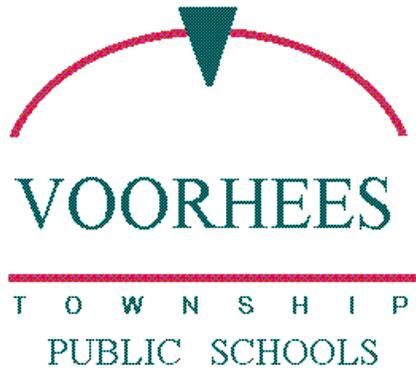


**TOWNSHIP OF VOORHEES  
SCHOOL DISTRICT  
VOORHEES, NEW JERSEY**



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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
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## INTRODUCTORY SECTION



Raymond J. Brosel, Jr.  
*Superintendent of Schools*

Frank T. DeBerardinis, Ed.D.  
*Assistant Superintendent  
For Business/Board Secretary*

329 Route 73  
Voorhees, NJ 08043  
(856) 751-8446 Ext. 6114

E.T. Hamilton School  
Kresson School  
Osage School  
Signal Hill School  
Voorhees Middle School

November 12, 2014

Honorable President and  
Members of the Board of Education  
Voorhees School District  
Camden County  
Voorhees, NJ 08043

Dear Board Members:

The comprehensive annual financial report of the Voorhees 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 Voorhees Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects. It is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the 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. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **THE REPORTING ENTITY AND ITS SERVICES:** The Voorhees Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds in the District are included in this report. The Voorhees Township Board of Education and all its schools constitute the District's reporting entity. The District consists of one middle school, four elementary schools and an administration building. The curriculum provides a full range of educational services appropriate to grade levels Pre-school through 8.

Recognized as one of the highest performing districts in the State, the Voorhees Public Schools provide one of the Township's strongest selling points.

The Voorhees Board of Education and Administration aim to provide the best education in a fiscally responsible manner, and they succeed. For over 20 years, District students have scored in the top ten percentile on national standardized tests. Meanwhile, according to the State Report Card issued by the Department of Education, Voorhees spends less per pupil than the average cost per pupil for the state, county and same socio-economic grouping. Also according to the Report Card, Voorhees Schools employ fewer administrators per student than the state average and have a lower administrative cost per student.

In turn, Township residents have shown approval of, and support for their schools by passing every school budget in the annual school election since 1976 except for 1997 and 2010. This speaks volumes in a State where as many as two out of every four school budgets fail annually. With the defeat of the budget in 2010, the District was sent a message by the community that tax increases in the future will be highly scrutinized during the current economic conditions. The annual vote on the budget was eliminated beginning with the 2012-13 budget year, but the responsibility of the Board to the community remains.

The District occupies and maintains 501,072 square feet of building space and 129.41 acres of land.

Changes in student and staff populations continue to present challenging opportunities in all areas of supportive services. This includes budgeting, purchasing, accounting, payroll, employee benefits, transportation services, food services, buildings and grounds, maintenance and custodial.

All five Voorhees Schools are air conditioned and carpeted. Each features a carpeted gym as well as an all-purpose room, art room, music room, and library. Students can purchase hot lunch at all schools.

The Voorhees Schools are blessed with strong parent participation. Parent Faculty Associations are made up of an independent, autonomous group at each school. Countless parents volunteer in the following capacities; room mothers, library aids, lunch room monitors and classroom helpers. The P/F0's also provide the schools with much appreciated services and equipment through their fund raisers.

The New Jersey State Department of Education rates Voorhees as an "I" on a scale of "A to J", in District Factor Grouping. This is based upon the community's characteristics such as ratable base, educational level of the population, average income, unemployment rate and density of housing. This rating is the same as that of neighboring Mount Laurel, Moorestown and Medford Township.

The District completed the 2013-2014 fiscal year with an enrollment of 2,991. The District had experienced a **13 year increase of 30%** percent until 2003 when enrollment began to decline. The following details the changes in the student enrollment of the District over the past 25 years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
1989-90	2,772.1	7.7%
1990-91	2,897.0	4.5%
1991-92	2,979.1	2.8%
1992-93	3,079.2	3.4%
1993-94	3,167.1	2.9%
1994-95	3,310.3	4.5%
1995-96	3,418.0	3.3%
1996-97	3,493.7	2.2%
1997-98	3,625.8	3.8%
1998-99	3,607.8	-0.5%
1999-00	3,623.1	0.4%
2000-01	3,603.7	-0.5%
2001-02	3,551.1	-1.5%
2002-03	3,610.4	1.7%
2003-04	3,484.7	-3.5%
2004-05	3,448.9	-1.0%
2005-06	3,430.4	-0.5%
2006-07	3,392.5	-1.1%
2007-08	3,336.0	-1.7%
2008-09	3,312.0	-0.7%
2009-10	3,188.5	-3.7%
2010-11	3,189.5	0.0%
2011-12	3,178.6	-0.3%
2012-13	3,108.4	-2.2%
2013-14	3,010.5	-3.1%

2. **MAJOR INITIATIVES:** The District's standardized test scores have continued to range in the 90th percentile for more than 20 years. Research has shown that students in this top ten percentile in the USA score as well as the top ten percentile in any industrialized country in the world.

The Voorhees Schools Computer Instructional Technology Program has been recognized as a model program by the State Department of Education. The elementary schools and middle school feature state of the art computer aided instruction in all grades. All classrooms, libraries, and computer labs feature computers with Internet access and distance learning capabilities. Almost all classrooms in each school are equipped with a Classroom Presentation System which includes a Smartboard, a permanently mounted projector and a computer system.

All libraries feature the computerized card catalogue program Destiny.

The Community Education and Recreation Program sponsored by the Board of Education is housed at Voorhees Middle School. The Community Education and Recreation Program offers recreational, vocational, academic and enrichment courses and activities for preschoolers through senior citizens. All CER activities are self-supporting.

The District's special services encompass programs which support, accommodate, or replace the regular education program according to a variety of unique student needs. The staff provides direct services to students with disabilities as well as certain direct and consulting services related to the general school population.

As part of the core curriculum, the District offers programs in art, music, drama, athletics and many other activities necessary to provide the academic as well as social skills needed to function in society.

The Public Information Initiative significantly contributes to the success of the District. The overall purpose for Public Information activities is to elicit community support for the schools, to enable the Board of Education to offer every Voorhees child the best education possible. To accomplish this goal the District conducts a planned and organized program of two-way communications between the School District and its public. In short, the public information initiative presents the District's interests to the community, and the community's interests to the schools.

Voorhees has been blessed with a nearly unparalleled cultural diversity, including numerous students who are first generation American born, as well as foreign born. This diversity, along with the latest technology, curriculum, and programs will prepare all of our students to successfully attain the American dream and prosper in the global society of the twenty-first century.

3. **ECONOMIC CONDITION AND OUTLOOK:** State aid and local taxes comprise the two major school revenue sources. However, in recent years both have become unpredictable. These factors, over which the schools have little or no control, have made planning and budgeting an extremely difficult undertaking.

With each new administration in Trenton, new priorities and philosophies have driven the school funding process on the state level. If there has been one constant in the annual state aid scenario, it is the "annual confusion" surrounding the process. Since 1987, the annual amount of state aid to Voorhees Schools has increased by as high as 43% more than the previous year, and decreased by as much as 39%.

The responsibility to provide a thorough and efficient education is the driving force of the budget and the ratable base is the major influence on the resulting tax impact. The ratable base is the total value of real estate in the Township set by the local government as a basis for levying taxes. This includes all business and residential real estate.

However, business ratables generate far more tax revenue than they use in local services. This is particularly true in the case of schools. As a result, a strong business ratable base lightens the school tax burden on homeowners.

From '87 to '90 the Voorhees ratable base grew by 25%. Between '90 and '97 it rose by only 5.6% (failing to keep pace with inflation for the seven year period). In 1999 the ratable base grew by 3.5 percent keeping pace with inflation, but more importantly marking the return to growth for Voorhees Township. However, in 2002 the ratable base grew by only 1.4% and 1.2% in 2003. In 2004, it dropped by an unprecedented \$12.3 million. In 2005 the ratable base grew by 1.03%, thereby marking another return to growth for the Township. In 2006 a reassessment was completed in the Township and the new ratable base was \$3.9 billion. In 2007 the ratable base declined \$36,843,490. The decline was a result of the successful appeals of the 2006 reassessment. In 2008 ratables increased \$30,551,271 as development slowly returned to the community and in 2009 ratables increased \$15,889,856 or .4%. However, ratables decreased \$22,305,753 in 2010, \$874,568 in 2011 and \$26,238,245 in 2012, for a total decrease of \$49,418,566 for the 3 year period. In 2013, another reassessment was completed in the township and the new ratable base was \$3.1 billion. This was a decrease of \$667 million. For 2014, the ratable base increased \$7.7 million to \$3,185,605,381.

Tax appeals, a decrease in new business development and the collapse of the national economy contributed to the decrease in ratable. Business real estate taxes depend on profit. An occupied office building pays more taxes than an empty one. However, there has been an increase in the Business outlook in Voorhees with the opening of the new Medical Center of Virtual hospital including the ancillary service facilities.

A thriving business ratable base can lower the school tax rate and provide schools with valuable revenue. This creates a win-win relationship for the schools and community.

In Voorhees the school system does its part toward strengthening Township ratables. A Board of Education member has served on the Township's Economic Development Committee.

Due to the outstanding reputation of our School District, we continue to attract families seeking an excellent education for their children. According to written and digital press, "Voorhees Township is - outstanding schools...Voorhees Schools rank among the highest in the country." Again this year the Voorhees Public School system was chosen as "One of the Best School Systems" in South Jersey by Courier Post readers.

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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

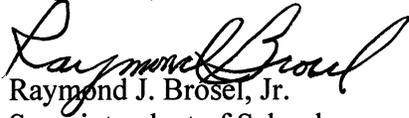
The District utilizes zero based budgeting and modified site based management in the budget preparation process. This management philosophy helps to ensure a budget that provides a thorough and efficient education in a frame work of fiscal responsibility.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. These amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2014.

6. **CASH MANAGEMENT:** The investment policy of the District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, student accident and fidelity bonds. The Board is a member of the Burlington County Joint Insurance Fund and actively participates in the administration of the Fund.
8. **OTHER INFORMATION:**
  - (A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was appointed by the Voorhees Township Board of Education at their annual reorganization meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state of New Jersey Circular 04-04-OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

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

Respectfully Submitted,

  
Raymond J. Broesel, Jr.  
Superintendent of Schools

  
Frank T. DeBerardinis, Ed.D.  
Assistant Superintendent  
for Business/Board Secretary

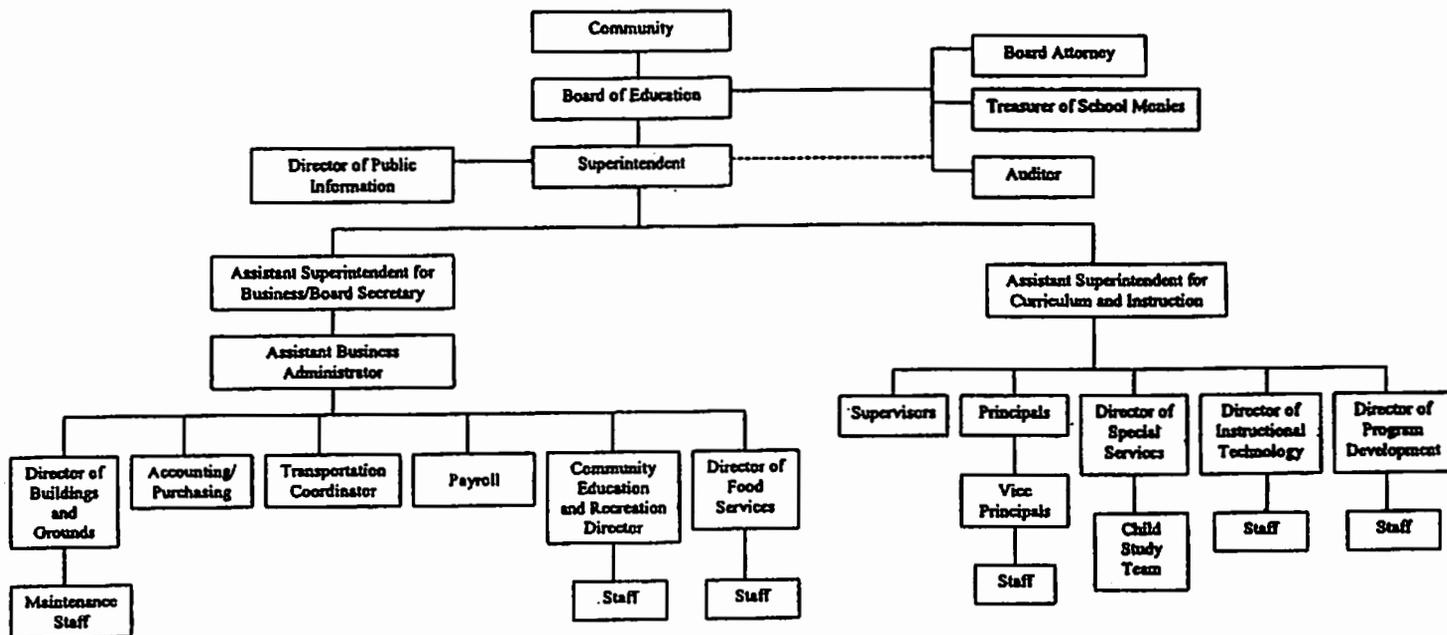
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# POLICY

# VOORHEES TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION  
1110/page 1 of 1  
Organizational Chart

## 1110 ORGANIZATIONAL CHART



VOORHEES TOWNSHIP BOARD OF EDUCATION  
VOORHEES, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2014

Members of the Board of Education TERM EXPIRES

Richard Nelson, President	2015
Bruce Karpf, Vice President	2015
Matthew Dortch	2015
Barbara Dunleavy	2016
Richard Horner	2015
Denise Kirkland	2016
Amy Lynch	2016
John Schmus	2017
Richard Wodjon	2017

Other Officials

Raymond J. Brosel, Superintendent of Schools

Frank T. DeBerardinis, Ed.D, Assistant Superintendent for Business/Board Secretary

Howard Mendelson, Esq. Solicitor

VOORHEES TOWNSHIP BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS

Audit Firm

Bowman and Company LLP  
601 White Horse Road  
Voorhees, NJ 08043

Attorney

Howard Mendelson  
Davis and Mendelson  
1200 Laurel Oak Road, Suite 101  
Voorhees, NJ 08043

Official Depository

TD Bank  
Route 73  
Voorhees, NJ 08043

## FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Voorhees School District  
County of Camden

### ***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 Voorhees School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

**Opinions**

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

**Other Matters***Required Supplementary Information*

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

*Other Information*

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2014 on our consideration of the Township of Voorhees 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 Voorhees School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

Voorhees, New Jersey  
November 11, 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 Voorhees School District  
County of Camden

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 Voorhees School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 11, 2014.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township of Voorhees 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 Voorhees School District's internal control.

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

Voorhees, New Jersey  
November 11, 2014

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

# Voorhees Township School District

## Management's Discussion and Analysis Year Ended June 30, 2014

This section of the Voorhees Township School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

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

### FINANCIAL HIGHLIGHTS

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

- Net Position at June 30, 2014 for Governmental and Business-Type activities were \$34,830,632 and \$3,014,966 respectively.
- Net Position for both activities increased by \$3,421,664 from July 1, 2013 to June 30, 2014.
- The General Fund fund balance as of June 30, 2014 was \$10,400,639, an increase of \$2,085,120 when compared with the beginning balance as of July 1, 2013 of \$8,315,519.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Voorhees Township School District  
 Voorhees, New Jersey

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

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

Table A-1

**MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Government-wide Statements**

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

Voorhees Township School District  
Voorhees, New Jersey

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

**Government-wide Statements (Cont'd)**

The two government-wide statements report the Voorhees Township School District's net position and how they have changed. Net position – the difference between the district's assets, deferred outflows of resources and liabilities – are a measure of the District's financial health or position.

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

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

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

Voorhees Township School District  
Voorhees, New Jersey

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

**FINANCIAL ANALYSIS OF THE VOORHEES TOWNSHIP SCHOOL DISTRICT AS A WHOLE**

**Net Position.** The District's net position for **governmental and business-type activities** were \$34,830,632 and \$3,014,966, respectively, as of June 30, 2014. (See Table A-2).

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 14,567,577	\$ 13,003,785	\$ 2,976,269	\$ 3,001,600	\$ 17,543,846	\$ 16,005,385
Capital Assets	31,923,485	32,080,422	81,027	113,227	32,004,512	32,193,649
<b>Total Assets</b>	<b>46,491,062</b>	<b>45,084,207</b>	<b>3,057,296</b>	<b>3,114,827</b>	<b>49,548,358</b>	<b>48,199,034</b>
Deferred Loss on Defeasance of Debt	80,203	128,325	-	-	80,203	128,325
<b>Total Deferred Outflow of Resources</b>	<b>80,203</b>	<b>128,325</b>	<b>-</b>	<b>-</b>	<b>80,203</b>	<b>128,325</b>
Long-term Liabilities	9,740,376	11,731,922	26,238	48,432	9,766,614	11,780,354
Other Liabilities	2,000,257	2,120,497	16,092	2,574	2,016,349	2,123,071
<b>Total Liabilities</b>	<b>11,740,633</b>	<b>13,852,419</b>	<b>42,330</b>	<b>51,006</b>	<b>11,782,963</b>	<b>13,903,425</b>
Net Position						
Net Investment in						
Capital Assets	21,876,771	20,340,144	81,027	113,227	21,957,798	20,453,371
Restricted	12,815,420	10,976,911	-	-	12,815,420	10,976,911
Unrestricted	138,441	43,059	2,933,939	2,950,594	3,072,380	2,993,653
<b>Total Net Position</b>	<b>\$ 34,830,632</b>	<b>\$ 31,360,114</b>	<b>\$ 3,014,966</b>	<b>\$ 3,063,821</b>	<b>\$ 37,845,598</b>	<b>\$ 34,423,934</b>

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

- Program revenues were \$8,089,635.
  - ✓ Charges for Services--\$2,164,935.
  - ✓ Operating Grants & Contributions--\$5,924,700.
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$49,442,519.
- Net Expenditures were \$46,020,855.
- Total District revenues & beginning position are adjusted by net adjusted expenditures resulting in a calculation of net position of \$37,845,598 as of June 30, 2014.
- General Revenues (\$49,442,519) + Beginning position (\$34,423,934) – Net expenditures (\$46,020,855) = Net Position of \$37,845,598.

Voorhees Township School District  
Voorhees, New Jersey

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

**Change in Net Position.** Net position for **governmental and business-type activities** increased by \$3,421,664 from July 1, 2013 to June 30, 2014.  
(See Table A-3).

	2014	2013	Increase/ (Decrease)
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,164,935	\$ 2,137,132	\$ 27,803
Operating Grants and Contributions	5,924,700	6,781,702	(857,002)
General revenues			
Property taxes	42,969,975	41,410,628	1,559,347
State and Federal Aid	6,029,282	5,989,632	39,650
Other	443,262	137,684	305,578
<b>Total revenues</b>	<b><u>57,532,154</u></b>	<b><u>56,456,778</u></b>	<b><u>1,075,376</u></b>
<b>Expenses</b>			
Governmental Activities:			
Instruction:			
Regular	16,532,478	16,894,014	(361,536)
Special Education	5,541,691	5,354,575	187,116
Other Instruction	1,110,114	1,080,186	29,928
Community Service Programs	30,654	30,638	16
Support Services:			
Tuition	1,085,257	1,031,607	53,650
Student & Instruction Related Services	4,550,888	4,530,977	19,911
School Administrative Services	1,390,600	1,404,185	(13,585)
General and Business Administrative Services	2,107,614	1,823,079	284,535
Plant Operations and Maintenance	4,857,423	4,663,691	193,732
Pupil Transportation	2,176,996	2,081,620	95,376
Unallocated Benefits	11,746,859	12,892,085	(1,145,226)
Interest on Long-term Debt	474,649	488,683	(14,034)
Other Administrative Services		181,524	(181,524)
Unallocated Depreciation	19,724	20,216	(492.00)
Transfers	-	-	-
Total Expenses--Governmental Activities	<u>51,624,947</u>	<u>52,477,080</u>	<u>(852,133)</u>
Business-Type Activities:			
Food Service	985,757	1,000,986	(15,229)
CER	1,499,786	1,224,446	275,340
Total Expenses--Business-Type Activities	<u>2,485,543</u>	<u>2,225,432</u>	<u>260,111</u>
<b>Total Expenses</b>	<b>54,110,490</b>	<b>54,702,512</b>	<b>(592,022)</b>
<b>Net Increase/(Decrease) in Net Position</b>	<b><u>3,421,664</u></b>	<b><u>1,754,266</u></b>	<b><u>1,667,398</u></b>
<b>Net Position July 1</b>	<b><u>34,423,934</u></b>	<b><u>32,669,668</u></b>	<b><u>1,754,266</u></b>
<b>Net Position June 30</b>	<b><u>\$ 37,845,598</u></b>	<b><u>\$ 34,423,934</u></b>	<b><u>\$ 3,421,664</u></b>

Voorhees Township School District  
 Voorhees, New Jersey

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

Total revenues for the District were \$57,532,154. Government funding was the source of 10.48% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$42,969,975 provided 74.69% of revenues, up from 73.35% in 2013.

Other miscellaneous revenues of \$443,262 represent 0.77% of the district revenues.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$24,300,194 (47.07%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$6,727,884 (13.03%) of total expenditures. (See Table A-3).

Total revenues exceeded expenses for governmental activities, increasing net position \$3,470,519 from the beginning balance as of July 1, 2013.

The District's net cost of services for governmental activities was \$45,969,587 for the year ended June 30, 2014. (See Table A-4).

<b>Table A-4</b>		
<b>Voorhees Township School District's Net Cost of Governmental Activities For the Year Ended June 30, 2014</b>		
<b>Governmental Activities:</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction:		
Regular	\$ 16,532,478	\$ 15,460,835
Special Education	5,541,691	5,541,691
Other Instruction	1,110,114	1,110,114
Community Service Programs	30,654	30,654
Support Services:		
Tuition	1,085,257	1,085,257
Student & Instruction Related Services	4,550,888	4,380,353
School Administrative Services	1,390,600	1,390,600
General and Business Administrative Services	2,107,614	2,107,614
Plant Operations and Maintenance	4,857,423	4,857,423
Pupil Transportation	2,176,996	2,176,996
Unallocated Benefits	11,746,859	7,414,773
Interest on Long-term Debt	474,649	393,553
Unallocated Depreciation	19,724	19,724
	<u>19,724</u>	<u>19,724</u>
<b>Total Governmental Activities</b>	<b>\$ 51,624,947</b>	<b>\$ 45,969,587</b>

Voorhees Township School District  
Voorhees, New Jersey

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

**Activity Descriptions**

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

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

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

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

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

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

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

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

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

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The financial performance of the Voorhees Township School District as a whole is also reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$14,081,493. As of June 30, 2013, the fund balance was \$12,470,113. The General Fund balance increased by \$2,085,120.

The Governor reduced State Aid to school districts during the 2009-2010 school year and forced districts to draw on available financial resources to compensate for his initiatives. In essence, he utilized the financial strength and well managed local school districts to "bail out" the State. Over the subsequent four Budget years, the District has been able to return to a strong financial position by reinvesting funds in the emergency reserve for the general fund, the capital reserve for capital projects and repayment of debt and the maintenance reserve for required maintenance of the facilities.

All governmental funds had total revenues of \$55,093,568 and total expenditures of \$53,482,188.

**GENERAL FUND BUDGETING HIGHLIGHTS**

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

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 8 including pupil transportation activities and capital outlay projects.

Voorhees Township School District  
Voorhees, New Jersey

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

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

<b>Table A-5</b>				
<b>Voorhees Township School District</b>				
<b>Summary of General Fund Revenues</b>				
	<b>Year Ended</b>	<b>Year Ended</b>	<b>Amount of</b>	<b>Percent</b>
	<b>June 30, 2014</b>	<b>June 30, 2013</b>	<b>Increase</b>	<b>Increase</b>
			<b>(Decrease)</b>	<b>(Decrease)</b>
Local sources:				
Local tax levy	\$ 42,180,361	\$ 41,353,295	\$ 827,066	2.0%
Miscellaneous	436,948	139,051	297,897	214.2%
<b>Total - Local Sources</b>	<b>42,617,309</b>	<b>41,492,346</b>	<b>1,124,963</b>	<b>2.7%</b>
State Sources	10,043,915	10,820,201	(776,286)	-7.2%
Federal Sources	26,476	31,582	(5,106)	-16.2%
<b>Total - Govt Sources</b>	<b>10,070,391</b>	<b>10,851,783</b>	<b>(781,392)</b>	<b>-7.2%</b>
<b>Total Revenues</b>	<b>\$ 52,687,700</b>	<b>\$ 52,344,129</b>	<b>\$ 343,571</b>	<b>0.7%</b>

The primary source of funding for the district is received from local property taxes that accounted for 80.06% of total revenues. State aid accounted for 19.06% of total revenues.

Total General Fund revenues increased by \$343,571 or 0.7% from the previous year.

State aid revenue was supposed to be determined by a formula under the School Funding Reform Act of 2008 for the 2013-2014 fiscal year. This new funding formula utilizes wealth in the calculation for special education aid moving this aid from categorical aid. This will continue to result in future shortfalls in funding of over \$3 million per year going forward if wealth had not been a determining factor. This is an irresponsible function of the new funding formula since the State determined the additional costs of special education is approximately \$11,000 per student for all special education students throughout the state of New Jersey. However, during the fiscal year, the Governor continued to arbitrarily devise a new formula to reduce State Aid to local school districts to compensate for the State of New Jersey's deficit.

Voorhees Township School District  
Voorhees, New Jersey

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

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

<b>Table A-6</b>				
<b>Voorhees Township School District</b>				
<b>Summary of General Fund Expenditures</b>				
	<b>Year Ended</b>	<b>Year Ended</b>	<b>Amount of</b>	<b>Percent</b>
	<b>June 30, 2014</b>	<b>June 30, 2013</b>	<b>Increase/ (Decrease)</b>	<b>Increase/ (Decrease)</b>
Current:				
Regular Instruction	\$ 14,668,139	\$ 14,939,106	\$ (270,967)	-1.8%
Special Education Instruction	5,541,691	5,354,575	187,116	3.5%
Other Instruction	1,110,114	1,080,186	29,928	2.8%
Support Services and Undistributed Costs:				
Tuition	1,085,257	1,031,607	53,650	5.2%
Student & Instruction Related Services	4,331,609	4,332,580	(971)	0.0%
School Administrative Services	1,350,190	1,362,198	(12,008)	-0.9%
Other Administrative Services	1,837,270	1,681,454	155,816	9.3%
Plant Operations and Maintenance	4,575,780	4,386,600	189,180	4.3%
Pupil Transportation	2,176,996	2,081,621	95,375	4.6%
Unallocated Employee Benefits	12,036,041	12,875,523	(839,482)	-6.5%
Capital Outlay	389,493	1,230,579	(841,086)	-68.3%
<b>Total Expenditures</b>	<b>\$ 49,102,580</b>	<b>\$ 50,356,029</b>	<b>\$ (1,253,449)</b>	<b>-2.5%</b>

Total General Fund expenditures decreased \$1,253,449 or 2.5% from the previous year. This decrease was due primarily to the effect of employee retirements, the employee mandatory health benefit contribution and a reduction in capital outlay expenditures.

The Voorhees Township School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets and provide property tax relief were \$1,215,402 for the 2013-14 school year and \$1,106,116 for the 2014-15 school year.

The District has continued the practice of returning surplus funds to taxpayers in the subsequent budget years. However, in June of 2004 the State of New Jersey passed legislation (SR1701) that weakened the financial position of all school districts. The legislation immediately reduced fund balance to a maximum of 3% as of June 30, 2004 and a maximum of 2% as of June 30, 2005 and each year thereafter. The District is left with a fund balance that will not cover one payroll which could result in a negative cash flow if local taxes, federal and state aid are not received in a timely manner. The State of New Jersey has gone from fiscal irresponsibility to fiscal chaos to fiscal ineptness. It appears the legislature is trying to financially weaken school districts as they have accomplished with the State of New Jersey. The Legislature, in June of 2011, passed Chapter 78, P.L. 2011, in an attempt to improve the solvency of the Pension Fund. In addition, Governor Christie allocated additional State Aid to be appropriated in 2011-2012 or saved for subsequent budgets up to 2013-2014.

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

Voorhees Township School District  
Voorhees, New Jersey

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

**DEBT SERVICE FUND**

The current year obligations for payment of debt service principal and interest amounted to \$2,161,005, of which \$789,614 in funding was provided by the local tax levy, \$372,073 was received as aid from the State and \$999,318 was budgeted fund balance.

**FOOD SERVICE FUND**

The Food Service Fund had net position of \$620,001 as of June 30, 2014. This reflects a decrease of \$67,677 from June 30, 2013.

**COMMUNITY EDUCATION AND RECREATION PROGRAM (CER)**

The CER Program had net position of \$2,394,965 as of June 30, 2014. This reflects an increase of \$18,822 from June 30, 2013.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

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

At the end of 2014, the District had capital assets with a book value of \$32,004,512. This consists of a broad range of capital assets, including land, school buildings, computer and audio-visual equipment, administrative offices, and construction in progress for renovations at various schools within the District. (See Table A-7). Total depreciation expense for the year was \$1,530,345.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,399,000	\$ 6,399,000			\$ 6,399,000	\$ 6,399,000
Construction in Progress	3,820,442	2,845,918			3,820,442	2,845,918
Buildings and Improvements	45,918,515	45,918,515			45,918,515	45,918,515
Furnishings and Equipment	<u>6,553,668</u>	<u>6,186,984</u>	\$ 864,408	\$ 864,408	<u>7,418,076</u>	<u>7,051,392</u>
Total Capital Assets	<u>62,691,625</u>	<u>61,350,417</u>	<u>864,408</u>	<u>864,408</u>	<u>63,556,033</u>	<u>62,214,825</u>
Less:						
Accumulated Depreciation	<u>(30,768,140)</u>	<u>(29,269,995)</u>	<u>(783,381)</u>	<u>(751,181)</u>	<u>(31,551,521)</u>	<u>(30,021,176)</u>
Net Capital Assets	<u>\$ 31,923,485</u>	<u>\$ 32,080,422</u>	<u>\$ 81,027</u>	<u>\$ 113,227</u>	<u>\$ 32,004,512</u>	<u>\$ 32,193,649</u>

Voorhees Township School District  
 Voorhees, New Jersey

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

**Long-term Obligations**

At year-end, the District had \$9,984,000 in general obligation bonds outstanding, a decrease of \$1,690,000 from last year. (See Table A-8).

The District had a \$1,397,727 general liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement. The liability for Compensated Absences was calculated utilizing an expected retirement age of 55, which is the minimum retirement age with 25 years of service. In the future, this calculation will be revised as new pension laws are enacted, effecting minimum retirement age.

<b>Table A-8</b>				
<b>Voorhees Township School District</b>				
<b>Long Term Debt Schedule</b>				
<b><u>Governmental Activity</u></b>	<b><u>Balance at</u></b>	<b><u>Balance at</u></b>	<b><u>Increase/</u></b>	<b><u>%</u></b>
	<b><u>June 30, 2014</u></b>	<b><u>June 30, 2013</u></b>	<b><u>(Decrease)</u></b>	<b><u>Change</u></b>
General Obligation Bonds Payable	\$ 9,984,000	\$ 11,674,000	\$ (1,690,000)	-14.5%
Compensated Absences	<u>1,397,737</u>	<u>1,686,909</u>	<u>(289,172)</u>	<u>-17.1%</u>
<b>Total</b>	<b><u>\$ 11,381,737</u></b>	<b><u>\$ 13,360,909</u></b>	<b><u>\$ (1,979,172)</u></b>	<b><u>-14.8%</u></b>

**THE FUTURE OUTLOOK**

**Historical Perspective:** The Governor has implemented financial measures to cope with the State of New Jersey's growing budget deficit. The result of these measures was a \$4.3 million reduction in State Aid for the Voorhees Township School District during the 2009-2010 school year. We were able to financially stabilize the District through appropriation of District reserves, a freeze in District spending during the 2009-2010 school year, additional reductions in spending for the 2010-2011 school year and a 3¢ tax increase for the 2010-2011 budget. The tax increase was in line with past increases, but was not acceptable to the community during economic conditions at the time. However, the community approved a 3.6¢ tax increase for the 2011-2012 budget in order to stabilize the District after a reduction in spending of \$1.9 million, a salary freeze for all administrators, and a favorable Collective Bargaining Agreement supported by the Association.

**Future Outlook:** We must now function within the newly enacted economic parameters established by the Governor and State Legislators. The Legislature passed a 2% cap on the tax levy, with limited exceptions. The District compensated for the one-time loss of \$4.3 million in State Aid and the overall lowering of State Aid going forward while complying with the new, more restrictive 2% cap on the tax levy.

In order to meet this extraordinary challenge, we have implemented a comprehensive solution which will have a significant impact on the way in which the District will function in the future. With input from the community, we clearly established the core services the District must provide to our students to ensure a superior education. We also challenged the community to define the overall educational environment they desired for their children through their vote on the 2011-2012 budget approving a 3.6¢ tax increase. However, before we challenged the community, we challenged ourselves as demonstrated through the Board and Association negotiating a Collective Bargaining Agreement that will permit the District to continue to provide a superior education and the ability to meet the needs of all children.

Voorhees Township School District  
Voorhees, New Jersey

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

Notwithstanding the adoption of the fiscal plan for 2011-2012, the 2012-2013 and 2013-2014 budgets required continued fiscal austerity, especially in the area of collective bargaining and discretionary spending. The actions required to move the District into compliance with the new economic parameters and maintain a quality education are significant, but achievable.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Frank T. DeBerardinis, Ed.D., Assistant Superintendent for Business/Board Secretary at:

Voorhees Township School District, 329 Rt. 73, Voorhees, New Jersey 08043.

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,569,894.89	\$ 2,940,824.04	\$ 5,510,718.93
Receivables, net (Note 4)	672,806.36	22,900.74	695,707.10
Inventory (Note 5)		12,544.25	12,544.25
Prepaid Expenses	407,697.00		407,697.00
Restricted Assets:			
Restricted Cash and Cash Equivalents	7,011,258.92		7,011,258.92
Capital Reserve Account - Cash	3,905,920.13		3,905,920.13
Capital Assets, net (Note 6)	31,923,485.00	81,027.00	32,004,512.00
<b>Total Assets</b>	<b>46,491,062.30</b>	<b>3,057,296.03</b>	<b>49,548,358.33</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Deferred Loss on Defeasance of Debt	80,203.24	-	80,203.24
<b>LIABILITIES:</b>			
Interfund Accounts Payable	16,766.69	3,037.54	19,804.23
Payable to State Government	61,621.00		61,621.00
Unearned Revenue		3,072.78	3,072.78
Accrued Interest on Bonds	137,601.67		137,601.67
Noncurrent Liabilities (Note 7):			
Due within One Year	1,784,267.50	9,982.50	1,794,250.00
Due beyond One Year	9,740,376.35	26,237.50	9,766,613.85
<b>Total Liabilities</b>	<b>11,740,633.21</b>	<b>42,330.32</b>	<b>11,782,963.53</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	21,876,771.34	81,027.00	21,957,798.34
Restricted for:			
Debt Service	1,367,296.02		1,367,296.02
Capital Projects	6,081,875.58		6,081,875.58
Other Purposes	5,366,248.46		5,366,248.46
Unrestricted	138,440.93	2,933,938.71	3,072,379.64
<b>Total Net Position</b>	<b>\$ 34,830,632.33</b>	<b>\$ 3,014,965.71</b>	<b>\$ 37,845,598.04</b>

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

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

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,532,478.65		\$ 1,071,643.56		\$ (15,460,835.09)		\$ (15,460,835.09)
Special Education	5,541,691.52				(5,541,691.52)		(5,541,691.52)
Other Special Instruction	844,577.68				(844,577.68)		(844,577.68)
Other Instruction	265,535.63				(265,535.63)		(265,535.63)
Community Services Programs / Operations	30,654.00				(30,654.00)		(30,654.00)
Support Services:							
Tuition	1,085,256.76				(1,085,256.76)		(1,085,256.76)
Student and Instruction Related Services	4,550,888.58		170,535.83		(4,380,352.75)		(4,380,352.75)
School Administrative Services	1,390,600.45				(1,390,600.45)		(1,390,600.45)
General and Business Administrative Services	2,107,613.89				(2,107,613.89)		(2,107,613.89)
Plant Operations and Maintenance	4,857,423.52				(4,857,423.52)		(4,857,423.52)
Pupil Transportation	2,176,995.79				(2,176,995.79)		(2,176,995.79)
Unallocated Benefits	11,746,858.87		4,332,085.87		(7,414,773.00)		(7,414,773.00)
Interest on Long-Term Debt	474,649.21		81,095.71		(393,553.49)		(393,553.49)
Other Administrative Services							
Unallocated Depreciation	19,724.00				(19,724.00)		(19,724.00)
<b>Total Governmental Activities</b>	<b>51,624,948.55</b>	<b>-</b>	<b>5,655,360.97</b>	<b>-</b>	<b>(45,969,587.57)</b>	<b>-</b>	<b>(45,969,587.57)</b>
Business-Type Activities:							
Food Service	985,756.71	\$ 648,193.12	269,339.31			\$ (68,224.28)	(68,224.28)
Community Education and Recreation	1,499,785.76	1,516,742.30				16,956.54	16,956.54
<b>Total Business-Type Activities</b>	<b>2,485,542.47</b>	<b>2,164,935.42</b>	<b>269,339.31</b>	<b>-</b>	<b>-</b>	<b>(51,267.74)</b>	<b>(51,267.74)</b>
<b>Total Primary Government</b>	<b>\$ 54,110,491.02</b>	<b>\$ 2,164,935.42</b>	<b>\$ 5,924,700.28</b>	<b>\$ -</b>	<b>(45,969,587.57)</b>	<b>(51,267.74)</b>	<b>(46,020,855.31)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					42,180,361.00		42,180,361.00
Taxes Levied for Debt Service					789,614.00		789,614.00
Federal and State Aid not Restricted					6,029,282.09		6,029,282.09
Investment Earnings						2,412.84	2,412.84
Miscellaneous Income					423,256.66		423,256.66
Donation of Assets					1,900.00		1,900.00
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>49,440,106.22</b>	<b>2,412.84</b>	<b>49,442,519.06</b>
Change in Net Position					3,470,518.64	(48,854.90)	3,421,663.74
Net Position -- July 1					31,360,113.69	3,063,820.61	34,423,934.30
Net Position -- June 30					<b>\$ 34,830,632.33</b>	<b>\$ 3,014,965.71</b>	<b>\$ 37,845,598.04</b>

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

FUND FINANCIAL STATEMENTS

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

Balance Sheet  
Governmental Funds  
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 5,900,300.67		\$ 2,177,956.39	\$ 1,502,896.75	\$ 9,581,153.81
Interfund Accounts Receivable	115,948.54			2,000.94	117,949.48
Receivables from Other Governments	453,733.06	\$ 174,532.00			628,265.06
Other Accounts Receivable	44,541.30				44,541.30
Restricted Cash and Cash Equivalents	3,905,920.13				3,905,920.13
<b>Total Assets</b>	<b>\$ 10,420,443.70</b>	<b>\$ 174,532.00</b>	<b>\$ 2,177,956.39</b>	<b>\$ 1,504,897.69</b>	<b>\$ 14,277,829.78</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Interfund Accounts Payable	\$ 19,804.23	\$ 112,911.00	\$ 2,000.94		134,716.17
Payable to State Government		61,621.00			61,621.00
<b>Total Liabilities</b>	<b>19,804.23</b>	<b>174,532.00</b>	<b>2,000.94</b>	<b>-</b>	<b>196,337.17</b>
<b>Fund Balances:</b>					
Restricted:					
Capital Reserve Account	3,905,920.13				3,905,920.13
Emergency Reserve	464,405.62				464,405.62
Maintenance Reserve	2,866,000.16				2,866,000.16
Excess Surplus	929,726.68				929,726.68
Capital Projects			2,175,955.45		2,175,955.45
Debt Service				\$ 1,504,897.69	1,504,897.69
Excess Surplus--Designated for Subsequent Year's Expenditures	1,106,116.00				1,106,116.00

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Balance Sheet  
Governmental Funds  
June 30, 2014

**LIABILITIES AND FUND BALANCES (CONT'D):**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund Balances (Continued):					
Unassigned	\$ 1,128,470.88	-	-	-	\$ 1,128,470.88
Total Fund Balances	<u>10,400,639.47</u>	<u>-</u>	<u>\$ 2,175,955.45</u>	<u>\$ 1,504,897.69</u>	<u>14,081,492.61</u>
Total Liabilities and Fund Balances	<u>\$ 10,420,443.70</u>	<u>\$ 174,532.00</u>	<u>\$ 2,177,956.39</u>	<u>\$ 1,504,897.69</u>	

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

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

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Governmental funds report prepaid expenses as expenditures when the payments are made under the purchases method, whereas these amounts are deferred and amortized in the statement of activities.

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$62,691,625.00 and the accumulated depreciation is \$30,768,140.00.

Deferred loss on defeasance of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds.

Long-term liabilities, including bonds and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Net Position of governmental activities

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

					(137,601.67)
					407,697.00
					31,923,485.00
					80,203.24
					<u>(11,524,643.85)</u>
					<u>\$ 34,830,632.33</u>

**TOWNSHIP OF VOORHEES 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
<b>REVENUES:</b>					
Local Tax Levy	\$ 42,180,361.00			\$ 789,614.00	\$ 42,969,975.00
Miscellaneous	436,948.65		2,000.94		438,949.59
State Sources	10,043,914.87	\$ 162,196.84		372,073.00	10,578,184.71
Federal Sources	26,475.80	1,079,982.55			1,106,458.35
<b>Total Revenues</b>	<b>52,687,700.32</b>	<b>1,242,179.39</b>	<b>2,000.94</b>	<b>1,161,687.00</b>	<b>55,093,567.65</b>
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	14,668,139.09	1,071,643.56			15,739,782.65
Special Education Instruction	5,541,691.52				5,541,691.52
Other Special Instruction	844,577.68				844,577.68
Other Instruction	265,535.63				265,535.63
Support Services and Undistributed Costs:					
Tuition	1,085,256.76				1,085,256.76
Student and Instruction Related Services	4,331,608.75	170,535.83			4,502,144.58
School Administrative Services	1,350,190.45				1,350,190.45
Other Administrative Services	1,837,269.89				1,837,269.89
Plant Operations and Maintenance	4,575,780.52				4,575,780.52
Pupil Transportation	2,176,995.79				2,176,995.79
Unallocated Benefits	12,036,040.54				12,036,040.54
Debt Service:					
Principal				1,690,000.00	1,690,000.00
Interest and Other Charges				471,005.00	471,005.00
Capital Outlay	389,493.32		976,424.14		1,365,917.46
<b>Total Expenditures</b>	<b>49,102,579.94</b>	<b>1,242,179.39</b>	<b>976,424.14</b>	<b>2,161,005.00</b>	<b>53,482,188.47</b>
Excess (Deficiency) of Revenues over Expenditures	3,585,120.38	-	(974,423.20)	(999,318.00)	1,611,379.18

(Continued)

**TOWNSHIP OF VOORHEES 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
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers	\$ (1,500,000.00)	-	\$ (2,000.94)	\$ 1,502,000.94	-
Total Other Financing Sources and Uses	(1,500,000.00)	-	(2,000.94)	1,502,000.94	-
Net Change in Fund Balances	2,085,120.38	-	(976,424.14)	502,682.94	\$ 1,611,379.18
Fund Balance -- July 1	8,315,519.09	-	3,152,379.59	1,002,214.75	12,470,113.43
Fund Balance -- June 30	\$ 10,400,639.47	\$ -	\$ 2,175,955.45	\$ 1,504,897.69	\$ 14,081,492.61

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

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

Total Net Change in Fund Balances - Governmental Funds		\$ 1,611,379.18
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (1,498,145.00)	
Capital Outlays (Exclusive of SDA Debt Service Aid Assessment)	1,339,308.00	
		(158,837.00)
<p>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.</p>		
		1,690,000.00
<p>The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		3,564.79
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, donations and capital grants) is to increase net position.</p>		
		1,900.00
<p>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. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		19,400.00
<p>In the statement of activities, certain operating expenses, (e.g., compensated absences) 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). This amount is the net effect of the difference in treatment of compensated absences.</p>		
		289,181.67
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net effect of the difference in the treatment of prepaid expenses.</p>		
		13,930.00
Change in Net Position of Governmental Activities		\$ 3,470,518.64

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Net Position  
Proprietary Funds  
June 30, 2014

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Totals</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 555,442.60	\$ 2,385,381.44	\$ 2,940,824.04
Intergovernmental Accounts Receivable:			
State	1,490.49		1,490.49
Federal	21,410.25		21,410.25
Inventories	12,544.25		12,544.25
Total Current Assets	<u>590,887.59</u>	<u>2,385,381.44</u>	<u>2,976,269.03</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	801,482.00	62,926.00	864,408.00
Less Accumulated Depreciation	<u>(740,626.00)</u>	<u>(42,755.00)</u>	<u>(783,381.00)</u>
Total Noncurrent Assets	<u>60,856.00</u>	<u>20,171.00</u>	<u>81,027.00</u>
Total Assets	<u>651,743.59</u>	<u>2,405,552.44</u>	<u>3,057,296.03</u>
<b>LIABILITIES :</b>			
Current Liabilities:			
Compensated Absences Payable	9,982.50		9,982.50
Interfund Accounts Payable	3,037.54		3,037.54
Unearned Revenue	<u>3,072.78</u>		<u>3,072.78</u>
Total Current Liabilities	<u>16,092.82</u>	<u>-</u>	<u>16,092.82</u>
Noncurrent Liabilities:			
Compensated absences	<u>15,650.00</u>	<u>10,587.50</u>	<u>26,237.50</u>
Total Noncurrent Liabilities	<u>15,650.00</u>	<u>10,587.50</u>	<u>26,237.50</u>
Total Liabilities	<u>31,742.82</u>	<u>10,587.50</u>	<u>42,330.32</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	60,856.00	20,171.00	81,027.00
Unrestricted	<u>559,144.77</u>	<u>2,374,793.94</u>	<u>2,933,938.71</u>
Total Net Position	<u>\$ 620,000.77</u>	<u>\$ 2,394,964.94</u>	<u>\$ 3,014,965.71</u>

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

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

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total Enterprise</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 412,569.55		\$ 412,569.55
Daily Sales - Non-Reimbursable Programs	200,869.12		200,869.12
Special Functions	21,389.33		21,389.33
Miscellaneous	13,365.12	\$ 83.34	13,448.46
Community Service Activities		<u>1,516,658.96</u>	<u>1,516,658.96</u>
Total Operating Revenues	<u>648,193.12</u>	<u>1,516,742.30</u>	<u>2,164,935.42</u>
<b>OPERATING EXPENSES:</b>			
Salaries	426,549.87	937,760.27	1,364,310.14
Employee Benefits	105,095.61	168,885.95	273,981.56
Other Professional Services		8,000.00	8,000.00
Transportation		3,350.00	3,350.00
Travel	1,381.36	436.91	1,818.27
General Supplies	38,404.33	237,185.72	275,590.05
Depreciation	27,226.00	4,974.00	32,200.00
Cost of Sales	336,763.59		336,763.59
Miscellaneous Expense	<u>50,335.95</u>	<u>139,192.91</u>	<u>189,528.86</u>
Total Operating Expenses	<u>985,756.71</u>	<u>1,499,785.76</u>	<u>2,485,542.47</u>
Operating Income (Loss)	<u>(337,563.59)</u>	<u>16,956.54</u>	<u>(320,607.05)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	10,192.47		10,192.47
Federal Sources:			
National School Lunch Program	201,719.12		201,719.12
Food Distribution Program	57,427.72		57,427.72
Interest and Investment Revenue	<u>546.88</u>	<u>1,865.96</u>	<u>2,412.84</u>
Total Nonoperating Revenues (Expenses)	<u>269,886.19</u>	<u>1,865.96</u>	<u>271,752.15</u>
Change in Net Position	(67,677.40)	18,822.50	(48,854.90)
Total Net Position -- July 1	<u>687,678.17</u>	<u>2,376,142.44</u>	<u>3,063,820.61</u>
Total Net Position -- June 30	<u>\$ 620,000.77</u>	<u>\$ 2,394,964.94</u>	<u>\$ 3,014,965.71</u>

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 650,581.87	\$ 1,516,742.30	\$ 2,167,324.17
Payments to Employees	(426,549.87)	(937,760.27)	(1,364,310.14)
Payments for Employee Benefits	(117,830.61)	(168,363.45)	(286,194.06)
Payments to Suppliers	(430,506.73)	(388,165.54)	(818,672.27)
Net Cash Provided by (used for) Operating Activities	<u>(324,305.34)</u>	<u>22,453.04</u>	<u>(301,852.30)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State Sources	9,466.19		9,466.19
Federal Sources	255,056.55		255,056.55
Operating Subsidies and Transfers to Other Funds	<u>52,580.72</u>		<u>52,580.72</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>317,103.46</u>	<u>-</u>	<u>317,103.46</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends	<u>546.88</u>	<u>1,865.96</u>	<u>2,412.84</u>
Net Cash Provided by (used for) Investing Activities	<u>546.88</u>	<u>1,865.96</u>	<u>2,412.84</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,655.00)	24,319.00	17,664.00
Balances -- July 1	<u>562,097.60</u>	<u>2,361,062.44</u>	<u>2,923,160.04</u>
Balances -- June 30	<u>\$ 555,442.60</u>	<u>\$ 2,385,381.44</u>	<u>\$ 2,940,824.04</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (337,563.59)	\$ 16,956.54	\$ (320,607.05)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	27,226.00	4,974.00	32,200.00
(Increase) Decrease in Inventories	(3,621.50)		(3,621.50)
(Increase) Decrease in Accounts Receivable, net	2,388.75		2,388.75
Increase (Decrease) in Compensated Absences Payable	<u>(12,735.00)</u>	<u>522.50</u>	<u>(12,212.50)</u>
Total Adjustments	<u>13,258.25</u>	<u>5,496.50</u>	<u>18,754.75</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (324,305.34)</u>	<u>\$ 22,453.04</u>	<u>\$ (301,852.30)</u>

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2014

	Private-Purpose Trust Funds		Agency Funds	
	Unemployment Compensation	Scholarship Fund	Student Activity	Payroll
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 437,177.08	\$ 2,089.06	\$ 43,598.32	\$ 31,647.76
Intrafund Accounts Receivable	11,877.58			
Interfund Accounts Receivable	26,000.00			
	475,054.66	2,089.06	\$ 43,598.32	\$ 31,647.76
<b>Total Assets</b>	<b>475,054.66</b>	<b>2,089.06</b>	<b>\$ 43,598.32</b>	<b>\$ 31,647.76</b>
<b>LIABILITIES:</b>				
Accounts Payable	1,053.00			
Intrafund Accounts Payable				11,877.58
Interfund Accounts Payable		263.68		5,932.09
Payable to Student Groups			43,598.32	
Payroll Deductions and Withholdings				13,838.09
	1,053.00	263.68	\$ 43,598.32	\$ 31,647.76
<b>Total Liabilities</b>	<b>1,053.00</b>	<b>263.68</b>	<b>\$ 43,598.32</b>	<b>\$ 31,647.76</b>
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purposes	474,001.66			
Reserved for Special Revenue		1,825.38		
	\$ 474,001.66	\$ 1,825.38		
<b>Total Net Position</b>	<b>\$ 474,001.66</b>	<b>\$ 1,825.38</b>		

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

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

	Private-Purpose Trust Funds	
	Unemployment Compensation Trust	Scholarship Fund
<b>ADDITIONS:</b>		
Contributions:		
Employee Salary Deductions	\$ 42,963.56	
Board Contributions	26,000.00	
Investment Earnings:		
Interest	325.36	\$ 1.67
Total Additions	69,288.92	1.67
<b>DEDUCTIONS:</b>		
Unemployment Claims	6,853.01	
Scholarships		300.00
Total Deductions	6,853.01	300.00
Change in Net Position	62,435.91	(298.33)
Net Position -- July 1	411,565.75	2,123.71
Net Position -- June 30	\$ 474,001.66	\$ 1,825.38

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

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

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K-8 at the School District's five schools. The Township of Voorhees School District has an approximate enrollment at June 30, 2014 of 2,991.

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

**Component Units**

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

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

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

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

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

**Government-wide and Fund Financial Statements**

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

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to 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 or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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

The School District reports the following major proprietary funds:

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

**Community Education and Recreation Program** - This fund accounts for financial activity related to providing community education and recreation program activities for School District students and community residents.

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

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

The School District maintains the following fiduciary funds:

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

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

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for students.

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

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

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

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

**Budgets / Budgetary Control**

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

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

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

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

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

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

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to 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.

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

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

**Inventories**

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

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

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

**Tuition Receivable**

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

**Prepaid Expenses**

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

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

**Short-Term Interfund Receivables / Payables**

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

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

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

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

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

The School District does not possess any infrastructure assets.

**Deferred Loss on Refunding of Debt**

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

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Compensated Absences**

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

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Bond Discounts / Premiums**

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

**Net Position**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Interfund Activity**

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

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

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

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

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

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

**Recently Issued Accounting Pronouncements**

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

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

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

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

As of June 30, 2014, the School District's bank balances of \$19,925,992.86 were exposed to custodial credit risk as follows:

Insured by Federal Deposit Insurance Corporation (FDIC)	\$ 250,000.00
Uninsured and uncollateralized	389,931.96
Collateralized by securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name	<u>19,286,060.90</u>
Total	<u>\$ 19,925,992.86</u>

**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 \$204,708.54.

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$100.00 on October 11, 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		\$ 3,903,042.42
Increased by:		
Interest Earnings	\$ 2,877.71	
Deposits:		
Board Resolution June 16, 2014	<u>1,500,000.00</u>	
		<u>1,502,877.71</u>
		5,405,920.13
Decreased by:		
Withdrawals:		
Board Resolution March 19, 2014	<u>1,500,000.00</u>	
		<u>1,500,000.00</u>
Ending Balance June 30, 2014		<u><u>\$ 3,905,920.13</u></u>

The June 30, 2014 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawal from the capital reserve was used to offset principal and interest for bonded projects in the LRFP.

**Note 4: ACCOUNTS RECEIVABLE**

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

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

	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	\$ 453,733.06	\$ 174,532.00	\$ 22,900.74	\$ 651,165.80
Other	<u>44,541.30</u>			<u>44,541.30</u>
Total	<u><u>\$ 498,274.36</u></u>	<u><u>\$ 174,532.00</u></u>	<u><u>\$ 22,900.74</u></u>	<u><u>\$ 695,707.10</u></u>

**Note 5: INVENTORY**

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

Food	\$ 10,206.25
Supplies	<u>2,338.00</u>
	<u><u>\$ 12,544.25</u></u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Governmental Activities:</b>				
Land	\$ 6,399,000.00			\$ 6,399,000.00
Construction in Progress	<u>2,845,918.00</u>	<u>\$ 976,424.00</u>	<u>\$ (1,900.00)</u>	<u>3,820,442.00</u>
Total Capital Assets not being Depreciated	9,244,918.00	976,424.00	(1,900.00)	10,219,442.00
Building Improvements	4,320,560.00			4,320,560.00
Buildings	41,597,955.00			41,597,955.00
Furnishings and Equipment	2,514,665.00			2,514,665.00
Movable Equipment	<u>3,672,319.00</u>	<u>364,784.00</u>	<u>1,900.00</u>	<u>4,039,003.00</u>
Totals at Historical Cost	<u>61,350,417.00</u>	<u>1,341,208.00</u>	<u>1,900.00</u>	<u>62,691,625.00</u>
Less Accumulated Depreciation:				
Building Improvements	(192,328.00)	(24,157.00)		(216,485.00)
Buildings	(25,122,389.00)	(1,130,617.00)		(26,253,006.00)
Furnishings and Equipment	(1,362,356.00)	(208,637.00)		(1,570,993.00)
Movable Equipment	<u>(2,592,922.00)</u>	<u>(134,734.00)</u>		<u>(2,727,656.00)</u>
Total Accumulated Depreciation	<u>(29,269,995.00)</u>	<u>(1,498,145.00) *</u>	<u>-</u>	<u>(30,768,140.00)</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,080,422.00</u>	<u>\$ (156,937.00)</u>	<u>\$ -</u>	<u>\$ 31,923,485.00</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 864,408.00			\$ 864,408.00
Less Accumulated Depreciation	<u>(751,181.00)</u>	<u>\$ (32,200.00)</u>		<u>(783,381.00)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 113,227.00</u>	<u>\$ (32,200.00)</u>	<u>\$ -</u>	<u>\$ 81,027.00</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction Regular Programs	\$ 792,696.00
Community Service Operations	30,654.00
Support Services Students	48,744.00
Support Services General Administration	35,631.00
Support Services School Administration	40,410.00
Support Services Plant Operations and Maintenance	295,573.00
Support Services Business and Other Support Services	234,713.00
Unallocated	<u>19,724.00</u>
Total Depreciation Expense	<u>\$ 1,498,145.00</u>

**Note 7: LONG-TERM LIABILITIES**

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

	<u>Principal Outstanding July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2014</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 11,674,000.00		\$ (1,690,000.00)	\$ 9,984,000.00	\$ 1,775,000.00
Compensated Absences	1,686,908.62	\$ 194,054.45	(483,236.12)	1,397,726.95	9,267.50
Premium on Bonds	194,603.64		(51,686.74)	142,916.90	
Governmental Activity Long-term Liabilities	<u>\$ 13,555,512.26</u>	<u>\$ 194,054.45</u>	<u>\$ (2,224,922.86)</u>	<u>\$ 11,524,643.85</u>	<u>\$ 1,784,267.50</u>
<b>Business-Type Activities:</b>					
Compensated Absences	<u>\$ 48,432.50</u>	<u>\$ 3,212.50</u>	<u>\$ (15,425.00)</u>	<u>\$ 36,220.00</u>	<u>\$ 9,982.50</u>

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

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

On March 1, 2008, the School District issued \$10,199,000.00 general obligation bonds at an interest rate of 4.30% for various construction projects. The final maturity of these bonds is March 1, 2023. The bonds will be paid from property taxes.

On August 5, 2010, the School District issued \$4,835,000.00 refunding bonds at interest rates varying from 2.00% to 4.00%. The final maturity of these bonds is March 1, 2016. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,775,000.00	\$ 412,805.00	\$ 2,187,805.00
2016	1,910,000.00	351,555.00	2,261,555.00
2017	850,000.00	275,155.00	1,125,155.00
2018	850,000.00	239,030.00	1,089,030.00
2019	900,000.00	202,905.00	1,102,905.00
2020-2023	<u>3,699,000.00</u>	<u>418,770.00</u>	<u>4,117,770.00</u>
	<u>\$ 9,984,000.00</u>	<u>\$ 1,900,220.00</u>	<u>\$ 11,884,220.00</u>

**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.

**Note 8: OPERATING LEASES**

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2015	\$297,942.84
2016	292,873.94
2017	51,935.76
2018	44,994.00
2019	<u>11,248.50</u>
	<u>\$698,995.04</u>

Rental payments under operating leases for the fiscal year ended June 30, 2014 were \$318,323.82.

**Note 9: PENSION PLANS**

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

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

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

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

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

**Note 9: PENSION PLANS (CONT'D)**

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

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

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2014	\$ 94,128.00	\$ 379,057.00	\$ 473,185.00	\$ 473,185.00
2013	171,433.00	341,065.00	512,498.00	512,498.00
2012	194,429.00	326,459.00	520,888.00	520,888.00

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

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

The School District's contributions, equal to the required contribution for each fiscal year, were \$4,292.62, \$4,124.80 and \$5,497.93 for fiscal years ending June 30, 2014, June 30, 2013 and June 30, 2012, respectively.

**Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS**

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

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

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2014, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$994,535.00 and \$1,630,665.00, respectively.

**Note 12: RISK MANAGEMENT**

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 26,000.00	\$ 42,963.56	\$ 6,853.01	\$ 474,001.66
2013	26,000.00	41,624.30	16,187.10	411,565.75
2012	66,092.00	41,408.43	39,159.11	359,869.06

**Note 12: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund (BCIP JIF). The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
 Liability other than Motor Vehicles  
 Property Damage other than Motor Vehicles  
 Motor Vehicles

Annual contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the School District with the following coverage:

Property (Including Crime and Auto Physical Damage)  
 General Liability  
 Automobile Liability  
 Workers' Compensation  
 Educator's Legal Liability  
 Boiler and Machinery  
 Pollution/Environmental Legal Liability

The Fund publishes its own annual financial report which can be obtained from the following website: [http://spelljif.com/new\\_about\\_bcip.html](http://spelljif.com/new_about_bcip.html).

**Note 13: DEFERRED COMPENSATION**

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

Lincoln Investment Planning, Inc.  
 Vanguard Group  
 AXA Equitable Life Insurance Co.

**Note 14: COMPENSATED ABSENCES**

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated sick leave as calculated according to formulas outlined in the District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2014, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$1,397,726.95 and \$36,220.00, respectively.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund	\$ 115,948.54	\$ 19,804.23
Special Revenue		112,911.00
Capital Projects		2,000.94
Debt Service	2,000.94	
Proprietary		3,037.54
Fiduciary	26,000.00	6,195.77
	<u>\$ 143,949.48</u>	<u>\$ 143,949.48</u>

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

Interfund Transfers:

	<u>Transfers In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>
<b><u>Transfer Out:</u></b>			
General Fund	\$ (1,500,000.00)		\$ 1,500,000.00
Capital Projects Fund		\$ (2,000.94)	2,000.94
Total Transfers	<u>\$ (1,500,000.00)</u>	<u>\$ (2,000.94)</u>	<u>\$ 1,502,000.94</u>

During the fiscal year ended June 30, 2014, the general fund transferred \$1,500,000.00 from the capital reserve account to the debt service fund to offset principal and interest payments for bonded capital projects that were included in the District's LRFP. Additionally, the capital projects fund transferred \$2,000.94 to the debt service fund for interest earned on deposits.

**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.

**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: COMMITMENTS**

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2014 that are to continue into the subsequent fiscal year(s). The following commitments related to the capital projects fund existed as of June 30, 2014:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount</u>
HVAC Replacement	3/19/14	<u>\$ 569,568.50</u>

**Note 19: FUND BALANCES****RESTRICTED**

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

**General Fund -**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$1,455,059.68 presented on the budgetary basis of accounting (Exhibit C-1). Excluding the last state aid payments not recognized on a GAAP basis, the excess fund balance at June 30, 2014 is \$929,726.68 as reported on the balance sheet. Additionally, \$1,106,116.00 of excess fund balance generated during 2012-2013 has been restricted and designated for utilization in the 2014-2015 budget.

**For Capital Reserve Account** - As of June 30, 2014, the balance in the capital reserve account is \$3,905,920.13. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2014, the balance in the maintenance reserve account is \$2,866,000.16. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Note 19: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)**

**For Emergency Reserve** - As of June 30, 2014, the balance in the emergency reserve is \$464,405.62. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the reserve is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

**Capital Projects Fund** - On March 13, 2008, the School District issued \$10,199,000.00 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law") and (ii) two (2) resolutions adopted by the Board on January 23, 2008 and February 27, 2008, respectively. The Bonds were authorized by a proposal adopted by the Board on October 22, 2007 and approved by the voters of the School District at a special election held on December 11, 2007. The bond issuance was approved by the voters for the completion of various improvements at the Voorhees Middle School, Osage Elementary School, Kresson Elementary School, E.T. Hamilton Elementary School and Signal Hill Elementary School. As of June 30, 2014, the restricted fund balance amount is \$2,175,955.45.

**Debt Service Fund** - As of June 30, 2014, \$1,504,897.69 of debt service fund balance is restricted for future debt service expenditures

**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, \$1,128,470.88 of general fund balance was unassigned.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 42,180,361.00	\$ 500.00	\$ 42,180,361.00	\$ 42,180,361.00	\$ 416,448.65
Miscellaneous	20,000.00		20,500.00	436,948.65	
<b>Total - Local Sources</b>	<b>42,200,361.00</b>	<b>500.00</b>	<b>42,200,861.00</b>	<b>42,617,309.65</b>	<b>416,448.65</b>
State Sources:					
Categorical Special Education Aid	1,699,913.00		1,699,913.00	1,699,913.00	
Equalization Aid	2,916,383.00		2,916,383.00	2,916,383.00	
Categorical Security Aid	236,331.00		236,331.00	236,331.00	
Categorical Transportation Aid	525,501.00		525,501.00	525,501.00	
Additional Adjustment Aid	100,761.00		100,761.00	100,761.00	
Nonpublic School Transportation Aid				18,931.00	18,931.00
Extraordinary Special Education Costs Aid				214,130.00	214,130.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,706,885.87	1,706,885.87
On-behalf TPAF Pension Contributions (non-budgeted)				2,625,200.00	2,625,200.00
<b>Total - State Sources</b>	<b>5,478,889.00</b>	<b>-</b>	<b>5,478,889.00</b>	<b>10,044,035.87</b>	<b>4,565,146.87</b>
Federal Sources:					
Special Education Medicaid Initiative	23,350.00		23,350.00	26,475.80	3,125.80
<b>Total - Federal Sources</b>	<b>23,350.00</b>	<b>-</b>	<b>23,350.00</b>	<b>26,475.80</b>	<b>3,125.80</b>
<b>Total Revenues</b>	<b>47,702,600.00</b>	<b>500.00</b>	<b>47,703,100.00</b>	<b>52,687,821.32</b>	<b>4,984,721.32</b>
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	161,149.00		161,149.00	160,339.00	810.00
Kindergarten	526,125.00		526,125.00	478,839.95	47,285.05
Grades 1 - 5	8,510,189.00	(699,861.00)	7,810,328.00	7,777,109.39	33,218.61
Grades 6 - 8	5,542,895.00	(77,104.00)	5,465,791.00	5,260,014.46	205,776.54
Regular Programs - Home Instruction:					
Salaries of Teachers	150,000.00		150,000.00	85,569.39	64,430.61
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	3,150.00	(1,200.00)	1,950.00	492.50	1,457.50
Purchased Professional - Technical Services	25,000.00		25,000.00	7,187.00	17,813.00
Rentals	170,000.00		170,000.00	121,581.13	48,418.87
Travel	9,550.00		9,550.00	1,383.47	8,166.53
General Supplies	649,965.00	183,582.00	833,547.00	733,142.50	100,404.50
Textbooks	194,763.00	(194,700.00)	63.00	63.00	63.00
Other Objects	207,955.00	(104,520.00)	103,435.00	42,480.30	60,954.70
<b>Total Regular Programs</b>	<b>16,150,741.00</b>	<b>(893,803.00)</b>	<b>15,256,938.00</b>	<b>14,668,139.09</b>	<b>588,798.91</b>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 581,303.00	\$ (170,000.00)	\$ 411,303.00	\$ 355,240.60	\$ 56,062.40
Other Salaries for Instruction	136,581.00		136,581.00	108,188.66	28,392.34
General Supplies	4,400.00	(500.00)	3,900.00	1,756.81	2,143.19
Textbooks	<u>725.00</u>		<u>725.00</u>	<u>1,756.81</u>	<u>725.00</u>
Total - Learning and/or Language Disabilities	<u>723,009.00</u>	<u>(170,500.00)</u>	<u>552,509.00</u>	<u>465,186.07</u>	<u>87,322.93</u>
Behavioral Disabilities:					
Salaries of Teachers	<u>115,018.00</u>	<u>500.00</u>	<u>115,518.00</u>	<u>115,448.00</u>	<u>70.00</u>
Total - Behavioral Disabilities	<u>115,018.00</u>	<u>500.00</u>	<u>115,518.00</u>	<u>115,448.00</u>	<u>70.00</u>
Multiple Disabilities:					
Salaries of Teachers	434,887.00	173,000.00	607,887.00	602,592.47	5,294.53
Other Salaries for Instruction	548,648.00	(10,000.00)	538,648.00	466,573.64	72,074.36
Purchased Professional - Educational Services	497,583.00	186,616.80	684,199.80	510,633.85	173,565.95
General Supplies	1,500.00		1,500.00	1,500.00	1,500.00
Other Objects	<u>5,000.00</u>		<u>5,000.00</u>	<u>2,281.46</u>	<u>2,738.54</u>
Total - Multiple Disabilities	<u>1,487,618.00</u>	<u>349,616.80</u>	<u>1,837,234.80</u>	<u>1,582,061.42</u>	<u>255,173.38</u>
Resource Room/Center:					
Salaries of Teachers	2,578,025.00		2,578,025.00	2,507,510.98	70,514.02
Other Salaries for Instruction	747,588.00	(28,100.00)	719,488.00	579,410.94	140,077.06
General Supplies	16,500.00	(300.00)	16,200.00	2,801.36	13,398.64
Textbooks	<u>2,900.00</u>		<u>2,900.00</u>	<u>2,900.00</u>	<u>2,900.00</u>
Total - Resource Room/Center	<u>3,345,013.00</u>	<u>(28,400.00)</u>	<u>3,316,613.00</u>	<u>3,089,723.28</u>	<u>226,889.72</u>
Autism:					
Other Salaries for Instruction	<u>38,000.00</u>	<u>26,000.00</u>	<u>64,000.00</u>	<u>63,775.30</u>	<u>224.70</u>
Total - Autism	<u>38,000.00</u>	<u>26,000.00</u>	<u>64,000.00</u>	<u>63,775.30</u>	<u>224.70</u>
Preschool Disabilities - Part-time:					
Salaries of Teachers	48,984.00	16,100.00	65,084.00	63,944.60	1,139.40
Other Salaries for Instruction	110,962.00	(7,700.00)	103,262.00	103,209.10	52.90
General Supplies	<u>3,250.00</u>		<u>3,250.00</u>	<u>1,757.23</u>	<u>1,472.77</u>
Total - Preschool Disabilities - Part-Time	<u>163,176.00</u>	<u>8,400.00</u>	<u>171,576.00</u>	<u>168,910.93</u>	<u>2,665.07</u>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Special Education (Cont'd):					
Preschool Disabilities - Full-time:	\$ 50,552.00	7,000.00	\$ 57,552.00	\$ 56,586.52	\$ 965.48
Salaries of Teachers	50,552.00	7,000.00	57,552.00	56,586.52	965.48
Total - Preschool Disabilities - Full-Time	5,922,386.00	192,616.80	6,115,002.80	5,541,691.52	573,311.28
Total - Special Education					
Basic Skills/Remedial:					
Salaries of Teachers	768,593.00	-	768,593.00	700,611.20	67,981.80
Total - Basic Skills/Remedial	768,593.00	-	768,593.00	700,611.20	67,981.80
Bilingual Education:					
Salaries of Teachers	146,368.00		146,368.00	142,154.18	4,213.82
General Supplies	1,400.00	1,383.20	2,783.20	1,812.30	970.90
Total - Bilingual Education	147,768.00	1,383.20	149,151.20	143,966.48	5,184.72
School Sponsored Cocurricular Activities - Instruction:					
Other Salaries	253,592.00		253,592.00	244,666.00	8,926.00
Other Objects	27,400.00	(400.00)	27,000.00	20,869.63	6,130.37
Total - School-Sponsored Activities - Instruction	280,992.00	(400.00)	280,592.00	285,535.63	15,056.37
Total - Instruction	23,270,480.00	(700,203.00)	22,570,277.00	21,319,943.92	1,250,333.08
Community Services Programs/Operations:					
Communications/Telephone	1,000.00	-	1,000.00	-	1,000.00
Total - Community Services Programs/Operations	1,000.00	-	1,000.00	-	1,000.00
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	36,268.00		36,268.00	12,219.00	24,049.00
Tuition to Other LEAs Within the State-Special	98,432.00	(25,000.00)	73,432.00	56,482.66	16,939.34
Tuition to CSSD & Regional Day Schools	380,262.00	(16,896.00)	363,366.00	146,450.60	216,915.40
Tuition to Private School for the Disabled - State	972,337.00	(87,449.00)	884,888.00	870,094.50	14,793.50
Tuition to Private School for the Disabled and Other LEAs - Spl., O/S State	42,155.00	(23,600.00)	18,555.00	-	18,555.00
Total Undistributed Expenditures - Instruction	1,529,454.00	(152,945.00)	1,376,509.00	1,085,256.76	291,252.24

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Attendance and Social Work Services:					
Other Salaries	\$ 2,500.00	\$ 1,000.00	\$ 3,500.00	\$ 3,250.00	\$ 250.00
Total Undistributed Expenditures - Attendance and Social Work	2,500.00	1,000.00	3,500.00	3,250.00	250.00
Total Undistributed Expenditures - Health Services:					
Salaries of Other Professional Staff	511,011.00		511,011.00	484,781.97	26,229.03
Purchased Professional and Technical Services	17,800.00		17,800.00	15,836.00	1,964.00
General Supplies	10,519.00		10,519.00	7,622.56	2,896.44
Total Undistributed Expenditures - Health Services	539,330.00	-	539,330.00	508,240.53	31,089.47
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	537,108.00		537,108.00	530,988.20	6,119.80
Purchased Professional - Educational Services	25,300.00		25,300.00	10,304.00	14,996.00
General Supplies	3,900.00		3,900.00	2,208.21	1,691.79
Total Undistributed Expenditures - Speech, OT, PT & Related Services	566,308.00	-	566,308.00	543,500.41	22,807.59
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	574,116.00		574,116.00	572,586.00	1,530.00
Salaries of Secretarial and Clerical Assistants	56,095.00		56,095.00	54,294.96	1,800.04
General Supplies	2,900.00		2,900.00	1,471.30	1,428.70
Total Undistributed Expenditures - Guidance	633,111.00	-	633,111.00	628,352.26	4,758.74
Undistributed Expenses - Child Study Teams:					
Salaries of Other Professional Staff	1,086,737.00		1,086,737.00	1,045,127.84	41,609.16
Salaries of Secretarial and Clerical Assistants	88,669.00		88,669.00	88,668.96	0.04
Purchased Professional - Educational Services	22,353.00		22,353.00	15,376.00	6,977.00
Miscellaneous Purchased Services	3,500.00		3,500.00	2,783.04	716.96
General Supplies	45,360.00	1,800.00	47,160.00	42,425.47	4,734.53
Other Objects	12,400.00	(1,800.00)	10,600.00	5,092.44	5,507.56
Total Undistributed Expenditures - Child Study Teams	1,259,019.00	-	1,259,019.00	1,199,473.75	59,545.25

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Required Supplementary Information  
Budgetary Comparison Schedule  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 268,494.00		\$ 268,494.00	\$ 240,700.66	\$ 27,793.34
Salaries of Secretarial and Clerical Assistants	58,700.00		58,700.00	58,655.04	44.96
Other Salaries	5,000.00		5,000.00	5,000.00	5,000.00
Purchased Professional - Educational Services	8,000.00	\$ 4,200.00	12,200.00	11,200.00	1,000.00
Travel	5,050.00		5,050.00	1,304.41	3,745.59
General Supplies	21,835.00	(5,200.00)	16,635.00	5,177.08	11,457.92
Textbooks	12,000.00	(1,500.00)	10,500.00	2,600.00	7,900.00
Other Objects	13,130.00	4,700.00	17,830.00	15,080.50	2,749.50
<b>Total Undistributed Expenditures - Improvement of Instructional Services</b>	<b>392,209.00</b>	<b>2,200.00</b>	<b>394,409.00</b>	<b>334,717.69</b>	<b>59,691.31</b>
Undistributed Expenditures - Educational Media/Library:					
Salaries of Other Professional Staff	413,347.00	1,000.00	414,347.00	414,157.30	189.70
General Supplies	40,500.00		40,500.00	33,366.78	7,113.22
<b>Total Undistributed Expenditures - Educational Media/Library</b>	<b>453,847.00</b>	<b>1,000.00</b>	<b>454,847.00</b>	<b>447,544.08</b>	<b>7,302.92</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	343,725.00	(8,500.00)	335,225.00	315,931.86	19,293.14
Other Salaries	283,996.00	28,500.00	312,496.00	296,821.12	15,674.88
Other Purchased Professional - Technical Services	29,000.00	18,000.00	47,000.00	26,975.00	20,025.00
Travel	1,200.00		1,200.00	112.09	1,087.91
General Supplies	4,000.00	(2,200.00)	1,800.00	263.25	1,536.75
Other Objects	9,011.00	25,100.00	34,111.00	26,426.71	7,684.29
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>670,932.00</b>	<b>60,900.00</b>	<b>731,832.00</b>	<b>666,530.03</b>	<b>65,301.97</b>
Undistributed Expenditures - Support Services General Administration:					
Salaries of Other Professional Staff	291,541.00	1.00	291,542.00	291,541.20	0.80
Legal Services	64,000.00		64,000.00	49,248.69	14,751.31
Audit Fees	47,500.00		47,500.00	47,000.00	500.00
Architect and Engineering Services	10,000.00		10,000.00	10,000.00	10,000.00
Other Purchased Professional Services	144,400.00	17,400.00	161,800.00	128,182.09	33,617.91
Communications/Telephone	126,013.00		126,013.00	43,177.31	82,835.69
Travel	500.00		500.00	95.50	404.50
BOE Other Purchased Services	9,600.00		9,600.00	9,600.00	9,600.00
Insurance	261,600.00	80.00	261,680.00	258,220.00	3,460.00
General Supplies	2,300.00		2,300.00	2,078.79	221.21
BOE In-House Training/Meeting Supplies	6,000.00	(80.00)	5,920.00	1,291.50	4,628.50
Miscellaneous Expenditures	21,125.00		21,125.00	8,399.10	12,725.90
BOE Membership Dues and Fees	23,000.00		23,000.00	21,985.85	1,014.15
<b>Total Undistributed Expenditures - Support Services General Administration</b>	<b>1,007,579.00</b>	<b>17,401.00</b>	<b>1,024,980.00</b>	<b>851,220.03</b>	<b>173,759.97</b>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Required Supplementary Information  
Budgetary Comparison Schedule  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	792,102.00	(3,000.00)	789,102.00	791,038.44	\$ 1,063.56
Salaries of Secretarial and Clerical Assistants	551,803.00	(2,700.00)	549,103.00	547,302.92	1,500.08
General Supplies	21,870.00		19,170.00	11,849.09	7,320.91
<b>Total Undistributed Expenditures - Support Services School Administration</b>	<b>1,365,775.00</b>	<b>(5,700.00)</b>	<b>1,360,075.00</b>	<b>1,350,190.45</b>	<b>9,884.55</b>
Undistributed Expenditures - Central Services:					
Salaries of Other Professional Staff	495,953.00		495,953.00	493,706.16	2,246.84
Purchased Professional Services	13,000.00	(4,500.00)	8,500.00	8,500.00	0.00
Miscellaneous Purchased Services	13,300.00		13,300.00	4,367.62	8,932.38
General Supplies	23,000.00	(5,000.00)	18,000.00	15,154.99	2,845.01
Miscellaneous Expenditures	64,580.00	(47,000.00)	17,580.00	12,677.36	4,902.64
<b>Total Undistributed Expenditures - Central Services</b>	<b>609,833.00</b>	<b>(56,500.00)</b>	<b>553,333.00</b>	<b>525,906.13</b>	<b>27,426.87</b>
Undistributed Expenditures - Admin. Info. Technology:					
Salaries of Supervisors of Instruction	130,411.00	3,000.00	133,411.00	132,955.04	455.96
Travel	2,000.00		2,000.00	1,319.18	680.82
General Supplies	75,500.00	(40,533.70)	34,966.30	34,929.75	36.55
Other Objects	109,500.00	186,757.70	296,257.70	290,939.76	5,317.94
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>317,411.00</b>	<b>149,224.00</b>	<b>466,635.00</b>	<b>460,143.73</b>	<b>6,491.27</b>
Undistributed Expenditures - Required Maint. for School Facilities:					
Other Salaries - Maintenance	226,294.00	500.00	226,794.00	226,767.84	26.16
Cleaning, Repair & Maintenance Services	636,800.00	2,115,789.00	2,752,589.00	1,189,847.53	1,562,741.47
<b>Total Undistributed Expenditures - Required Maint. for School Facilities</b>	<b>863,094.00</b>	<b>2,116,289.00</b>	<b>2,979,383.00</b>	<b>1,416,615.37</b>	<b>1,562,767.63</b>
Undistributed Expenditures - Custodial Services:					
Other Salaries	938,780.00	45,000.00	983,780.00	966,931.30	16,848.70
Cleaning, Repair & Maintenance Services	5,824.00	2,000.00	7,824.00	6,506.99	1,317.01
Other Purchased Property Services	150,640.00	(20,000.00)	130,640.00	86,432.46	44,207.54
Insurance	156,513.00	8,200.00	164,713.00	164,687.00	26.00
General Supplies - Custodial and Buildings	285,157.00	60,400.00	345,557.00	313,480.96	32,076.04
General Supplies - Vehicles	36,400.00	4,000.00	40,400.00	27,518.40	12,881.60
Energy (Natural Gas)	93,560.00	(8,600.00)	84,960.00	46,884.40	38,075.60
Energy (Heat & Electricity)	1,569,015.00	(28,000.00)	1,541,015.00	1,371,935.10	169,079.90
Other Objects	2,590.00	1,200.00	3,790.00	3,249.73	540.27
<b>Total - Custodial Services</b>	<b>3,218,479.00</b>	<b>64,200.00</b>	<b>3,282,679.00</b>	<b>2,987,636.34</b>	<b>295,042.66</b>
<b>Undistributed Expenditures - Care and Upkeep of Grounds:</b>					
Cleaning, Repair & Maintenance Services	160,000.00	28,500.00	188,500.00	171,528.81	16,971.19
General Supplies	49,406.00	(30,500.00)	18,906.00	18,906.00	0.00
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>209,406.00</b>	<b>(2,000.00)</b>	<b>207,406.00</b>	<b>171,528.81</b>	<b>35,877.19</b>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation	\$ 49,935.00		\$ 49,935.00	\$ 49,934.88	\$ 0.12
(Between Home & School) - Regular					
Salaries for Pupil Transportation	8,812.00	1.00	8,813.00	8,812.08	0.92
(Between Home & School) - Special					
Management Fee - ESC Transportation Program	18,963.00	6,200.00	25,163.00	23,241.95	1,921.05
Contracted Services (Between Home & School) - Vendor	1,271,942.00	(34,832.50)	1,237,109.50	1,234,495.10	2,614.40
Contracted Services (Other than Between Home & School) - Vendor	136,269.00	(5,167.50)	131,101.50	61,733.48	69,368.02
Contracted Services (Special Ed Students) - Vendors	328,992.00	24,000.00	352,992.00	332,527.08	20,464.92
Contracted Services ( Special Ed Students) - ESC & CTASAs	350,000.00	20,000.00	370,000.00	361,852.66	8,147.34
Contracted Services - Aid in Lieu of Payments- Non Public	128,660.00		128,660.00	100,398.56	28,261.44
General Supplies	9,860.00	(200.00)	9,660.00	4,000.00	5,660.00
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>2,303,433.00</b>	<b>10,001.00</b>	<b>2,313,434.00</b>	<b>2,176,995.79</b>	<b>136,438.21</b>
Unallocated Benefits - Employee Benefits:					
Group Insurance	600.00	70.00	670.00	670.00	
Social Security Contributions	557,204.00	(70.00)	557,134.00	371,003.93	186,130.07
Other Retirement Contributions - PERS	607,356.00	(30,000.00)	577,356.00	478,756.17	98,599.83
Unemployment Compensation	26,000.00		26,000.00	26,000.00	
Health Benefits	7,856,534.00	(1,025,270.00)	6,831,264.00	6,331,369.26	499,894.74
Tuition Reimbursement	118,800.00		118,800.00	62,552.75	56,247.25
Other Employee Benefits	195,200.00	240,000.00	435,200.00	433,602.56	1,597.44
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>9,361,694.00</b>	<b>(815,270.00)</b>	<b>8,546,424.00</b>	<b>7,703,954.67</b>	<b>842,469.33</b>
Undistributed Expenditures- Non-budgeted:					
On-behalf TPAF Pension Contributions	-	-	-	2,625,200.00	(2,625,200.00)
Reimbursed TPAF Social Security Contributions					
Undistributed Expenditures - Non-budgeted	-	-	-	1,706,885.87	(1,706,885.87)
<b>Total Undistributed Expenses</b>	<b>25,303,414.00</b>	<b>1,389,800.00</b>	<b>26,693,214.00</b>	<b>27,393,142.70</b>	<b>(699,928.70)</b>
<b>Total Current Expense</b>	<b>48,574,894.00</b>	<b>689,597.00</b>	<b>49,264,491.00</b>	<b>48,713,086.62</b>	<b>551,404.38</b>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Undistributed Expenditures:					
Support Services - Students - Regular	\$ 250,247.00	\$ 11,001.00	\$ 261,248.00	\$ 253,441.04	\$ 7,806.96
Support Services - Child Study Teams	15,263.00	(15,263.00)			
Required Maintenance for School Facilities	36,569.00	75,610.00	112,179.00	109,443.28	2,735.72
<b>Total - Equipment</b>	<u>302,079.00</u>	<u>71,348.00</u>	<u>373,427.00</u>	<u>362,884.32</u>	<u>10,542.68</u>
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	41,029.00	(14,420.00)	26,609.00	26,609.00	-
<b>Total - Facilities Acquisition and Construction Services</b>	<u>41,029.00</u>	<u>(14,420.00)</u>	<u>26,609.00</u>	<u>26,609.00</u>	<u>-</u>
<b>Total Capital Outlay</b>	<u>343,108.00</u>	<u>56,928.00</u>	<u>400,036.00</u>	<u>389,493.32</u>	<u>10,542.68</u>
<b>Total Expenditures</b>	<u>48,918,002.00</u>	<u>746,525.00</u>	<u>49,664,527.00</u>	<u>49,102,579.94</u>	<u>561,947.06</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,215,402.00)	(746,025.00)	(1,961,427.00)	3,585,241.38	5,546,668.38
Other Financing Sources (Uses):					
Transfers to Debt Service Fund	-	-	-	(1,500,000.00)	(1,500,000.00)
<b>Total - Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500,000.00)</u>	<u>(1,500,000.00)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,215,402.00)	(746,025.00)	(1,961,427.00)	2,085,241.38	4,046,668.38
Fund Balances, July 1	8,840,731.09	-	8,840,731.09	8,840,731.09	-
Fund Balances, June 30	<u>7,625,329.09</u>	<u>(746,025.00)</u>	<u>6,879,304.09</u>	<u>10,925,972.47</u>	<u>4,046,668.38</u>
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 3,905,920.13	
Emergency Reserve				484,405.62	
Maintenance Reserve				2,866,000.16	
Excess Surplus--Current Year				1,455,059.68	
Excess Surplus--Prior Year--Designated for Subsequent Year's Expenditures				1,106,116.00	
Assigned:					
Designated for Subsequent Year's Expenditures				1,128,470.88	
Unassigned				10,925,972.47	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(525,333.00)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>\$ 10,400,639.47</u>	

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Nonpublic Aid		\$ 214,578.00	\$ 214,578.00	\$ 152,956.84	\$ (61,621.16)
Municipal Drug Alliance		9,240.00	9,240.00	9,240.00	
<b>Total - State Sources</b>	<u>-</u>	<u>223,818.00</u>	<u>223,818.00</u>	<u>162,196.84</u>	<u>(61,621.16)</u>
Federal Sources:					
N.C.L.B.:					
Title I	\$ 207,672.00	18,408.00	226,080.00	226,080.00	
Title II - Part A	52,554.00	14,000.00	66,554.00	66,554.00	
Title III	9,820.00	9,758.00	19,578.00	19,578.00	
Title III Immigrant		22,711.00	22,711.00	22,711.00	
I.D.E.I.A. Part B:					
Basic	561,587.00	163,860.76	725,447.76	710,331.55	(15,116.21)
Preschool	26,497.00	8,231.00	34,728.00	34,728.00	
<b>Total - Federal Sources</b>	<u>858,130.00</u>	<u>236,968.76</u>	<u>1,095,098.76</u>	<u>1,079,982.55</u>	<u>(15,116.21)</u>
<b>Total Revenues</b>	<u>858,130.00</u>	<u>460,786.76</u>	<u>1,318,916.76</u>	<u>1,242,179.39</u>	<u>(76,737.37)</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 206,397.00	\$ (4,375.00)	\$ 202,022.00	\$ 202,022.00	
Other Salaries for Instruction	347,508.00	123,412.50	470,920.50	465,793.50	\$ 5,127.00
Purchased Professional Educational Services		195,208.22	195,208.22	134,949.22	60,259.00
Other Purchased Services		20,838.00	20,838.00	20,838.00	
Tuition	213,918.00	5,157.00	219,075.00	219,075.00	
General Supplies	1,000.00	20,645.00	21,645.00	17,987.00	3,658.00
Textbooks		12,341.00	12,341.00	10,978.84	1,362.16
<b>Total Instruction</b>	<u>768,823.00</u>	<u>373,226.72</u>	<u>1,142,049.72</u>	<u>1,071,643.56</u>	<u>70,406.16</u>
Support Services:					
Other Salaries for Instruction		4,620.00	4,620.00	4,620.00	
Personal Services--Employee Benefits	89,227.00	54,247.35	143,474.35	143,448.05	26.30
Purchased Professional Educational Services		21,147.69	21,147.69	14,842.78	6,304.91
Other Purchased Services					
General Supplies	80.00	4,620.00	4,700.00	4,700.00	
Other Objects		2,925.00	2,925.00	2,925.00	
<b>Total Support Services</b>	<u>89,307.00</u>	<u>87,560.04</u>	<u>176,867.04</u>	<u>170,535.83</u>	<u>6,331.21</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment			-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>858,130.00</u>	<u>460,786.76</u>	<u>1,318,916.76</u>	<u>1,242,179.39</u>	<u>76,737.37</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
Note to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2014

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 52,687,821.32	\$ 1,242,179.39
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	525,212.00	
State aid payments recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(525,333.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 52,687,700.32</u>	<u>\$ 1,242,179.39</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 49,102,579.94</u>	<u>\$ 1,242,179.39</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 49,102,579.94</u>	<u>\$ 1,242,179.39</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**TOWNSHIP OF VOORHEES 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.						Total Brought Forward
	Total	Title I	Title II Part A	Title III	Title III Immigrant	NJ Non-Public Technology Aid	
<b>REVENUES:</b>							
Federal Sources	\$ 1,079,982.55	\$ 226,080.00	\$ 66,554.00	\$ 19,578.00	\$ 22,711.00		\$ 745,059.55
State Sources	162,196.84					\$ 4,500.00	157,696.84
Total Revenues	<u>1,242,179.39</u>	<u>226,080.00</u>	<u>66,554.00</u>	<u>19,578.00</u>	<u>22,711.00</u>	<u>4,500.00</u>	<u>902,756.39</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	202,022.00						
Other Salaries for Instruction	465,793.50	151,137.00	41,474.00	9,411.00			465,793.50
Purchased Professional Educational Services	134,949.22			1,546.00	1,873.00		131,530.22
Other Purchased Services	20,838.00				20,838.00		
Tuition	219,075.00						219,075.00
General Supplies	17,987.00						17,987.00
Textbooks	10,978.84						10,978.84
Total Instruction	<u>1,071,643.56</u>	<u>151,137.00</u>	<u>41,474.00</u>	<u>10,957.00</u>	<u>22,711.00</u>		<u>845,364.56</u>
Support Services:							
Other Salaries for Instruction	4,620.00						4,620.00
Personal Services--Employee Benefits	143,448.05	74,943.00	24,373.00	8,621.00			35,511.05
Purchased Professional Educational Services	14,842.78		707.00				14,135.78
Other Purchased Services						4,500.00	
General Supplies	4,700.00						4,700.00
Other Objects	2,925.00						2,925.00
Total Support Services	<u>170,535.83</u>	<u>74,943.00</u>	<u>25,080.00</u>	<u>8,621.00</u>		<u>4,500.00</u>	<u>57,391.83</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,242,179.39</u>	<u>\$ 226,080.00</u>	<u>\$ 66,554.00</u>	<u>\$ 19,578.00</u>	<u>\$ 22,711.00</u>	<u>\$ 4,500.00</u>	<u>\$ 902,756.39</u>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2014

	I. D. E. I. A. Part B						
	Total Carried Forward	Basic	Preschool	Municipal Drug Alliance	NJ Non-Public Textbook Aid	NJ Non-Public Nursing Services Aid	Total Brought Forward
<b>REVENUES:</b>							
Federal Sources	\$ 745,059.55	\$ 710,331.55	\$ 34,728.00				\$ 119,491.00
State Sources	<u>157,696.84</u>				<u>\$ 10,978.84</u>	<u>\$ 17,987.00</u>	
Total Revenues	<u>902,756.39</u>	<u>710,331.55</u>	<u>34,728.00</u>	<u>9,240.00</u>	<u>10,978.84</u>	<u>17,987.00</u>	<u>119,491.00</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction	465,793.50	431,839.50	32,259.00	1,695.00			119,491.00
Purchased Professional Educational Services	131,530.22	12,039.22					
Other Purchased Services							
Tuition	219,075.00	219,075.00				17,987.00	
General Supplies	17,987.00						
Textbooks	<u>10,978.84</u>				<u>10,978.84</u>		
Total Instruction	<u>845,364.56</u>	<u>662,953.72</u>	<u>32,259.00</u>	<u>1,695.00</u>	<u>10,978.84</u>	<u>17,987.00</u>	<u>119,491.00</u>
Support Services:							
Other Salaries for Instruction	4,620.00			4,620.00			
Personal Services--Employee Benefits	35,511.05	33,042.05	2,469.00				
Purchased Professional Educational Services	14,135.78	14,135.78					
Other Purchased Services							
General Supplies	200.00	200.00					
Other Objects	<u>2,925.00</u>			<u>2,925.00</u>			
Total Support Services	<u>57,391.83</u>	<u>47,377.83</u>	<u>2,469.00</u>	<u>7,545.00</u>			
Facilities Acquisition and Construction Services:							
Instructional Equipment	-	-	-	-			
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Total Expenditures	<u>\$ 902,756.39</u>	<u>\$ 710,331.55</u>	<u>\$ 34,728.00</u>	<u>\$ 9,240.00</u>	<u>\$ 10,978.84</u>	<u>\$ 17,987.00</u>	<u>\$ 119,491.00</u>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2014

	Total Carried Forward	N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977		N.J. Nonpublic Handicapped Services, Ch. 193, L. 1977		
		Compensatory Education	English as a Second Language	Examination and Classification	Corrective Speech	Supplementary Instruction
<b>REVENUES:</b>						
Federal Sources						
State Sources	\$ 119,491.00	\$ 58,365.00	\$ 4,976.00	\$ 20,246.00	\$ 19,530.00	\$ 16,374.00
Total Revenues	<u>119,491.00</u>	<u>58,365.00</u>	<u>4,976.00</u>	<u>20,246.00</u>	<u>19,530.00</u>	<u>16,374.00</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional Educational Services	119,491.00	58,365.00	4,976.00	20,246.00	19,530.00	16,374.00
Other Purchased Services						
Tuition						
General Supplies						
Textbooks						
Total Instruction	<u>119,491.00</u>	<u>58,365.00</u>	<u>4,976.00</u>	<u>20,246.00</u>	<u>19,530.00</u>	<u>16,374.00</u>
Support Services:						
Other Salaries for Instruction						
Personal Services--Employee Benefits						
Purchased Professional Educational Services						
Other Purchased Services						
General Supplies						
Other Objects						
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 119,491.00</u>	<u>\$ 58,365.00</u>	<u>\$ 4,976.00</u>	<u>\$ 20,246.00</u>	<u>\$ 19,530.00</u>	<u>\$ 16,374.00</u>

CAPITAL PROJECTS FUND

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2014

	Original Date	Appropriations	Expenditures to Date	Unexpended Balance June 30, 2014
<u>Project Title/Issue</u>			<u>Prior Years</u> <u>Current Year</u>	
(a) (i) The completion of various improvements at the Voorhees Middle School, Osage Elementary School, Kresson Elementary School, E.T. Hamilton Elementary School and Signal Hill Elementary School, including the upgrading of the access, emergency, communications and security systems, the replacement and/or repair of various portions of the roofs, and the replacement and/or upgrading of the electrical, heating, ventilation and other building systems.	10-22-2007	\$ 10,199,000.00	\$ 7,046,620.41      \$ 976,424.14	\$ 2,175,955.45
(ii) The acquisition of furniture, fixtures and equipment for said improvements.				\$ 569,568.50
				1,606,386.95
				\$ 2,175,955.45

Restricted for Capital Projects:  
 Year-End Encumbrances  
 Designated for Subsequent Year's Expenditures

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2014

**Revenues:**

Interest Earned on Deposits	\$ 2,000.94
	<u>2,000.94</u>
Total Revenues	<u>2,000.94</u>

**Expenditures:**

Other Professional Services	280,029.43
Construction Services	<u>696,394.71</u>
Total Expenditures	<u>976,424.14</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(974,423.20)</u>
---	---------------------

## Other Financing Sources (Uses):

Transfers to Debt Service Fund:	
Interest Earned on Deposits	<u>(2,000.94)</u>
Total Other Financing Sources and Uses	<u>(2,000.94)</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(976,424.14)
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Fund Balance -- July 1	<u>3,152,379.59</u>
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Fund Balance -- June 30	<u>\$ 2,175,955.45</u>
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**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Kresson Elementary School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 959,995.00	-	\$ 959,995.00	\$ 959,995.00
Total Revenues	959,995.00	-	959,995.00	959,995.00
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	216,569.44	\$ 29,749.06	246,318.50	246,318.50
Construction Services	568,824.31	94,727.99	663,552.30	713,676.50
Total Expenditures	785,393.75	124,477.05	909,870.80	959,995.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 174,601.25	\$ (124,477.05)	\$ 50,124.20	-
<b>Additional Project Information:</b>				
Project Number	5400-055-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 959,995.00			
Bonds Issued	\$ 959,995.00			
Original Authorized Cost	\$ 959,995.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 959,995.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	94.78%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-15			

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
E.T. Hamilton Elementary School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 1,919,411.00	-	\$ 1,919,411.00	\$ 1,919,411.00
Total Revenues	<u>1,919,411.00</u>	<u>-</u>	<u>1,919,411.00</u>	<u>1,919,411.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	349,681.58	\$ 87,233.91	436,915.49	436,915.49
Construction Services	<u>604,385.04</u>	<u>327,508.05</u>	<u>931,893.09</u>	<u>1,482,495.51</u>
Total Expenditures	<u>954,066.62</u>	<u>414,741.96</u>	<u>1,368,808.58</u>	<u>1,919,411.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 965,344.38</u>	<u>\$ (414,741.96)</u>	<u>\$ 550,602.42</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5400-020-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 1,919,411.00			
Bonds Issued	\$ 1,919,411.00			
Original Authorized Cost	\$ 1,919,411.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,919,411.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	71.31%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-15			

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Signal Hill Elementary School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 352,009.44	\$ 4,500.00	\$ 356,509.44	\$ 356,509.44
Total Revenues	<u>352,009.44</u>	<u>4,500.00</u>	<u>356,509.44</u>	<u>356,509.44</u>
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	75,015.40	16,140.71	91,156.11	91,156.11
Construction Services	<u>90,014.04</u>	<u>173,165.51</u>	<u>263,179.55</u>	<u>265,353.33</u>
Total Expenditures	<u>165,029.44</u>	<u>189,306.22</u>	<u>354,335.66</u>	<u>356,509.44</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 186,980.00</u>	<u>\$ (184,806.22)</u>	<u>\$ 2,173.78</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5400-095-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 240,000.00			
Bonds Issued	\$ 240,000.00			
Original Authorized Cost	\$ 240,000.00			
Additional Authorized Cost	116,509.44			
Revised Authorized Cost	\$ 356,509.44			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.39%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-13			

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Voorhees Middle School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 4,567,569.56	\$ (4,500.00)	\$ 4,563,069.56	\$ 4,563,069.56
Total Revenues	<u>4,567,569.56</u>	<u>(4,500.00)</u>	<u>4,563,069.56</u>	<u>4,563,069.56</u>
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	506,111.54	26,974.69	533,086.23	849,184.56
Construction Services	<u>3,381,931.62</u>	<u>91,266.66</u>	<u>3,473,198.28</u>	<u>3,713,885.00</u>
Total Expenditures	<u>3,888,043.16</u>	<u>118,241.35</u>	<u>4,006,284.51</u>	<u>4,563,069.56</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 679,526.40</u>	<u>\$ (122,741.35)</u>	<u>\$ 556,785.05</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5400-100-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 4,679,579.00			
Bonds Issued	\$ 4,679,579.00			
Original Authorized Cost	\$ 4,679,579.00			
Additional Authorized Cost	(116,509.44)			
Revised Authorized Cost	\$ 4,563,069.56			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	87.80%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-15			

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Osage Elementary School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 2,400,015.00	-	\$ 2,400,015.00	\$ 2,400,015.00
Total Revenues	<u>2,400,015.00</u>	<u>-</u>	<u>2,400,015.00</u>	<u>2,400,015.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	320,031.14	\$ 119,931.06	439,962.20	495,239.00
Construction Services	<u>934,056.30</u>	<u>9,726.50</u>	<u>943,782.80</u>	<u>1,904,776.00</u>
Total Expenditures	<u>1,254,087.44</u>	<u>129,657.56</u>	<u>1,383,745.00</u>	<u>2,400,015.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,145,927.56</u>	<u>\$ (129,657.56)</u>	<u>\$ 1,016,270.00</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5400-090-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 2,400,015.00			
Bonds Issued	\$ 2,400,015.00			
Original Authorized Cost	\$ 2,400,015.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 2,400,015.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	57.66%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-15			

PROPRIETARY FUNDS

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2014

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 555,442.60	\$ 2,385,381.44	\$ 2,940,824.04
Intergovernmental Accounts Receivable:			
State	1,490.49		1,490.49
Federal	21,410.25		21,410.25
Inventories	12,544.25		12,544.25
Total Current Assets	<u>590,887.59</u>	<u>2,385,381.44</u>	<u>2,976,269.03</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	801,482.00	62,926.00	864,408.00
Less Accumulated Depreciation	<u>(740,626.00)</u>	<u>(42,755.00)</u>	<u>(783,381.00)</u>
Total Noncurrent Assets	<u>60,856.00</u>	<u>20,171.00</u>	<u>81,027.00</u>
Total Assets	<u>651,743.59</u>	<u>2,405,552.44</u>	<u>3,057,296.03</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Compensated Absences Payable	9,982.50		9,982.50
Interfund Accounts Payable	3,037.54		3,037.54
Unearned Revenue	3,072.78		3,072.78
Total Current Liabilities	<u>16,092.82</u>	<u>-</u>	<u>16,092.82</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>15,650.00</u>	<u>10,587.50</u>	<u>26,237.50</u>
Total Liabilities	<u>31,742.82</u>	<u>10,587.50</u>	<u>42,330.32</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	60,856.00	20,171.00	81,027.00
Unrestricted	<u>559,144.77</u>	<u>2,374,793.94</u>	<u>2,933,938.71</u>
Total Net Position	<u>\$ 620,000.77</u>	<u>\$ 2,394,964.94</u>	<u>\$ 3,014,965.71</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 412,569.55		\$ 412,569.55
Daily Sales - Non-Reimbursable Programs	200,869.12		200,869.12
Special Functions	21,389.33		21,389.33
Miscellaneous	13,365.12	\$ 83.34	13,448.46
Community Service Activities		1,516,658.96	1,516,658.96
Total Operating Revenues	<u>648,193.12</u>	<u>1,516,742.30</u>	<u>2,164,935.42</u>
<b>OPERATING EXPENSES:</b>			
Salaries	426,549.87	937,760.27	1,364,310.14
Employee Benefits	105,095.61	168,885.95	273,981.56
Other Professional Services		8,000.00	8,000.00
Transportation		3,350.00	3,350.00
Travel	1,381.36	436.91	1,818.27
General Supplies	38,404.33	237,185.72	275,590.05
Depreciation	27,226.00	4,974.00	32,200.00
Cost of Sales	336,763.59		336,763.59
Miscellaneous	50,335.95	139,192.91	189,528.86
Total Operating Expenses	<u>985,756.71</u>	<u>1,499,785.76</u>	<u>2,485,542.47</u>
Operating Income (Loss)	<u>(337,563.59)</u>	<u>16,956.54</u>	<u>(320,607.05)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	10,192.47		10,192.47
Federal Sources:			
National School Lunch Program	201,719.12		201,719.12
Food Distribution Program	57,427.72		57,427.72
Interest and Investment Revenue	546.88	1,865.96	2,412.84
Total Nonoperating Revenues (Expenses)	<u>269,886.19</u>	<u>1,865.96</u>	<u>271,752.15</u>
Change in Net Position	(67,677.40)	18,822.50	(48,854.90)
Net Position -- July 1	<u>687,678.17</u>	<u>2,376,142.44</u>	<u>3,063,820.61</u>
Net Position -- June 30	<u>\$ 620,000.77</u>	<u>\$ 2,394,964.94</u>	<u>\$ 3,014,965.71</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 650,581.87	\$ 1,516,742.30	\$ 2,167,324.17
Payments to Employees	(426,549.87)	(937,760.27)	(1,364,310.14)
Payments for Employee Benefits	(117,830.61)	(168,363.45)	(286,194.06)
Payments to Suppliers	<u>(430,506.73)</u>	<u>(388,165.54)</u>	<u>(818,672.27)</u>
Net Cash Provided by (used for) Operating Activities	<u>(324,305.34)</u>	<u>22,453.04</u>	<u>(301,852.30)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	9,466.19		9,466.19
Federal Sources	255,056.55		255,056.55
Operating Subsidies and Transfers to Other Funds	<u>52,580.72</u>		<u>52,580.72</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>317,103.46</u>	<u>-</u>	<u>317,103.46</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends	<u>546.88</u>	<u>1,865.96</u>	<u>2,412.84</u>
Net Cash Provided by (used for) Investing Activities	<u>546.88</u>	<u>1,865.96</u>	<u>2,412.84</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,655.00)	24,319.00	17,664.00
Cash and Cash Equivalents -- July 1	<u>562,097.60</u>	<u>2,361,062.44</u>	<u>2,923,160.04</u>
Cash and Equivalents -- June 30	<u>\$ 555,442.60</u>	<u>\$ 2,385,381.44</u>	<u>\$ 2,940,824.04</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	\$ (337,563.59)	\$ 16,956.54	\$ (320,607.05)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	27,226.00	4,974.00	32,200.00
(Increase) Decrease in Inventories	(3,621.50)		(3,621.50)
(Increase) Decrease in Accounts Receivable	2,388.75		2,388.75
Increase (Decrease) in Compensated Absences Payable	<u>(12,735.00)</u>	<u>522.50</u>	<u>(12,212.50)</u>
Total Adjustments	<u>13,258.25</u>	<u>5,496.50</u>	<u>18,754.75</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (324,305.34)</u>	<u>\$ 22,453.04</u>	<u>\$ (301,852.30)</u>

## FIDUCIARY FUNDS

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Combining Statement of Fiduciary Net Position  
June 30, 2014

	Private-Purpose Trust Funds		Agency Funds		
	Unemployment Compensation Trust	Scholarship Fund	Student Activity	Payroll	Total
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 437,177.08	\$ 2,089.06	\$ 43,598.32	\$ 31,647.76	\$ 514,512.22
Intrafund Accounts Receivable	11,877.58				11,877.58
Interfund Accounts Receivable	26,000.00				26,000.00
Total Assets	<u>475,054.66</u>	<u>2,089.06</u>	<u>\$ 43,598.32</u>	<u>\$ 31,647.76</u>	<u>552,389.80</u>
<b>LIABILITIES:</b>					
Accounts Payable	1,053.00				1,053.00
Intrafund Accounts Payable				\$ 11,877.58	11,877.58
Interfund Accounts Payable		263.68		5,932.09	6,195.77
Payable to Student Groups			\$ 43,598.32		43,598.32
Payroll Deductions and Withholdings				13,838.09	13,838.09
Total Liabilities	<u>1,053.00</u>	<u>263.68</u>	<u>\$ 43,598.32</u>	<u>\$ 31,647.76</u>	<u>76,562.76</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims and Other Purposes	474,001.66				474,001.66
Reserved for Scholarships		1,825.38			1,825.38
Total Net Position	<u>\$ 474,001.66</u>	<u>\$ 1,825.38</u>			<u>\$ 475,827.04</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2014

	<u>Private-Purpose Trust Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Private-Purpose Scholarship Fund</u>	
<b>ADDITIONS:</b>			
Contributions:			
Employee Salary Deductions	\$ 42,963.56		\$ 42,963.56
Board Contributions	26,000.00		26,000.00
Investment Earnings:			
Interest	<u>325.36</u>	<u>\$ 1.67</u>	<u>327.03</u>
Total Additions	<u>69,288.92</u>	<u>1.67</u>	<u>69,290.59</u>
<b>DEDUCTIONS:</b>			
Unemployment Claims	6,853.01		6,853.01
Scholarships		300.00	300.00
Total Deductions	<u>6,853.01</u>	<u>300.00</u>	<u>7,153.01</u>
Change in Net Position	62,435.91	(298.33)	62,137.58
Net Position -- July 1	<u>411,565.75</u>	<u>2,123.71</u>	<u>413,689.46</u>
Net Position -- June 30	<u>\$ 474,001.66</u>	<u>\$ 1,825.38</u>	<u>\$ 475,827.04</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2014

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	<u>Balance</u> <u>June 30, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>ELEMENTARY SCHOOLS:</b>				
Kresson School	\$ 2,565.18	\$ 1,420.52	\$ 1,025.71	\$ 2,959.99
Signal Hill School	508.46	1,150.96	692.04	967.38
E.T. Hamilton School	<u>2,690.76</u>	<u>588.85</u>	<u>20.00</u>	<u>3,259.61</u>
Total Elementary Schools	<u>5,764.40</u>	<u>3,160.33</u>	<u>1,737.75</u>	<u>7,186.98</u>
<b>MIDDLE SCHOOLS:</b>				
Voorhees Middle School	<u>36,576.64</u>	<u>101,603.36</u>	<u>101,768.66</u>	<u>36,411.34</u>
Total All Schools	<u>\$ 42,341.04</u>	<u>\$ 104,763.69</u>	<u>\$ 103,506.41</u>	<u>\$ 43,598.32</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2014

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	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 28,740.49	\$ 32,277,603.49	\$ 32,274,696.22	\$ 31,647.76
Total Assets	<u>\$ 28,740.49</u>	<u>\$ 32,277,603.49</u>	<u>\$ 32,274,696.22</u>	<u>\$ 31,647.76</u>
<b>LIABILITIES:</b>				
Net Payroll, Payroll Deductions and Withholdings	\$ 11,080.25	\$ 32,265,537.30	\$ 32,262,779.46	\$ 13,838.09
Intrafund Accounts Payable	11,455.14	11,877.58	11,455.14	11,877.58
Interfund Accounts Payable: Due to General Fund	<u>6,205.10</u>	<u>188.61</u>	<u>461.62</u>	<u>5,932.09</u>
Total Liabilities	<u>\$ 28,740.49</u>	<u>\$ 32,277,603.49</u>	<u>\$ 32,274,696.22</u>	<u>\$ 31,647.76</u>

LONG-TERM DEBT

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

	Date of Issue	Amount of Issue	Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2013	Retired	Balance June 30, 2014
School Bonds, Series 2008	3-1-2008	\$ 10,199,000.00	3-1-2015	\$ 800,000.00	4.30%			
			3-1-2016/18	850,000.00	4.30%			
			3-1-2019/21	900,000.00	4.30%			
			3-1-2022	950,000.00	4.30%			
			3-1-2023	949,000.00	4.30%	\$ 8,699,000.00	\$ 750,000.00	\$ 7,949,000.00
Refunding Bonds, Series 2010	8-5-2010	4,835,000.00	3-1-2015	975,000.00	3.00%	2,975,000.00	940,000.00	2,035,000.00
			3-1-2016	1,060,000.00	4.00%			
						<u>\$ 11,674,000.00</u>	<u>\$ 1,690,000.00</u>	<u>\$ 9,984,000.00</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 DEBT SERVICE FUND  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 789,614.00		\$ 789,614.00	\$ 789,614.00	
Debt Service Aid Type II	372,073.00		372,073.00	372,073.00	
Total Revenues	1,161,687.00	-	1,161,687.00	1,161,687.00	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	471,005.00		471,005.00	471,005.00	
Redemption of Principal	1,690,000.00		1,690,000.00	1,690,000.00	
Total Regular Debt Service	2,161,005.00	-	2,161,005.00	2,161,005.00	-
Total Expenditures	2,161,005.00	-	2,161,005.00	2,161,005.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(999,318.00)	-	(999,318.00)	(999,318.00)	-
Other Financing Sources (Uses):					
Operating Transfers In:					
Transfers from Capital Reserve				1,500,000.00	\$ 1,500,000.00
Transfers from Capital Projects Fund:				2,000.94	2,000.94
Interest Earned on Deposits					
Total Other Financing Sources (Uses)	-	-	-	1,502,000.94	1,502,000.94
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(999,318.00)	-	(999,318.00)	502,682.94	1,502,000.94
Fund Balance, July 1	1,002,214.75	-	1,002,214.75	1,002,214.75	-
Fund Balance, June 30	\$ 2,896.75	\$ -	\$ 2,896.75	\$ 1,504,897.69	\$ 1,502,000.94
Restricted for:					
Debt Service				\$ 2,000.69	
Debt Service--Designated for Subsequent Year's Expenditures				1,502,897.00	
				\$ 1,504,897.69	

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 VOORHEES SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 21,876,771	\$ 20,340,144	\$ 17,176,043	\$ 14,410,879	\$ 12,699,817	\$ 11,409,348	\$ 11,172,709	\$ 20,797,966	\$ 19,772,987	\$ 19,033,625
Restricted	12,815,420	9,976,843	11,572,242	11,501,270	13,599,445	16,627,058	16,333,443	5,457,140	4,891,489	4,261,812
Unrestricted	138,441	1,043,127	1,028,065	919,477	26,074	42,393	(100,663)	30,221	644,300	1,078,156
<b>Total Governmental Activities Net Position</b>	<b>\$ 34,830,632</b>	<b>\$ 31,360,114</b>	<b>\$ 29,776,349</b>	<b>\$ 26,831,626</b>	<b>\$ 26,325,337</b>	<b>\$ 28,078,799</b>	<b>\$ 27,405,489</b>	<b>\$ 26,285,327</b>	<b>\$ 25,308,776</b>	<b>\$ 24,373,593</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 81,027	\$ 113,227	\$ 139,417	\$ 145,264	\$ 175,204	\$ 159,284	\$ 140,792	\$ 161,718	\$ 134,579	\$ 142,280
Unrestricted	2,933,939	2,950,594	2,753,901	2,543,963	2,368,605	2,242,992	2,141,992	1,681,655	1,036,499	538,312
<b>Total Business-type Activities Net Position</b>	<b>\$ 3,014,966</b>	<b>\$ 3,063,821</b>	<b>\$ 2,893,318</b>	<b>\$ 2,689,227</b>	<b>\$ 2,543,809</b>	<b>\$ 2,402,276</b>	<b>\$ 2,282,784</b>	<b>\$ 1,843,373</b>	<b>\$ 1,171,078</b>	<b>\$ 680,592</b>
<b>District-wide:</b>										
Net Investment in Capital Assets	\$ 21,957,798	\$ 20,453,371	\$ 17,315,460	\$ 14,556,143	\$ 12,875,021	\$ 11,568,632	\$ 11,313,501	\$ 20,959,684	\$ 19,907,566	\$ 19,175,905
Restricted	12,815,420	9,976,843	11,572,242	11,501,270	13,599,445	16,627,058	16,333,443	5,457,140	4,891,489	4,261,812
Unrestricted	3,072,380	3,993,721	3,781,966	3,463,440	2,394,679	2,285,386	2,041,329	1,711,876	1,680,799	1,616,468
<b>Total District-wide Net Position</b>	<b>\$ 37,845,598</b>	<b>\$ 34,423,934</b>	<b>\$ 32,669,668</b>	<b>\$ 29,520,853</b>	<b>\$ 28,869,146</b>	<b>\$ 30,481,075</b>	<b>\$ 29,688,273</b>	<b>\$ 28,128,700</b>	<b>\$ 26,479,854</b>	<b>\$ 25,054,185</b>

Source: CAFR Exhibit A-1

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 16,532,479	\$ 16,894,014	\$ 16,920,056	\$ 17,504,319	\$ 18,669,287	\$ 17,427,245	\$ 16,992,131	\$ 16,354,016	\$ 15,758,250	\$ 15,325,479
Special Education	5,541,692	5,354,575	5,097,249	5,074,718	5,212,567	4,712,335	4,183,577	4,063,743	4,047,070	3,967,051
Other Special Education	844,578	809,981	811,011	1,025,850	948,217	881,892	820,009	795,135	777,086	747,404
Other Instruction	265,536	270,205	266,403	263,827	255,689	247,823	230,755	217,782	216,152	204,505
Community Service Programs	30,654	30,638	30,638	30,638	32,135	34,665	34,665	34,665	34,665	34,665
Support Services:										
Tuition	1,085,257	1,031,607	1,228,232	1,036,796	604,141	1,225,253	1,378,656	1,317,204	1,141,886	1,244,245
Student and Instruction Related Services	4,550,889	4,530,977	4,523,609	4,870,268	4,848,848	4,722,352	4,675,528	4,584,611	4,327,898	4,080,313
School Administrative Services	1,390,600	1,404,185	1,424,243	1,461,720	1,460,670	1,419,384	1,400,469	1,320,261	1,289,088	1,338,798
General and Business Administrative Services	2,107,614	1,823,079	1,754,383	1,916,792	2,038,120	1,841,313	1,817,410	1,897,875	1,835,154	1,819,198
Plant Operations and Maintenance	4,857,424	4,663,691	3,798,540	4,023,459	3,991,629	4,477,490	3,877,520	3,767,327	3,572,478	3,350,242
Pupil Transportation	2,176,996	2,081,621	2,064,459	1,963,077	2,066,744	2,140,469	2,083,680	1,981,322	1,868,802	1,915,069
Unallocated Benefits	11,746,859	12,892,085	11,385,516	10,741,048	11,045,503	10,220,092	11,291,171	11,004,783	8,296,968	7,583,625
Interest on Long-term Debt	474,649	488,683	674,487	491,185	607,714	757,967	474,837	438,522	484,022	570,124
Amortization of Bond Issuance Costs			27,023	31,886	18,180	24,394	16,543	12,617	12,617	13,336
Other Administrative Services	19,724	181,524	23,695	27,381	29,783	29,783	30,661	30,662	30,169	24,491
Unallocated Depreciation		20,216								
Total Governmental Activities Expenses	51,624,949	52,477,080	50,029,545	50,462,964	51,829,229	50,162,456	49,307,612	47,820,525	43,692,305	42,218,544
Business-type Activities:										
Food Service	985,757	1,000,986	977,945	915,454	1,006,730	922,694	945,342	805,866	787,930	819,310
Community Education and Recreation	1,499,786	1,224,445	1,179,293	1,077,907	1,066,388	1,094,739	939,382	868,807	798,816	722,568
Total Business-type Activities Expense	2,485,542	2,225,432	2,157,238	1,993,361	2,073,118	2,017,432	1,884,724	1,674,673	1,586,746	1,541,878
Total District Expenses	\$ 54,110,491	\$ 54,702,511	\$ 52,186,782	\$ 52,456,325	\$ 53,902,347	\$ 52,179,888	\$ 51,192,336	\$ 49,495,198	\$ 45,279,051	\$ 43,760,422
<b>Program Revenues:</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 5,655,361	\$ 6,525,162	\$ 5,423,378	\$ 4,669,421	\$ 5,761,178	\$ 4,487,504	\$ 5,151,213	\$ 4,959,584	\$ 3,462,085	\$ 3,113,461
Capital Grants and Contributions							184,886		13,737	6,679
Total Governmental Activities Program Revenues	5,655,361	6,525,162	5,423,378	4,669,421	5,761,178	4,487,504	5,336,099	4,959,584	3,475,822	3,120,140
Business-type activities:										
Charges for services										
Food service	648,193	655,551	716,419	732,420	795,895	787,112	768,320	688,512	626,281	593,460
Community Education and Recreation	1,516,742	1,481,582	1,387,525	1,162,483	1,151,141	1,118,897	1,192,202	1,213,005	1,095,324	1,062,898
Capital Grants and Contributions									5,000	
Operating Grants and Contributions	269,339	256,541	249,689	236,516	259,128	209,584	206,808	164,942	167,843	167,452
Total Business-type Activities Program Revenues	2,434,275	2,393,673	2,353,633	2,131,419	2,206,164	2,115,593	2,167,330	2,066,460	1,894,448	1,823,810
Total District Program Revenues	\$ 8,089,636	\$ 8,918,835	\$ 7,777,011	\$ 6,800,841	\$ 7,967,342	\$ 6,603,097	\$ 7,503,429	\$ 7,026,044	\$ 5,370,270	\$ 4,943,950

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (45,969,588)	\$ (45,951,918)	\$ (44,606,166)	\$ (45,793,543)	\$ (46,068,051)	\$ (45,674,952)	\$ (43,971,513)	\$ (42,860,941)	\$ (40,216,483)	\$ (39,098,405)
Business-type Activities	(51,268)	168,241	196,395	138,059	133,046	98,161	282,606	391,787	307,702	281,932
Total District-wide Net Expense	\$ (46,020,855)	\$ (45,783,677)	\$ (44,409,772)	\$ (45,655,484)	\$ (45,935,005)	\$ (45,576,791)	\$ (43,688,907)	\$ (42,469,154)	\$ (39,908,781)	\$ (38,816,473)
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 42,180,361	\$ 41,353,295	\$ 40,542,446	\$ 39,747,496	\$ 37,304,872	\$ 37,636,920	\$ 36,652,389	\$ 35,490,300	\$ 33,010,848	\$ 31,670,548
Taxes Levied for Debt Service	789,614	57,333	1,189,617	1,355,271	1,617,027	1,426,395	1,374,254	1,328,433	1,268,534	2,073,577
Unrestricted Grants and Contributions	6,029,282	5,989,632	5,639,642	4,849,673	5,193,609	6,699,932	6,653,586	6,494,334	6,561,930	6,616,433
Investment Earnings	15,692	15,380	54,052	65,993	140,064	469,625	488,312	556,567	421,984	223,373
Other Income	423,257	126,568	123,518	281,399	60,414	115,389	12,428	7,747	36,524	15,048
Grants Receivable Canceled								(36,826)		
Donation/(Disposal) of Assets	1900	(6,525)	3,040.00		(1,397.00)		2,817	213,680	(148,155)	(143,021)
Transfers			(1,425.00)				(92,111)	(214,744)		
Total Governmental Activities	49,440,106	47,535,682	47,550,890	46,299,832	44,314,589	46,348,262	45,091,675	43,837,491	41,151,665	40,455,958
Business-type Activities:										
Investment Earnings	2,413	2,261	7,697	7,359	8,487	21,331	64,694	65,764	34,629	8,000
Transfers							92,111	214,744	148,155	143,021
Total Business-type Activities	2,413	2,261	7,697	7,359	8,487	21,331	156,805	280,508	182,784	151,020
Total District-wide	\$ 49,442,519	\$ 47,537,943	\$ 47,558,586	\$ 46,307,191	\$ 44,323,076	\$ 46,369,592	\$ 45,248,480	\$ 44,117,999	\$ 41,334,449	\$ 40,606,978
<b>Change in Net Position:</b>										
Governmental Activities	\$ 3,470,519	\$ 1,583,764	\$ 2,944,723	\$ 506,289	\$ (1,753,462)	\$ 673,310	\$ 1,120,162	\$ 976,551	\$ 935,182	\$ 1,357,554
Business-type Activities	(48,855)	170,502	204,091	145,418	141,533	119,492	439,411	672,295	490,486	432,952
Total District	\$ 3,421,664	\$ 1,754,266	\$ 3,148,815	\$ 651,707	\$ (1,611,929)	\$ 792,802	\$ 1,559,573	\$ 1,648,846	\$ 1,425,668	\$ 1,790,505

Source: CAFR Exhibit A-2

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010	2009	2008	2007	2006	2005
<b>General Fund:</b>										
Reserved	\$ 9,272,169	\$ 6,979,318	\$ 5,961,351	3,573,541	\$ 4,375,540	\$ 6,725,674	\$ 6,093,250	\$ 5,375,637	\$ 4,460,088	\$ 3,067,620
Unreserved		184,125	315,220	913,841	1,408,859	1,525,838	1,082,760	1,092,614	1,180,129	1,808,086
Restricted		1,152,076	1,040,717	1,203,108						
Assigned										
Unassigned										
<b>Total General Fund</b>	<b>\$ 10,400,639</b>	<b>\$ 8,315,519</b>	<b>\$ 7,317,287</b>	<b>\$ 5,690,491</b>	<b>\$ 5,784,399</b>	<b>\$ 8,251,512</b>	<b>\$ 7,176,010</b>	<b>\$ 6,468,251</b>	<b>\$ 5,640,216</b>	<b>\$ 4,875,706</b>
<b>All Other Governmental Funds:</b>										
Reserved					\$ 1,394,561	\$ 704,850	70,555		\$ 217,607	\$ 691,935
Unreserved, Reported in:										
Special Revenue Fund										
Capital Projects Fund					7,260,191	8,991,493	9,939,671	11,181	122,802	405,879
Debt Service Fund					523,926	309,653	\$ 103,224	11,181	7,642	
Permanent Fund						1,397	1,929	2,397	2,807	3,219
Restricted, Reported in:										
Capital Projects Fund	\$ 2,175,955	\$ 3,152,380	\$ 4,849,614	7,215,339						
Debt Service Fund	1,504,898	1,002,215	1,715,975	565,910						
<b>Total All Other Governmental Funds</b>	<b>\$ 3,680,853</b>	<b>\$ 4,154,594</b>	<b>\$ 6,565,588</b>	<b>\$ 7,781,249</b>	<b>\$ 9,178,678</b>	<b>\$ 10,007,394</b>	<b>\$ 10,115,379</b>	<b>\$ 13,578</b>	<b>\$ 350,859</b>	<b>\$ 1,101,033</b>

(1) GASB Statement No. 54 was effective for the fiscal year ending June 30, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. See the Notes to Financial Statements.

Source: CAFR Exhibit B-1

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>										
Tax Levy	\$ 42,969,975	\$ 41,410,628	\$ 41,732,063	\$ 41,102,767	\$ 38,921,899	\$ 39,063,315	\$ 38,026,643	\$ 36,818,733	\$ 34,279,382	\$ 33,744,125
Other Local Revenue	438,950	141,948	177,570	347,392	200,479	585,015	500,741	564,313	458,507	230,000
State Sources	10,578,185	11,337,838	9,646,101	8,425,983	8,258,058	10,030,090	10,669,503	10,291,733	8,849,942	8,607,431
Federal Sources	1,106,458	1,176,956	1,416,919	1,093,111	2,696,728	1,157,347	1,135,296	1,162,185	1,187,811	1,129,142
<b>Total Revenue</b>	<b>55,093,568</b>	<b>54,067,369</b>	<b>52,972,653</b>	<b>50,969,253</b>	<b>50,077,164</b>	<b>50,835,766</b>	<b>50,332,183</b>	<b>48,836,965</b>	<b>44,775,642</b>	<b>43,710,697</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	15,739,783	16,090,953	16,097,551	16,632,557	17,795,651	16,554,649	16,116,321	15,665,557	15,102,107	14,704,632
Special Education Instruction	5,541,692	5,354,575	5,097,249	5,074,718	5,212,567	4,712,335	4,183,577	4,063,743	4,047,070	3,967,051
Other Special Instruction	844,578	809,981	811,011	1,025,850	948,217	881,892	820,009	795,135	777,086	747,404
Other Instruction	265,536	270,205	266,403	263,827	255,689	247,823	230,755	217,782	216,152	204,505
Community Services										
Support Services:										
Tuition	1,085,257	1,031,607	1,228,232	1,036,796	604,141	1,225,253	1,378,656	1,317,204	1,141,886	1,244,245
Student and Instruction Related Services	4,502,145	4,478,972	4,467,469	4,804,451	4,779,311	4,644,822	4,588,700	4,489,168	4,190,412	3,945,804
School Administrative Services	1,350,190	1,362,198	1,382,425	1,419,425	1,417,007	1,375,721	1,350,776	1,270,568	1,238,922	1,289,629
Other Administrative Services	1,837,270	1,681,454	1,639,012	1,783,174	2,013,336	1,846,487	1,732,344	1,656,488	1,817,703	1,721,331
Plant Operations and Maintenance	4,575,781	4,386,600	3,651,700	3,979,762	3,874,462	4,255,495	3,786,400	3,866,992	3,358,993	3,367,652
Pupil Transportation	2,176,996	2,081,621	2,064,459	1,963,077	2,066,744	2,140,469	2,083,680	1,981,322	1,868,802	1,915,069
Unallocated Benefits	12,036,041	12,875,523	11,300,972	10,918,745	10,766,583	10,114,742	11,188,674	10,446,670	8,583,841	7,525,308
Debt Service:										
Principal	1,690,000	1,605,000	1,475,000	1,460,000	1,300,000	1,100,000	1,000,000	900,000	800,000	1,575,000
Interest and Other Charges	471,005	517,105	588,605	552,233	1,170,744	365,134	417,634	465,934	510,034	606,909
Capital Outlay	1,365,917	2,927,813	2,520,004	1,545,975	1,345,298	403,040	751,987	956,078	960,143	749,126
<b>Total Expenditures</b>	<b>53,482,188</b>	<b>55,473,606</b>	<b>52,560,092</b>	<b>52,460,591</b>	<b>53,549,750</b>	<b>49,868,250</b>	<b>49,629,512</b>	<b>48,092,640</b>	<b>44,613,150</b>	<b>43,563,663</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,611,379	(1,406,237)	412,561	(1,491,338)	(3,472,586)	967,517	702,671	744,324	162,492	147,035
<b>Other Financing Sources (Uses):</b>										
EDA Grant Receivable Canceled								(38,826)		
Sale of Bonds						178,155	10,199,000			
Lease Purchase Agreement										
Accounts Receivable/Payable Canceled		(6,525)	(1,425)		(1,397)		(92,112)	(214,744)	(148,155)	(143,021)
Transfers										
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(6,525)</b>	<b>(1,425)</b>	<b>-</b>	<b>176,758</b>	<b>-</b>	<b>10,106,889</b>	<b>(253,570)</b>	<b>(148,155)</b>	<b>(143,021)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,611,379</b>	<b>\$ (1,412,762)</b>	<b>\$ 411,136</b>	<b>\$ (1,491,338)</b>	<b>\$ (3,295,829)</b>	<b>\$ 967,517</b>	<b>\$ 10,809,560</b>	<b>\$ 490,754</b>	<b>\$ 14,337</b>	<b>\$ 4,014</b>
Debt Service as a Percentage of Noncapital Expenditures	4.1%	4.0%	4.1%	4.0%	4.7%	3.0%	2.9%	2.9%	3.0%	5.1%

Source: CAFR Exhibit B-2

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Various Refunds	\$ 98,421.49	\$ 74,279.64	\$ 21,437.59	\$ 151,163.52	\$ 13,809.10	\$ 35,840.91	\$ 2,383.78	\$ 2,311.54	\$ 35,945.24	\$ 3,339.45
Refund of Prior Year Expenditures--SDA Grants	36,899.39			36,866.00						
Photocopy Fees (OPRA)	27,409.50	20,764.99	6,266.04						8.33	177.00
Energy Incentives					200.00		25.00	450.00		
Sale of Assets/Textbooks	5,423.00	10,450.46					677.37	2,684.41		1,848.31
Outstanding Checks Canceled	251,639.36	20,391.36	95,605.20	71,690.20	46,244.62	79,215.12	9,027.14	70.47		491.64
Excess Payroll	-3,127.82	385.91	9.89	407.14			32.68	1,802.27	3.12	204.95
Tuition	336.56	295.31	199.00	169.68	161.35	333.48	283.58	427.40	566.90	585.32
Other				21,102.57						
Administrative Fees				37,560.16	80,001.33	258,413.54	388,544.98	552,888.72	411,966.01	205,858.67
Emergency Snow Removal--FEIMA										
Interest Earned on Deposits	13,691.53	12,482.96	38,077.64							
Total Miscellaneous Revenues	\$ 436,948.65	\$ 139,050.63	\$ 161,595.36	\$ 318,959.27	\$ 140,416.40	\$ 373,803.05	\$ 400,974.53	\$ 560,634.81	\$ 448,489.60	\$ 212,485.34

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 VOORHEES SCHOOL DISTRICT**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (2)	Net Valuation Taxable	Taxable Value of Partial Exemptions and Abatements	Real Property Exempt from Taxation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (3)
2014	\$ 51,420,200.00	\$ 2,205,483,150.00	\$ 1,240,229.00	\$ 677,239,900.00	\$ 24,991,600.00	\$ 217,891,200.00	\$ 3,176,266,279.00	\$ 7,339,102.00	\$ 3,186,605,381.00	\$ 589,700.00	\$ 408,962,200.00	\$ 3,653,380,236.00	\$ 1.354
2013	52,862,301.00	2,203,083,800.00	1,242,200.00	669,764,600.00	24,578,800.00	217,891,200.00	3,169,422,901.00	6,095,002.00	3,176,517,903.00	836,600.00	410,817,900.00	3,420,317,668.00	1.329
2012	55,063,136.00	2,867,757,290.00	2,412,900.00	720,330,302.00	30,438,700.00	163,947,300.00	3,839,949,628.00	5,880,232.00	3,846,829,860.00	1,343,200.00	442,421,200.00	3,616,212,714.00	1.081
2011	56,917,536.00	2,894,373,390.00	2,412,900.00	727,482,802.00	31,074,300.00	153,757,100.00	3,866,018,028.00	6,050,077.00	3,872,068,105.00	1,254,900.00	335,937,800.00	3,817,563,464.00	1.070
2010	59,871,936.00	2,914,742,490.00	2,415,100.00	717,368,302.00	31,293,100.00	139,233,700.00	3,864,924,628.00	8,018,045.00	3,872,942,673.00	1,713,200.00	334,434,100.00	3,880,300,009.00	1.034
2009	73,054,253.00	2,928,432,441.00	2,415,100.00	721,567,602.00	31,295,800.00	132,232,400.00	3,888,987,596.00	6,250,830.00	3,896,248,426.00	1,727,000.00	329,891,000.00	3,957,681,023.00	1.002
2008	100,388,023.00	2,920,933,820.00	2,415,100.00	683,226,500.00	38,674,400.00	128,030,300.00	3,873,678,143.00	5,680,427.00	3,879,358,570.00	1,834,600.00	320,351,600.00	3,969,739,108.00	0.994
2007	104,031,558.00	2,892,611,720.00	2,416,600.00	676,297,900.00	38,674,400.00	129,149,500.00	3,843,181,678.00	5,625,621.00	3,848,807,299.00	2,026,600.00	290,311,300.00	3,938,476,294.00	0.913
2006 (1)	127,730,000.00	2,891,048,600.00	2,416,700.00	696,341,500.00	38,682,300.00	117,026,700.00	3,872,245,800.00	5,671,089.00	3,877,916,889.00	2,271,500.00	290,595,400.00	3,616,320,046.00	0.913
2005	31,870,330.00	1,104,972,088.00	919,876.00	362,995,600.00	16,400,100.00	71,309,900.00	1,588,467,894.00	3,429,718.00	1,591,897,612.00	1,189,750.00	161,360,929.00	3,079,471,341.00	2.177

(1) Revaluation

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

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

Source: Camden County Board of Taxation

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)  
*Unaudited*

Year Ended Dec. 31	District Direct Rate			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Regional High School District	Township of Voorhees	Township of Voorhees Fire District	Camden County		
2014	\$ 1.336	\$ 0.017	\$ 1.354	\$ 0.609	\$ 0.607	\$ 0.178	\$ 0.953	\$ 3.701	
2013	1.315	0.013	1.329	0.613	0.587	0.169	0.886	3.584	
2012	1.065	0.016	1.081	0.484	0.466	0.137	0.723	2.891	
2011	1.037	0.033	1.070	0.484	0.441	0.125	0.713	2.833	
2010	0.996	0.038	1.034	0.466	0.441	0.125	0.654	2.720	
2009	0.963	0.039	1.002	0.433	0.412	0.124	0.631	2.602	
2008	0.957	0.036	0.994	0.417	0.394	0.124	0.651	2.580	
2007	0.917	0.035	0.952	0.420	0.368	0.118	0.635	2.493	
2006 (1)	0.879	0.033	0.913	0.407	0.331	0.104	0.659	2.414	
2005	2.073	0.105	2.177	0.935	0.748	0.209	1.461	5.530	

(1) Revaluation

Source: Municipal Tax Collector

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago  
*Unaudited*

Taxpayer	2014			2005		
	Taxable Assessed Value (1)	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
AG-Candlebrook LLC's	\$ 67,851,200.00	1	2.13%	\$ 29,635,200.00	2	1.86%
Village Group Limited Partnership	56,411,100.00	2	1.77%	24,652,200.00	3	1.55%
Virtua Health-Division of Property Mgmt	54,542,400.00	3	1.71%			
DCI-GIM VTC Apts. LP c/o Lowe LLC	33,669,400.00	4	1.06%			
Eagle Plaza Associates	25,030,300.00	5	0.79%	11,674,000.00	6	0.73%
QRP Voorhees, LP	23,368,000.00	6	0.73%			
Echelon Title LLC % PREIT	21,758,000.00	7	0.68%	35,141,100.00	1	2.21%
Cooper Holdings, LLC % Deloitte	19,099,000.00	8	0.60%		10	
Del Coop, LLC	16,879,000.00	9	0.53%	9,517,000.00	8	0.60%
SJF CCRC, Inc.	16,694,500.00	10	0.52%			
Brandywine Plaza 1000 LLC				17,614,700.00	4	1.11%
Posel Voorhees, LLC				13,533,600.00	5	0.85%
The May Department Stores Co. (Strawbridge's)				9,975,000.00	7	0.63%
Millstein, H. & Hilda et al (Boscov's)				8,863,700.00	9	0.56%
Arden Echelon Partners, LLC				8,837,400.00	10	0.56%
<b>Total</b>	<b>\$ 335,302,900.00</b>		<b>10.53%</b>	<b>\$ 169,443,900.00</b>		<b>10.64%</b>

(1) Revaluation Completed in 2006

Source: Municipal Tax Assessor

**TOWNSHIP OF VORHEES SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year <u>Ended June 30.</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		Collections in <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	\$ 42,969,975.00	\$ 42,969,975.00	100.00%	-
2013	41,410,628.00	41,410,628.00	100.00%	-
2012	41,732,063.00	41,732,063.00	100.00%	-
2011	41,102,767.00	41,102,767.00	100.00%	-
2010	38,921,899.00	38,921,899.00	100.00%	-
2009	39,063,315.00	39,063,315.00	100.00%	-
2008	38,026,643.00	38,026,643.00	100.00%	-
2007	36,818,733.00	36,818,733.00	100.00%	-
2006	34,279,382.00	34,279,382.00	100.00%	-
2005	33,744,125.00	33,744,125.00	100.00%	-

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

Source: District Records

## Debt Capacity Information

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases			
2014	\$ 9,984,000.00	-	\$ 9,984,000.00	Unavailable	\$ 341.58
2013	11,674,000.00	-	11,674,000.00	0.88%	398.82
2012	13,279,000.00	-	13,279,000.00	1.03%	456.20
2011	14,754,000.00	-	14,754,000.00	1.19%	506.52
2010	16,176,000.00	\$ 73,859.08	16,249,859.08	1.21%	510.25
2009	17,476,000.00	-	17,476,000.00	1.32%	558.27
2008	18,576,000.00	-	18,576,000.00	1.46%	599.94
2007	9,377,000.00	-	9,377,000.00	0.78%	309.34
2006	10,277,000.00	-	10,277,000.00	0.93%	347.57
2005	11,077,000.00	-	11,077,000.00	1.05%	379.23

## Sources:

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

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

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Fiscal Year Ended June 30.	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2014	\$ 9,984,000.00	-	\$ 9,984,000.00	0.31%	\$ 341.58
2013	11,674,000.00	-	11,674,000.00	0.37%	398.82
2012	13,279,000.00	-	13,279,000.00	0.35%	456.20
2011	14,754,000.00	-	14,754,000.00	0.38%	506.52
2010	16,176,000.00	-	16,176,000.00	0.42%	507.93
2009	17,476,000.00	-	17,476,000.00	0.45%	558.27
2008	18,576,000.00	-	18,576,000.00	0.48%	599.94
2007	9,377,000.00	-	9,377,000.00	0.24%	309.34
2006	10,277,000.00	-	10,277,000.00	0.27%	347.57
2005	11,077,000.00	-	11,077,000.00	0.70%	379.23

**Sources:**

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

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Voorhees Township</u>	<u>County Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Voorhees Township School District	\$ 11,674,000.00	\$ 11,674,000.00			
Eastern Regional High School District	3,441,448.54	3,441,448.54			
Voorhees Township	<u>33,381,024.09</u>	<u>10,829,498.46</u>	<u>\$ 22,551,525.63</u>	<u>\$ 22,551,525.63</u>	
	<u>48,496,472.63</u>	<u>25,944,947.00</u>	<u>22,551,525.63</u>	<u>22,551,525.63</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	42,085,352.00		28,310,764.00	2,584,772.75 (6)	\$ 3,909,000.00
Loan Agreement	191,780,000.00	13,774,588.00 (4)	191,780,000.00	17,509,514.00 (6)	
Bonds Issued by Other Public Bodies Guaranteed by the County	689,242,784.00				
Voorhees Township Fire District (3)	<u>4,475,000.00</u>	689,242,784.00 (5)	<u>4,475,000.00</u>	<u>4,475,000.00</u>	
	<u>927,583,136.00</u>	<u>703,017,372.00</u>	<u>224,565,764.00</u>	<u>24,569,286.75</u>	<u>3,909,000.00</u>
	<u>\$ 976,079,608.63</u>	<u>\$ 728,962,319.00</u>	<u>\$ 247,117,289.63</u>	<u>\$ 47,120,812.38</u>	<u>\$ 3,909,000.00</u>

Sources:

- (1) 2013 Annual Debt Statement
- (2) County's 2013 Audit Report
- (3) Entity's Audit Report
- (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (5) Deductible in accordance with N.J.S. 40:37A-80.
- (6) Such debt is allocated as a proportion of the Township's share of the total 2013 Net Valuation on which County taxes are apportioned, which is 9.13%.  
 The source for this computation was the 2013 Camden County Abstract of Ratables.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized Valuation Basis (1)				
2013	\$ 3,857,153,342				
2012	3,690,839,704				
2011	3,634,842,072				
	<u>\$ 11,182,835,118</u>				
	Average equalized valuation of taxable property	<u>\$ 3,727,611,706</u>			
	Debt limit (3% of average equalization value) (2)	\$ 111,828,351			
	Total Net Debt Applicable to Limit	<u>9,984,000</u>			
	Legal Debt Margin	<u>\$ 101,844,351</u>			

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limit	\$ 111,828,351.18	\$ 111,361,171.78	\$ 113,416,782.31	\$ 116,427,009.66	\$ 117,651,162.36	\$ 113,793,644.37	\$ 105,195,412.53	\$ 93,549,791.67	\$ 83,970,294.69	\$ 75,802,499.57
Total net debt applicable to limit (3)	9,984,000.00	11,674,000.00	13,279,000.00	14,754,000.00	16,176,000.00	17,476,000.00	18,576,000.00	9,377,000.00	10,277,000.00	11,077,000.00
Legal debt margin	<u>\$ 101,844,351.18</u>	<u>\$ 99,687,171.78</u>	<u>\$ 100,137,782.31</u>	<u>\$ 101,673,009.66</u>	<u>\$ 101,475,162.36</u>	<u>\$ 96,317,644.37</u>	<u>\$ 86,619,412.53</u>	<u>\$ 84,172,791.67</u>	<u>\$ 73,693,294.69</u>	<u>\$ 64,725,499.57</u>
Total net debt applicable to the limit as a percentage of debt limit	8.93%	10.48%	11.71%	12.67%	13.75%	15.36%	17.66%	10.02%	12.24%	14.61%

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 District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
*Unaudited*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	County of Camden <u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2013	29,229	Unavailable	Unavailable	6.0%
2012	29,271	\$ 1,333,001,340.00	\$ 45,540.00	7.4%
2011	29,108	1,291,201,772.00	44,359.00	7.0%
2010	29,128	1,236,687,496.00	42,457.00	6.4%
2009	31,847	1,345,280,974.00	42,242.00	6.5%
2008	31,304	1,322,907,040.00	42,260.00	3.8%
2007	30,963	1,269,359,148.00	40,996.00	2.9%
2006	30,313	1,199,212,593.00	39,561.00	3.2%
2005	29,568	1,103,300,352.00	37,314.00	2.8%
2004	29,209	1,050,268,013.00	35,957.00	2.2%

## Sources:

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Principal Non-Governmental Employers  
 Current Year and Nine Years Ago  
*Unaudited*

<u>Employer</u>	2014			2005 (1)		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Echelon Mall	1,450	1	8.97%			
Virtua New Jersey Health System	1,200	2	7.43%			
Macy's	450	3	2.78%			
Cigna Corp.	445	4	2.75%			
Boscov's	300	5	1.86%			
Lakewood of Voorhees	290	6	1.79%			
Comcast Corp.	265	7	1.64%			
Genesis Eldercare/Kresson View Center	225	8	1.39%			
AFL-Web Inc.	200	9	1.24%			
NJ-American Water	180	10	1.11%			
Towers Perrin						
Strawbridges						
Alliance Data Systems						
	<u>5,005</u>		<u>30.98%</u>	<u>-</u>		

(1) Information not available

Source: Individual Employers

## Operating Information

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

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

Function/Program	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:										
Regular	183.3	183.3	181.0	182.1	203.1	207.1	204.1	203.1	207.3	207.0
Special Education	107.7	113.5	117.7	117.4	114.0	104.0	107.5	112.0	111.9	113.9
Support Services:										
Student & Instruction Related Services	45.2	45.4	47.9	48.9	49.2	48.9	48.9	49.9	48.7	48.7
General Administrative Services	2	2.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0
School Administrative Services	19	19.0	19.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Business Administrative Services	7.2	7.5	7.5	7.5	8.5	8.5	8.5	8.5	9.0	9.0
Plant Operations and Maintenance	29	28.5	28.0	29.5	30.0	29.5	28.0	30.0	27.5	29.0
Pupil Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>394.4</b>	<b>400.2</b>	<b>404.1</b>	<b>408.4</b>	<b>429.8</b>	<b>423.0</b>	<b>422.0</b>	<b>428.5</b>	<b>429.4</b>	<b>432.6</b>

Source: District Records

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

Operating Statistics  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2014	2,991	\$ 49,955,266.01	\$ 16,701.86	2.78%	287	9.9	9.2	3,011	2,875	-3.15%	95.50%
2013	3,103	50,423,688.24	16,249.98	7.40%	298	11.0	11.2	3,108	2,967	-2.21%	95.50%
2012	3,173	48,006,482.91	15,129.68	0.06%	297	11.4	11.2	3,179	3,058	-0.33%	96.20%
2011	3,234	48,902,382.70	15,121.33	-1.31%	302	11.3	11.4	3,189	3,059	0.02%	96.00%
2010	3,246	49,733,709.02	15,321.54	6.61%	306	11.6	11.7	3,189	3,050	-3.73%	95.70%
2009	3,340	48,000,075.39	14,371.28	1.50%	314	11.6	11.9	3,312	3,185	-0.72%	96.17%
2008	3,352	47,459,891.66	14,158.68	5.52%	315	12.1	12.0	3,336	3,204	-1.67%	96.04%
2007	3,411	45,770,628.27	13,418.54	8.25%	311	12.4	12.1	3,393	3,259	-1.10%	96.10%
2006	3,416	42,342,973.52	12,395.48	5.61%	315	12.4	12.1	3,430	3,285	-0.54%	96.10%
2005	3,462	40,632,627.77	11,736.75	15.77%	311	14.0	15.0	3,449	3,308	-1.03%	95.91%

Sources: District Records

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>District Buildings:</b>										
<b>Elementary Schools:</b>										
Hamilton School (1969)										
Square Feet	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347
Capacity (students)	550	550	550	550	550	550	550	550	550	511
Enrollment	413	453	486	487	504	512	541	546	571	551
Kresson School (1981)										
Square Feet	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115
Capacity (students)	539	539	539	539	539	539	539	539	539	511
Enrollment	342	339	359	390	393	438	433	464	470	472
Osage School (1957)										
Square Feet	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	658	649	647	610	596	614	606	619	631	636
Signal Hill (1988)										
Square Feet	82,283	81,283	81,283	81,283	81,283	81,283	81,283	81,283	81,283	81,283
Capacity (students)	615	615	615	615	615	615	615	615	615	527
Enrollment	477	482	467	527	560	575	550	555	552	557
<b>Middle School:</b>										
Voorhees Middle School (1972)										
Square Feet	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270
Capacity (students)	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259
Enrollment	1,101	1,157	1,146	1,165	1,151	1,170	1,191	1,202	1,184	1,219
<b>Other:</b>										
Administration Building (1957)										
Square Feet	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854

Number of Schools at June 30, 2014  
 Elementary = 4  
 Middle School = 1  
 Other = 1

Source: District Records

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

School Facilities	Project Number	Fiscal Year Ended June 30,									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Kresson Elementary School	SP 5400-055-02-0129	\$ 139,241.00	\$ 139,454.00	\$ 128,943.17	\$ 109,166.82	\$ 122,037.20	\$ 133,653.87	\$ 114,891.02	\$ 99,667.09	\$ 95,200.26	\$ 82,383.00
E.T. Hamilton Elementary School	SP 5400-020-02-0130	151,307.09	116,898.58	115,972.08	91,113.65	117,613.13	151,742.69	126,574.57	133,648.43	162,237.09	133,524.00
Signal Hill Elementary School	SP 5400-095-02-0131	244,481.21	195,230.43	170,501.73	103,453.25	183,314.46	280,046.57	185,202.01	187,593.10	100,434.43	131,151.00
Voorhees Middle School	SP 5400-100-02-0132	629,410.92	385,786.99	425,690.70	346,308.97	344,208.48	501,197.50	407,527.74	366,671.34	370,459.39	324,130.00
Osage Elementary School	SP 5400-090-02-0133	230,126.94	112,054.69	147,728.47	139,022.20	216,726.90	192,021.58	152,816.46	277,944.60	126,857.85	143,867.00
<b>Total School Facilities</b>		<u>1,394,567.15</u>	<u>949,424.68</u>	<u>988,836.15</u>	<u>789,064.89</u>	<u>983,900.17</u>	<u>1,258,662.21</u>	<u>987,011.80</u>	<u>1,065,524.56</u>	<u>855,189.02</u>	<u>815,055.00</u>
Other Facilities		22,048.22	15,482.34	13,747.67	8,599.36	11,688.82	12,711.03	17,261.16	14,337.28	11,239.25	13,354.00
<b>Grand Total</b>		<u>\$ 1,416,615.37</u>	<u>\$ 964,907.02</u>	<u>\$ 1,002,583.82</u>	<u>\$ 797,664.25</u>	<u>\$ 995,588.99</u>	<u>\$ 1,271,373.24</u>	<u>\$ 1,004,272.96</u>	<u>\$ 1,079,861.84</u>	<u>\$ 866,428.27</u>	<u>\$ 828,409.00</u>

Source: District Records

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

Insurance Schedule

June 30, 2014

*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property		
Blanket Building & Contents - Per Occurrence	\$ 150,000,000.00	\$ 500.00
Boiler and Machinery		
Property Damage	125,000,000.00	1,000.00
Comprehensive General Liability	15,000,000.00	
Automobile Liability	15,000,000.00	
Workers Compensation	Statutory	
Educators Legal Liability Policy - Per Claim/Aggregate	15,000,000.00	
Crime	500,000.00	500.00
Pollution Legal Liability - Per Claim/Aggregate	3,000,000.00	25,000.00
Cyber Liability	1,000,000.00	25,000.00
Voluntary Student Coverage	500,000.00	
Student Accident	5,000,000.00	

Source: School 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 Voorhees School District  
County of Camden

***Report on Compliance for Each Major Federal and State Program***

We have audited the Township of Voorhees 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 Voorhees School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Township of Voorhees 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 Voorhees 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

*Todd R. Saler*

Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2014

<u>Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Project Number</u>	<u>Award Amount</u>	<u>Grant Period</u>	
				<u>From</u>	<u>To</u>
General Fund:					
U.S. Department of Health and Human Services: Passed-through the State Department of Education: Special Education--Medicaid Initiative	93.778	N/A	\$ 26,475.80	7-1-13	6-30-14
Total General Fund					
Special Revenue Fund:					
U.S. Department of Education: Passed-through State Department of Education: N.C.L.B.:					
Title I	84.010	NCLB540013	259,591.00	9-1-12	8-31-13
Title I	84.010	NCLB540014	226,080.00	7-1-13	6-30-14
Total Title I					
Title II - Part A	84.367	NCLB540013	66,378.00	9-1-12	8-31-13
Title II - Part A	84.367	NCLB540014	66,554.00	7-1-13	6-30-14
Total Title II - Part A					
Title III	84.365	NCLB540013	12,798.00	9-1-12	8-31-13
Title III	84.365	NCLB540014	19,578.00	7-1-13	6-30-14
Title III Immigrant	84.365	NCLB540014	22,711.00	7-1-13	6-30-14
Total Title III & Title III Immigrant					
I.D.E.A. Part B:					
Basic	84.027	IDEA540013	762,049.00	9-1-12	8-31-13
Basic	84.027	IDEA540014	725,448.00	7-1-13	6-30-14
Pre-School	84.173	IDEA540013	36,695.00	9-1-12	8-31-13
Pre-School	84.173	IDEA540014	34,728.00	7-1-13	6-30-14
Total I.D.E.A. Part B Special Education Cluster					
Total Special Revenue Fund					
Enterprise Fund:					
U.S. Department of Agriculture: Passed-through State Department of Education: Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555	Unavailable	57,927.02	7-1-13	6-30-14
National School Lunch Program	10.555	Unavailable	43,957.13	7-1-12	6-30-13
Cash Assistance:					
School Breakfast Program	10.553	Unavailable	2,637.72	7-1-13	6-30-14
National School Lunch Program	10.555	Unavailable	199,081.40	7-1-13	6-30-14
National School Lunch Program	10.555	Unavailable	201,042.88	7-1-12	6-30-13
Total Child Nutrition Cluster					
Total Enterprise Fund:					
Total Federal Financial Assistance					

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
 (B) Realized as Miscellaneous Revenue

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

Balance June 30, 2013	Carry-over Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014		
						Accounts Receivable	Unearned Revenue	Due to Grantor
		\$ 26,475.80		\$ 26,475.80				
-	-	26,475.80	-	26,475.80	-	-	-	-
\$ (76,526.00)		76,526.00 226,080.00		226,080.00				
(76,526.00)	-	302,606.00	-	226,080.00	-	-	-	-
(18,072.00)		18,072.00 66,554.00		66,554.00				
(18,072.00)	-	84,626.00	-	66,554.00	-	-	-	-
(4,722.00)		4,722.00 19,578.00 22,711.00		19,578.00 22,711.00				
(4,722.00)	-	47,011.00	-	42,289.00	-	-	-	-
(323,489.00)	\$ (14,144.00)	337,633.00						
(10,887.00)	14,144.00	590,147.00	\$ (0.45)	710,331.55		\$ (106,041.00)		
		10,887.00 26,496.00		34,728.00		(8,232.00)		
(334,376.00)	-	965,163.00	(0.45)	745,059.55	-	(114,273.00)	-	-
(433,696.00)	-	1,399,406.00	(0.45)	1,079,982.55	-	(114,273.00)	-	-
2,573.48		57,927.02		54,854.24 2,573.48			\$ 3,072.78	
(16,820.66)		2,346.22 177,962.65 16,820.66		2,637.72 199,081.40		(291.50) (21,118.75)		
(14,247.18)	-	255,056.55	-	259,146.84	-	(21,410.25)	3,072.78	-
(14,247.18)	-	255,056.55	-	259,146.84	-	(21,410.25)	3,072.78	-
\$ (447,943.18)	\$ -	\$ 1,680,938.35	\$ (0.45)	\$ 1,365,605.19	\$ -	\$ (135,683.25)	\$ 3,072.78	\$ -

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2014

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2013	
			From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor
General Fund:						
State Department of Education:						
Current Expense:						
State Aid - Public Cluster:						
Equalization Aid	14-495-034-5120-078	\$ 2,916,383.00	7-1-13	6-30-14		
Equalization Aid	13-495-034-5120-078	3,035,976.00	7-1-12	6-30-13	\$ (291,031.00)	
Special Education Categorical Aid	14-495-034-5120-089	1,699,913.00	7-1-13	6-30-14		
Special Education Categorical Aid	13-495-034-5120-089	1,680,959.00	7-1-12	6-30-13	(161,139.00)	
Security Aid	14-495-034-5120-084	236,331.00	7-1-13	6-30-14		
Security Aid	13-495-034-5120-084	232,536.00	7-1-12	6-30-13	(22,291.00)	
Adjustment Aid	14-495-034-5120-085	100,761.00	7-1-13	6-30-14		
Total State Aid - Public Cluster					(474,461.00)	-
Transportation Aid:						
Transportation Aid	14-495-034-5120-014	525,501.00	7-1-13	6-30-14		-
Transportation Aid	13-495-034-5120-014	529,418.00	7-1-12	6-30-13	(50,751.00)	
Nonpublic School Transportation Aid	14-495-034-5120-014	18,931.00	7-1-13	6-30-14		
Nonpublic School Transportation Aid	13-495-034-5120-014	17,400.00	7-1-12	6-30-13	(17,400.00)	
Total Transportation Aid					(68,151.00)	-
Extraordinary Special Education Costs Aid						
Extraordinary Special Education Costs Aid	14-100-034-5120-473	214,130.00	7-1-13	6-30-14		
Extraordinary Special Education Costs Aid	13-100-034-5120-473	230,316.00	7-1-12	6-30-13	(230,316.00)	
Total Extraordinary Special Education Costs Aid					(230,316.00)	-
Reimbursed TPAF Social Security Contributions						
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	1,696,578.80	7-1-13	6-30-14		
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	1,753,392.68	7-1-12	6-30-13	(84,329.65)	
Total Reimbursed TPAF Social Security Contributions					(84,329.65)	-
Total General Fund					(857,257.65)	-
Special Revenue Fund:						
State Department of Education:						
Nonpublic Aid:						
Nursing Services						
Nursing Services	14-100-034-5120-070	17,987.00	7-1-13	6-30-14	-	-
Textbook Aid (Ch. 194, L. 1977)						
Textbook Aid (Ch. 194, L. 1977)	14-100-034-5120-064	12,341.00	7-1-13	6-30-14		
Textbook Aid (Ch. 194, L. 1977)	13-100-034-5120-064	11,889.00	7-1-12	6-30-13		\$ 1,331.00
Total Textbook Aid (Ch. 194, L. 1977)					-	1,331.00
Technology Aid						
Technology Aid	14-100-034-5120-373	4,500.00	7-1-13	6-30-14	-	-
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education						
English as a Second Language	14-100-034-5120-067	94,158.00	7-1-13	6-30-14		
English as a Second Language	13-100-034-5120-067	6,110.00	7-1-13	6-30-14		
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education						
English as a Second Language	13-100-034-5120-067	66,886.00	7-1-12	6-30-13		15,717.00
English as a Second Language		7,673.00	7-1-12	6-30-13		4,604.00
Transportation and Maintenance		7,392.00	7-1-12	6-30-13		5,353.00
Total Auxiliary Services (Ch. 192, L. 1977)					-	25,674.00
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech						
Examination and Classification	14-100-034-5120-066	32,029.00	7-1-13	6-30-14		
Examination and Classification		28,025.00	7-1-13	6-30-14		
Supplementary Instruction		19,428.00	7-1-13	6-30-14		
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech						
Examination and Classification	13-100-034-5120-066	45,544.00	7-1-12	6-30-13		23,202.00
Examination and Classification		27,068.00	7-1-12	6-30-13		6,691.00
Supplementary Instruction		18,040.00	7-1-12	6-30-13		5,135.00
Total Handicapped Services (Ch. 193, L. 1977)					-	35,028.00
State Department of Treasury:						
Passed through Township of Voorhees:						
Municipal Drug Alliance						
Municipal Drug Alliance	2000-475-995120-60	9,240.00	7-1-13	6-30-14		
Total Special Revenue Fund					-	62,033.00
Debt Service Fund:						
State Department of Education:						
State Support						
State Support	14-495-034-5120-075	372,073.00	7-1-13	6-30-14	-	-
Enterprise Fund:						
State School Lunch Aid						
State School Lunch Aid	14-100-010-3350-023	9,580.85	7-1-13	6-30-14		
State School Lunch Aid	13-100-010-3350-023	9,237.43	7-1-12	6-30-13	(764.21)	
Total State School Lunch Aid					(764.21)	-
Total Enterprise Fund					(764.21)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(858,021.86)	62,033.00

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2014	Cumulative Total Expenditures
	\$ 2,636,751.00		\$ 2,916,383.00		\$ (279,632.00)			\$ (279,632.00)	\$ 2,916,383.00
	291,031.00								
	1,536,920.00		1,699,913.00		(162,993.00)			(162,993.00)	1,699,913.00
	161,139.00								
	213,671.00		236,331.00		(22,660.00)			(22,660.00)	236,331.00
	22,291.00								
	91,100.00		100,761.00		(9,661.00)			(9,661.00)	100,761.00
-	4,952,903.00	-	4,953,388.00	-	(474,946.00)	-	-	(474,946.00)	4,953,388.00
	475,114.00		525,501.00		(50,387.00)			(50,387.00)	525,501.00
	50,751.00		18,931.00		(18,931.00)				18,931.00
	17,400.00								
-	543,265.00	-	544,432.00	-	(69,318.00)	-	-	(50,387.00)	544,432.00
	230,316.00		214,130.00		(214,130.00)				214,130.00
-	230,316.00	-	214,130.00	-	(214,130.00)	-	-	-	214,130.00
	1,620,680.18		1,702,965.54		(82,285.36)				1,702,965.54
	88,249.98		3,920.33						3,920.33
-	1,708,930.16	-	1,706,885.87	-	(82,285.36)	-	-	-	1,706,885.87
-	7,435,414.16	-	7,418,835.87	-	(840,679.36)	-	-	(525,333.00)	7,418,835.87
-	17,987.00	-	17,987.00	-	-	-	-	-	17,987.00
	12,341.00	\$ (0.16)	10,978.84	\$ 1,331.00			\$ 1,362.00		10,978.84
-	12,341.00	(0.16)	10,978.84	1,331.00	-	-	1,362.00	-	10,978.84
-	4,500.00	-	4,500.00	-	-	-	-	-	4,500.00
	94,158.00		58,365.00 (B)				35,793.00		58,365.00
	6,110.00		4,976.00 (B)				1,134.00		4,976.00
				15,717.00					
				4,604.00					
				5,353.00					
	100,268.00	-	63,341.00	25,674.00	-	-	36,927.00	-	63,341.00
	32,029.00		19,530.00 (B)				12,499.00		19,530.00
	28,025.00		20,246.00 (B)				7,779.00		20,246.00
	19,428.00		16,374.00 (B)				3,054.00		16,374.00
				23,202.00					
		(1.00)		6,691.00					
				5,134.00					
-	79,482.00	(1.00)	56,150.00	35,027.00	-	-	23,332.00	-	56,150.00
	9,240.00		9,240.00						9,240.00
-	223,818.00	(1.16)	162,196.84	62,032.00	-	-	61,621.00	-	162,196.84
-	372,073.00	-	372,073.00	-	-	-	-	-	372,073.00
	8,090.36		9,580.85		(1,490.49)				9,580.85
	1,375.83		611.62						611.62
-	9,466.19	-	10,192.47	-	(1,490.49)	-	-	-	10,192.47
-	9,466.19	-	10,192.47	-	(1,490.49)	-	-	-	10,192.47
-	8,040,771.35	(1.16)	7,963,298.18	62,032.00	(842,169.85)	-	61,621.00	(525,333.00)	7,963,298.18

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2014

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Award Amount</u>	<u>Grant Period</u>		<u>Balance at June 30, 2013</u>	
			<u>From</u>	<u>To</u>	<u>Deferred Revenue/ Accounts Receivable</u>	<u>Due to Grantor</u>
State Financial Assistance not subject to Calculation for Major Program Determination for State Aingle Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of Treasury:						
On-behalf T.P.A.F. Pension Contributions - Normal Cost	N/A	\$ 994,535.00	7-1-13	6-30-14		
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	N/A	1,630,665.00	7-1-13	6-30-14		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					<u>\$ (858,021.86)</u>	<u>\$ 62,033.00</u>

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

(B) Passed through to Camden County Educational Services Commission

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

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2014	Cumulative Total Expenditures
	\$ 994,535.00		\$ 994,535.00						\$ 994,535.00
	<u>1,630,665.00</u>		<u>1,630,665.00</u>						<u>1,630,665.00</u>
-	2,625,200.00	-	2,625,200.00	-	-	-	-	-	2,625,200.00
<u>\$ -</u>	<u>\$ 10,665,971.35</u>	<u>\$ (1.16)</u>	<u>\$ 10,588,498.18</u>	<u>\$ 62,032.00</u>	<u>\$ (842,169.85)</u>	<u>\$ -</u>	<u>\$ 61,621.00</u>	<u>\$ (525,333.00)</u>	<u>\$ 10,588,498.18</u>

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

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

**Note 2: BASIS OF ACCOUNTING**

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

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is (\$121.00) for the general fund. No adjustment is required to reconcile expenditures from the budgetary basis to the GAAP basis. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 26,475.80	\$ 10,044,035.87	\$ 10,070,511.67
Special Revenue	1,079,982.55	162,196.84	1,242,179.39
Debt Service		372,073.00	372,073.00
Food Service	259,146.84	10,192.47	269,339.31
Total Awards and Financial Assistance	<u>\$ 1,365,605.19</u>	<u>\$ 10,588,498.18</u>	<u>\$ 11,954,103.37</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent differences due to rounding.

**Note 6: OTHER**

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 VOORHEES SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2014

Section 1- Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

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

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

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

	Special Education Cluster (I.D.E.A.):
84.027	I.D.E.A. Part B Basic
84.173	I.D.E.A. Part B Preschool

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

Auditee qualified as low-risk auditee?   X   yes      no

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

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

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
14-495-034-5120-078	State Aid - Public Cluster:
14-495-034-5120-089	Equalization Aid
14-495-034-5120-084	Special Education Categorical Aid
14-495-034-5120-085	Security Aid
14-495-034-5095-002	Adjustment Aid
14-495-034-5120-075	Reimbursed TPAF Social Security Contributions
14-495-034-5120-014	Debt Service Aid
	Transportation Aid

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

Auditee qualified as low-risk auditee? \_\_\_\_\_  X  yes \_\_\_\_\_ no

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

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***Section 2- Schedule of Financial Statement Findings***

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

None.

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

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

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

None.

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

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

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

None.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

