

# **EASTAMPTON SCHOOL DISTRICT**



**Eastampton Township Board of Education  
1 Student Drive  
Eastampton, NJ 08060**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ending June 30, 2015**

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

# EASTAMPTON SCHOOL SCHOOL DISTRICT

1 Student Drive  
Eastampton, NJ 08060

Phone: (609) 267-9172  
*Dr. Robert A. Krastek, Ed.D*  
*Superintendent/Principal 6-8*

Fax: (609) 702-9625  
*Marian F. Smith*  
*Business Administrator/Board Secretary*



December 7, 2015

Honorable President and Members  
Eastampton Township Board of Education  
Burlington County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Eastampton Township School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the operations of the various funds of the School District. All disclosures necessary to enable the reader to gain an understanding of the School 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 School District's organizational chart and a list of principal officials. The financial section includes management's discussion and analysis, the basic financial statements and schedules, as well as the independent auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non Profit Organizations", and the State Treasury Circular 15-08 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. REPORTING ENTITY AND ITS SERVICES:**

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

The School District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The School District completed the 2014-2015 fiscal year with an enrollment of 584 students, which represents 27 students less than the previous end of the year's enrollment. The following illustration details the changes in the student enrollment over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Increase/(Decrease)</u>
2005-06	791	(3.18%)
2006-07	751	(5.05%)
2007-08	743	(1.06%)
2008-09	733	(1.35%)
2009-10	695	(5.18%)
2010-11	668	(3.88%)
2011-12	651	(2.54%)
2012-13	632	(2.92%)
2013-14	611	(3.32%)
2014-15	584	(4.41%)

## **2. ECONOMIC CONDITION AND OUTLOOK:**

### **Geography:**

The Township of Eastampton's population is contained within 5.63 square miles. The Township is located in Central Burlington County, New Jersey, as part of the greater Mount Holly area. Characterized as a rural-suburban community, the Township gradually changed over a period of twenty years from an agrarian community of farms owned by families for generations to a bedroom community of people; some of whom travel as far away as New York City or Philadelphia to their vocational responsibilities. Several excellent county roads (537, 630 and 626) and three major highways (Route 38, Route 295 and the New Jersey Turnpike), make major cities, shopping malls, and general travel arteries and airports easy to reach for the residents of the Township. The Township population was listed in 2010 as 6,069 with the potential for reaching 8,000 people.

The School District has completed its construction/consolidation project and now houses Kindergarten through 8<sup>th</sup> grade under one roof. The School District's focus continues to be excellence in education while maintaining a manageable budget for taxpayers.

### **3. FORM OF LOCAL GOVERNMENT:**

The Township is governed by the Council-Manager form of government under the Optional Municipal Charter Law. Township Council consists of five members who select a mayor from one of its members. A full time chief executive officer (township manager) is appointed by a majority vote of the Council. The Council-Manager form of governance distinguishes the legislative and executive functions of local government, which enables the Council to delegate the day-to-day operations to the manager and reserves to the governing body the legislative function. The town is in the process of reassessing property values and it is expected that this will have a negative impact on ratable.

### **4. MAJOR INITIATIVES:**

The board of education has articulated the focus and direction of the School District in formally adopting vision and mission statements that are refined in goals and objectives that define the curriculum, the use of technology, appropriate staff development, community involvement, funding, facilities improvement and core values. During the 2014-2015 school year, the School District continued to update and revise its Five Year Facility Plan and the Five Year Curriculum Plan. In addition, the School District introduced several initiatives which will enhance school security. These included cameras outside the building which allow complete view of the playgrounds, parking lots, fields, and entrances to the school. In cooperation with the Township, we have introduced a School Resource Officer and security aides to our staff. The full implementation of the modified block schedule was completed as well as expansion of the GTT Program into the elementary grades. The Audio Visual Program was established in 6<sup>th</sup> grade and additional Character Education posters and paintings were also completed.

### **5. INTERNAL ACCOUNTING CONTROLS:**

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

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

As part of the School 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 School District has complied with applicable laws and regulations.

## **6. BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are explained in "Notes to the Financial Statements", Note 1.

## **7. CASH MANAGEMENT:**

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

## **8. RISK MANAGEMENT**

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

## **9. OTHER INFORMATION:**

- A. Independent Audit: - State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended in 1996, and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- B. Community Involvement - Parents and community continue to be encouraged to be involved with the school program. The PTA, extra-curricular activities and parent/grandparent classroom visitation days are illustrative. Additionally, parents are encouraged to serve as resource people to the classroom teacher (career day et. al.) and also as volunteers in the library. Parents and community members also serve on the School District's Security Drill Task Force and the Anti-Bullying Committee.

**10. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

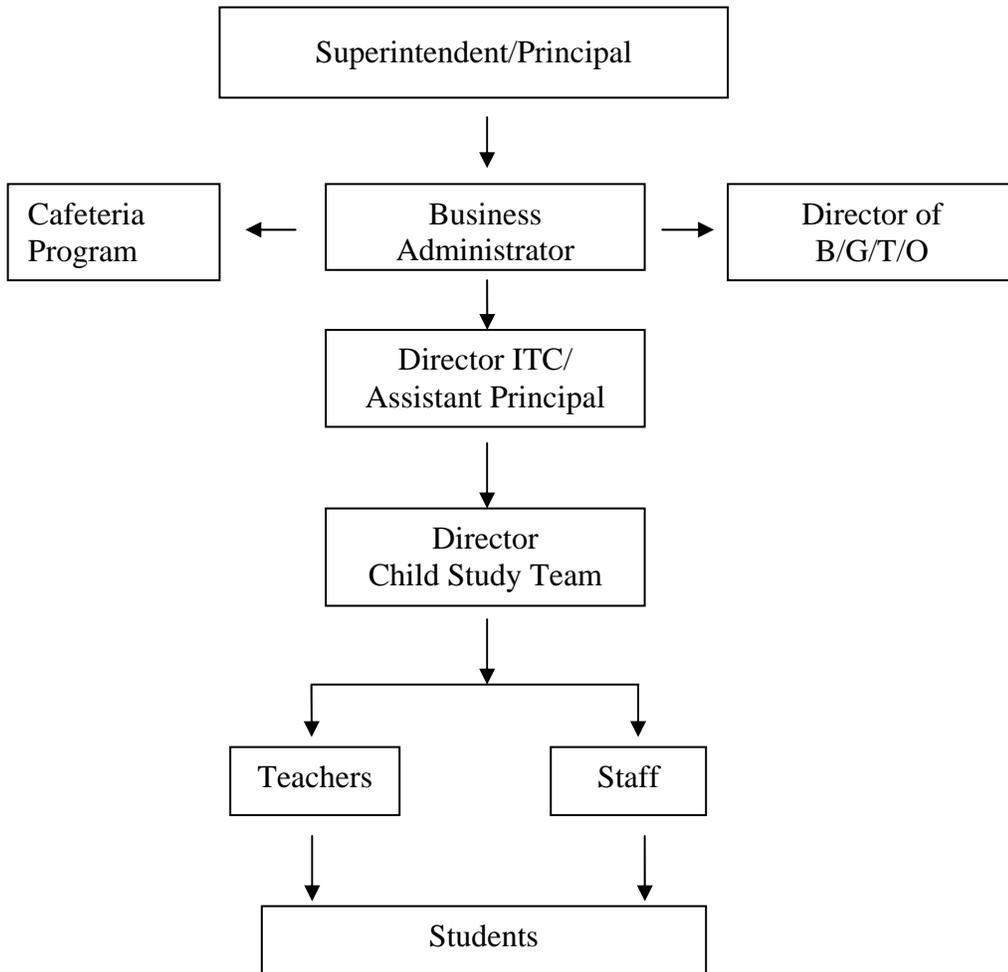


Robert A. Krastek  
Superintendent/Principal



Marian F. Smith  
Business Administrator/Board Secretary

ECS  
Organizational Chart  
2014-2015



**EASTAMPTON TOWNSHIP BOARD OF EDUCATION  
EASTAMPTON, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2015**

**Members of the Board of Education**

**Term Expires**

Susan C. Taylor, President	2015
Glenn Forney, Vice President	2015
Len DiGiacomo	2017
Deanna McGinnis	2015
Samantha Zazzo	2017
Brian Curtis	2016
James Southard	2016

**Other Officials**

Robert A. Krastek, Superintendent/Principal  
Marian F. Smith, Business Administrator/Board Secretary  
Kelly Cox, Treasurer

**EASTAMPTON TOWNSHIP SCHOOL DISTRICT**  
**Consultant and Advisors**

**Audit Firm**

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

**Attorney**

Stephen J. Mushinski  
Parker McCay, P.A.  
9000 Midlantic Drive  
Suite 300  
Mount Laurel, NJ 08054

**Architect**

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

**Official Depository**

Investors Bank  
52 Main Street  
Vincentown, NJ 08088

## FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Eastampton School District  
Eastampton, New Jersey 08060

### ***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 Eastampton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, 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 Eastampton School District in the County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter***Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2015, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

*Prior Period Restatement*

Because of the implementation of GASB Statements No. 68 and No. 71, net position as of June 30, 2014 on the statement of activities has been restated, as discussed in note 20 to the financial statements. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of School District's contributions, 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 Eastampton School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. In addition, the schedule of 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 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is 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 relate 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.

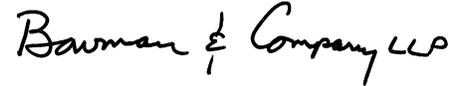
The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015 on our consideration of the Township of Eastampton 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 Eastampton School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Public School Accountant No. CS 002065

Voorhees, New Jersey  
December 7, 2015

**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 Eastampton School District  
Eastampton, New Jersey 08060

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 Eastampton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, 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 December 7, 2015. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the adoption of new accounting principles.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township of Eastampton 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 Eastampton 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.

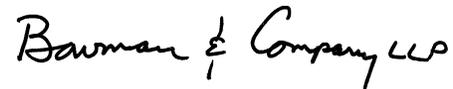
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Eastampton 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



Robert P. Nehila, Jr.  
Certified Public Accountant  
Public School Accountant No. CS 002065

Voorhees, New Jersey  
December 7, 2015

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

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The management's discussion and analysis of the Township of Eastampton School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015 and 2014. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

## **FINANCIAL HIGHLIGHTS**

Financial Highlights for fiscal year 2015:

- During the fiscal year ended June 30, 2015, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*. In addition, the notes to the financial statements provide a more thorough discussion of the implementation of these GASB Statements and the effects to the financial statements.
- The total assets and deferred outflows of resources of the School District were under its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,754,142.64 (net position).
- The School District's total net position decreased by (\$1,062,208.57), from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of (\$83,680.87), a decrease of (\$126,837.63) in comparison with the prior year.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

**Government-Wide Statements**

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

The two government-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the School District's financial health or position.

- Increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as the child care program, and food services.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds – not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs:

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The School District has three kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as the child care program, and food services.
- *Fiduciary funds* – The School District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletic and scholarship funds are maintained in this fund. The School District is responsible for insuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the School District is not permitted to use these assets in the School District operation.

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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

Table 1 provides a summary of the School District's net position for fiscal years 2015 and 2014.

**TABLE 1**  
Net Position

	June 30, 2015	June 30, 2014	Change	% Change
Current and Other Assets	\$ 112,175.65	\$ 140,673.13	\$ (28,497.48)	-20.26%
Capital Assets	<u>22,099,811.35</u>	<u>23,388,525.39</u>	<u>(1,288,714.04)</u>	<u>-5.51%</u>
Total Assets	<u>22,211,987.00</u>	<u>23,529,198.52</u>	<u>(1,317,211.52)</u>	<u>-5.60%</u>
Deferred Outflow of Resources - Related to Pensions	<u>370,736.00</u>	<u>-</u>	<u>370,736.00</u>	<u>100.00%</u>
Long-Term Liabilities	12,218,597.80	9,407,043.25	2,811,554.55	29.89%
Other Liabilities	<u>418,305.56</u>	<u>178,329.06</u>	<u>239,976.50</u>	<u>134.57%</u>
Total Liabilities	<u>12,636,903.36</u>	<u>9,585,372.31</u>	<u>3,051,531.05</u>	<u>31.84%</u>
Deferred Inflow of Resources - Related to Pensions	<u>191,677.00</u>	<u>-</u>	<u>191,677.00</u>	<u>100.00%</u>
Net Position:				
Net Investment in Capital Assets	13,349,811.35	14,218,525.39	(868,714.04)	-6.11%
Restricted	161,532.57	218,458.76	(56,926.19)	-26.06%
Unrestricted (Deficit)	<u>(3,757,201.28)</u>	<u>(493,157.94)</u>	<u>(3,264,043.34)</u>	<u>661.87%</u>
	9,754,142.64	13,943,826.21	(4,189,683.57)	-30.05%
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68	<u>-</u>	<u>(3,127,475.00)</u>	<u>3,127,475.00</u>	<u>-100.00%</u>
Total Net Position	<u>\$ 9,754,142.64</u>	<u>\$ 10,816,351.21</u>	<u>\$ (1,062,208.57)</u>	<u>-9.82%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

**TABLE 2**  
Statement of Net Position - Effect of Pension Related Items

	June 30, 2015	June 30, 2014	Change	% Change
Deferred Outflows Related to Pensions	\$ 370,736.00	\$ -	\$ 370,736.00	100.00%
Less: Net Pension Liability	(3,216,351.00)	(3,127,475.00)	(88,876.00)	2.84%
Less: Deferred Inflows Related to Pensions	<u>(191,677.00)</u>	<u>-</u>	<u>(191,677.00)</u>	<u>-100.00%</u>
	<u>\$ (3,037,292.00)</u>	<u>\$ (3,127,475.00)</u>	<u>\$ 90,183.00</u>	<u>-2.88%</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2015 and 2014.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 170,077.36	\$ 396,977.42	\$ (226,900.06)	-57.16%
Federal & State Categorical Grants	2,504,590.94	1,379,151.77	1,125,439.17	81.60%
General Revenues:				
Property Taxes	4,904,377.00	4,755,143.00	149,234.00	3.14%
Federal & State Grants	4,587,697.00	4,571,220.33	16,476.67	0.36%
Loss on Disposal of Capital Assets	(662,960.00)			-100.00%
Miscellaneous	1,970.34	334,109.99	(332,139.65)	-99.41%
<b>Total Revenues</b>	<u>11,505,752.64</u>	<u>11,436,602.51</u>	<u>732,110.13</u>	<u>6.40%</u>
<b>Expenses:</b>				
Instruction:				
Regular	3,135,589.10	3,547,464.54	(411,875.44)	-11.61%
Special Education	1,186,652.49	1,291,898.76	(105,246.27)	-8.15%
Other Special Instruction	145,516.92	200,529.72	(55,012.80)	-27.43%
Student Services:				
Tuition	486,044.06	211,928.92	274,115.14	129.34%
Student and Instruction Related	960,294.91	929,127.50	31,167.41	3.35%
School Administrative Services	226,039.38	249,957.38	(23,918.00)	-9.57%
General Administrative Services	595,432.40	551,394.04	44,038.36	7.99%
Plant Operations and Maintenance	893,653.65	942,295.54	(48,641.89)	-5.16%
Pupil Transportation	289,779.08	246,095.49	43,683.59	17.75%
Unallocated Benefits	3,900,588.04	2,649,711.18	1,250,876.86	47.21%
Interest on Long-Term Debt	346,169.58	361,108.36	(14,938.78)	-4.14%
Debt Assessment	94,138.00	94,138.00	-	0.00%
Food Service	273,453.22	300,175.24	(26,722.02)	-8.90%
Childcare Program	34,610.38	275,838.25	(241,227.87)	-87.45%
<b>Total Expenses</b>	<u>12,567,961.21</u>	<u>11,851,662.92</u>	<u>716,298.29</u>	<u>6.04%</u>
Increase (Decrease) in Net Position	(1,062,208.57)	(415,060.41)	15,811.84	(0.04)
Beginning Net Position	<u>10,816,351.21</u>	<u>14,358,886.62</u>	<u>(3,542,535.41)</u>	<u>-24.67%</u>
Ending Net Position, Prior to Restatement	9,754,142.64	13,943,826.21	(3,526,723.57)	-25.29%
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68	<u>-</u>	<u>(3,127,475.00)</u>	<u>3,127,475.00</u>	<u>-100.00%</u>
Ending Net Position	<u>\$ 9,754,142.64</u>	<u>\$ 10,816,351.21</u>	<u>\$ (399,248.57)</u>	<u>-3.69%</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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

**Governmental Activities**

In 2014-2015, Governmental Activities Revenues were \$11,222,812.47 or 97.54% of total revenues.

In 2013-2014, Governmental Activities Revenues were \$10,948,178.17 or 95.73% of total revenues.

In 2014-2015, General Revenues - Property Taxes of \$4,904,377.00 made up 43.70%, and General Revenues - Federal & State Grants of \$4,587,697.00 made up 40.88% of Governmental Activities Revenues.

In 2013-2014, General Revenues - Property Taxes of \$4,755,143.00 made up 43.43%, and General Revenues - Federal & State Grants of \$4,571,220.33 made up 41.75% of Governmental Activities Revenues.

In 2014-2015, the School District's Governmental Activities expenditures increased by \$984,248.18 or 8.73%. Of this increase the implementation of GASB 68 in fiscal year 2014-2015, represented \$1,185,418.36.

**Business-Type Activities**

In 2014-2015 Business-Type Activities Revenues were \$282,917.53 or 2.46% of total revenues. In 2013-14 Business-Type Activities Revenues were \$488,424.34 or 4.27% of total revenues. The decrease was due to the outsourcing of the child care program in September of 2014.

Charges for Services for Business-Type Activities were \$168,919.96 in 2014-2015 compared to \$382,225.42 in 2013-2014, a (55.81%) decrease which is attributable to the child care program being outsourced in September of 2014.

Operating Grants and Contributions for Business-Type Activities were \$113,997.57 in 2014-2015 compared to \$106,196.91 in 2013-2014, a 7.35% increase.

Expenses for Business-Type Activities were \$308,063.60 in 2014-2015 compared to \$576,013.49 in 2013-2014, a (46.52%) decrease which is attributable to the child care program being outsourced in September of 2014.

**General Fund Budgeting Highlights**

During the fiscal 2015 school year, the Board of Education amended its general fund budget as needed. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and anticipation of miscellaneous revenues.

The final budgetary basis revenue estimate was \$8,817,062.00.00, which was \$29,444.00 higher than the original budget. The increase was due to extraordinary special education cost aid and nonpublic school transportation aid revenue.

The 2014-2015 General Fund and Debt Service Fund Tax Levy was \$4,904,377.00, an increase of \$149,234.00 or 3.14% from the 2013-2014 General Fund Tax Levy of \$4,755,143.00.

The School District also received \$294,493.29, \$238,287.00, and \$378,280.00 in reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Pension Contributions, and T.P.A.F. Post-Retirement Medical Contributions, respectively.

The final budgetary basis expenditure appropriation estimate was \$8,927,059.00, which was \$104,444.00 higher than the original budget. The difference was due to the \$29,444.00 increased extraordinary special education cost aid and nonpublic school transportation aid revenue as well as \$75,000.00 taken out of fund balance for employee benefit appropriations.

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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

**General Fund Budgeting Highlights (Cont'd)**

The School District's expenditures also include reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Pension Contributions, and T.P.A.F. Post-Retirement Medical Contributions of \$238,287.00, \$378,280.00, and \$294,493.29, respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

**Financial Analysis of the Government's Funds**

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of (\$83,680.87), a decrease of (\$126,837.63) in comparison with the prior year.

Of the combined ending fund balances of (\$83,680.87), (\$246,613.44) constitutes unassigned fund balance deficits. The remainder of fund balance of \$162,932.57 is restricted or assigned for various purposes.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary funds had \$59,823.62 in unrestricted net position.

**CAPITAL ASSETS**

At the end of fiscal year 2015 and 2014, the School District had \$22,099,811.35 and \$23,388,525.39, respectively, in capital assets less accumulated depreciation. Table 4 reflects the capital assets.

**TABLE 4**  
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Land	\$ 624,780.00	\$ 1,287,740.00
Furniture, Fixtures and Equipment	53,621.52	83,053.78
Building and Improvements	21,394,743.47	21,989,453.06
Land Improvements	<u>26,666.36</u>	<u>28,278.55</u>
 Total Capital Assets	 <u>\$ 22,099,811.35</u>	 <u>\$ 23,388,525.39</u>

Depreciation expense was \$762,583.78 for fiscal year ended 2015 and \$656,890.43 for fiscal year ended 2014.

During fiscal year 2015, the School District transferred ownership of a building that it was leasing to the Rancocas Valley Regional High School District. \$662,960.00 in land and \$3,379,346.00 in buildings and improvements were thus removed from capital assets.

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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**DEBT ADMINISTRATION**

**Long-term Debt** - At the end of the current fiscal year, the School District had bonded debt outstanding of \$8,750,000.00, maturing on March 1, 2030.

**FACTORS ON THE SCHOOL DISTRICT'S FUTURE**

The School District's construction/consolidation project that was successfully completed several years ago has left the School District with a state of the art facility that requires only general maintenance. This allows for stability in the School District's financial planning.

The School District has done an exceptional job managing the budget through loss of students and changing state regulations. The on-going over-reliance on property taxes to support the school remains a concern. However, the School District remains committed to serving students and taxpayers and it continues to provide an exceptional program and stable tax rate. The School District continues to search for ways to continue this trend.

The School District's system for financial planning, budgeting and internal controls are well regarded. The School District is committed to continuing its sound fiscal management to meet the challenges of the future.

**CONTACTING THE SCHOOL 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 School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator/Board Secretary at:

Eastampton Township Board of Education, 1 Student Drive, Eastampton, New Jersey 08060.

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 3,000.10	\$ 17,669.09	\$ 20,669.19
Receivables, net	61,041.85	7,433.75	68,475.60
Inventory		7,388.14	7,388.14
Restricted Cash and Cash Equivalents	15,642.72		15,642.72
Capital Assets, net (Note 6)	<u>22,069,644.69</u>	<u>30,166.66</u>	<u>22,099,811.35</u>
<b>Total Assets</b>	<u>22,149,329.36</u>	<u>62,657.64</u>	<u>22,211,987.00</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>370,736.00</u>		<u>370,736.00</u>
<b>LIABILITIES:</b>			
Accounts Payable	288,279.62		288,279.62
Payable to State Government	12,213.33		12,213.33
Accrued Interest	114,070.00		114,070.00
Unearned Revenue	908.59	2,834.02	3,742.61
Noncurrent Liabilities (Note 7):			
Due within One Year	418,008.28		418,008.28
Due beyond One Year	<u>11,800,589.52</u>		<u>11,800,589.52</u>
<b>Total Liabilities</b>	<u>12,634,069.34</u>	<u>2,834.02</u>	<u>12,636,903.36</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>191,677.00</u>		<u>191,677.00</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	13,319,644.69	30,166.66	13,349,811.35
Restricted for:			
Debt Service	1.08		1.08
Other Purposes	161,531.49		161,531.49
Unrestricted (Deficit)	<u>(3,786,858.24)</u>	<u>29,656.96</u>	<u>(3,757,201.28)</u>
<b>Total Net Position</b>	<u>\$ 9,694,319.02</u>	<u>\$ 59,823.62</u>	<u>\$ 9,754,142.64</u>

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2015

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	\$ 3,135,589.10	\$ 1,157.40	\$ -	\$ -	\$ (3,134,431.70)	\$ -	\$ (3,134,431.70)
Special Education	1,186,652.49		270,989.41		(915,663.08)		(915,663.08)
Other Special Instruction	145,516.92				(145,516.92)		(145,516.92)
Support Services:							
Tuition	486,044.06				(486,044.06)		(486,044.06)
Student and Instruction Related Services	960,294.91		68,079.67		(892,215.24)		(892,215.24)
School Administrative Services	226,039.38				(226,039.38)		(226,039.38)
General and Business Administrative Services	595,432.40				(595,432.40)		(595,432.40)
Plant Operations and Maintenance	893,653.65				(893,653.65)		(893,653.65)
Pupil Transportation	289,779.08		1,957,386.29		(289,779.08)		(289,779.08)
Unallocated Benefits	3,900,588.04				(1,943,201.75)		(1,943,201.75)
Interest on Long-Term Debt	346,169.58				(346,169.58)		(346,169.58)
Debt Assessment	94,138.00		94,138.00				
<b>Total Governmental Activities</b>	<b>12,259,897.61</b>	<b>1,157.40</b>	<b>2,390,593.37</b>	<b>-</b>	<b>(9,868,146.84)</b>	<b>-</b>	<b>(9,868,146.84)</b>
Business-Type Activities:							
Food Service	273,453.22	143,099.96	113,997.57			(16,355.69)	(16,355.69)
Childcare Program	34,610.38	25,820.00				(8,790.38)	(8,790.38)
<b>Total Business-Type Activities</b>	<b>308,063.60</b>	<b>168,919.96</b>	<b>113,997.57</b>	<b>-</b>	<b>-</b>	<b>(25,146.07)</b>	<b>(25,146.07)</b>
<b>Total Primary Government</b>	<b>\$ 12,567,961.21</b>	<b>\$ 170,077.36</b>	<b>\$ 2,504,590.94</b>	<b>\$ -</b>	<b>(9,868,146.84)</b>	<b>(25,146.07)</b>	<b>(9,893,292.91)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					4,138,341.00		4,138,341.00
Property Taxes Levied for Debt Service					766,036.00		766,036.00
Federal and State Aid not Restricted					4,587,697.00		4,587,697.00
Miscellaneous Income					1,947.70	22.64	1,970.34
Loss on Disposal of Capital Assets					(662,960.00)		(662,960.00)
<b>Total General Revenues</b>					<b>8,831,061.70</b>	<b>22.64</b>	<b>8,831,084.34</b>
<b>Change in Net Position</b>					<b>(1,037,085.14)</b>	<b>(25,123.43)</b>	<b>(1,062,208.57)</b>
<b>Net Position -- July 1 (Restated)</b>					<b>10,731,404.16</b>	<b>84,947.05</b>	<b>10,816,351.21</b>
<b>Net Position -- June 30</b>					<b>\$ 9,694,319.02</b>	<b>\$ 59,823.62</b>	<b>\$ 9,754,142.64</b>

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

FUND FINANCIAL STATEMENTS

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 3,000.10	\$ 15,641.64	\$ 0.60	\$ 0.48	\$ 18,642.82
Receivables, net:					
Interfunds Receivable:					
Payroll Fund	15,953.15				15,953.15
Capital Projects Fund				0.60	0.60
Receivables from Other Governments:					
State of NJ -- FICA	14,447.30				14,447.30
State of NJ -- Transportation Aid	1,392.00				1,392.00
State of NJ -- Extraordinary Aid	28,092.00				28,092.00
Other Receivables	1,157.40				1,157.40
<b>Total Assets</b>	<b>\$ 64,041.95</b>	<b>\$ 15,641.64</b>	<b>\$ 0.60</b>	<b>\$ 1.08</b>	<b>\$ 79,685.27</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Unearned Revenue	\$ -	\$ 908.59	\$ -	\$ -	\$ 908.59
Accounts Payable	147,723.90	2,519.72			150,243.62
Interfunds Payable:					
Debt Service Fund			0.60		0.60
Payable to Federal and State Government		12,213.33			12,213.33
<b>Total Liabilities</b>	<b>147,723.90</b>	<b>15,641.64</b>	<b>0.60</b>	<b>-</b>	<b>163,366.14</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	154,095.23				154,095.23
Excess Surplus -- Designated for Subsequent Year's Expenditures	7,436.26				7,436.26
Debt Service				1.08	1.08
<b>Assigned:</b>					
Other Purposes	1,400.00				1,400.00
<b>Unassigned:</b>					
General Fund	(246,613.44)				(246,613.44)
<b>Total Fund Balances</b>	<b>(83,681.95)</b>	<b>-</b>	<b>-</b>	<b>1.08</b>	<b>(83,680.87)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 64,041.95</b>	<b>\$ 15,641.64</b>	<b>\$ 0.60</b>	<b>\$ 1.08</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$31,685,582.72, and the accumulated depreciation is \$9,615,938.03.	22,069,644.69
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(9,002,246.80)
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(114,070.00)
Net Pension Liability	(3,216,351.00)
Accounts Payable related to the April 1, 2016 Required PERS pension contribution that is not to be liquidated with current financial resources.	(138,036.00)
Deferred Outflows of Resources - Related to Pensions	370,736.00
Deferred Inflows of Resources - Related to Pensions	(191,677.00)
<b>Net Position of Governmental Activities</b>	<b>\$ 9,694,319.02</b>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 4,138,341.00	\$ -	\$ -	\$ 766,036.00	\$ 4,904,377.00
Miscellaneous	3,104.50		0.60		3,105.10
State Sources	5,592,895.29	37,720.59			5,630,615.88
Federal Sources		301,348.49			301,348.49
<b>Total Revenues</b>	<b>9,734,340.79</b>	<b>339,069.08</b>	<b>0.60</b>	<b>766,036.00</b>	<b>10,839,446.47</b>
<b>EXPENDITURES:</b>					
Regular Instruction	2,554,918.41				2,554,918.41
Special Education Instruction	915,663.08	270,989.41			1,186,652.49
Other Special Instruction	145,516.92				145,516.92
Support Services and Undistributed Costs:					
Tuition	486,044.06				486,044.06
Student and Instruction Related Services	892,215.24				960,294.91
School Administrative Services	226,039.38	68,079.67			226,039.38
Other Administrative Services	564,777.88				564,777.88
Plant Operations and Maintenance	862,258.19				862,258.19
Pupil Transportation	289,779.08				289,779.08
Unallocated Benefits	1,895,348.75				1,895,348.75
Reimbursed TPAF Pension and Social Security	911,060.29				911,060.29
Debt Service:					
Principal				420,000.00	420,000.00
Interest and Other Charges	94,138.00			351,075.00	445,213.00
Capital Outlay			18,380.74		18,380.74
<b>Total Expenditures</b>	<b>9,837,759.28</b>	<b>339,069.08</b>	<b>18,380.74</b>	<b>771,075.00</b>	<b>10,966,284.10</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(103,418.49)</b>	<b>-</b>	<b>(18,380.14)</b>	<b>(5,039.00)</b>	<b>(126,837.63)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In				0.60	0.60
Operating Transfers Out			(0.60)		(0.60)
<b>Total Other Financing Sources and Uses</b>	<b>-</b>	<b>-</b>	<b>(0.60)</b>	<b>0.60</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(103,418.49)</b>	<b>-</b>	<b>(18,380.74)</b>	<b>(5,038.40)</b>	<b>(126,837.63)</b>
<b>Fund Balance -- July 1</b>	<b>19,736.54</b>	<b>-</b>	<b>18,380.74</b>	<b>5,039.48</b>	<b>43,156.76</b>
<b>Fund Balance -- June 30</b>	<b>\$ (83,681.95)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1.08</b>	<b>\$ (83,680.87)</b>

**TOWNSHIP OF EASTAMPTON 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, 2015

Total Net Change in Fund Balances - Governmental Funds	\$	(126,837.63)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$	(621,413.25)
Deletions		(4,140,291.00)
Depreciation on Deletions		3,477,331.00
Capital Outlays		<u>18,380.74</u>
		(1,265,992.51)
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.		420,000.00
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)		4,905.42
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(21,307.42)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>(47,853.00)</u>
Change in Net Position of Governmental Activities	\$	<u>(1,037,085.14)</u>

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Proprietary Funds  
 Business-Type Activities - Enterprise Funds  
 Statements of Net Position  
 June 30, 2015

	<u>Food Service</u>	<u>Child Care Program</u>
<b>ASSETS:</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 17,669.09	\$ -
Accounts Receivable:		
State	185.54	
Federal	7,227.14	
Other	21.07	
Inventories	<u>7,388.14</u>	
Total Current Assets	<u>32,490.98</u>	<u>-</u>
Noncurrent Assets:		
Furniture, Fixtures and Equipment	96,106.00	
Less Accumulated Depreciation	<u>(65,939.34)</u>	
Total Noncurrent Assets	<u>30,166.66</u>	<u>-</u>
Total Assets	<u>62,657.64</u>	<u>-</u>
LIABILITIES:		
Current Liabilities:		
Unearned Revenue	<u>2,834.02</u>	
Total Current Liabilities	<u>2,834.02</u>	<u>-</u>
Total Liabilities	<u>2,834.02</u>	<u>-</u>
NET POSITION:		
Net Investment in Capital Assets	30,166.66	-
Unrestricted	<u>29,656.96</u>	<u>-</u>
Total Net Position	<u>\$ 59,823.62</u>	<u>\$ -</u>

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Proprietary Funds  
Business-Type Activities - Enterprise Funds  
Statements of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>	<u>Child Care Program</u>
<b>OPERATING REVENUES:</b>		
Charges for Services:		
Daily Sales:		
Non-reimbursable Programs	\$ 67,112.72	\$ -
Reimbursable Program -- School Lunch	75,987.24	
Child Care Fees		25,820.00
Total Operating Revenues	<u>143,099.96</u>	<u>25,820.00</u>
<b>OPERATING EXPENSES:</b>		
Salaries	127,725.61	13,459.83
Employee Benefits	699.81	2,578.43
Management Fee	15,896.18	
General Supplies	13,079.48	415.66
Direct Expenses	5,690.77	
Depreciation	7,915.41	14,806.12
Other Professional and Technical Services	10,735.05	95.34
Cost of Sales	91,710.91	
Activities		3,255.00
Total Operating Expenses	<u>273,453.22</u>	<u>34,610.38</u>
Operating Income / (Loss)	<u>(130,353.26)</u>	<u>(8,790.38)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
State Sources:		
State School Lunch Program	2,580.57	
Federal Sources:		
National School Lunch Program	92,945.32	
Food Distribution Program	18,471.68	
Interest Revenue	22.06	0.58
Total Nonoperating Revenues (Expenses)	<u>114,019.63</u>	<u>0.58</u>
Change in Net Position	(16,333.63)	(8,789.80)
Net Position -- July 1	<u>76,157.25</u>	<u>8,789.80</u>
Net Position -- June 30	<u>\$ 59,823.62</u>	<u>\$ -</u>

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Proprietary Funds  
Business-Type Activities - Enterprise Funds  
Statements of Cash Flows  
For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>	<u>Child Care Program</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Customers	\$ 143,046.19	\$ 22,780.00
Payments to Management Company	(199,177.24)	
Payments to Employees	(29,376.29)	(19,563.70)
Payments for Employee Benefits	(699.81)	(2,578.43)
Payments for Supplies and Services	<u>(35,823.39)</u>	<u>(3,766.00)</u>
Net Cash Provided by (used for) Operating Activities	<u>(122,030.54)</u>	<u>(3,128.13)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
State Sources	2,898.48	
Federal Sources	<u>121,539.49</u>	
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>124,437.97</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Revenue	<u>22.06</u>	<u>0.58</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,429.49	(3,127.55)
Cash and Cash Equivalents -- July 1	<u>15,239.60</u>	<u>3,127.55</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 17,669.09</u></u>	<u><u>\$ -</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (130,353.26)	\$ (8,790.38)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	7,915.41	14,806.12
(Increase) Decrease in Inventories	461.08	
Increase (Decrease) in Unearned Revenue	(37.90)	(3,040.00)
(Increase) Decrease in Accounts Receivable	(15.87)	
Increase (Decrease) in Accounts Payable	<u></u>	<u>(6,103.87)</u>
Total Adjustments	<u>8,322.72</u>	<u>5,662.25</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (122,030.54)</u></u>	<u><u>\$ (3,128.13)</u></u>

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2015

	Agency Funds	
	Student Activity	Payroll
ASSETS:		
Cash and Cash Equivalents	\$ 11,587.93	\$ 21,448.03
Total Assets	\$ 11,587.93	\$ 21,448.03
LIABILITIES:		
Accounts Payable	\$ 57.00	\$ -
Interfund Accounts Payable:		
Due General Fund		15,953.15
Payable to Student Groups	11,530.93	
Payroll Deductions and Withholdings		5,494.88
Total Liabilities	\$ 11,587.93	\$ 21,448.03

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2015

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

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of seven members elected to three-year terms. These terms are staggered so that three member's terms expire one year and two member's terms expire in each of the two succeeding years. The purpose of the School District is to educate students in grades K through 8 at its one school. The School District has an approximate enrollment at June 30, 2015 of 584.

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.

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.

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

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 property 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Burlington County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

The School District 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.

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

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.

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.

**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 of education. 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, 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 assign 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, 2015.

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>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 15 Years
Buildings and Improvements	50 Years
Land Improvements	20 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after Total Assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after Total Liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflow of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans** – The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2015 and 2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

**Accrued Salaries and Wages**

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

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund ("TPAF") and Public Employees' Retirement System ("PERS") and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Bond Discounts / Premiums**

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

**Net Position**

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

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

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

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

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

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be 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.

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

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

**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**

For the fiscal year ended June 30, 2015, the School District adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the School District was required to measure and recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled \$3,127,475.00, and was recognized as a restatement of the School District's June 30, 2014 net position on the statement of activities, (see note 20).

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

The GASB has issued the following Statement which will become effective in future fiscal years as shown below:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement will become effective for the School District in fiscal year 2016. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Statement will become effective for the School District in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the notes to the financial statements.

**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 uncollateralized.

As of June 30, 2015, all of the School District's bank balances of \$237,557.24 were insured by FDIC.

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District 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 prior to July 18, 2000, shall be utilized for the original purpose for which the funds were deposited. Funds placed into the account after that date are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 154,005.37
Increased by:	
Interest Earnings	<u>89.86</u>
Ending Balance, June 30, 2015	<u>\$ 154,095.23</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted projects is \$191,000.00. The reserve balance prior to July 18, 2000 was \$163,157.00 of which \$100,000.00 was utilized in fiscal year 2005. Therefore, the maximum capital reserve balance is \$254,157.00.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2015 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

**Note 4: ACCOUNTS RECEIVABLE (CONT'D)**

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

<u>Description</u>	<u>Governmental Funds</u>		<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards	\$ -	\$ -	\$ 7,227.14	\$ 7,227.14	\$ 7,227.14
State Awards	43,931.30	43,931.30	185.54	185.54	44,116.84
Fiduciary Fund	15,953.15	15,953.15	-	-	15,953.15
Other	1,157.40	1,157.40	21.07	21.07	1,178.47
	<u>\$ 61,041.85</u>	<u>\$ 61,041.85</u>	<u>\$ 7,433.75</u>	<u>\$ 7,433.75</u>	<u>\$ 68,475.60</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2015 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	\$ 6,409.76
Supplies	978.38
	<u>\$ 7,388.14</u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers (1)</u>	<u>Balance June 30, 2015</u>
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 1,287,740.00	\$ -	\$ (662,960.00)	\$ -	\$ 624,780.00
Total Capital Assets, not being Depreciated	<u>1,287,740.00</u>	<u>-</u>	<u>(662,960.00)</u>	<u>-</u>	<u>624,780.00</u>
Capital Assets, being Depreciated:					
Furniture, Fixtures and Equipment	123,022.80		(25,778.00)		97,244.80
Buildings and Improvements	34,033,862.31	18,380.74	(3,379,346.00)		30,672,897.05
Land Improvements	244,418.87		(72,207.00)	118,449.00	290,660.87
Total Capital Assets, being Depreciated	<u>34,401,303.98</u>	<u>18,380.74</u>	<u>(3,477,331.00)</u>	<u>118,449.00</u>	<u>31,060,802.72</u>
Total Capital Assets, Cost	<u>35,689,043.98</u>	<u>18,380.74</u>	<u>(4,140,291.00)</u>	<u>118,449.00</u>	<u>31,685,582.72</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers (1)</u>	<u>Balance June 30, 2015</u>
<b>Governmental Activities (Cont'd):</b>					
Less Accumulated Depreciation for:					
Furniture, Fixtures and Equipment	\$ (92,857.21)	\$ (6,710.73)	\$ 25,778.00	\$ -	\$ (73,789.94)
Buildings and Improvements	(12,044,409.25)	(613,090.33)	3,379,346.00		(9,278,153.58)
Land Improvements	(216,140.32)	(1,612.19)	72,207.00	(118,449.00)	(263,994.51)
Total Accumulated Depreciation	<u>(12,353,406.78)</u>	<u>(621,413.25)</u>	<u>3,477,331.00</u>	<u>(118,449.00)</u>	<u>(9,615,938.03)</u>
Total Capital Assets, being Depreciated, Net	<u>22,047,897.20</u>	<u>(603,032.51)</u>	<u>-</u>	<u>-</u>	<u>21,444,864.69</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,335,637.20</u>	<u>\$ (603,032.51)</u>	<u>\$ (662,960.00)</u>	<u>\$ -</u>	<u>\$ 22,069,644.69</u>
<b>Business-Type Activities:</b>					
Capital Assets, being Depreciated:					
Furniture, Fixtures and Equipment	\$ 214,555.00	\$ -	\$ -	\$ (118,449.00)	\$ 96,106.00
Less Accumulated Depreciation for:					
Furniture, Fixtures and Equipment	<u>(161,666.81)</u>	<u>(22,721.53)</u>		<u>118,449.00</u>	<u>(65,939.34)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 52,888.19</u>	<u>\$ (22,721.53)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,166.66</u>

(1) During fiscal year 2015, the School District transferred playground equipment, which was owned by the Enterprise Fund – Child Care Program, to the School District's general operations.

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

<b>Governmental Activities:</b>	
Instruction	\$ 559,363.27
General and Business Administrative Services	30,654.52
Plant Operations and Maintenance	<u>31,395.46</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 621,413.25</u>
<b>Business-Type Activities:</b>	
Food Service	\$ 7,915.41
Child Care	<u>14,806.12</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 22,721.53</u>

**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations for governmental activities:

	(Restated) Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2015</u>	Due within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 9,170,000.00	\$ -	\$ (420,000.00)	\$ 8,750,000.00	\$ 415,000.00
Total Bonds Payable	9,170,000.00	-	(420,000.00)	8,750,000.00	415,000.00
Other Liabilities:					
Net Pension Liability	3,127,475.00	88,876.00		3,216,351.00	
Compensated Absences	230,939.38	24,649.48	(3,342.06)	252,246.80	3,008.28
Total Other Liabilities	3,358,414.38	113,525.48	(3,342.06)	3,468,597.80	3,008.28
Governmental Activity Long-Term Liabilities	<u>\$ 12,528,414.38</u>	<u>\$ 113,525.48</u>	<u>\$ (423,342.06)</u>	<u>\$ 12,218,597.80</u>	<u>\$ 418,008.28</u>

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

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations for business-type activities:

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2015</u>	Due within <u>One Year</u>
<b>Business-Type Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$ 6,100.87	\$ -	\$ (6,100.87)	\$ -	\$ -
Business-Type Activity Long-Term Liabilities	<u>\$ 6,100.87</u>	<u>\$ -</u>	<u>\$ (6,100.87)</u>	<u>\$ -</u>	<u>\$ -</u>

**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 3, 2005, the School District issued \$11,130,000.00 general obligation bonds at interest rates varying from 4.25% to 4.50% for various construction and renovation projects, however, these bonds were refunded on June 20, 2012 at interest rates varying from 2.00% to 4.00%. The final maturity of these bonds is March 1, 2030. The bonds will be paid from property taxes.

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

**Bonds Payable (Cont'd)** - Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 415,000.00	\$ 336,600.00	\$ 751,600.00
2017	465,000.00	324,150.00	789,150.00
2018	460,000.00	310,200.00	770,200.00
2019	500,000.00	296,400.00	796,400.00
2020	500,000.00	276,400.00	776,400.00
2021-2025	2,805,000.00	1,064,600.00	3,869,600.00
2026-2030	3,605,000.00	441,400.00	4,046,400.00
Total	<u>\$ 8,750,000.00</u>	<u>\$ 3,049,750.00</u>	<u>\$ 11,799,750.00</u>

**Bonds Authorized but not Issued** - As of June 30, 2015, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**Note 8: OPERATING LEASES**

At June 30, 2015, the School District had operating lease agreements in effect for copy machines, mail machines, and the phone system. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2016	\$ 28,260.60
2017	22,691.28
2018	20,172.00
2019	20,172.00
2020	20,172.00
	<u>\$ 111,467.88</u>

Rental payments under operating leases for the fiscal year ended June 30, 2015 were \$29,305.56.

**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 ("TPAF") and the Public Employees' Retirement System ("PERS"), 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  
<http://www.state.nj.us/treasury/pensions>

**General Information About the Pension Plans****Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund ("TPAF") is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. Substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified, are covered under TPAF.

**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. Substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund, are covered under PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for a certain enrollment tier but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for certain enrollment tiers, but who earn salary of at least \$5,000.00 annually.

**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Benefits Provided**

**Teachers' Pension and Annuity Fund** - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The membership tiers for PERS are the same as noted above for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Benefits Provided (Cont'd)**

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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 School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 4.66% of the School District's covered-employee payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2015 because of the 100.00% special funding situation with the State of New Jersey.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2015 was 14.07% of the District's covered-employee payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$138,036.00 for the fiscal year ended June 30, 2015. Employee contributions were \$69,609.56 for the fiscal year ended June 30, 2015.

**Defined Contribution Retirement Program** - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

For the fiscal year ended June 30, 2015, employee contributions totaled \$11,180.93, and the School District recognized pension expense of \$5,419.81. There were no forfeitures during the fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Teachers' Pension and Annuity Fund** - At June 30, 2015, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the School District. The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>23,873,391.00</u>
	<u>\$ 23,873,391.00</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation of the State of New Jersey. For the fiscal year ended June 30, 2015, the School District recognized \$1,284,613.00 in revenue and expense, in the Government-Wide Financial Statements, for the State of New Jersey on-behalf TPAF pension contributions.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System** - At June 30, 2015, the School District reported a liability of \$3,216,351.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the School District's proportion was .0171788546%, which was an increase of .0008149074% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the School District recognized \$189,545.00, in the Government-Wide Financial Statements, for pension expense for PERS.

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	101,139.00	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	191,677.00
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contributions	131,561.00	-
School District Contributions Subsequent to the Measurement Date	<u>138,036.00</u>	<u>-</u>
	<b><u>\$ 370,736.00</u></b>	<b><u>\$ 191,677.00</u></b>

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - \$138,036.00 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year</b>	
<b><u>Ending June 30,</u></b>	<b><u>PERS</u></b>
2015	\$ 13,288.49
2016	13,288.49
2017	13,288.49
2018	13,288.49
2019	(8,424.07)
Thereafter	<u>(3,706.59)</u>
	<u>\$ 41,023.28</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>TPAF</u></b>	<b><u>PERS</u></b>
Inflation	2.50%	3.01%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Actuarial Assumptions (Cont'd)**

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>TPAF</u></b>		<b><u>PERS</u></b>	
	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Cash	6.00%	0.50%	6.00%	0.80%
Core Fixed Income	-	2.19%	-	-
Core Bonds	1.00%	1.38%	1.00%	2.49%
Short-Term Bonds	-	1.00%	-	-
Intermediate-Term Bonds	11.20%	2.60%	11.20%	2.26%
Long-Term Bonds	-	3.23%	-	-
Mortgages	2.50%	2.84%	2.50%	2.17%
High Yield Bonds	5.50%	4.15%	5.50%	4.82%
Non-US Fixed Income	-	1.41%	-	-
Inflation-Indexed Bonds	2.50%	1.30%	2.50%	3.51%
Broad US Equities	25.90%	5.88%	25.90%	8.22%
Large Cap US Equities	-	5.62%	-	-
Mid Cap US Equities	-	6.39%	-	-
Small Cap US Equities	-	7.39%	-	-
Developed Foreign Equities	12.70%	6.05%	12.70%	8.12%
Emerging Market Equities	6.50%	8.90%	6.50%	9.91%
Private Equity	8.25%	9.15%	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	3.85%	12.25%	4.92%
Real Estate (Property)	3.20%	4.43%	3.20%	5.80%
Real Estate (REITS)	-	5.58%	-	-
Commodities	2.50%	3.60%	2.50%	5.35%
Long Credit Bonds	-	3.74%	-	-
	<b><u>100.00%</u></b>		<b><u>100.00%</u></b>	

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Discount Rate**

The discount rate used to measure the total pension liability was 4.68% and 4.95% for TPAF as of June 30, 2014 and 2013, respectively, and 5.39% and 5.55% for PERS as of June 30, 2014 and 2013, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate****Teachers' Pension and Annuity Fund (TPAF)**

As indicated above, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the net pension liability as of June 30, 2014 attributable to the School District is \$0 and the State's net pension liability attributable to the School District using a discount rate of 4.68%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<u>TPAF</u>		
	<b>1% Decrease (3.68%)</b>	<b>Current Discount Rate (4.68%)</b>	<b>1% Increase (5.68%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>28,713,418.27</u>	<u>23,873,391.00</u>	<u>19,847,754.42</u>
	<u>\$ 28,713,418.27</u>	<u>\$ 23,873,391.00</u>	<u>\$ 19,847,754.42</u>

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)****Public Employees' Retirement System (PERS)**

The following presents the School District's proportionate share of the net pension liability at June 30, 2014 calculated using a discount rate of 5.39% for PERS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<u>PERS</u>		
	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 4,046,279.61</u>	<u>\$ 3,216,351.36</u>	<u>\$ 2,519,422.96</u>

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**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, 2014, there were 103,432 retirees receiving postemployment medical benefits, and the State contributed \$1.04 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2015, 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, in the Fund Financial Statements. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$238,287.00 and \$378,280.00, 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.

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

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

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

The Fund publishes its own financial report for the fiscal year ended June 30, 2015, which can be obtained from:

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

**Note 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of four 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:

***ABCO – ING***  
***AXA Equitable***  
***Lincoln Investments Planning, Inc.***  
***AIG/Valic***

**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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days and various vacation days per their contract which may be carried forward to subsequent years. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2015, the liability for compensated absences reported on the government-wide statement of net position was \$252,246.80 and there was no liability on the proprietary fund statement of net position.

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

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 15,953.15	\$ -
Capital Projects		0.60
Debt Service	0.60	
Fiduciary		15,953.15
	<u>\$ 15,953.75</u>	<u>\$ 15,953.75</u>

The interfund between general and fiduciary funds was created as a result of the final allocation of costs and the interfund between capital projects and debt service funds was a result of interest earnings in the capital projects fund that is due to the debt service fund. During the fiscal year 2015, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	<u>Transfer In:</u>
	<u>Debt Service Fund</u>
<u>Transfer Out:</u>	
Capital Projects Fund	\$ 0.60
Total Transfers	<u>\$ 0.60</u>

**Note 16: CONTINGENCIES**

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

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

**Note 17: CONCENTRATIONS**

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

**Note 18: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$246,613.44 in the general fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$246,613.44 is less than the June state aid payments.

**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 Capital Reserve Account** - As of June 30, 2015, the balance in the capital reserve account is \$154,095.23. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Note 19: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)****General Fund (Cont'd)**

**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. There is no excess fund balance at June 30, 2015. However, \$7,436.26 of excess fund balance generated during 2013-2014 has been restricted and designated for utilization in the 2015-2016 budget.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has not appropriated and included anything as an anticipated revenue for the fiscal year ending June 30, 2016 because the debt service fund balance at June 30, 2015 is only \$1.08.

**ASSIGNED**

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

**General Fund**

**Other Purposes** - As of June 30, 2015, the School District had \$1,400.00 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**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, 2015, the fund balance of the general fund was a deficit of \$246,613.44, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$246,613.44 is less than the last state aid payment.

**Note 20: RESTATEMENT OF NET POSITION**

As indicated in note 1 to the financial statements, the School District adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, for the fiscal year ended June 30, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position on the government-wide statement of activities was required to record the School District's proportionate share of its net pension liability. The cumulative effect on the financial statements as reported for June 30, 2014 is as follows:

	Net Position As Previously Reported <u>June 30, 2014</u>	GASB 68 Implementation			Net Position As Restated <u>June 30, 2014</u>
		Net Pension	Deferred	Accounts	
		<u>Liability (1)</u>	<u>Outflows (2)</u>	<u>Payable (3)</u>	
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 14,165,637.20	\$ -	\$ -	\$ -	\$ 14,165,637.20
Reserve for:					
Debt Service	5,039.48				5,039.48
Capital Projects	18,380.74				18,380.74
Other Purposes	195,038.54				195,038.54
Unrestricted (Deficit)	<u>(525,216.80)</u>	<u>(3,127,475.00)</u>	<u>141,620.00</u>	<u>(141,620.00)</u>	<u>(3,652,691.80)</u>
Total Net Position	<u>\$ 13,858,879.16</u>	<u>\$ (3,127,475.00)</u>	<u>\$ 141,620.00</u>	<u>\$ (141,620.00)</u>	<u>\$ 10,731,404.16</u>

- (1) Represents the District's proportionate share of the Public Employees' Retirement System (PERS) June 30, 2013 Net Pension Liability.
- (2) Represents the District's beginning deferred outflow of resources for contributions subsequent to the measurement date, paid on April 1, 2015.
- (3) Represents the District's accounts payable for contributions subsequent to the measurement date, paid on April 1, 2015. The State of New Jersey Division of Pension and Benefits has an accounts receivable recorded in the PERS Plan Audit.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
General Fund:					
Local Sources:					
Local Tax Levy	\$ 4,138,341.00	-	\$ 4,138,341.00	\$ 4,138,341.00	-
Tuition	7,500.00	-	7,500.00	1,157.40	(6,342.60)
Interest Earned on Investments	-	-	-	405.52	405.52
Unrestricted Miscellaneous Revenues	-	-	-	1,541.58	1,541.58
<b>Total - Local Sources</b>	<b>4,145,841.00</b>	<b>-</b>	<b>4,145,841.00</b>	<b>4,141,445.50</b>	<b>(4,395.50)</b>
State Sources:					
Extraordinary Special Education Cost Aid	-	28,092.00	28,092.00	28,490.00	398.00
Categorical Special Education Aid	389,996.00	-	389,996.00	389,996.00	-
Equalization Aid	4,148,569.00	-	4,148,569.00	4,148,569.00	-
Categorical Security Aid	17,257.00	-	17,257.00	17,257.00	-
Adjustment Aid	56,982.00	-	56,982.00	56,982.00	-
Categorical Transportation Aid	16,953.00	-	16,953.00	16,953.00	-
Nonpublic School Transportation Aid	-	1,352.00	1,352.00	1,392.00	40.00
PARCC Readiness Aid	6,010.00	-	6,010.00	6,010.00	-
Per Pupil Growth Aid	6,010.00	-	6,010.00	6,010.00	-
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	294,493.29	294,493.29
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	238,287.00	238,287.00
On-behalf TPAF Medical Contributions (non-budgeted)	-	-	-	378,280.00	378,280.00
<b>Total - State Sources</b>	<b>4,641,777.00</b>	<b>29,444.00</b>	<b>4,671,221.00</b>	<b>5,582,719.29</b>	<b>911,498.29</b>
<b>Total Revenues</b>	<b>8,787,618.00</b>	<b>29,444.00</b>	<b>8,817,062.00</b>	<b>9,724,164.79</b>	<b>907,102.79</b>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**

General Fund  
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 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 208,495.00	\$ (7,477.46)	\$ 201,017.54	\$ 201,017.54	\$ -
Grades 1 - 5	1,225,324.00	146,280.64	1,371,604.64	1,371,604.64	-
Grades 6 - 8	1,097,998.00	(203,416.43)	894,581.57	894,581.57	-
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000.00	11,389.59	13,389.59	13,389.59	-
Regular Programs - Undistributed Instruction:					
Purchased Professional/Educational Services	-	2,000.00	2,000.00	2,000.00	-
Other Purchased Services	5,000.00	(4,956.08)	43.92	43.92	-
General Supplies	39,630.00	32,651.15	72,281.15	72,281.15	-
<b>Total Regular Programs</b>	<b>2,578,447.00</b>	<b>(23,528.59)</b>	<b>2,554,918.41</b>	<b>2,554,918.41</b>	<b>-</b>
Multiple Disabilities:					
Salaries of Teachers	196,698.00	(3,494.92)	193,203.08	193,203.08	-
Other Salaries for Instruction	-	156.00	156.00	156.00	-
<b>Total - Multiple Disabilities</b>	<b>196,698.00</b>	<b>(3,338.92)</b>	<b>193,359.08</b>	<b>193,359.08</b>	<b>-</b>
Resource Room/Center					
Salaries of Teachers	615,117.00	(38,241.11)	576,875.89	576,875.89	-
Other Salaries for Instruction	163,841.00	(18,412.89)	145,428.11	145,428.11	-
<b>Total - Resource Room/Center</b>	<b>778,958.00</b>	<b>(56,654.00)</b>	<b>722,304.00</b>	<b>722,304.00</b>	<b>-</b>
<b>Total - Special Education</b>	<b>975,656.00</b>	<b>(59,992.92)</b>	<b>915,663.08</b>	<b>915,663.08</b>	<b>-</b>
Basic Skills/Remedial:					
Salaries of Teachers	213,611.00	(68,094.08)	145,516.92	145,516.92	-
<b>Total - Basic Skills/Remedial</b>	<b>213,611.00</b>	<b>(68,094.08)</b>	<b>145,516.92</b>	<b>145,516.92</b>	<b>-</b>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
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	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
School Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 29,050.00	\$ (7,857.24)	\$ 21,192.76	\$ 21,192.76	\$ -
Purchased Services	2,000.00	800.00	2,800.00	2,800.00	-
Other Objects	600.00	493.50	1,093.50	1,093.50	-
<b>Total - School Sponsored Cocurricular Activities - Instruction</b>	<b>31,650.00</b>	<b>(6,563.74)</b>	<b>25,086.26</b>	<b>25,086.26</b>	<b>-</b>
School Sponsored Cocurricular Athletics - Instruction:					
Salaries	16,850.00	-	16,850.00	16,850.00	-
Purchased Services	2,000.00	955.00	2,955.00	2,955.00	-
<b>Total - School Sponsored Cocurricular Athletics - Instruction</b>	<b>18,850.00</b>	<b>955.00</b>	<b>19,805.00</b>	<b>19,805.00</b>	<b>-</b>
<b>Total - Instruction</b>	<b>3,818,214.00</b>	<b>(157,224.33)</b>	<b>3,660,989.67</b>	<b>3,660,989.67</b>	<b>-</b>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within State-Special	58,752.00	33,894.15	92,646.15	92,646.15	-
Tuition to CSSD & Reg. Day Schools	201,461.00	185,898.89	387,359.89	387,359.89	-
Tuition to Private School for the Handicapped- State	113,693.00	(107,654.98)	6,038.02	6,038.02	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>373,906.00</b>	<b>112,138.06</b>	<b>486,044.06</b>	<b>486,044.06</b>	<b>-</b>
Health Services					
Salaries	94,126.00	16,974.00	111,100.00	111,100.00	-
Purchased Professional and Technical Services	2,000.00	-	2,000.00	2,000.00	-
Supplies and Materials	3,000.00	(539.87)	2,460.13	2,460.13	-
<b>Total Health Services</b>	<b>99,126.00</b>	<b>16,434.13</b>	<b>115,560.13</b>	<b>115,560.13</b>	<b>-</b>
Other Support Services - Students - Related Services:					
Salaries	141,749.00	(19,507.37)	122,241.63	122,241.63	-
Purchased Professional/Educational Services	45,600.00	85,883.82	131,483.82	131,483.82	-
Supplies and Materials	2,000.00	(2,000.00)	-	-	-
<b>Total - Other Support Services - Students - Related Services</b>	<b>189,349.00</b>	<b>64,376.45</b>	<b>253,725.45</b>	<b>253,725.45</b>	<b>-</b>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
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	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Other Support Services - Students - Extraordinary Services:					
Purchased Professional/Educational Services	\$ 15,000.00	\$ 38,971.84	\$ 53,971.84	\$ 53,971.84	\$ -
Total - Other Support Services - Students - Extraordinary Services	15,000.00	38,971.84	53,971.84	53,971.84	-
Undistributed Expenditures:					
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	144,110.00	(53,456.87)	90,653.13	90,653.13	-
Salaries of Secretarial and Clerical Assistants	15,809.00	1,290.87	17,099.87	17,099.87	-
Purchased Professional - Educational Services	5,000.00	32,151.00	37,151.00	37,151.00	-
Supplies and Materials	1,800.00	3,149.13	4,949.13	4,949.13	-
Total Other Support Services - Students - Special Services	166,719.00	(16,865.87)	149,853.13	149,853.13	-
Other Support Services - Students - Regular Services:					
Salaries of Other Professional Staff	122,563.00	(18,663.00)	103,900.00	103,900.00	-
Salaries of Secretarial and Clerical Assistants	20,473.00	(4,425.50)	16,047.50	16,047.50	-
Total - Other Support Services - Students - Regular Services	143,036.00	(23,088.50)	119,947.50	119,947.50	-
Improvement of Instruction Services/Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	59,017.00	(1,421.56)	57,595.44	57,595.44	-
Salaries of Secretarial and Clerical Assistants	43,934.00	(885.02)	43,048.98	43,048.98	-
Total Improvement of Instruction Services/Other Support Services - Instructional Staff	102,951.00	(2,306.58)	100,644.42	100,644.42	-
Educational Media Services/School Library:					
Salaries	52,265.00	318.00	52,583.00	52,583.00	-
Other Purchased Services	2,000.00	(2,000.00)	-	-	-
Supplies and Materials	2,000.00	(961.49)	1,038.51	1,038.51	-
Total Educational Media Services/School Library	56,265.00	(2,643.49)	53,621.51	53,621.51	-

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
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	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 136,797.00	\$ 999.00	\$ 137,796.00	\$ 137,796.00	\$ -
Legal Services	6,000.00	18,210.57	24,210.57	24,210.57	-
Audit Fees	17,500.00	1,800.00	19,300.00	19,300.00	-
Communications/Telephone	20,000.00	760.55	20,760.55	20,760.55	-
Other Purchased Services	-	250.00	250.00	250.00	-
Miscellaneous Expenditures	13,000.00	(5,016.16)	7,983.84	7,983.84	-
BOE Membership Dues and Fees	5,419.00	(0.20)	5,418.80	5,418.80	-
<b>Total Support Services General Administration</b>	<b>198,716.00</b>	<b>17,003.76</b>	<b>215,719.76</b>	<b>215,719.76</b>	<b>-</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	54,000.00	-	54,000.00	54,000.00	-
Salaries of Other Professional Staff	93,992.00	7,697.20	101,689.20	101,689.20	-
Salaries of Secretarial and Clerical Assistants	64,377.00	(3,444.78)	60,932.22	60,932.22	-
Supplies and Materials	2,000.00	1,417.96	3,417.96	3,417.96	-
Other Objects	-	6,000.00	6,000.00	6,000.00	-
<b>Total Support Services School Administration</b>	<b>214,369.00</b>	<b>11,670.38</b>	<b>226,039.38</b>	<b>226,039.38</b>	<b>-</b>
Central Services					
Salaries	218,034.00	2,696.52	220,730.52	220,730.52	-
Purchased Technical Services	15,388.00	1,256.00	16,644.00	16,644.00	-
Supplies and Materials	1,000.00	(667.38)	332.62	332.62	-
Miscellaneous Expenditures	-	990.00	990.00	990.00	-
<b>Total Central Services</b>	<b>234,422.00</b>	<b>4,275.14</b>	<b>238,697.14</b>	<b>238,697.14</b>	<b>-</b>
Administrative Information Technology					
Salaries	88,621.00	9,215.58	97,836.58	97,836.58	-
Purchased Technical Services	5,000.00	(167.00)	4,833.00	4,833.00	-
Supplies and Materials	8,000.00	(308.60)	7,691.40	7,691.40	-
<b>Total - Administrative Information Technology</b>	<b>101,621.00</b>	<b>8,739.98</b>	<b>110,360.98</b>	<b>110,360.98</b>	<b>-</b>

(Continued)

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**

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	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Allowable Maintenance for School Facilities:					
Salaries	\$ 42,690.00	\$ (837.12)	\$ 41,852.88	\$ 41,852.88	\$ -
Cleaning, Repair & Maintenance Services	13,000.00	(1,823.04)	11,176.96	11,176.96	-
General Supplies	31,000.00	(26,872.37)	4,127.63	4,127.63	-
<b>Total - Allowable Maintenance for School Facilities</b>	<b>86,690.00</b>	<b>(29,532.53)</b>	<b>57,157.47</b>	<b>57,157.47</b>	<b>-</b>
Other Operation and Maintenance of Plant Services:					
Salaries	399,409.00	(38,550.35)	360,858.65	360,858.65	-
Purchased Professional and Technical Services	30,000.00	6,465.14	36,465.14	36,465.14	-
Cleaning, Repair & Maintenance Services	13,000.00	(12,118.00)	882.00	882.00	-
Other Purchased Property Services	19,000.00	(1,992.29)	17,007.71	17,007.71	-
Insurance	32,978.00	2,191.00	35,169.00	35,169.00	-
General Supplies	34,800.00	(6,306.66)	28,493.34	28,493.34	-
Energy (Natural Gas)	7,500.00	(3,059.90)	4,440.10	4,440.10	-
Energy (Electricity)	180,000.00	51,622.48	231,622.48	231,622.48	-
<b>Total - Other Operation and Maintenance of Plant Services</b>	<b>716,687.00</b>	<b>(1,748.58)</b>	<b>714,938.42</b>	<b>714,938.42</b>	<b>-</b>
Security:					
Salaries	20,000.00	50,162.30	70,162.30	70,162.30	-
Shared Services	-	20,000.00	20,000.00	20,000.00	-
<b>Total - Security</b>	<b>20,000.00</b>	<b>70,162.30</b>	<b>90,162.30</b>	<b>90,162.30</b>	<b>-</b>
<b>Total - Operation and Maintenance of Plant Services</b>	<b>823,377.00</b>	<b>38,881.19</b>	<b>862,258.19</b>	<b>862,258.19</b>	<b>-</b>
Student Transportation Services:					
Contracted Services (Between Home & School) - Vendors	147,907.00	61.93	147,968.93	147,968.93	-
Contracted Services (Other Than Home & School) - Vendors	-	390.00	390.00	390.00	-
Contracted Services (Special Education Students) - Joint Agreements	100,000.00	29,577.85	129,577.85	129,577.85	-
Contracted Services - Aid in Lieu of Payments	5,500.00	4,732.30	10,232.30	10,232.30	-
Misc. Purchased Services - Transportation	1,610.00	-	1,610.00	1,610.00	-
<b>Total Student Transportation Services</b>	<b>255,017.00</b>	<b>34,762.08</b>	<b>289,779.08</b>	<b>289,779.08</b>	<b>-</b>

(Continued)

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 General Fund  
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 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	\$ 110,952.00	\$ 6,904.76	\$ 117,856.76	\$ 117,856.76	\$ -
PERS State Contribution	145,000.00	(3,380.00)	141,620.00	141,620.00	-
DCRP	10,000.00	(6,991.18)	3,008.82	3,008.82	-
Unemployment Contribution	25,000.00	(4,120.53)	20,879.47	20,879.47	-
Workmen's Compensation	39,544.00	1,186.00	40,730.00	40,730.00	-
Health Benefits	1,599,093.00	(30,279.29)	1,568,813.71	1,568,453.70	360.01
Tuition Reimbursements	6,800.00	(4,000.00)	2,800.00	2,800.00	-
Total Unallocated Benefits - Employee Benefits	1,936,389.00	(40,680.24)	1,895,708.76	1,895,348.75	360.01
On-behalf TPAF Pension Contributions	-	-	-	238,287.00	(238,287.00)
On-behalf TPAF Medical Contributions	-	-	-	378,280.00	(378,280.00)
Reimbursed TPAF Social Security Contributions	-	-	-	294,493.29	(294,493.29)
Total TPAF Contributions	-	-	-	911,060.29	(911,060.29)
Total Undistributed Expenses	4,910,263.00	261,668.33	5,171,931.33	6,082,631.61	(910,700.28)
Total Expenditures - Current Expense	8,728,477.00	104,444.00	8,832,921.00	9,743,621.28	(910,700.28)
<b>CAPITAL OUTLAY:</b>					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	94,138.00	-	94,138.00	94,138.00	-
Total Capital Outlay	94,138.00	-	94,138.00	94,138.00	-
Total Expenditures	8,822,615.00	104,444.00	8,927,059.00	9,837,759.28	(910,700.28)

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Calculation of Deficiency of Revenues Under Expenditures: Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (34,997.00)	\$ (75,000.00)	\$ (109,997.00)	\$ (113,594.49)	\$ (3,597.49)
Fund Balances, July 1	449,190.54	-	449,190.54	449,190.54	-
Fund Balances, June 30	<u>\$ 414,193.54</u>	<u>\$ (75,000.00)</u>	<u>\$ 339,193.54</u>	<u>\$ 335,596.05</u>	<u>\$ (3,597.49)</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 154,095.23	
Excess Surplus Previous Year - Designated for Subsequent Year's Expenditures				7,436.26	
Assigned Fund Balance:					
Year-End Encumbrances				1,400.00	
Unassigned Fund Balance				<u>172,664.56</u>	
				335,596.05	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(419,278.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ (83,681.95)</u>	

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Special Revenue Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
State Sources:					
Nonpublic Aid	\$ 6,000.00	\$ 44,236.00	\$ 50,236.00	\$ 38,022.67	\$ (12,213.33)
<b>Total - State Sources</b>	<b>6,000.00</b>	<b>44,236.00</b>	<b>50,236.00</b>	<b>38,022.67</b>	<b>(12,213.33)</b>
Federal Sources:					
Title I, Part A	73,907.00	9,119.00	83,026.00	83,026.00	-
Title II, Part A	15,331.00	2,906.00	18,237.00	18,237.00	-
I.D.E.A., Part B Basic	150,000.00	42,531.00	192,531.00	191,924.49	(606.51)
I.D.E.A., Part B, Preschool Incentive	-	8,161.00	8,161.00	8,161.00	-
<b>Total - Federal Sources</b>	<b>239,238.00</b>	<b>62,717.00</b>	<b>301,955.00</b>	<b>301,348.49</b>	<b>(606.51)</b>
<b>Total Revenues</b>	<b>\$ 245,238.00</b>	<b>\$ 106,953.00</b>	<b>\$ 352,191.00</b>	<b>\$ 339,371.16</b>	<b>\$ (12,819.84)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	\$ 73,907.00	\$ (8,013.00)	\$ 65,894.00	\$ 65,894.00	\$ -
Purchased Professional and Technical Services	-	4,409.00	4,409.00	3,802.49	606.51
Other Purchased Services	150,000.00	46,283.00	196,283.00	196,283.00	-
General Supplies	-	1,856.00	1,856.00	1,856.00	-
Textbooks	3,000.00	456.00	3,456.00	3,456.00	-
<b>Total Instruction</b>	<b>226,907.00</b>	<b>44,991.00</b>	<b>271,898.00</b>	<b>271,291.49</b>	<b>606.51</b>
Support Services:					
Personal Services - Employee Benefits		17,132.00	17,132.00	17,132.00	-
Purchased Professional and Technical Services		23,291.00	23,291.00	13,884.90	9,406.10
Purchased Professional and Educational Services		16,132.00	16,132.00	13,324.77	2,807.23
Other Purchased Services	15,331.00	2,906.00	18,237.00	18,237.00	-
Miscellaneous Expenditure	3,000.00	2,501.00	5,501.00	5,501.00	-
<b>Total Support Services</b>	<b>18,331.00</b>	<b>61,962.00</b>	<b>80,293.00</b>	<b>68,079.67</b>	<b>12,213.33</b>
<b>Total Expenditures</b>	<b>\$ 245,238.00</b>	<b>\$ 106,953.00</b>	<b>\$ 352,191.00</b>	<b>\$ 339,371.16</b>	<b>\$ 12,819.84</b>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2015

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	\$ 9,724,164.79	\$ 339,371.16
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(302.08)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2014.	429,454.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2015.	<u>(419,278.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 9,734,340.79</u>	<u>\$ 339,069.08</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 9,837,759.28	\$ 339,371.16
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(302.08)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 9,837,759.28</u>	<u>\$ 339,069.08</u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Two Fiscal Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0171788546%	0.0163639472%
School District's Proportionate Share of the Net Pension Liability	\$ 3,216,351.00	\$ 3,127,475.00
School District's Covered-Employee Payroll	\$ 1,104,400.00	\$ 1,157,629.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	291.23%	270.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Two Fiscal Years

	<u>Fiscal Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 138,036.00	\$ 141,620.00
Contributions in Relation to the Contractually Required Contribution	<u>(138,036.00)</u>	<u>(141,620.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
School District's Covered-Employee Payroll	\$ 980,960.00	\$ 1,104,400.00
Contributions as a Percentage of School District's Covered-Employee Payroll	14.07%	12.82%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.  
 However, until a full 10-year trend is compiled, this presentation will only include information  
 for those years for which information is available.

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Two Fiscal Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>23,873,391.00</u>	<u>22,820,128.00</u>
	<u>\$ 23,873,391.00</u>	<u>\$ 22,820,128.00</u>
School District's Covered-Employee Payroll	\$ 4,557,020.00	\$ 4,370,140.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	523.88%	522.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last 10 Fiscal Years

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This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2015

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**Public Employees' Retirement System (PERS)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 5.55% as of June 30, 2013, to 5.39% as of June 30, 2014, in accordance with Paragraph 44 of GASB Statement No. 67.

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 4.95% as of June 30, 2013, to 4.68% as of June 30, 2014, in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2015

	NCLB				I.D.E.A. Part B		Total Brought Forward
	Total	Title I, Part A	Title II, Part A	Basic	Preschool		
<b>REVENUES:</b>							
Federal Sources	\$ 301,348.49	\$ 83,026.00	\$ 18,237.00	\$ 191,924.49	\$ 8,161.00	\$	-
State Sources	<u>38,022.67</u>						<u>38,022.67</u>
Total Revenues	<u>\$ 339,371.16</u>	<u>\$ 83,026.00</u>	<u>\$ 18,237.00</u>	<u>\$ 191,924.49</u>	<u>\$ 8,161.00</u>	<u>\$</u>	<u>\$ 38,022.67</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries	\$ 65,894.00	\$ 65,894.00	-	-	-	\$	-
Purchased Professional and Technical Services	3,802.49			3,802.49		-	-
Other Purchased Services	196,283.00			188,122.00	8,161.00		-
General Supplies	1,856.00						1,856.00
Textbooks	3,456.00						3,456.00
Total Instruction	<u>271,291.49</u>	<u>65,894.00</u>	<u>-</u>	<u>191,924.49</u>	<u>8,161.00</u>		<u>5,312.00</u>
Support Services:							
Personal Services - Employee Benefits	17,132.00	17,132.00					-
Purchased Professional and Technical Services	13,884.90						13,884.90
Purchased Professional and Educational Services	13,324.77						13,324.77
Other Purchased Services	18,237.00	\$ 18,237.00					-
Miscellaneous Expenditure	5,501.00						5,501.00
Total Support Services	<u>68,079.67</u>	<u>17,132.00</u>	<u>18,237.00</u>	<u>-</u>	<u>-</u>		<u>32,710.67</u>
Total Expenditures	<u>\$ 339,371.16</u>	<u>\$ 83,026.00</u>	<u>\$ 18,237.00</u>	<u>\$ 191,924.49</u>	<u>\$ 8,161.00</u>	<u>\$</u>	<u>\$ 38,022.67</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2015

	Total Carried Forward	Nonpublic Technology Aid		Nonpublic Textbook Aid, Ch. 194, L. 1979		Nonpublic Nursing Aid		N.J. Nonpublic Auxiliary Services Ch. 192 Compensatory Education		N.J. Nonpublic Handicapped Services Ch. 193		
		Nonpublic Technology Aid	Nonpublic Textbook Aid, Ch. 194, L. 1979	Nonpublic Nursing Aid	Nonpublic Auxiliary Services Ch. 192 Compensatory Education	Supplemental Instruction	Examination and Classification	Corrective Speech				
<b>REVENUES:</b>												
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	38,022.67	1,856.00	3,456.00	5,501.00	13,884.90	3,845.03	6,122.44	3,357.30				
<b>Total Revenues</b>	<b>\$ 38,022.67</b>	<b>\$ 1,856.00</b>	<b>\$ 3,456.00</b>	<b>\$ 5,501.00</b>	<b>\$ 13,884.90</b>	<b>\$ 3,845.03</b>	<b>\$ 6,122.44</b>	<b>\$ 3,357.30</b>				
<b>EXPENDITURES:</b>												
Instruction:												
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional and Technical Services	-	-	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	1,856.00	1,856.00										
General Supplies	3,456.00		3,456.00									
Textbooks												
<b>Total Instruction</b>	<b>5,312.00</b>	<b>1,856.00</b>	<b>3,456.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Support Services:												
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Professional and Technical Services	13,884.90				13,884.90							
Purchased Professional and Educational Services	13,324.77					3,845.03	6,122.44					3,357.30
Other Purchased Services	-											
Miscellaneous Expenditure	5,501.00			5,501.00								
<b>Total Support Services</b>	<b>32,710.67</b>	<b>-</b>	<b>-</b>	<b>5,501.00</b>	<b>13,884.90</b>	<b>3,845.03</b>	<b>6,122.44</b>	<b>3,357.30</b>				
<b>Total Expenditures</b>	<b>\$ 38,022.67</b>	<b>\$ 1,856.00</b>	<b>\$ 3,456.00</b>	<b>\$ 5,501.00</b>	<b>\$ 13,884.90</b>	<b>\$ 3,845.03</b>	<b>\$ 6,122.44</b>	<b>\$ 3,357.30</b>				

CAPITAL PROJECTS FUND

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Year Ended June 30, 2015

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Balance June 30, 2015
			Prior Years	Current Year	
Additions/Alterations to the Eastampton Middle School	12/14/04	\$ 22,089,627.00	\$ 22,071,246.26	\$ 18,380.74	\$ -
		<u>\$ 22,089,627.00</u>	<u>\$ 22,071,246.26</u>	<u>\$ 18,380.74</u>	<u>\$ -</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**

Capital Projects Fund

Summary Statement of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
For the Fiscal Year Ended June 30, 2015

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REVENUES AND OTHER FINANCING SOURCES:	
Miscellaneous Revenue -- Interest Earnings	\$ 0.60
	<u>0.60</u>
Total Revenues	<u>0.60</u>
EXPENDITURES AND OTHER FINANCING USES:	
Expenditures:	
Other Purchased Professional and Technical Services	\$ 2,000.00
Construction Services	<u>16,380.74</u>
Total Expenditures	18,380.74
Other Financing Uses:	
Transfer to Debt Service Fund	<u>0.60</u>
Total Expenditures and Other Financing Uses	<u>18,381.34</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(18,380.74)
Fund Balance -- July 1	<u>18,380.74</u>
Fund Balance -- June 30	<u><u>\$ -</u></u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Capital Projects Fund  
 Statement of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
 Additions/Alterations to the Eastampton Middle School  
 From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State Sources--SCC Grant	\$ 10,879,627.00	\$ -	\$ 10,879,627.00	\$ 10,879,627.00
Bond Proceeds and Transfers	11,130,000.00		11,130,000.00	11,130,000.00
Contribution from Private Source	80,000.00		80,000.00	80,000.00
<b>Total Revenues</b>	<u>22,089,627.00</u>	<u>-</u>	<u>22,089,627.00</u>	<u>22,089,627.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Other Purchased Professional and Technical Services	2,102,333.36	2,000.00	2,104,333.36	2,110,697.00
Construction Services	19,968,912.90	16,380.74	19,985,293.64	19,978,930.00
<b>Total Expenditures</b>	<u>22,071,246.26</u>	<u>18,380.74</u>	<u>22,089,627.00</u>	<u>22,089,627.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 18,380.74</u>	<u>\$ (18,380.74)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	SP1250-060-05-0ABB			
Grant Date	02/22/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$ 11,130,000.00			
Bonds Issued	\$ 11,130,000.00			
Original Authorized Cost	\$ 22,010,542.00			
Additional Authorized Cost	\$ 79,085.00			
Revised Authorized Cost	\$ 22,089,627.00			
Percentage Increase over Original Authorized Cost	0.36%			
Percentage Completion	100.00%			
Original Target Completion Date	Summer 2008			
Revised Target Completion Date	Summer 2014			

## PROPRIETARY FUNDS

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Proprietary Funds  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2015

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 17,669.09	\$ -	\$ 17,669.09
Accounts Receivable:			
State	185.54		185.54
Federal	7,227.14		7,227.14
Other	21.07		21.07
Inventories	<u>7,388.14</u>		<u>7,388.14</u>
Total Current Assets	<u>32,490.98</u>	<u>-</u>	<u>32,490.98</u>
<b>Noncurrent Assets:</b>			
Furniture, Fixtures and Equipment	96,106.00		96,106.00
Less Accumulated Depreciation	<u>(65,939.34)</u>		<u>(65,939.34)</u>
Total Noncurrent Assets	<u>30,166.66</u>	<u>-</u>	<u>30,166.66</u>
Total Assets	<u>62,657.64</u>	<u>-</u>	<u>62,657.64</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Unearned Revenue	<u>2,834.02</u>		<u>2,834.02</u>
Total Current Liabilities	<u>2,834.02</u>	<u>-</u>	<u>2,834.02</u>
Total Liabilities	<u>2,834.02</u>	<u>-</u>	<u>2,834.02</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	30,166.66		30,166.66
Unrestricted	<u>29,656.96</u>		<u>29,656.96</u>
Total Net Position	<u>\$ 59,823.62</u>	<u>\$ -</u>	<u>\$ 59,823.62</u>

**TOWNSHIP OF EASTAMPTON 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, 2015

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales:			
Non-reimbursable Programs	\$ 67,112.72	\$ -	\$ 67,112.72
Reimbursable Program -- School Lunch	75,987.24		75,987.24
Child Care Fees		25,820.00	25,820.00
<b>Total Operating Revenues</b>	<u>143,099.96</u>	<u>25,820.00</u>	<u>168,919.96</u>
<b>OPERATING EXPENSES:</b>			
Salaries	127,725.61	13,459.83	141,185.44
Employee Benefits	699.81	2,578.43	3,278.24
Management Fee	15,896.18		15,896.18
General Supplies	13,079.48	415.66	13,495.14
Direct Expenses	5,690.77		5,690.77
Depreciation	7,915.41	14,806.12	22,721.53
Other Professional and Technical Services	10,735.05	95.34	10,830.39
Cost of Sales	91,710.91		91,710.91
Activities		3,255.00	3,255.00
<b>Total Operating Expenses</b>	<u>273,453.22</u>	<u>34,610.38</u>	<u>308,063.60</u>
<b>Operating Income / (Loss)</b>	<u>(130,353.26)</u>	<u>(8,790.38)</u>	<u>(139,143.64)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	2,580.57		2,580.57
Federal Sources:			
National School Lunch Program	92,945.32		92,945.32
Food Distribution Program	18,471.68		18,471.68
Interest Revenue	22.06	0.58	22.64
<b>Total Nonoperating Revenues (Expenses)</b>	<u>114,019.63</u>	<u>0.58</u>	<u>114,020.21</u>
<b>Change in Net Position</b>	<u>(16,333.63)</u>	<u>(8,789.80)</u>	<u>(25,123.43)</u>
<b>Net Position -- July 1</b>	<u>76,157.25</u>	<u>8,789.80</u>	<u>84,947.05</u>
<b>Net Position -- June 30</b>	<u>\$ 59,823.62</u>	<u>\$ -</u>	<u>\$ 59,823.62</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Proprietary Funds  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 143,046.19	\$ 22,780.00	\$ 165,826.19
Payments to Management Company	(199,177.24)		(199,177.24)
Payments to Employees	(29,376.29)	(19,563.70)	(48,939.99)
Payments for Employee Benefits	(699.81)	(2,578.43)	(3,278.24)
Payments for Supplies and Services	(35,823.39)	(3,766.00)	(39,589.39)
Net Cash Provided by (used for) Operating Activities	<u>(122,030.54)</u>	<u>(3,128.13)</u>	<u>(125,158.67)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	2,898.48		2,898.48
Federal Sources	121,539.49		121,539.49
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>124,437.97</u>	<u>-</u>	<u>124,437.97</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	22.06	0.58	22.64
Net Increase (Decrease) in Cash and Cash Equivalents	2,429.49	(3,127.55)	(698.06)
Cash and Cash Equivalents -- July 1	15,239.60	3,127.55	18,367.15
Cash and Equivalents -- June 30	<u>\$ 17,669.09</u>	<u>\$ -</u>	<u>\$ 17,669.09</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (130,353.26)	\$ (8,790.38)	\$ (139,143.64)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	7,915.41	14,806.12	22,721.53
(Increase) Decrease in Inventories	461.08		461.08
Increase (Decrease) in Unearned Revenue	(37.90)	(3,040.00)	(3,077.90)
(Increase) Decrease in Accounts Receivable	(15.87)		(15.87)
Increase (Decrease) in Accounts Payable		(6,103.87)	(6,103.87)
Total Adjustments	<u>8,322.72</u>	<u>5,662.25</u>	<u>13,984.97</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (122,030.54)</u>	<u>\$ (3,128.13)</u>	<u>\$ (125,158.67)</u>

FIDUCIARY FUNDS

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2015

	<u>Agency Funds</u>		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 11,587.93	\$ 21,448.03	\$ 33,035.96
Total Assets	<u>\$ 11,587.93</u>	<u>\$ 21,448.03</u>	<u>\$ 33,035.96</u>
<b>LIABILITIES:</b>			
Accounts Payable	\$ 57.00	\$ -	\$ 57.00
Interfund Accounts Payable:			
Due General Fund		15,953.15	15,953.15
Payable to Student Groups	11,530.93		11,530.93
Payroll Deductions and Withholdings		5,494.88	5,494.88
Total Liabilities	<u>\$ 11,587.93</u>	<u>\$ 21,448.03</u>	<u>\$ 33,035.96</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2015

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	Balance <u>June 30, 2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2015</u>
SCHOOLS:				
Elementary	\$ 232.33	\$ 5,220.46	\$ 5,220.30	\$ 232.49
Middle	<u>11,365.18</u>	<u>32,293.49</u>	<u>32,303.23</u>	<u>11,355.44</u>
Total All Schools	<u>\$ 11,597.51</u>	<u>\$ 37,513.95</u>	<u>\$ 37,523.53</u>	<u>\$ 11,587.93</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 26,268.03	\$ 6,087,140.83	\$ 6,091,960.83	\$ 21,448.03
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 6,527.37	\$ 2,808,021.13	\$ 2,809,053.62	\$ 5,494.88
Net Payroll		3,263,259.90	3,263,259.90	
Contra		14,494.81	14,494.81	
Interfund Accounts Payable: Due General Fund	19,740.66	1,364.99	5,152.50	15,953.15
Total Liabilities	\$ 26,268.03	\$ 6,087,140.83	\$ 6,091,960.83	\$ 21,448.03

LONG-TERM DEBT

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**

Schedule of Serial Bonds

For the Fiscal Year Ended June 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Paid By Budget Appropriation</u>	<u>Balance June 30, 2015</u>
School District Bonds-- Series 2005	03/03/05	\$ 11,130,000.00				\$ 150,000.00	-	\$ 150,000.00	\$ -
School District Refunding Bonds-- Series 2012	06/20/12	9,160,000.00	03/01/16	\$ 415,000.00	3.00%				
			03/01/17	465,000.00	3.00%				
			03/01/18	460,000.00	3.00%				
			03/01/19	500,000.00	4.00%				
			03/01/20	500,000.00	4.00%				
			03/01/21	525,000.00	4.00%				
			03/01/22	550,000.00	4.00%				
			03/01/23	545,000.00	4.00%				
			03/01/24	595,000.00	4.00%				
			03/01/25	590,000.00	4.00%				
			03/01/26	685,000.00	4.00%				
			03/01/27	680,000.00	4.00%				
			03/01/28	730,000.00	4.00%				
			03/01/29	750,000.00	4.00%				
			03/01/30	760,000.00	4.00%				
						9,020,000.00		270,000.00	8,750,000.00
						<u>\$ 9,170,000.00</u>	<u>\$ -</u>	<u>\$ 420,000.00</u>	<u>\$ 8,750,000.00</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 766,036.00	-	\$ 766,036.00	\$ 766,036.00	\$ -
Total Revenues	<u>766,036.00</u>	<u>-</u>	<u>766,036.00</u>	<u>766,036.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	351,075.00		351,075.00	351,075.00	
Redemption of Principal	420,000.00		420,000.00	420,000.00	
Total Expenditures	<u>771,075.00</u>	<u>-</u>	<u>771,075.00</u>	<u>771,075.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,039.00)	-	(5,039.00)	(5,039.00)	-
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund	-		-	0.60	0.60
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(5,039.00)	-	(5,039.00)	(5,038.40)	0.60
Fund Balance, July 1	5,039.48	-	5,039.48	5,039.48	-
Fund Balance, June 30	<u>\$ 0.48</u>	<u>\$ -</u>	<u>\$ 0.48</u>	<u>\$ 1.08</u>	<u>\$ 0.60</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>					
Budgeted Fund Balance	<u>\$ 5,039.00</u>	<u>\$ -</u>	<u>\$ 5,039.00</u>	<u>\$ (5,039.00)</u>	<u>\$ -</u>

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

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 13,319,644.69	\$ 14,165,637.20	\$ 14,356,358.43	\$ 14,527,553.41	\$ 14,884,635.60	\$ 15,198,836.93	\$ 15,366,471.83	\$ 15,083,489.29	\$ 12,822,926.80	\$ 7,950,644.37
Restricted	161,532.57	218,458.76	156,552.85	445,548.63	261,573.18	363,620.46	416,003.18	641,268.10	2,700,296.11	7,151,526.06
Unrestricted	(3,786,856.24)	(525,216.80)	(326,560.86)	(381,462.81)	(270,744.47)	(564,843.82)	(384,711.83)	(42,903.03)	(93,370.73)	(71,153.74)
<b>Total Governmental Activities Net Position</b>	<b>\$ 9,694,319.02</b>	<b>\$ 13,858,879.16</b>	<b>\$ 14,186,350.42</b>	<b>\$ 14,591,639.23</b>	<b>\$ 14,875,464.31</b>	<b>\$ 14,997,613.57</b>	<b>\$ 15,397,763.18</b>	<b>\$ 15,681,854.36</b>	<b>\$ 15,429,852.18</b>	<b>\$ 15,031,016.69</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 30,166.66	\$ 52,888.19	\$ 75,703.15	\$ 98,518.11	\$ 121,333.07	\$ 146,752.03	\$ 170,109.48	\$ 193,466.95	\$ 128,646.20	\$ 11,504.53
Unrestricted	29,656.96	32,058.86	96,833.05	102,295.35	143,578.25	156,135.38	143,816.34	76,644.03	98,668.39	191,541.03
<b>Total Business-type Activities Net Position</b>	<b>\$ 59,823.62</b>	<b>\$ 84,947.05</b>	<b>\$ 172,536.20</b>	<b>\$ 200,813.46</b>	<b>\$ 264,911.32</b>	<b>\$ 302,887.41</b>	<b>\$ 313,925.82</b>	<b>\$ 270,110.98</b>	<b>\$ 227,314.59</b>	<b>\$ 203,045.56</b>
<b>District-wide:</b>										
Net Investment in Capital Assets	\$ 13,349,811.35	\$ 14,218,525.39	\$ 14,432,061.58	\$ 14,626,071.52	\$ 15,005,968.67	\$ 15,345,588.96	\$ 15,536,581.31	\$ 15,276,956.24	\$ 12,951,573.00	\$ 7,962,148.90
Restricted	161,532.57	218,458.76	156,552.85	445,548.63	261,573.18	363,620.46	416,003.18	641,268.10	2,700,296.11	7,151,526.06
Unrestricted	(3,757,201.28)	(493,157.94)	(229,727.81)	(279,167.46)	(127,166.22)	(408,708.44)	(240,895.49)	33,741.00	5,297.66	120,387.29
<b>Total District-wide Net Position</b>	<b>\$ 9,754,142.64</b>	<b>\$ 13,943,826.21</b>	<b>\$ 14,358,886.62</b>	<b>\$ 14,792,452.69</b>	<b>\$ 15,140,375.63</b>	<b>\$ 15,300,500.98</b>	<b>\$ 15,711,689.00</b>	<b>\$ 15,951,965.34</b>	<b>\$ 15,657,166.77</b>	<b>\$ 15,234,062.25</b>

Source: Exhibit A-1

In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed. See the notes to the financial statements.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

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

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 3,135,589.10	\$ 3,547,464.54	\$ 3,477,775.96	\$ 3,478,283.95	\$ 3,321,769.03	\$ 3,612,195.97	\$ 3,148,941.72	\$ 3,191,974.02	\$ 3,030,045.05	\$ 3,029,783.78
Special Education	1,186,652.49	1,291,898.76	1,313,906.53	1,242,524.70	1,211,487.48	1,653,412.02	1,411,341.97	1,307,621.91	1,260,268.80	1,157,129.84
Other Special Education	145,516.92	200,529.72	157,565.50	150,750.11	184,946.88	260,844.00	348,982.04	320,326.99	90,349.51	65,330.50
Support Services:										
Tuition	486,044.06	211,928.92	423,395.41	620,554.29	439,264.29	443,570.09	269,934.23	223,290.69	439,294.75	362,514.03
Student and Instruction Related Services	960,294.91	929,127.50	890,725.12	840,849.51	793,488.73	814,470.21	842,381.52	781,780.48	887,514.25	869,978.95
School Administrative Services	226,039.38	249,957.38	257,469.04	285,858.64	315,160.92	399,199.52	396,342.52	391,127.85	379,980.62	410,978.74
General and Business Administrative Services	595,432.40	551,394.04	544,006.85	601,759.50	528,853.62	602,331.13	601,532.84	591,257.91	638,381.18	507,568.67
Plant Operations and Maintenance	893,653.65	942,295.54	840,570.89	776,759.08	749,152.90	886,052.41	943,849.36	780,816.46	731,665.89	682,309.34
Pupil Transportation	289,779.08	246,095.49	253,751.52	330,532.82	286,406.41	281,487.52	333,849.93	226,530.08	430,104.12	442,448.25
Unallocated Benefits	3,900,588.04	2,649,711.18	2,835,375.09	2,420,058.25	2,389,727.95	2,430,214.12	2,204,861.22	2,216,062.88	1,973,331.00	1,527,794.39
Interest on Long-term Debt	346,169.58	361,108.36	343,808.21	362,192.46	459,765.53	472,279.44	487,855.40	508,830.81	527,508.77	547,519.50
Amortization of Bond Issuance Costs			106,418.80	84,382.16	10,221.48	10,221.48	12,096.48	12,096.48	12,248.88	12,248.88
Debt Assessment	94,138.00	94,138.00	94,138.00	68,594.00	117,950.00					
Total Governmental Activities Expenses	12,259,897.61	11,275,649.43	11,538,926.92	11,263,099.47	10,808,197.68	11,866,287.91	11,001,960.23	10,551,816.56	10,400,692.82	9,615,604.87
Business-type Activities:										
Food Service	273,453.22	300,175.24	275,825.61	258,531.26	244,576.17	234,896.51	219,266.13	260,949.04	196,504.14	182,906.92
Childcare Program	34,610.38	275,838.25	267,870.63	336,163.20	350,320.83	324,335.37	272,479.26	266,120.85	260,746.88	240,512.76
Total Business-type Activities Expense	308,063.60	576,013.49	543,696.24	594,694.46	594,897.00	559,231.88	491,745.39	527,069.89	457,251.02	423,419.68
Total District Expenses	\$ 12,567,961.21	\$ 11,851,662.92	\$ 12,082,623.16	\$ 11,857,793.93	\$ 11,403,094.68	\$ 12,425,519.79	\$ 11,493,705.62	\$ 11,078,886.45	\$ 10,857,943.84	\$ 10,039,024.55
<b>Program Revenues:</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 2,390,593.37	\$ 1,272,954.86	\$ 1,408,133.33	\$ 1,203,915.26	\$ 1,136,796.01	\$ 1,180,355.59	\$ 1,092,515.02	\$ 1,233,861.34	\$ 1,235,188.26	\$ 849,041.72
Charges for Services	1,157.40	14,752.00	25,752.00							
Total Governmental Activities Program Revenues	2,391,750.77	1,287,706.86	1,433,885.33	1,203,915.26	1,136,796.01	1,180,355.59	1,092,515.02	1,233,861.34	1,235,188.26	849,041.72
Business-type Activities:										
Charges for Services:										
Food Service	143,099.96	141,550.42	161,387.07	153,337.10	170,128.48	160,903.49	170,151.62	167,968.71	131,275.93	148,819.20
Childcare Program	25,820.00	240,675.00	235,608.99	278,546.00	290,399.30	288,422.00	298,159.99	249,779.00	293,342.02	304,634.92
Operating Grants and Contributions	113,997.57	106,196.91	118,357.87	97,989.00	94,323.24	95,995.18	64,439.96	54,645.91	46,375.67	50,869.92
Total Business-type Activities Program Revenues	282,917.53	488,422.33	515,353.93	529,882.10	554,851.02	545,320.67	532,751.57	472,383.62	470,993.62	504,324.04
Total District Program Revenues	\$ 2,674,668.30	\$ 1,776,129.19	\$ 1,949,239.26	\$ 1,733,797.36	\$ 1,691,647.03	\$ 1,725,676.26	\$ 1,625,266.59	\$ 1,706,244.96	\$ 1,706,181.88	\$ 1,353,365.76

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

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expense)/Revenue:										
Governmental Activities	\$ (9,868,146.84)	\$ (9,987,942.57)	\$ (10,105,041.59)	\$ (10,059,184.21)	\$ (9,671,401.67)	\$ (10,685,932.32)	\$ (9,909,445.21)	\$ (9,317,955.22)	\$ (9,165,504.56)	\$ (8,766,563.15)
Business-type Activities	(25,146.07)	(87,591.16)	(28,342.31)	(64,812.36)	(40,045.98)	(13,911.21)	41,006.18	(54,686.27)	13,742.60	80,904.36
<b>Total District-wide Net Expense</b>	<b>\$ (9,893,292.91)</b>	<b>\$ (10,075,533.73)</b>	<b>\$ (10,133,383.90)</b>	<b>\$ (10,123,996.57)</b>	<b>\$ (9,711,447.65)</b>	<b>\$ (10,699,843.53)</b>	<b>\$ (9,868,439.03)</b>	<b>\$ (9,372,641.49)</b>	<b>\$ (9,151,761.96)</b>	<b>\$ (8,685,658.79)</b>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 4,138,341.00	\$ 4,057,198.00	\$ 3,977,645.00	\$ 3,949,645.00	\$ 4,022,835.00	\$ 4,060,728.00	\$ 3,990,437.00	\$ 4,401,180.00	\$ 4,208,969.00	\$ 3,723,596.00
Taxes Levied for Debt Service	766,036.00	697,945.00	785,979.00	772,991.00	755,044.00	727,150.00	740,519.00	575,290.00	632,785.00	723,971.00
Unrestricted Grants and Contributions	4,587,697.00	4,571,220.33	4,593,864.00	4,689,426.49	4,395,097.45	5,020,875.00	4,595,122.00	4,309,113.00	4,194,185.00	4,191,073.00
Restricted Grants and Contributions					2,746.38	117,253.62	72,346.06	71,555.13	166,423.00	206,961.00
Investment Earnings	405.52	30.38	463.20	5,379.98	14,073.72	16,449.49	30,071.13	69,557.35	36,989.48	32,774.30
Other	1,542.18	334,077.60	341,801.58	357,916.66	359,455.86	343,326.60	196,864.84	236,718.92	324,988.37	396,759.15
Loss on Disposal of Capital Assets	(662,960.00)									
Transfers								(93,457.00)		
<b>Total Governmental Activities</b>	<b>8,831,061.70</b>	<b>9,660,471.31</b>	<b>9,699,752.78</b>	<b>9,775,359.13</b>	<b>9,549,252.41</b>	<b>10,285,782.71</b>	<b>9,625,354.03</b>	<b>9,569,957.40</b>	<b>9,564,339.85</b>	<b>9,275,134.45</b>
Business-type Activities:										
Investment Earnings	22.64	2.01	65.05	714.50	2,069.89	2,872.80	2,808.66	4,025.66	10,526.43	7,690.08
Transfers								93,457.00		
<b>Total Business-type Activities</b>	<b>22.64</b>	<b>2.01</b>	<b>65.05</b>	<b>714.50</b>	<b>2,069.89</b>	<b>2,872.80</b>	<b>2,808.66</b>	<b>97,482.66</b>	<b>10,526.43</b>	<b>7,690.08</b>
<b>Total District-wide</b>	<b>\$ 8,831,084.34</b>	<b>\$ 9,660,473.32</b>	<b>\$ 9,699,817.83</b>	<b>\$ 9,776,073.63</b>	<b>\$ 9,551,322.30</b>	<b>\$ 10,288,655.51</b>	<b>\$ 9,628,162.69</b>	<b>\$ 9,667,440.06</b>	<b>\$ 9,574,866.28</b>	<b>\$ 9,282,824.53</b>
Change in Net Position:										
Governmental Activities	\$ (1,037,085.14)	\$ (327,471.26)	\$ (405,288.81)	\$ (283,825.08)	\$ (122,149.26)	\$ (400,149.61)	\$ (284,091.18)	\$ 252,002.18	\$ 398,835.29	\$ 508,571.30
Business-type Activities	(25,123.43)	(87,589.15)	(28,277.26)	(64,097.86)	(37,976.09)	(11,038.41)	43,814.84	42,796.39	24,269.03	88,594.44
<b>Total District</b>	<b>\$ (1,062,208.57)</b>	<b>\$ (415,060.41)</b>	<b>\$ (433,566.07)</b>	<b>\$ (347,922.94)</b>	<b>\$ (160,125.35)</b>	<b>\$ (411,188.02)</b>	<b>\$ (240,276.34)</b>	<b>\$ 294,798.57</b>	<b>\$ 423,104.32</b>	<b>\$ 597,165.74</b>

Source: Exhibit A-2

In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed. See the notes to the financial statements.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

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

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,703.71	\$ 302,388.34	\$ 336,453.76	\$ 265,887.66	\$ 204,823.08
Unreserved						(205,909.82)	(185,431.67)	315,116.53	196,206.78	113,818.01
Restricted	161,531.49	195,038.54	187,589.45	187,682.88	177,319.99					
Committed					1,972.82					
Assigned	1,400.00	2,800.00	1,400.00	204,429.33	34,587.82					
Unassigned	(246,613.44)	(178,102.00)	(107,469.00)	(146,713.57)	(69,438.69)					
<b>Total General Fund</b>	<b>\$ (83,681.95)</b>	<b>\$ 19,736.54</b>	<b>\$ 81,520.45</b>	<b>\$ 245,398.64</b>	<b>\$ 144,441.94</b>	<b>\$ (32,206.11)</b>	<b>\$ 116,956.67</b>	<b>\$ 651,570.29</b>	<b>\$ 462,094.44</b>	<b>\$ 318,641.09</b>
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,842.32	\$ 120,804.13	\$ 114,704.13	\$ 3,228,372.87	\$ 18,496,616.29
Unreserved, Reported in:										
Capital Projects Fund						87,921.27	99,703.18	152,366.48	451,655.97	272,809.97
Debt Service Fund						12,314.96	58,655.36	92,200.52	252,551.73	314,608.46
Restricted, Reported in:										
Capital Projects Fund	18,380.74	49,736.61	49,736.61	64,756.25	84,731.25					
Debt Service Fund	1.08	5,039.48	43,443.85	5,836.19	4,817.70					
<b>Total All Other Governmental Funds</b>	<b>\$ 1.08</b>	<b>\$ 23,420.22</b>	<b>\$ 93,180.46</b>	<b>\$ 70,592.44</b>	<b>\$ 89,548.95</b>	<b>\$ 122,078.55</b>	<b>\$ 279,162.67</b>	<b>\$ 359,271.13</b>	<b>\$ 3,932,580.57</b>	<b>\$ 19,084,034.72</b>

Source: Exhibit B-1

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

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

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues:</b>										
Tax Levy	\$ 4,904,377.00	\$ 4,755,143.00	\$ 4,763,624.00	\$ 4,722,636.00	\$ 4,777,879.00	\$ 4,787,878.00	\$ 4,730,956.00	\$ 4,976,470.00	\$ 4,841,754.00	\$ 4,447,567.00
Other Local Revenue	3,105.10	348,859.98	368,016.78	363,296.64	373,529.58	359,776.09	226,935.97	306,357.73	361,977.85	429,533.45
State Sources	5,630,615.88	5,536,420.19	5,681,718.80	5,412,379.73	5,201,893.26	4,945,537.83	5,465,557.41	5,329,714.38	5,260,381.22	4,958,376.36
Federal Sources	301,348.49	307,755.00	320,278.53	480,962.02	332,746.58	1,372,946.38	294,419.67	284,815.09	335,415.24	288,699.36
<b>Total Revenue</b>	<b>10,839,446.47</b>	<b>10,948,178.17</b>	<b>11,133,638.11</b>	<b>10,979,274.39</b>	<b>10,686,048.42</b>	<b>11,466,138.30</b>	<b>10,717,869.05</b>	<b>10,897,357.20</b>	<b>10,799,528.31</b>	<b>10,124,176.17</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	2,554,918.41	3,001,235.11	2,917,803.47	2,886,838.55	2,799,651.84	3,057,439.61	3,006,340.91	3,100,425.04	2,832,615.93	2,810,111.90
Special Education Instruction	1,186,652.49	1,291,898.76	1,313,906.53	1,242,524.70	1,211,487.48	1,653,412.02	1,411,341.97	1,307,621.91	1,260,268.80	1,157,129.84
Other Special Instruction	145,516.92	200,529.72	157,565.50	150,750.11	184,946.88	260,844.00	348,982.04	320,326.99	90,349.51	65,330.50
<b>Support Services:</b>										
Tuition	486,044.06	211,928.92	423,395.41	620,554.29	439,264.75	443,570.09	269,934.23	223,290.69	439,294.75	362,514.03
Student and Instruction Related Services	960,294.91	929,127.50	890,725.12	840,849.51	790,742.35	814,470.21	842,381.52	781,780.48	887,514.25	869,978.95
School Administrative Services	226,039.38	249,957.38	257,489.04	285,858.64	315,160.92	399,199.52	396,342.52	382,684.75	379,980.62	410,978.74
Other Administrative Services	564,777.88	520,770.88	513,420.53	501,174.98	505,337.29	571,976.41	592,989.74	591,257.91	629,608.36	497,177.86
Plant Operations and Maintenance	862,258.19	910,931.44	808,873.94	743,950.29	709,423.38	854,974.36	934,563.93	771,388.79	722,767.03	670,899.85
Pupil Transportation	289,779.08	246,095.49	253,751.52	330,532.82	286,408.41	281,487.52	333,849.93	226,530.08	430,104.12	442,448.25
Unallocated Benefits	2,806,409.04	2,649,711.18	2,835,375.09	2,420,058.25	2,389,727.95	2,430,214.12	2,204,861.22	2,216,062.88	1,973,331.00	1,527,794.39
<b>Debt Service:</b>										
Principal	420,000.00	370,000.00	470,000.00	325,000.00	300,000.00	300,000.00	446,852.78	425,997.35	414,175.70	374,374.17
Interest and Other Charges	351,075.00	366,350.00	278,409.72	451,300.00	464,050.00	476,800.00	497,587.04	517,827.23	538,121.62	556,558.57
Capital Outlay	112,518.74	131,185.94	154,212.41	163,677.85	145,728.72	227,997.34	67,805.66	3,463,625.23	15,233,081.29	2,534,361.54
<b>Total Expenditures</b>	<b>10,966,284.10</b>	<b>11,079,722.32</b>	<b>11,274,928.28</b>	<b>10,963,069.99</b>	<b>10,541,929.97</b>	<b>11,772,385.20</b>	<b>11,353,833.49</b>	<b>14,328,819.33</b>	<b>25,831,212.98</b>	<b>12,279,658.59</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(126,837.63)</b>	<b>(131,544.15)</b>	<b>(141,290.17)</b>	<b>16,204.40</b>	<b>144,118.45</b>	<b>(306,246.90)</b>	<b>(635,964.44)</b>	<b>(3,431,462.13)</b>	<b>(15,031,684.67)</b>	<b>(2,155,482.42)</b>
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)				65,795.79	21,242.36	50,667.00	23,683.87	22,140.00		
Transfers In	0.60	0.63	38.38	417.75	1,508.74	3,309.60	9,004.66	49,729.83	242,549.59	391,584.21
Transfers Out	(0.60)	(0.63)	(38.38)	(417.75)	(1,508.74)	(3,309.60)	(9,004.66)	(52,686.83)	(242,549.59)	(391,584.21)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,795.79</b>	<b>-</b>	<b>-</b>	<b>21,242.36</b>	<b>47,710.00</b>	<b>23,683.87</b>	<b>22,140.00</b>
<b>Net Change in Fund Balances</b>	<b>\$ (126,837.63)</b>	<b>\$ (131,544.15)</b>	<b>\$ (141,290.17)</b>	<b>\$ 82,000.19</b>	<b>\$ 144,118.45</b>	<b>\$ (306,246.90)</b>	<b>\$ (614,722.08)</b>	<b>\$ (3,383,752.13)</b>	<b>\$ (15,008,000.80)</b>	<b>\$ (2,133,342.42)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>7.1%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>7.2%</b>	<b>7.3%</b>	<b>6.7%</b>	<b>8.4%</b>	<b>8.7%</b>	<b>9.0%</b>	<b>9.6%</b>

Source: Exhibit B-2

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

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Interest Earned on Deposits	\$ 405.52	\$ 30.38	\$ 463.20	\$ 5,379.98	\$ 14,073.72	\$ 16,449.49	\$ 21,066.47	\$ 19,908.98	\$ 36,989.48	\$ 31,833.05
Tuition	1,157.40	14,752.00	25,572.00	7,500.00	8,912.76					5,174.94
Smart Start Rebate								86,317.92		
Rental/Lease of Facilities		333,000.00	333,000.00	333,000.00	333,000.00	333,000.00	185,000.00	150,000.00		
Sale of Assets						3,900.00	9,000.00			
Prior Year Refunds	1,541.58	458.30	6,127.02	10,689.46	13,996.61	3,117.00	1,282.20	401.00		750.00
Book Fines							582.64		573.98	
Cancelled Outstanding Checks					844.20					
Miscellaneous		20.00	2,816.18	1.20					1,864.80	191.25
<b>Total Miscellaneous Revenues</b>	<b>\$ 3,104.50</b>	<b>\$ 348,260.68</b>	<b>\$ 367,978.40</b>	<b>\$ 356,570.64</b>	<b>\$ 370,827.29</b>	<b>\$ 356,466.49</b>	<b>\$ 216,931.31</b>	<b>\$ 256,627.90</b>	<b>\$ 39,428.26</b>	<b>\$ 37,949.24</b>

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 EASTAMPTON 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	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (3)
2015	\$ 4,996,800.00	\$ 362,032,700.00	\$ 2,432,800.00	\$ 20,501,150.00	\$ 3,324,400.00	\$ 34,282,700.00	\$ 427,570,550.00	\$ 472,151.00	\$ 428,042,701.00	\$ 49,580,700.00	\$ 465,364,972.00	\$ 1.18
2014 (1)	5,070,500.00	362,322,100.00	2,679,800.00	20,195,800.00	3,324,400.00	34,282,700.00	427,875,300.00	548,286.00	428,423,586.00	49,400,500.00	473,286,436.00	1.15
2013	8,611,760.00	440,467,880.00	3,541,900.00	25,116,200.00	4,450,000.00	36,350,000.00	518,537,740.00	575,757.00	519,113,497.00	75,079,000.00	478,534,776.00	0.92
2012	8,970,300.00	439,853,860.00	3,773,400.00	25,622,300.00	4,450,000.00	36,900,000.00	519,569,860.00	614,257.00	520,184,117.00	74,867,300.00	495,242,695.00	0.92
2011	8,052,300.00	437,550,860.00	4,554,000.00	25,752,300.00	4,405,000.00	36,900,000.00	517,214,460.00	625,015.00	517,839,475.00	74,597,300.00	505,421,482.00	0.91
2010	8,230,300.00	438,491,560.00	4,558,600.00	28,423,300.00	4,405,000.00	36,900,000.00	521,008,760.00	778,297.00	521,787,057.00	73,813,200.00	514,695,006.00	0.92
2009	8,193,100.00	439,228,360.00	4,708,600.00	28,706,000.00	4,405,000.00	36,900,000.00	522,141,060.00	769,323.00	522,910,383.00	72,797,100.00	533,255,540.00	0.92
2008	8,672,100.00	437,682,600.00	5,103,600.00	30,941,000.00	2,655,000.00	36,900,000.00	521,954,300.00	678,643.00	522,632,943.00	49,922,600.00	526,264,166.00	0.91
2007	9,364,100.00	437,165,100.00	5,188,900.00	29,141,000.00	2,655,000.00	36,900,000.00	520,414,100.00	669,304.00	521,083,404.00	49,031,700.00	491,950,433.00	0.96
2006 (1)	7,700,000.00	438,166,300.00	5,441,100.00	30,855,000.00	1,300,000.00	36,900,000.00	520,362,400.00	646,816.00	521,009,216.00	49,165,600.00	428,893,380.00	0.93

(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: Burlington County Board of Taxation

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

*Unaudited*

Year Ended <u>Dec. 31</u>	District Direct Rate			Total Direct School Tax Rate	Overlapping Rates				Total Direct and Overlapping Tax Rate		
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>\$</u>		<u>Regional High School District</u>	<u>Township of Eastampton</u>	<u>Township of Eastampton Fire District</u>	<u>Burlington County</u>		<u>\$</u>	
2015	1.001	0.179	\$	1.180	\$	0.473	0.902	0.066	0.450	\$	3.071
2014 (1)	0.982	0.163		1.145		0.457	0.903	0.070	0.421		2.996
2013	0.765	0.151		0.916		0.379	0.746	0.058	0.348		2.447
2012	0.767	0.149		0.916		0.379	0.729	0.059	0.362		2.445
2011	0.766	0.146		0.912		0.376	0.712	0.059	0.371		2.430
2010	0.777	0.139		0.916		0.373	0.676	0.059	0.372		2.396
2009	0.773	0.143		0.916		0.350	0.631	0.058	0.388		2.343
2008	0.800	0.105		0.905		0.364	0.583	0.057	0.393		2.302
2007	0.831	0.125		0.956		0.377	0.568	0.057	0.40		2.354
2006 (1)	0.779	0.151		0.930		0.350	0.562	0.061	0.365		2.268

(1) Revaluation

Source: Municipal Tax Collector

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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
East Coast Sherwood Village, LLC	\$ 19,282,600.00	1	4.50%	\$ 21,500,000.00	1	4.13%
East Coast Eastampton Apts, LLC	14,189,500.00	2	3.31%			
Sharbell Eastampton Village, LLC	3,985,300.00	3	0.93%			
Infosino Inc.	1,460,800.00	4	0.34%	2,300,000.00	5	0.44%
Pharmacy Dev-East LLC (CVS)	1,435,900.00	5	0.34%	1,700,000.00	6	0.33%
Inter Bro of Boilermaker Local 28, LLC	1,319,500.00	6	0.31%			
Compass Road, LLC	1,315,600.00	7	0.31%			
Sussex Real Estate Services LLC (Gregory's)	1,243,900.00	8	0.29%			
1200 Woodlane, LLC	1,044,850.00	9	0.24%			
Waste Management	999,900.00	10	0.23%	3,570,000.00	4	0.69%
Eastampton Bentley Road Assoc. LP				14,400,000.00	2	2.76%
Ashley Furniture				4,800,000.00	3	0.92%
Casano, Frank & Joseph Jr.				1,300,000.00	7	0.25%
Hiltner Enterprises				1,222,800.00	8	0.23%
Third Garden Park LTD Partnership				1,100,000.00	9	0.21%
Gbros Prop. LLC C/O Classic Dessert				1,100,000.00	10	0.21%
<b>Total</b>	<b>\$ 46,277,850.00</b>		<b>10.81%</b>	<b>\$ 52,992,800.00</b>		<b>10.17%</b>

Source: Municipal Tax Assessor

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

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Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 4,904,377.00	\$ 4,904,377.00	100.00%	-
2014	4,755,143.00	4,755,143.00	100.00%	-
2013	4,763,624.00	4,763,624.00	100.00%	-
2012	4,722,636.00	4,722,636.00	100.00%	-
2011	4,777,879.00	4,777,879.00	100.00%	-
2010	4,787,878.00	4,787,878.00	100.00%	-
2009	4,730,956.00	4,730,956.00	100.00%	-
2008	4,976,470.00	4,976,470.00	100.00%	-
2007	4,841,754.00	4,841,754.00	100.00%	-
2006	4,447,567.00	4,447,567.00	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 EASTAMPTON SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Percentage of Personal Income (2)</u>	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Capital Leases</u>	<u>Capital Leases</u>	<u>Total District</u>		
2015	\$ 8,750,000.00	\$ -	\$ -	\$ 8,750,000.00	Unavailable	Unavailable
2014	9,170,000.00	-	-	9,170,000.00	Unavailable	\$ 1,515.95
2013	9,540,000.00	21,878.55	-	9,561,878.55	3.05%	1,573.97
2012	10,010,000.00	41,963.69	-	10,051,963.69	3.23%	1,651.38
2011	10,265,000.00	-	-	10,265,000.00	3.40%	1,688.60
2010	10,565,000.00	7,066.39	-	10,572,066.39	3.64%	1,740.54
2009	10,865,000.00	30,472.17	-	10,895,472.17	3.51%	1,669.04
2008	11,311,852.78	40,687.03	-	11,352,539.81	3.61%	1,733.74
2007	11,737,850.13	22,640.64	-	11,760,490.77	3.87%	1,801.55
2006	12,152,025.83	27,478.45	-	12,179,504.28	4.10%	1,833.99

## Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita.
- (3) Per Capita personal income by county-estimated based upon the 2000 Census published.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2015	\$ 8,750,000.00	\$ -	\$ 8,750,000.00	2.04%	Unavailable
2014	9,170,000.00	-	9,170,000.00	2.14%	(4) 1,515.95
2013	9,540,000.00	-	9,540,000.00	1.84%	1,570.37
2012	10,010,000.00	-	10,010,000.00	1.92%	1,644.49
2011	10,265,000.00	-	10,265,000.00	1.98%	1,688.60
2010	10,565,000.00	-	10,565,000.00	2.02%	1,739.38
2009	10,865,000.00	-	10,865,000.00	2.08%	1,664.37
2008	11,311,852.78	-	11,311,852.78	2.16%	1,727.53
2007	11,737,850.13	-	11,737,850.13	2.25%	1,798.08
2006	12,152,025.83	-	12,152,025.83	2.33%	(4) 1,829.85

## 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.
- (4) Revaluation of Assessments

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2014  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Eastampton Township</u>
Municipal Debt: (1)				
Eastampton Township Local and Regional School Districts	\$ 10,906,941.20	\$ 10,906,941.20	\$ -	\$ -
Eastampton Township	<u>7,993,674.00</u>		<u>7,993,674.00</u>	<u>7,993,674.00</u>
	<u>18,900,615.20</u>	<u>10,906,941.20</u>	<u>7,993,674.00</u>	<u>7,993,674.00</u>
Overlapping Debt Apportioned to the Municipality: County of Burlington: (2)				
General:				
Bonds	265,151,276.00	31,458,482.00	233,692,794.00	2,425,956.35 (3)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>278,510,000.00</u>	<u>278,510,000.00</u>		
Solid Waste Utility	<u>68,544,755.00</u>	<u>68,544,755.00</u>		
	<u>612,206,031.00</u>	<u>378,513,237.00</u>	<u>233,692,794.00</u>	<u>2,425,956.35</u>
	<u>\$ 631,106,646.20</u>	<u>\$ 389,420,178.20</u>	<u>\$ 241,686,468.00</u>	<u>\$ 10,419,630.35</u>

Sources:

- (1) 2014 Annual Debt Statement
  - (2) County's 2014 Audit Report
  - (3) Such debt is allocated as a proportion of the Township's share of the total 2014 Equalized Value, which is 1.04%.
- The source for this computation was the 2014 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

**Legal Debt Margin Calculation for Fiscal Year 2015**

Equalized Valuation Basis (1):	
2014	\$ 465,182,975
2013	467,530,196
2012	478,910,370
<b>[A]</b>	<u>\$ 1,411,623,541</u>

Average Equalized Valuation of Taxable Property	<b>[A/3]</b>	\$ 470,541,180
Debt Limit (3% of Average Equalization Value) (2)	<b>[B]</b>	14,116,235
Total Net Debt Applicable to Limit	<b>[C]</b>	<u>8,750,000</u>
Legal Debt Margin	<b>[B-C]</b>	<u>\$ 5,366,235</u>

	Fiscal Year Ended June 30.									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 14,116,235.41	\$ 14,390,257.66	\$ 14,799,952.38	\$ 15,161,184.64	\$ 15,558,138.07	\$ 15,713,440.45	\$ 15,475,427.72	\$ 14,413,718.06	\$ 12,939,004.19	\$ 11,319,459.38
Total Net Debt Applicable to Limit (3)	<u>8,750,000.00</u>	<u>9,170,000.00</u>	<u>9,540,000.00</u>	<u>10,010,000.00</u>	<u>10,265,000.00</u>	<u>10,565,000.00</u>	<u>10,865,000.00</u>	<u>11,311,852.78</u>	<u>11,737,850.13</u>	<u>12,152,025.83</u>
Legal Debt Margin	<u>\$ 5,366,235.41</u>	<u>\$ 5,220,257.66</u>	<u>\$ 5,259,952.38</u>	<u>\$ 5,151,184.64</u>	<u>\$ 5,293,138.07</u>	<u>\$ 5,148,440.45</u>	<u>\$ 4,610,427.72</u>	<u>\$ 3,101,865.28</u>	<u>\$ 1,201,154.06</u>	<u>\$ (832,566.45)</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	61.99%	63.72%	64.46%	66.02%	65.98%	67.24%	70.21%	78.48%	90.72%	107.36%

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 NUSA 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 EASTAMPTON 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>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	6,049	Unavailable	Unavailable	6.3%
2013	6,075	\$ 313,700,850.00	\$ 51,638.00	9.5%
2012	6,087	310,917,873.00	51,079.00	6.7%
2011	6,079	301,676,454.00	49,626.00	6.4%
2010	6,074	290,634,826.00	47,849.00	6.6%
2009	6,528	310,615,296.00	47,582.00	6.2%
2008	6,548	314,205,780.00	47,985.00	3.5%
2007	6,528	303,584,640.00	46,505.00	2.6%
2006	6,641	296,965,597.00	44,717.00	2.8%
2005	6,663	280,918,743.00	42,161.00	2.6%

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.
- (3) Per capita personal income by county-estimated based upon the 2010 Census published.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

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

	2012 (1)			2006 (2)		
<u>Employer</u>	<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>
Charley's Other Brother	71	1	1.81%			
John & Molly's Tavern	25	2	0.64%			
CVS	23	3	0.59%			
Olde World Bakery	20	4	0.51%			
Growmark	17	5	0.43%			
Russo's	15	6	0.38%			
Michael Risoldi's Auto Repair	10	7	0.26%			
Epicore	8	8	0.20%			
Boil Makers Local #28	7	9	0.18%			
Flynn's Towing	7	9	0.18%			
	<u>203</u>		<u>5.18%</u>	<u>-</u>		<u>-</u>

(1) The current year is unavailable so the most recent year available was utilized.

(2) Unavailable

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

Function/Program	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Instruction:</b>										
Regular	38	44	42	44	44	48	49	58	58	57
Special Education	26	28	26	28	24	36	35	35	18	17
Other Special Education	0	0	0	0	0	0	0	0	0	0
Vocational	0	0	0	0	0	0	0	0	0	0
Other Instruction	0	0	0	0	0	0	0	0	0	0
Nonpublic School Programs	0	0	0	0	0	0	0	0	0	0
Adult/Continuing Education Programs	0	0	0	0	0	0	0	0	0	0
<b>Support Services:</b>										
Tuition	0	0	0	0	0	0	0	0	0	0
Student & Instruction Related Services	10	10	9	9	9	11	12	10	22	22
General Administrative Services	2	2	2	2	2	3	3	3	3	3
School Administrative Services	3	3	3	3	3	5	5	4	4	4
Business Administrative Services	5	5	5	5	5	5	5	3	3	3
Plant Operations and Maintenance	11	7	7	6	6	8	8	8	8	8
Pupil Transportation	0	0	0	0	0	0	0	0	0	0
Food Service	0	0	0	0	0	0	0	0	7	7
Other	0	21	23	23	24	25	27	20	22	19
<b>Total</b>	<b>95</b>	<b>119</b>	<b>117</b>	<b>120</b>	<b>117</b>	<b>141</b>	<b>144</b>	<b>141</b>	<b>145</b>	<b>140</b>

Source: District Records

TOWNSHIP OF EASTAMPTON 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 School	Middle/Community School					
2015	584	\$ 10,082,690.36	\$ 17,264.88	3.30%	64	-	9.1	595	571	-2.48%	95.85%	
2014	611	10,212,186.38	16,713.89	1.84%	64	-	9.6	610	586	-3.73%	96.06%	
2013	632	10,372,306.15	16,411.88	6.60%	65	-	9.7	634	610	-2.16%	96.21%	
2012	651	10,023,092.14	15,396.45	6.78%	63	-	10.3	648	624	-5.12%	96.30%	
2011	668	9,632,151.25	14,419.39	-6.93%	63	-	11.0	683	657	-1.63%	96.22%	
2010	695	10,767,587.86	15,492.93	9.81%	74	-	9.4	694	644	-2.21%	92.80%	
2009	733	10,341,588.01	14,108.58	5.66%	73	-	10.1	710	683	-4.44%	96.20%	
2008	743	9,921,369.52	13,353.12	3.96%	78	-	11.1	743	721	-1.07%	97.10%	
2007	751	9,645,834.37	12,843.99	15.26%	79	10.4	9.7	751	721	-7.95%	96.00%	
2006	791	8,814,364.31	11,143.32	8.42%	76	14.8	10.3	816	765	-1.69%	93.70%	

Source: District Records

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

	Fiscal Year Ended June 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>District Building</u>										
<u>Elementary:</u>										
Eastampton Elementary (1957)										
Square Feet	(1)	31,950	31,950	31,950	31,950	31,950	31,950	31,950	31,950	31,950
Capacity (students)	(1)	246	246	246	246	246	246	246	246	246
Enrollment	(1)								303	340
<u>Middle/Community School:</u>										
Eastampton Community School (1974)										
Square Feet	117,800	117,800	117,800	117,800	117,800	117,800	117,800	117,800	71,660	71,660
Capacity (students)	771	771	771	771	771	771	771	771	384	384
Enrollment	584	611	632	651	668	695	733	743	448	451

Number of Schools at June 30, 2015:  
 Elementary School = 1  
 Middle/Community School = 1  
 High School = 0  
 Other = 0

Source: District Records  
 (1) Disposed of in FY 2015

**TOWNSHIP OF EASTAMPTON 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#(s)	Fiscal Year Ended June 30,																			
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006										
Elementary School	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Middle/Community School	N/A	57,157.47	59,945.52	68,824.31	60,644.50	48,781.88	45,121.94	91,275.23	52,282.29	44,734.75	20,374.23	9,527.47	40,233.32	49,760.79	65,108.98	52,282.29	91,275.23	44,734.75	20,374.23	9,527.47	40,233.32
<b>Total School Facilities</b>		<u>57,157.47</u>	<u>59,945.52</u>	<u>68,824.31</u>	<u>60,644.50</u>	<u>48,781.88</u>	<u>45,121.94</u>	<u>91,275.23</u>	<u>52,282.29</u>	<u>44,734.75</u>	<u>20,374.23</u>	<u>9,527.47</u>	<u>40,233.32</u>	<u>49,760.79</u>	<u>65,108.98</u>	<u>52,282.29</u>	<u>91,275.23</u>	<u>44,734.75</u>	<u>20,374.23</u>	<u>9,527.47</u>	<u>40,233.32</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<u>\$ 57,157.47</u>	<u>\$ 59,945.52</u>	<u>\$ 68,824.31</u>	<u>\$ 60,644.50</u>	<u>\$ 48,781.88</u>	<u>\$ 45,121.94</u>	<u>\$ 91,275.23</u>	<u>\$ 52,282.29</u>	<u>\$ 44,734.75</u>	<u>\$ 20,374.23</u>	<u>\$ 9,527.47</u>	<u>\$ 40,233.32</u>	<u>\$ 49,760.79</u>	<u>\$ 65,108.98</u>	<u>\$ 52,282.29</u>	<u>\$ 91,275.23</u>	<u>\$ 44,734.75</u>	<u>\$ 20,374.23</u>	<u>\$ 9,527.47</u>	<u>\$ 40,233.32</u>

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

Source: District Records

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Insurance Schedule  
 June 30, 2015  
*Unaudited*

	<u>Coverage</u>	Burlington County Joint Insurance Pool <u>Self-Insured</u>	(A)	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund:				
Property, Inland Marine and Automobile Physical Damages	\$ 150,000,000.00	\$ 250,000.00		\$ 500.00
Boiler and Machinery	125,000,000.00			1,000.00
Comprehensive General Liability	15,000,000.00	250,000.00		
Comprehensive Crime	500,000.00	250,000.00		500.00
Automobile Liability	15,000,000.00	250,000.00		
Workers Compensation	Statutory	250,000.00		
Educator's Legal Liability	15,000,000.00	175,000.00		
Pollution Legal Liability	3,000,000.00			25,000.00
Cyber Liability	1,000,000.00			25,000.00
Monumental Life Insurance Company:				
Student Accident Policy	1,000,000.00			
Selective Insurance Company Bonds:				
Business Administrator/Board Secretary	10,000.00			
Treasurer of School Funds	200,000.00			

(A) The District is covered for these limits through the Joint insurance Pool Excess Liability Pool.

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Eastampton School District  
Eastampton, New Jersey 08060

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

We have audited the Township of Eastampton 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 state programs for the fiscal year ended June 30, 2015. The School District's major 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 state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major 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 15-08-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 15-08-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 state program occurred. An audit includes examining, on a test basis, evidence about the Township of Eastampton 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 state program. However, our audit does not provide a legal determination of the School District's compliance.

***Opinion on Each Major State Program***

In our opinion, the Township of Eastampton 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 state programs for the fiscal year ended June 30, 2015.

***Report on Internal Control Over Compliance***

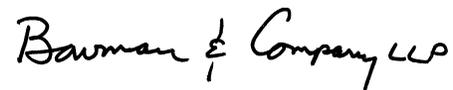
Management of the Township of Eastampton School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 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 15-08-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 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 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 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 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Public School Accountant No. CS 002065

Voorhees, New Jersey  
December 7, 2015

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards - Schedule A  
 For the Fiscal Year Ended June 30, 2015

<u>Pass-through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>State Project</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Grant Period</u>		<u>Balance</u> <u>June 30, 2014</u>
				<u>From</u>	<u>To</u>	
<b>Special Revenue Fund:</b>						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.						
Title I, Part A	84.010A	NCLB-1250-15	\$ 83,026.00	7-1-14	6-30-15	\$ -
Title II, Part A Improving Teacher Quality	84.367A	NCLB-1250-15	18,237.00	7-1-14	6-30-15	-
I.D.E.A. Part B:						
Basic	84.027	IDEA-1250-15	192,531.00	7-1-14	6-30-15	
Pre-School	84.173	IDEA-1250-15	8,161.00	7-1-14	6-30-15	
Total I.D.E.A. Part B Special Education Cluster						-
Total Special Revenue Fund						-
<b>Enterprise Fund:</b>						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution Program):						
Food Distribution Program	10.555	Unavailable	20,960.62	7-1-13	6-30-14	4,087.69
Food Distribution Program	10.555	Unavailable	18,471.68	7-1-14	6-30-15	
Cash Assistance:						
National School Breakfast Program	10.553	Unavailable	9,788.34	7-1-13	6-30-14	(2,139.58)
National School Breakfast Program	10.553	Unavailable	16,915.16	7-1-14	6-30-15	
National School Lunch Program	10.555	Unavailable	72,994.51	7-1-13	6-30-14	(15,210.05)
National School Lunch Program	10.555	Unavailable	76,030.16	7-1-14	6-30-15	
Total Child Nutrition Cluster						(13,261.94)
Total Federal Financial Assistance						\$ (13,261.94)

(A) See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
 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.

These funds were not audited in accordance with U.S. OMB Circular A-133 since the total of all grant expenditures did not exceed \$500,000.00.

Carry-over Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		
					Accounts Receivable	Unearned Revenue	Due to Grantor
\$ -	\$ 83,026.00	\$ -	\$ 83,026.00	\$ -	\$ -	\$ -	\$ -
-	18,237.00	-	18,237.00	-	-	-	-
	192,531.00		191,924.49			606.51	
	8,161.00		8,161.00				
-	200,692.00	-	200,085.49	-	-	606.51	-
-	301,955.00	-	301,348.49	-	-	606.51	-
	18,471.68		4,087.69 14,960.58			3,511.10	
	2,139.58		16,915.16		(1,380.82)		
	15,534.34		76,030.16		(5,846.32)		
	15,210.05						
	70,183.84						
-	121,539.49	-	111,993.59	-	(7,227.14)	3,511.10	-
\$ -	\$ 423,494.49	\$ -	\$ 413,342.08	\$ -	\$ (7,227.14)	\$ 4,117.61	\$ -

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance - Schedule B  
 For the Fiscal Year Ended June 30, 2015

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2014	
			From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor
<b>General Fund:</b>						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public Cluster:						
Equalization Aid	14-495-034-5120-078	\$ 4,148,569.00	7-1-13	6-30-14	\$ (384,819.24)	\$ -
Equalization Aid	15-495-034-5120-078	4,148,569.00	7-1-14	6-30-15		
Special Education Categorical Aid	14-495-034-5120-089	389,996.00	7-1-13	6-30-14	(36,175.84)	
Special Education Categorical Aid	15-495-034-5120-089	389,996.00	7-1-14	6-30-15		
Security Education Aid	14-495-034-5120-084	17,257.00	7-1-13	6-30-14	(1,600.75)	
Security Education Aid	15-495-034-5120-084	17,257.00	7-1-14	6-30-15		
Adjustment Aid	14-495-034-5120-085	56,982.00	7-1-13	6-30-14	(5,285.62)	
Adjustment Aid	15-495-034-5120-085	56,982.00	7-1-14	6-30-15		
PARCC Readiness Aid	15-495-034-5120-098	6,010.00	7-1-14	6-30-15		
Per Pupil Growth Aid	15-495-034-5120-097	6,010.00	7-1-14	6-30-15		
Total State Aid - Public Cluster					<u>(427,881.45)</u>	<u>-</u>
Transportation Aid:						
Categorical Transportation Aid	14-495-034-5120-014	16,953.00	7-1-13	6-30-14	(1,572.55)	
Categorical Transportation Aid	15-495-034-5120-014	16,953.00	7-1-14	6-30-15		
Additional Nonpublic School Transportation Aid	14-495-034-5120-015	1,352.00	7-1-13	6-30-14	(1,352.00)	
Additional Nonpublic School Transportation Aid	15-495-034-5120-015	1,392.00	7-1-14	6-30-15		
Total Transportation Aid					<u>(2,924.55)</u>	<u>-</u>
Extraordinary Aid						
Extraordinary Aid	14-100-034-5120-473	38,161.00	7-1-13	6-30-14	(38,161.00)	
Extraordinary Aid	15-100-034-5120-473	28,092.00	7-1-14	6-30-15		
Total Extraordinary Aid					<u>(38,161.00)</u>	<u>-</u>
Reimbursed TPAF Social Security Contributions						
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	339,349.93	7-1-13	6-30-14	(16,998.58)	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	294,493.29	7-1-14	6-30-15		
Total Reimbursed TPAF Social Security Contributions					<u>(16,998.58)</u>	<u>-</u>
Total General Fund					<u>(485,965.58)</u>	<u>-</u>
<b>Special Revenue Fund:</b>						
State Department of Education:						
Nonpublic Aid:						
Nursing Services	15-100-034-5120-070	5,501.00	7-1-14	6-30-15		
Textbook Aid (Ch. 194, L. 1977)	15-100-034-5120-064	3,456.00	7-1-14	6-30-15		
Textbook Aid (Ch. 194, L. 1977)	12-100-034-5120-064	4,399.00	7-1-11	6-30-12		16.26
Total Textbook Aid (Ch. 194, L. 1977)					<u>-</u>	<u>16.26</u>
Technology Initiative Aid	15-100-034-5120-373	1,856.00	7-1-14	6-30-15		
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education	14-100-034-5120-067	12,840.00	7-1-13	6-30-14		1,284.00
Auxiliary Services (Ch. 192, L. 1977)	15-100-034-5120-067	23,291.00	7-1-14	6-30-15		
Total Auxiliary Services (Ch. 192, L. 1977)					<u>-</u>	<u>1,284.00</u>
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech	14-100-034-5120-066	3,125.00	7-1-13	6-30-14		391.50
Examination and Classification		4,618.00	7-1-13	6-30-14		1,113.24
Supplementary Instruction		3,539.00	7-1-13	6-30-14		416.00
Handicapped Services (Ch. 193, L. 1977)	15-100-034-5120-066	5,301.00	7-1-14	6-30-15		
Corrective Speech		6,123.00	7-1-14	6-30-15		
Supplementary Instruction		4,708.00	7-1-14	6-30-15		
Total Handicapped Services (Ch. 193, L. 1977)					<u>-</u>	<u>1,920.74</u>
Total Special Revenue Fund					<u>-</u>	<u>3,221.00</u>
<b>Enterprise Fund:</b>						
New Jersey Department of Agricultural:						
Child Nutrition Cluster:						
State School Lunch Aid	14-100-010-3350-023	2,453.44	7-1-13	6-30-14	(503.45)	
State School Lunch Aid	15-100-010-3350-023	2,580.57	7-1-14	6-30-15		
Total Enterprise Fund					<u>(503.45)</u>	<u>-</u>
Total State Financial Assistance subject to Major Program Determination for State Single Audit					<u>(486,469.03)</u>	<u>3,221.00</u>
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
<b>General Fund (Non-Cash Assistance):</b>						
New Jersey Department of the Treasury:						
On-behalf TPAF Pension Contributions - Normal Cost						
On-behalf TPAF Pension Contributions - Normal Cost	495-034-5094-006/007	238,287.00	7-1-14	6-30-15		
On-behalf TPAF Pension Contributions - Post-Retirement Medical	495-034-5094-001	378,280.00	7-1-14	6-30-15		
Total General Fund (Non-Cash Assistance)					<u>-</u>	<u>-</u>
Total State Financial Assistance					<u>\$ (486,469.03)</u>	<u>\$ 3,221.00</u>

(A) See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
 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.

Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015			Memo	
				Accounts Receivable	Unearned Revenue/ Interfunds Payable	Due to Grantor	Budgetary Receivable June 30, 2015	Cumulative Total Expenditures
\$ 384,819.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,773,841.03		4,148,569.00		(374,727.97)			(374,727.97)	4,148,569.00
36,175.84								
354,768.81		389,996.00		(35,227.19)			(35,227.19)	389,996.00
1,600.75								
15,698.23		17,257.00		(1,558.77)			(1,558.77)	17,257.00
5,285.62								
51,834.98		56,982.00		(5,147.02)			(5,147.02)	56,982.00
5,467.13		6,010.00		(542.87)			(542.87)	6,010.00
5,467.13		6,010.00		(542.87)			(542.87)	6,010.00
<u>4,634,958.76</u>	<u>-</u>	<u>4,624,824.00</u>	<u>-</u>	<u>(417,746.69)</u>	<u>-</u>	<u>-</u>	<u>(417,746.69)</u>	<u>4,624,824.00</u>
1,572.55								
15,421.69		16,953.00		(1,531.31)			(1,531.31)	16,953.00
1,352.00		1,392.00		(1,392.00)				1,392.00
<u>18,346.24</u>	<u>-</u>	<u>18,345.00</u>	<u>-</u>	<u>(2,923.31)</u>	<u>-</u>	<u>-</u>	<u>(1,531.31)</u>	<u>18,345.00</u>
38,161.00		28,092.00		(28,092.00)				28,092.00
<u>38,161.00</u>	<u>-</u>	<u>28,092.00</u>	<u>-</u>	<u>(28,092.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,092.00</u>
16,998.58								
280,045.99		294,493.29		(14,447.30)				294,493.29
<u>297,044.57</u>	<u>-</u>	<u>294,493.29</u>	<u>-</u>	<u>(14,447.30)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,493.29</u>
<u>4,988,510.57</u>	<u>-</u>	<u>4,965,754.29</u>	<u>-</u>	<u>(463,209.30)</u>	<u>-</u>	<u>-</u>	<u>(419,278.00)</u>	<u>4,965,754.29</u>
5,501.00		5,501.00						5,501.00
3,456.00		3,456.00						3,456.00
	(0.26)		16.00					
3,456.00	(0.26)	3,456.00	16.00	-	-	-	-	3,456.00
1,856.00		1,856.00						1,856.00
			1,284.00					
23,291.00		13,884.90				9,406.10		13,884.90
23,291.00	-	13,884.90	1,284.00	-	-	9,406.10	-	13,884.90
	(0.50)		391.00					
	(0.24)		1,113.00					
			416.00					
5,301.00		3,357.30				1,943.70		3,357.30
6,123.00		6,122.44				0.56		6,122.44
4,708.00		3,845.03				862.97		3,845.03
<u>16,132.00</u>	<u>(0.74)</u>	<u>13,324.77</u>	<u>1,920.00</u>	<u>-</u>	<u>-</u>	<u>2,807.23</u>	<u>-</u>	<u>13,324.77</u>
<u>50,236.00</u>	<u>(1.00)</u>	<u>38,022.67</u>	<u>3,220.00</u>	<u>-</u>	<u>-</u>	<u>12,213.33</u>	<u>-</u>	<u>38,022.67</u>
503.45								
2,395.03		2,580.57		(185.54)				2,580.57
2,898.48	-	2,580.57	-	(185.54)	-	-	-	2,580.57
<u>5,041,645.05</u>	<u>(1.00)</u>	<u>5,006,357.53</u>	<u>3,220.00</u>	<u>(463,394.84)</u>	<u>-</u>	<u>12,213.33</u>	<u>(419,278.00)</u>	<u>5,006,357.53</u>
238,287.00		238,287.00						238,287.00
378,280.00		378,280.00						378,280.00
<u>616,567.00</u>	<u>-</u>	<u>616,567.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>616,567.00</u>
<u>\$ 5,658,212.05</u>	<u>\$ (1.00)</u>	<u>\$ 5,622,924.53</u>	<u>\$ 3,220.00</u>	<u>\$ (463,394.84)</u>	<u>\$ -</u>	<u>\$ 12,213.33</u>	<u>\$ (419,278.00)</u>	<u>\$ 5,622,924.53</u>

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2015

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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 Eastampton 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 these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; therefore, some amounts presented in these schedules 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 \$10,176.00 for the general fund and (\$302.08) for the special revenue fund. There is no adjustment to reconcile expenditures from the budgetary basis to the GAAP basis for the general fund and the net adjustment is (\$302.08) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 4,976,328.29	\$ 4,976,328.29
Special Revenue	301,348.49	37,720.59	339,069.08
Food Service	<u>111,417.00</u>	<u>2,580.57</u>	<u>113,997.57</u>
Total Awards and Financial Assistance	<u>\$ 412,765.49</u>	<u>\$ 5,016,629.45</u>	<u>\$ 5,429,394.94</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 minor rounding differences.

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

During the fiscal year ended June 30, 2015, 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 EASTAMPTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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

This Section Not Applicable

Internal control over major programs:
Material weakness(es) identified? \_\_\_ yes \_\_\_ no
Significant deficiency(ies) identified? \_\_\_ yes \_\_\_ none reported
Type of auditor's report issued on compliance for major programs
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? \_\_\_ yes \_\_\_ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Table with 2 columns: CFDA Number(s) and Name of Federal Program or Cluster. Multiple rows of blank lines for data entry.

Dollar threshold used to determine Type A programs \$

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2015

**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 15-08-OMB? \_\_\_\_\_ yes  X  no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

\_\_\_\_\_

495-034-5120-078

495-034-5120-089

495-034-5120-084

495-034-5120-085

495-034-5120-097

495-034-5120-098

State Aid - Public Cluster: \_\_\_\_\_

Equalization Aid

Special Education Categorical Aid

Security Education Aid

Adjustment Aid

Per Pupil Growth Aid

PARCC Readiness Aid

Dollar threshold used to determine Type A programs \$300,000.00

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

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

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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.

No Current Year Findings

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

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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.

This Section Not Applicable

**TOWNSHIP OF EASTAMPTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

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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 15-08-OMB.

No Current Year Findings

**TOWNSHIP OF EASTAMPTON 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 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

No Prior Year Findings

**FEDERAL AWARDS**

This Section Not Applicable

**STATE FINANCIAL ASSISTANCE PROGRAMS**

No Prior Year Findings