,400	89,788,900	54,367,200	3,435,472,300	7,028,480	3,442,500,780	248,658,700	7,017,735,428	1.586
2009	46,091,300	2,312,759,000	4,689,300	488,100	942,356,400	96,638,800	51,942,000	3,454,964,900	7,055,887	3,462,020,787	247,686,900	7,050,958,833	1.557
2008	51,578,600	2,295,148,200	5,020,700	485,900	908,640,700	97,272,900	51,942,000	3,410,089,000	6,858,945	3,416,947,945	246,363,300	6,733,625,068	1.557
2007	64,420,600	2,261,700,600	5,122,200	482,400	871,521,900	100,736,800	51,942,000	3,355,926,500	7,464,574	3,363,391,074	238,487,200	5,984,661,186	1.536
2006	70,976,100	2,231,955,800	5,162,200	552,600	844,313,300	109,674,600	51,942,000	3,314,576,600	8,303,549	3,322,880,149	231,224,900	5,255,980,200	1.487
2005	88,800,300	2,201,934,900	7,730,900	583,500	800,401,400	112,193,800	51,942,000	3,263,586,800	9,667,301	3,273,254,101	227,345,600	4,668,014,969	1.444

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per $100

R Revaluation

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Per $100.00 of Assessed Valuation
Last Ten Years
Unaudited

	School District Direct Rate			Overlapping Rates				
Year	Basic Rate	General Obligation Debt Serivce	(From J-6) Total Direct School Tax Rate	Regional School District	Township of Mount Laurel	Burlington County	Mount Laurel Fire District NO. 1	Total Direct and Overlapping Tax Rate
2014 R	0.957	0.064	1.021	0.682	0.453	0.387	0.143	2.686
2013	1.617	0.107	1.724	1.205	0.717	0.656	0.248	4.550
2012	1.558	0.101	1.659	1.087	0.697	0.653	0.242	4.338
2011	1.524	0.098	1.622	1.058	0.679	0.670	0.240	4.269
2010	1.488	0.098	1.586	1.076	0.643	0.712	0.238	4.255
2009	1.449	0.108	1.557	0.973	0.602	0.714	0.213	4.059
2008	1.448	0.109	1.557	0.955	0.548	0.708	0.206	3.974
2007	1.426	0.110	1.536	0.918	0.548	0.691	0.183	3.876
2006	1.382	0.105	1.487	0.890	0.509	0.646	0.183	3.715
2005	1.329	0.115	1.444	0.850	0.509	0.604	0.163	3.570

Source: Abstract of Ratables for the County of Burlington

R - Revaluation

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank	% ot Total District Net Assessed Value	Taxable Assessed Value	Rank	% ot Total District Net Assessed Value
6000 Midlantic Drive Assoc./Whitesell	122,829,800.00	1	2.12%	59,039,200.00	3	1.80%
LSOP 3 NJ LLC/LSOP NJ	116,928,600.00	2	2.02%			
Brandywine/Atlantic American	112,569,500.00	3	1.95%	86,885,300.00	1	2.65%
East Gate EGS TIC	67,667,600.00	4	1.17%	40,723,200.00	5	1.24%
TD / Commerce Bank	66,377,100.00	5	1.15%			
Centerton Square, LLC	65,554,500.00	6	1.13%			
ISTAR Bishops Gate (1)	62,129,800.00	7	1.07%	47,869,800.00	4	1.46%
Davis & Associates	52,236,500.00	8	0.90%	21,354,700.00	10	0.65%
Gateway Park, LLC	44,993,300.00	9	0.78%			
Bloom Organization of SJ	39,923,700.00	10	0.69%			
Liberty Property, LLP				67,195,300.00	2	2.05%
HovPro/Hovanian/JSP Assoc./Town Square				32,038,700.00	6	0.98%
NFL Films				28,984,300.00	7	0.89%
Gateway Park, LLC				23,210,300.00	8	0.71%
Mount Laurel Crossings, LLC				21,535,100.00	9	0.66%
Total	751,210,400.00		12.98%	428,835,900.00		13.09%

Source: Municipal Tax Assessor

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	57,880,157.00	57,880,157.00	100.00%	-
2013	56,745,545.00	56,745,545.00	100.00%	-
2012	55,641,594.00	55,641,594.00	100.00%	-
2011	54,619,564.00	54,619,564.00	100.00%	-
2010	53,914,796.00	53,914,796.00	100.00%	-
2009	53,213,105.00	53,213,105.00	100.00%	-
2008	51,683,246.00	51,683,246.00	100.00%	-
2007	49,408,590.00	49,408,590.00	100.00%	-
2006	47,252,313.00	47,252,313.00	100.00%	-
2005	45,202,814.00	45,202,814.00	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 it's 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.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Certificates of Participation	Capital Leases	Economic Development Loan	Capital Leases	Total District	Percentage of Personal Income (1)	Per Capita (2)
2014	23,025,000.00	-	425,057.22	-	-	23,450,057.22	unavailable	unavailable
2013	26,410,000.00	-	1,010,000.00	367,662.20	-	27,787,662.20	unavailable	665.76
2012	30,360,000.00	-	2,124,948.03	735,324.79	-	33,220,272.82	1.55%	793.57
2011	33,188,000.00	-	2,396,303.81	1,102,987.38	-	36,687,291.19	1.81%	874.69
2010	35,883,000.00	-	189,352.70	1,470,649.97	-	37,543,002.67	1.89%	896.01
2009	38,260,000.00	-	615,298.02	1,838,312.56	-	40,713,610.58	2.22%	1,030.33
2008	39,645,000.00	1,455,000.00	1,025,612.82	2,205,975.15	-	44,331,587.97	2.37%	1,130.71
2007	41,530,000.00	1,795,000.00	1,276,348.57	2,573,637.74	-	47,174,986.31	2.64%	1,198.03
2006	43,280,000.00	2,120,000.00	1,235,735.77	2,941,300.33	-	49,577,036.10	2.86%	1,239.33
2005	44,905,000.00	2,430,000.00	584,562.19	3,308,962.92	-	51,228,525.11	3.13%	1,272.92

(1) Personal income has been estimated based upon the municipal population and per capita
(2) Population information provided by the NJ Dept Of Labor and Workforce Development

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	23,025,000.00	-	23,025,000.00	0.40%	Unavailable
2013	26,410,000.00	-	26,410,000.00	0.79%	632.76
2012	30,360,000.00	-	30,360,000.00	0.89%	725.24
2011	33,188,000.00	-	33,188,000.00	0.97%	791.26
2010	35,883,000.00	-	35,883,000.00	1.04%	856.40
2009	38,260,000.00	-	38,260,000.00	1.11%	968.24
2008	39,645,000.00	-	39,645,000.00	1.16%	1,011.17
2007	41,530,000.00	-	41,530,000.00	1.23%	1,054.68
2006	43,280,000.00	-	43,280,000.00	1.30%	1,081.92
2005	44,905,000.00	-	44,905,000.00	1.37%	1,115.79

(1) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
(2) Population information provided by the NJ Dept Of Labor and Workforce Development

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2013
Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Nebt Debt Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lenape Regional High School District (1) (B)	80,110,000.00	35.83%	28,700,599.45
Mount Laurel Township (1)	55,904,122.70	100.00%	55,904,122.70
County of Burlington (4) (A)	316,882,827.69	14.03%	44,455,509.44
Mount Laurel Township Fire District (3)	3,050,000.00	100.00%	3,050,000.00
Other Debt			
Mount Laurel Township Municipal Utilities Authority (2)	25,147,840.89	100.00%	25,147,840.89
Subtotal, overlapping debt			157,258,072.48
Mount Laurel Township School District Direct Debt (1)	23,025,000.00	100.00%	23,025,000.00
Total direct and overlapping debt			180,283,072.48

Sources:
(1) Mount Laurel Township Annual Debt Statement - December 31, 2013
(2) Mount Laurel Township Municipal Utilities Authority Audit Report - June 30, 2013
(3) Mount Laurel Township Fire District Audit Report - December 31, 2013
(4) County of Burlington Audit Report - December 31, 2013

(A) The debt for this entity was apportioned to Mount Laurel Township by dividing the Township's 2013 equalized value by the total 2013 equalized value for the County of Burlington, which results in an apportionment of 14.03%.

(B) The debt for this entity was apportioned to Mount Laurel Township by dividing the Township's 2013 average equalized value by the total 2013 average equalized value for the entire Regional School District, which results in an apportionment of 35.38%.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Computation of Legal Debt Margin
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2013

		Equalized Valuation Basis (1)
	2013	6,382,900,969.00
	2012	6,545,675,608.00
	2011	6,450,958,757.00
	[A]	19,379,535,334.00
Average equalized valuation of taxable property	[A/3]	6,459,845,111.33
Debt limit (3% of average equalization value) (2)	[B]	193,795,353.34
Total Net Debt Applicable to Limit	[C]	23,025,000.00
Legal Debt Margin	[B-C}	170,770,353.34

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debit Limit	193,795,353.34	195,956,975.61	200,923,474.73	205,865,801.62	206,001,800.00	194,546,283.84	176,700,738.77	156,434,005.59	137,288,160.94	120,662,628.84
Total net debt applicable to limit (3)	23,025,000.00	26,777,662.20	31,095,324.79	34,290,987.38	37,353,650.00	40,098,312.56	43,305,975.15	45,898,537.74	48,341,300.33	48,213,962.92
Legal Debt Margin	170,770,353.34	169,179,313.41	169,828,149.94	171,574,814.24	168,648,150.00	154,447,971.28	133,394,763.62	110,535,467.85	88,946,860.61	72,448,665.92
as a percentage of debt limit	11.88%	13.67%	15.48%	16.66%	18.13%	20.61%	24.51%	29.34%	35.21%	39.96%

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 8 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 Distric 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.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Years
Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2013	41,738	Unavailable	Unavailable	6.60%
2012	41,862	2,138,269,098.00	51,079.00	7.40%
2011	41,943	2,026,601,874.00	48,318.00	7.30%
2010	41,900	1,985,682,900.00	47,391.00	7.60%
2009	39,515	1,837,289,440.00	46,496.00	7.30%
2008	39,207	1,869,115,311.00	47,673.00	4.10%
2007	39,377	1,788,503,340.00	45,420.00	3.20%
2006	40,003	1,734,730,095.00	43,365.00	3.40%
2005	40,245	1,637,408,070.00	40,686.00	3.10%
2004	40,364	1,595,023,824.00	39,516.00	2.50%

(1) Population information provided by the NJ Dept Of Labor and Workforce Development
(2) Personal income has been estimated based upon the municipal population and per capita
(3) Per Capita personal income by municipality-estimated based upon the 2010 Census published
(4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Principal Employers
Current Year and Ten Years Ago
Unaudited

	2014			2004		
Employer	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment (1)	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment (1)
CEDC	4,100	1		Information Not Available		
PHH Mortgage	1,300	2				
TD Bank	1,200	3				
AMICA Mutual Insurance Co	800	4				
ARI	700	5				
Comcast Cable	550	6				
ADP	525	7				
Roosevelt Paper	500	8				
Target	500	8				
Virtua	500	8				
	10,675		0.00%	-		0.00%

Source: Township of Mount Laurel Website

(1) Information Not Available

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 ofthe factors and statistics pertinent to the School District's operations.

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

	Fiscal Year Ended June 30,									
Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	345	345	349	349	349	351	345	341	341	342
Special education	64	64	62	62	62	62	69	69	69	69
Other special education	91	91	91	91	91	91	91	93	93	93
Other instruction	19	19	19	19	19	19	19	15	15	12
Support Services:										
Student & instruction related services	0	0	0	0	0	0	0	0	0	0
Social Work	4	4	4	4	4	5	5	5	5	5
Health Services	8	8	8	8	8	8	8	8	8	8
Support Services - Students	9	9	9	9	9	9	9	9	9	9
Support Services - Instructional Staff	0	0	0	0	0	0	0	0	0	0
Educational Media / Library	8	8	8	8	8	8	8	8	8	8
Instructional Staff Training Services	5	5	5	5	5	5	5	5	5	5
General administration	4	4	4	4	4	4	4	4	4	4
School administration	13	13	13	13	13	13	12	12	12	12
Central services	12	12	12	12	12	12	11	11	11	11
Administrative Information Technology	2	2	2	2	2	2	2	2	2	2
Plant operations and maintenance	40	40	40	40	40	40	40	39	39	40
Pupil transportation	56	56	54	54	54	54	51	51	50	50
Other support services	62	62	62	61	61	61	61	61	61	64
Food Service	2	2	2	2	2	0	0	0	0	0
Total	744	744	744	743	743	744	740	733	732	734

Source: District Personnel Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year June 30,	Average Daily Enrollment (ADE) [c]	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	4,175	66,221,834.30	15,861.52	1.39%	342	9.11	13.58	N/A	4,175	4,022	0.80%	96.34%
2013	4,142	64,795,058.62	15,643.42	3.87%	341	9.78	13.53	N/A	4,142	3,976	-1.69%	95.99%
2012	4,213	63,447,410.13	15,059.91	0.21%	341	8.12	12.29	N/A	4,213	4,068	-2.06%	96.55%
2011	4,302	64,644,099.14	15,027.92	4.51%	345	11.41	11.12	N/A	4,302	4,135	-0.94%	96.13%
2010	4,343	62,445,060.60	14,379.98	4.76%	351	10.92	9.83	N/A	4,343	4,172	-0.13%	96.07%
2009	4,348	59,686,314.04	13,726.99	-1.31%	349	10.19	11.09	N/A	4,348	4,175	-1.40%	96.01%
2008	4,410	61,338,367.49	13,908.65	4.78%	349	10.21	12.24	N/A	4,410	4,238	-2.14%	96.09%
2007	4,506	59,814,451.01	13,273.81	8.25%	349	10.61	12.20	N/A	4,506	4,324	-0.74%	95.96%
2006	4,540	55,667,905.14	12,262.46	7.35%	345	10.39	11.48	N/A	4,540	4,353	-0.75%	95.89%
2005	4,574	52,246,861.84	11,423.08	9.82%	345	10.39	11.48	N/A	4,574	4,392	-0.77%	96.03%

Sources: District Records

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Building										
Elementary										
Countryside (1971)										
Square Feet	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Capacity (students)	418	418	418	418	418	418	418	418	418	418
Enrollment	382	392	365	355	329	365	351	315	311	341
Fleetwood (1963)										
Square Feet	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500
Capacity (students)	417	417	417	417	417	417	417	417	417	417
Enrollment	357	360	340	349	356	361	353	362	379	370
Hillside (1954)										
Square Feet	44,102	44,102	44,102	44,102	44,102	44,102	44,102	44,102	44,102	44,102
Capacity (students)	443	443	443	443	443	443	443	443	443	443
Enrollment	448	431	404	384	395	390	408	407	377	340
Parkway (1966)										
Square Feet	48,440	48,440	48,440	48,440	48,440	48,440	48,440	48,440	48,440	48,440
Capacity (students)	405	405	405	405	405	405	405	405	405	405
Enrollment	387	372	381	370	381	419	416	410	420	398
Larchmont (1990)										
Square Feet	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Capacity (students)	444	444	444	444	444	444	444	444	444	444
Enrollment	442	421	419	397	404	384	377	358	354	367
Hartford (1995)										
Square Feet	139,000	139,000	139,000	139,000	139,000	139,000	139,000	139,000	139,000	139,000
Capacity (students)	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178
Enrollment	1,057	1,054	1,035	1,029	1,015	947	898	908	921	970
Springville (2001)										
Square Feet	78,400	78,400	78,400	78,400	78,400	78,400	78,400	78,400	78,400	78,400
Capacity (students)	502	502	502	502	502	502	502	502	502	502
Enrollment	461	461	474	451	428	427	452	468	454	458
Middle										
Harrington (1969)										
Square Feet	146,600	146,600	146,600	146,600	146,600	146,600	146,600	146,600	146,600	146,600
Capacity (students)	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213
Enrollment	1,057	1,063	1,087	1,052	1,035	1,027	1,040	974	911	925
Other										
Hattie Britt (1960)										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Masonville (1950)										
Square Feet	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800

Number of Schools at June 30, 2014
Elementary = 7
Middle School = 1
Senior High School = 0
Other = 2

Source: District Records
Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October district count.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance
for School Facilities
11-000-261-xxx

			Fiscal Year Ended June 30,									
			2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
* School Facilities	School Number	Project # (s)										
Unallocated			326,654.07	321,165.09	334,660.45	351,210.09	382,749.07	423,259.84	437,289.10	442,431.23	431,680.03	389,931.15
Countryside	010	N/A	15,318.12	51,352.92	47,365.79	28,991.83	44,607.84	45,687.66	38,048.08	40,967.76	40,563.38	43,484.21
Fleetwood	045	N/A	19,431.33	42,142.08	36,204.22	51,246.36	28,233.02	53,556.77	34,874.66	45,452.17	42,952.29	45,657.14
Hartford	047	N/A	97,665.09	148,991.36	118,523.37	107,212.53	90,694.34	75,473.74	86,612.05	82,846.86	91,969.72	83,624.99
Hillside	050	N/A	89,008.86	83,970.70	60,825.03	45,925.88	41,331.56	39,605.34	33,370.14	39,256.01	42,044.04	38,855.73
Larchmont	055	N/A	27,528.84	33,583.98	42,417.83	111,430.76	48,564.99	42,574.44	38,863.98	52,332.17	80,887.08	39,615.39
Harrington	060	N/A	101,091.28	114,625.38	114,202.82	309,922.05	185,416.71	86,100.32	103,389.99	94,150.95	82,913.78	235,643.66
Parkway	065	N/A	65,744.13	21,078.34	34,581.27	58,458.51	45,859.24	37,976.09	28,488.65	33,697.06	42,775.10	45,056.76
Springville	075	N/A	57,844.73	121,893.87	65,810.76	140,500.33	115,363.24	88,624.62	73,597.05	103,003.38	61,496.12	91,514.69
Total School Facilities			800,286.45	938,803.72	854,591.54	1,204,898.34	982,820.01	892,858.82	874,533.70	934,137.59	917,281.54	1,013,383.72
Masonville	999a	N/A	24,323.26	35,569.37	20,380.03	21,869.63	16,400.89	11,467.61	16,562.95	15,447.82	13,140.83	6,032.30
Board Office	999b	N/A	118,426.82	125,916.07	116,601.86	134,718.51	105,474.27	81,184.75	81,897.14	89,100.04	77,264.65	71,403.14
Total Other Facilities			142,750.08	161,485.44	136,981.89	156,588.14	121,875.16	92,652.36	98,460.09	104,547.86	90,405.48	77,435.44
Total			943,036.53	1,100,289.16	991,573.43	1,361,486.48	1,104,695.17	985,511.18	972,993.79	1,038,685.45	1,007,687.02	1,090,819.16

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Source: District Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Insurance Schedule
June 30, 2014
Unaudited

	Coverage	Deductible
School Package Policy:		
Property, Inland Marine and Automobile Physical Damages	150,000,000.00	500.00
Boiler and Machinery	125,000,000.00	1,000.00
Crime	500,000.00	500.00
General and Automobile Liability	15,000,000.00	
Workers' Compensation	Statutory	
Educator's Legal Liability	15,000,000.00	
Pollution Legal Liability	3,000,000.00	25,000.00
Cyber Liability	1,000,000.00	25,000.00
Surety Bonds:		
Board Secretary	100,000.00	
Treasurer of School Funds	330,000.00	

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Mount Laurel School District
Mount Laurel, New Jersey 08054

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Township of Mount Laurel 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Henry J. Ludwigsen

Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No.CS001112

Woodbury, New Jersey
November 20, 2014

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2014

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2013
General Fund:						
U.S. Department of Health and Human Services						
Passed-through State Department of Education:						
Medical Assistance Program	93.778	N/A	$ 69,309.59	7-1-2013	6-30-2014	
General Fund - Total U.S. Department of Health and Human Services						-
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I	84.010	13-3440	167,099.00	9-1-2012	8-31-2013	$ (20,214.00)
Title I	84.010	14-3440	123,896.00	7-1-2013	6-30-2014	
Total Title I						(20,214.00)
Title IIA	84.367	13-3440	70,197.00	9-1-2012	8-31-2013	(26,103.64)
Title IIA	84.367	14-3440	65,042.00	7-1-2013	6-30-2014	
Total Title IIA						(26,103.64)
Title III	84.365	13-3440	15,923.00	9-1-2012	8-31-2013	(1,249.88)
Title III	84.365	14-3440	14,936.00	7-1-2013	6-30-2014	
Total Title III						(1,249.88)
I.D.E.A. Part B:						
Special Education Cluster:						
I.D.E.A. Part B, Basic Regular	84.027	FT-3440	988,340.00	9-1-2012	8-31-2013	(191,145.02)
I.D.E.A. Part B, Basic Regular	84.027	FT-3440	952,235.00	7-1-2013	6-30-2014	
I.D.E.A. Preschool Incentive	84.173	FT-3440	53,961.00	9-1-2012	8-31-2013	(4,195.21)
I.D.E.A. Preschool Incentive	84.173	FT-3440	50,374.00	7-1-2013	6-30-2014	
Total I.D.E.A. Part B Special Education Cluster						(195,340.23)
Race to the Top	84.412	FT-3440	13,030.00	7-1-2012	6-30-2013	(38.00)
Total Special Revenue Fund						(242,945.75)
Enterprise Fund:						
U.S. Department of Agriculture						
Passed-through State Department of Agriculture:						
Child Nutrition Cluster:						
Food Distribution Program (Non-Cash Assistance)	10.555	N/A	87,690.19	7-1-2013	6-30-2014	
National School Lunch Program	10.555	N/A	288,401.08	7-1-2012	6-30-2013	(19,852.46)
National School Lunch Program	10.555	N/A	317,373.79	7-1-2013	6-30-2014	
School Breakfast Program	10.553	N/A	2,312.61	7-1-2012	6-30-2013	(280.26)
School Breakfast Program	10.553	N/A	5,509.44	7-1-2013	6-30-2014	
Total Child Nutrition Cluster						(20,132.72)
Enterprise Fund - Total U.S. Department of Agriculture						(20,132.72)
Total Federal Financial Assistance						$ (263,078.47)

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.

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2014 (Accounts Receivable)	Balance June 30, 2014 Unearned Revenue	Balance June 30, 2014 Due to Grantor
	$ 69,309.59	$ (69,309.59)					
-	69,309.59	(69,309.59)	-	-	-	-	-
$ (14,599.00)	54,813.00	(20,000.00)					
14,599.00	113,712.00	(137,112.80)	$ 3.23		$ (8,798.57)		
-	168,525.00	(157,112.80)	3.23	-	(8,798.57)	-	-
(4,561.00)	30,666.00		(1.36)				
4,561.00	48,374.00	(69,237.76)			(16,302.76)		
-	79,040.00	(69,237.76)	(1.36)	-	(16,302.76)	-	-
(1,919.00)	5,669.00	(2,500.00)	(0.12)				
1,919.00	14,644.00	(16,563.00)					
-	20,313.00	(19,063.00)	(0.12)	-	-	-	-
(81.00)	236,226.00	(45,000.00)	0.02				
81.00	839,994.00	(949,149.86)			(109,074.86)		
(378.00)	4,575.00		(1.79)				
378.00	28,879.00	(49,719.51)			(20,462.51)		
-	1,109,674.00	(1,043,869.37)	(1.77)	-	(129,537.37)	-	-
	38.00						
-	1,377,590.00	(1,289,282.93)	(0.02)	-	(154,638.70)	-	-
	87,690.19	(77,815.20)				$ 9,874.99	
	19,852.46						
	285,818.03	(317,373.79)			(31,555.76)		
	280.26						
	4,852.72	(5,509.44)			(656.72)		
-	398,493.66	(400,698.43)	-	-	(32,212.48)	9,874.99	-
	398,493.66	(400,698.43)			(32,212.48)	9,874.99	
$ -	$ 1,845,393.25	$ (1,759,290.95)	$ (0.02)	$ -	$ (186,851.18)	$ 9,874.99	$ -

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2014

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2013 Deferred Revenue / Accounts Receivable	Balance at June 30, 2013 Due to Grantor	Balance at June 30, 2013 Carryover/ (Walkover) Amount
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	495-034-5120-078	43,468.00	7-1-2012	6-30-2013	$ (3,842.59)		
Categorical Special Education Aid	495-034-5120-089	2,270,753.00	7-1-2012	6-30-2013	(200,735.32)		
Categorical Special Education Aid	495-034-5120-089	2,290,692.00	7-1-2013	6-30-2014			
Adjustment Aid	495-034-5120-085	3,387.00	7-1-2013	6-30-2014			
Categorical Security Aid	495-034-5120-084	326,105.00	7-1-2012	6-30-2013	(28,827.79)		
Categorical Security Aid	495-034-5120-084	335,153.00	7-1-2013	6-30-2014			
Total State Aid - Public Cluster					(233,405.70)	-	-
State Aid - Transportation:							
Categorical Transportation Aid	495-034-5120-014	$ 1,624,986.00	7-1-2012	6-30-2013	(143,649.30)		
Categorical Transportation Aid	495-034-5120-014	1,636,080.00	7-1-2013	6-30-2014			
Nonpublic Transportation Aid	495-034-5120-044	34,251.68	7-1-2012	6-30-2013	(34,251.68)		
Nonpublic Transportation Aid	495-034-5120-044	40,901.00	7-1-2013	6-30-2014			
Total State Aid - Transportation					(177,900.98)	-	-
Extraordinary Special Education Aid	100-034-5120-473	318,742.00	7-1-2012	6-30-2013	(318,742.00)		
Extraordinary Special Education Aid	100-034-5120-473	368,100.00	7-1-2013	6-30-2014			
Total Extraordinary Aid					(318,742.00)	-	-
Reimbursed TPAF Social Security Contributions	495-034-5095-002	2,165,973.02	7-1-2012	6-30-2013	(106,172.97)		
Reimbursed TPAF Social Security Contributions	495-034-5095-002	2,140,534.00	7-1-2013	6-30-2014			
Total Reimbursed TPAF Social Security Contributions					(106,172.97)	-	-
Total General Fund					(836,221.65)	-	-
Debt Service Fund:							
New Jersey Department of Education:							
Debt Service Aid	495-034-5120-075	632,338.00	7-1-2012	6-30-2013	10,000.00		
Debt Service Aid	495-034-5120-075	696,892.00	7-1-2013	6-30-2014			
Total Debt Service Fund					10,000.00	-	-
Special Revenue Fund:							
New Jersey Department of Education:							
N.J. Nonpublic Aid:							
Nursing Services Aid	100-034-5120-070	9,032.00	7-1-2013	6-30-2014			
Textbook Aid	100-034-5120-064	6,447.00	7-1-2012	6-30-2013		$ 271.00	
Textbook Aid	100-034-5120-064	6,418.00	7-1-2013	6-30-2014			
Total Textbook Aid					-	271.00	-
Technology Aid	100-034-5120-373	2,340.00	7-1-2013	6-30-2014			
Handicapped Aid	100-034-5120-066	27,349.00	7-1-2012	6-30-2013		1,116.00	
Handicapped Aid	100-034-5120-066	30,183.00	7-1-2013	6-30-2014			
Total Handicapped Aid					-	1,116.00	-
Total Special Revenue Fund					-	1,387.00	-
Enterprise Fund:							
State Department of Agriculture:							
State School Lunch Program	100-010-3350-023	13,113.61	7-1-2012	6-30-2013	(889.92)		
State School Lunch Program	100-010-3350-023	13,029.07	7-1-2013	6-30-2014			
Total Enterprise Fund / State Department of Agriculture					(889.92)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(827,111.57)	1,387.00	-

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014: Accounts Receivable	Balance at June 30, 2014: Unearned Revenue	Balance at June 30, 2014: Due to Grantor at	Memo: Budgetary Receivable 6/30/14	Memo: Cumulative Total Expenditures
$ 3,842.59								
200,735.32								
2,084,218.81		$ (2,290,692.00)		$ (206,473.19)			$ (206,473.19)	$ 2,290,692.00
3,081.71		(3,387.00)		(305.29)			(305.29)	3,387.00
28,827.79								
304,943.74		(335,153.00)		(30,209.26)			(30,209.26)	335,153.00
2,625,649.96	-	(2,629,232.00)	-	(236,987.74)	-	-	(236,987.74)	2,629,232.00
143,649.30							-	-
1,488,610.74		(1,636,080.00)		(147,469.26)			(147,469.26)	1,636,080.00
34,251.68								
		(40,901.00)		(40,901.00)				40,901.00
1,666,511.72	-	(1,676,981.00)	-	(188,370.26)	-	-	(147,469.26)	1,676,981.00
318,742.00								
		(368,100.00)		(368,100.00)				368,100.00
318,742.00	-	(368,100.00)	-	(368,100.00)	-	-	-	368,100.00
106,172.97								
2,010,712.42		(2,115,293.87)		(104,581.45)				2,115,293.87
2,116,885.39	-	(2,115,293.87)	-	(104,581.45)	-	-	-	2,115,293.87
6,727,789.07	-	(6,789,606.87)	-	(898,039.45)	-	-	(384,457.00)	6,789,606.87
	$ (10,000.00) (A)							
696,892.00		(696,892.00)						696,892.00
696,892.00	(10,000.00)	(696,892.00)	-	-	-	-	-	696,892.00
9,032.00		(9,032.00)						9,032.00
			$ (271.00)					
6,418.00	(0.08)	(6,303.92)				$ 114.00		6,303.92
6,418.00	(0.08)	(6,303.92)	(271.00)	-	-	114.00	-	6,303.92
2,340.00		(2,340.00)						2,340.00
			(1,116.00)					
30,183.00	(0.34)	(14,204.66)				15,978.00		14,204.66
30,183.00	(0.34)	(14,204.66)	(1,116.00)	-	-	15,978.00	-	14,204.66
47,973.00	(0.42)	(31,880.58)	(1,387.00)	-	-	16,092.00	-	31,880.58
889.92								
11,764.25		(13,029.07)		(1,264.82)				13,029.07
12,654.17	-	(13,029.07)	-	(1,264.82)	-	-	-	13,029.07
7,485,308.24	(10,000.42)	(7,531,408.52)	(1,387.00)	(899,304.27)	-	16,092.00	(384,457.00)	7,531,408.52

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2014

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2013 Deferred Revenue / Accounts Receivable	Balance at June 30, 2013 Due to Grantor	Carryover/ (Walkover) Amount
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf T.P.A.F. Pension Contributions:							
Normal Costs	N/A	1,241,006.00	7-1-2013	6-30-2014			
Post Retirement Medical	N/A	2,034,782.00	7-1-2013	6-30-2014			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					$ (827,111.57)	$ 1,387.00	$ -

(A) Canceled / Adjustment

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

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor at	Budgetary Receivable 6/30/14	Cumulative Total Expenditures
1,241,006.00		(1,241,006.00)						1,241,006.00
2,034,782.00		(2,034,782.00)						2,034,782.00
3,275,788.00	-	(3,275,788.00)	-	-	-	-	-	3,275,788.00
$ 10,761,096.24	$ (10,000.42)	$ (10,807,196.52)	$ (1,387.00)	$ (899,304.27)	$ -	$ 16,092.00	$ (384,457.00)	$ 10,807,196.52

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014

Note 1: **GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Mount Laurel 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 schedule 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 FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is $(7,402.00) for the general fund and $-0- for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is $-0- for the general fund and $-0- 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:

Fund	Federal	State	Total
General	$ 69,309.59	$ 10,057,992.87	$ 10,127,302.46
Special Revenue	1,289,282.93	31,880.58	1,321,163.51
Debt Service		696,892.00	696,892.00
Food Service	400,698.43	13,029.07	413,727.50
Total	$ 1,759,290.95	$ 10,799,794.52	$ 12,559,085.47

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 cancellations and favorable difference incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2012-2013.

Note 6: **REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2014, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the Federal Food Distribution Program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

Note 7: **MAJOR PROGRAMS**

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes X no
Significant deficiencies identified?	____ yes X none reported
Noncompliance material to financial statements noted?	____ yes X no

Federal Awards

Internal control over compliance:	
Material weaknesses identified?	____ yes X no
Significant deficiencies identified?	____ yes X none reported
Type of auditor's report on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	____ yes X no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
	Child Nutrition Cluster:
10.555	National School Lunch Program
10.553	School Breakfast Program
	Special Education Cluster (I.D.E.A.):
84.027	I.D.E.A. Part B, Basic Regular
84.173	I.D.E.A. Preschool Incentive

Dollar threshold used to determine Type A programs	$ 300,000
Auditee qualified as low-risk auditee?	X yes ____ no ____ n/a

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? ____ yes __X__ no

Significant deficiencies identified? ____ yes __X__ none reported

Type of auditor's report 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:

GMIS Numbers	Name of State Program
	State Aid - Public Cluster:
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
495-034-5120-014	Transportation Aid
100-034-5120-473	Extraordinary Special Education Aid
495-034-5095-002	Reimbursed TPAF Social Security Contributions
495-034-5120-075	Debt Service Aid

Dollar threshold used to determine Type A programs: $ 300,000

Auditee qualified as low-risk auditee? __X__ yes ____ no ____ n/a

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section 2- Schedule of Financial Statement Findings

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

No Current Year Findings.

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.

No Current Year Findings.

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.

No Current Year Findings.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.