

SCHOOL DISTRICT
OF
TOWNSHIP OF ELSINBORO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Elsinboro Board of Education

Salem, New Jersey

For the Fiscal Year Ended June 30, 2015

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Prepared by

Elsinboro Township Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF ELSINBORO BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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INTRODUCTORY SECTION

ELSINBORO TOWNSHIP BOARD OF EDUCATION
ELSINBORO TOWNSHIP SCHOOL
631 Salem-Fort Elfsborg Road
Salem, New Jersey 08079

Constance McAllister
Chief School Administrator
(856) 935-3817
FAX: (856) 935-6944

Rebecca Joyce
BA/Board Secretary
(856) 935-1627 Ext. 112
FAX: (856) 935-3017

November 16, 2015

Honorable President and
Members of the Board of Education
Elsinboro Township School District
Salem, New Jersey 08079

Dear Board Members:

The comprehensive annual financial report of the Elsinboro Township Public 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 operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 as amended by The Single Audit Act Amendments of 1996, P.L. 104-156 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 Letter 04-04 and/or 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:

The Elsinboro Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Elsinboro Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 139 students, which is 5 more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|---------------------------|----------------------------------|------------------------------|
| 2014-15 | 139 | 3.73% |
| 2013-14 | 134 | 12.6% |
| 2012-13 | 119 | 19.0% |
| 2011-12 | 100 | (0.99)% |
| 2010-11 | 101 | 2.02% |
| 2009-10 | 99 | (1.98)% |
| 2008-09 | 101 | (6.73)% |
| 2007-08 | 107 | 0% |
| 2006-07 | 110 | (8.1)% |
| 2005-06 | 122 | 6.0% |

2. ECONOMIC CONDITION AND OUTLOOK:

The Elsinboro Township area is a rural community of Salem County and presently is not experiencing any significant development or expansion.

3. MAJOR INITIATIVES:

- A. To strive to maintain the present level of educational opportunities for students, staff, parents and community members.
 - 1. To explore additional sources of educational opportunities for students and parents.
 - 2. To attract and retain students in the Elsinboro Township School District by increasing community awareness, knowledge, and participation in the Interdistrict School Choice Program.
 - 3. To explore the possibility of additional shared services with neighboring districts. To improve educational opportunities and meet federal mandates, alternatives must be sought to reduce costs while still maintaining our identity and vitality.
 - 4. To improve educational opportunities and meet federal mandates, alternatives must be sought to reduce costs while still maintaining our identity and vitality.

- B. To improve student achievement through high expectations, frequent monitoring of student progress, and staff development activities.
 - 1. To achieve yearly individual student growth as determined by the NJDOE in grades 3-8 on the PARCC Assessment Tests.
 - 2. To utilize MAP (Measures of Academic Progress) to track student and teacher progress in reaching individual SGOs (Student Growth Objectives).

3. To increase staff awareness of the Common Core State Standards, the skills tested on the PARCC Assessment Tests, individual student performance on these tests and teaching strategies that are scientifically research based.
4. To continue to implement RTI testing in grades K-5. RTI will help in the diagnosis of educational disabilities. It will allow Elsinboro staff to intervene early to meet the needs of struggling learners. RTI maps those specific instructional strategies found to benefit a particular student.
5. To continue to improve student writing through the use of "The Writing Academy", Reading Wonders, school-wide rubrics based on the New Jersey Holistic Scoring Rubrics, increased writing in every subject area and oral presentations of selected student's work.
6. To continue to update curriculum to reflect the Common Core State Standards.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. 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 orders on a line item basis. Open encumbrances at year-end are either canceled or included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. DEBT ADMINISTRATION:

At June 30, 2015 and June 30, 2014, the District had no outstanding debt issues.

8. CASH MANAGEMENT:

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

9. 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.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's Audit Committee selected Raymond Colavita, C.P.A., R.M.A., from the accounting firm of Nightlinger, Colavita and Volpa, P.A. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 and/or 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.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Elsinboro Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public 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,

Constance McAllister, CSA

Constance McAllister, Chief School Administrator

Rebecca S. Joyce, Bus. Adm.

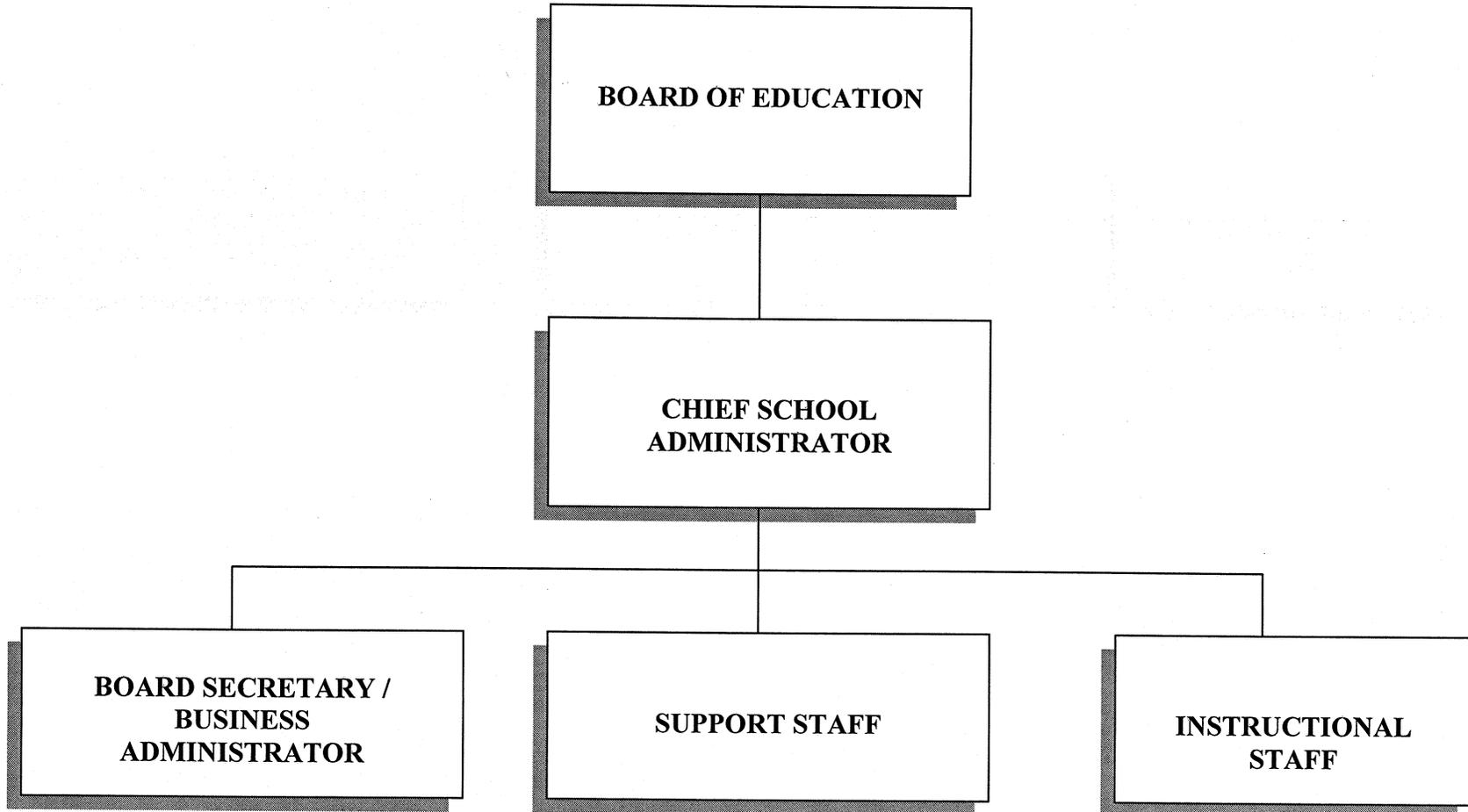
Rebecca Joyce, School Business Administrator

ELSINBORO TOWNSHIP BOARD OF EDUCATION

Salem, New Jersey

ORGANIZATIONAL CHART

(UNIT CONTROL)



ELSINBORO TOWNSHIP BOARD OF EDUCATION
SALEM, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2015

| <u>MEMBERS OF THE BOARD OF EDUCATION</u> | <u>TERM EXPIRES</u> |
|--|-----------------------|
| Kelly Ann Delaney, President | 2015 |
| Michael Khairzada, Vice President | 2016 |
| Damian Carlson | 2017 |
| Kay Weber | 2017 |
| Carole Ridgway | 2015 |
| Kathleen Sheffield | 2016 |
| Jeffery Stepler | 2015 |
| | |
| <u>OTHER OFFICIALS</u> | <u>Amount of Bond</u> |
| Constance McAllister, CSA | |
| Rebecca Joyce, School Business Administrator | \$50,000 |
| Shannon DuBois, Treasurer of School Funds | \$150,000 |
| Frank Cavallo, Solicitor | |

Note: Elections moved to November therefore terms are extended to the end of the year.

TOWNSHIP OF ELSINBORO BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Parker McCay
Frank P. Cavallo, Jr., Esq.
PO Box 5054
Mount Laurel, NJ 08054

OFFICIAL DEPOSITORY

Fulton Bank
1 South Main St.
Woodstown, New Jersey 08098

Century Savings Bank
1376 W. Sherman Avenue
Vineland, New Jersey 08360

INSURANCE AGENCY

Connor Strong Insurance Services, Inc
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Bridgeton, New Jersey 08302

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
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November 16, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Elsinboro Township School District
County of Salem, New Jersey 08079

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Elsinboro Township School District in the County of Salem, 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 Elsinboro Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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, business-type activities, each major fund, and the aggregate remaining fund information of the Elsinboro Township Board of Education in the County of Salem, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 18 and 49 through 56 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not 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 Elsinboro Township Board of Education's financial statements as a whole. The introductory section, and other supplementary information, such as, the combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of 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. The 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 financial statements or the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of 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 tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 16, 2015 on our consideration of the Elsinboro Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



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

REQUIRED SUPPLEMENTARY INFORMATION – PART I

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
TOWNSHIP OF ELSINBORO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

UNAUDITED

The discussion and analysis of Township of Elsinboro Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ❖ General revenues accounted for \$2,346,730 in revenue or 79.9% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$590,619 or 20.1% percent to total revenues of \$2,937,349.
- ❖ Total Net Position of governmental activities increased by \$243,822 from the previous year.
- ❖ The School District had \$2,691,184 in expenses, of which \$590,619 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$2,346,730 were adequate to provide for these programs.
- ❖ The General Fund had \$2,529,226 in revenues and \$2,399,934 in expenditures and a transfer to food service of \$6,000. The General Fund's balance increased \$123,292 over 2014. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Township of Elsinboro School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

Reporting the School District as a Whole Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 21. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Governmental Funds (Cont'd)

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

Enterprise Fund

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2015 and 2014.

Table 1
Net Position

| | 2015 | 2014 |
|---|---------------------|---------------------|
| Assets | | |
| Current and Other Assets | \$ 945,990 | \$ 796,507 |
| Capital Assets, Net | 368,750 | 256,977 |
| Total Assets | 1,314,740 | 1,053,484 |
| Deferred Outflows of Resources | 14,238 | |
| Liabilities | | |
| Long-term Liabilities | 14,825 | 21,428 |
| Other Liabilities | 223,257 | 2,805 |
| Total Liabilities | 238,082 | 24,233 |
| Deferred Inflows of Resources | 30,266 | |
| Net Position | | |
| Invested in Capital Assets, Net of Debt | 368,750 | 256,977 |
| Restricted | 783,076 | 633,032 |
| Unrestricted | (91,196) | 139,242 |
| Total Net Position | \$ 1,060,630 | \$ 1,029,251 |

Table 2 shows the changes in net position from fiscal years 2015 and 2014.

Table 2
Changes in Net Position

| | 2015 | 2014 |
|------------------------------------|---------------------|---------------------|
| Revenues | | |
| Program Revenues | | |
| Charges for Services | \$ 84,784 | \$ 19,350 |
| Operating Grants and Contributions | 505,835 | 278,339 |
| General Revenues | | |
| Property Taxes | 1,407,960 | 1,360,167 |
| Grants and Entitlements | 930,467 | 988,439 |
| Other | 8,303 | 44,360 |
| Total Revenues | \$ 2,937,349 | \$ 2,690,655 |
| Program Expenses | | |
| Instruction | \$ 987,447 | \$ 863,733 |
| Support Services | | |
| Tuition | 371,718 | 543,893 |
| Pupils and Instructional Staff | 224,349 | 161,436 |
| General Administration, School | | |
| Administration, Business | 186,910 | 184,738 |
| Operations and Maintenance of | | |
| Facilities | 115,835 | 126,080 |
| Pupil Transportation | 107,240 | 97,394 |
| Employee Benefits | 611,201 | 364,384 |
| Interest on Debt | | 27 |
| Food Service | 56,671 | 48,885 |
| Other | 29,813 | 21,076 |
| Total Expenses | 2,691,184 | 2,411,646 |
| Increase in Net Position | \$ 246,165 | \$ 279,009 |

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total revenues were \$2,937,349 for the fiscal year ended June 30, 2015. Property taxes made up 47.9% percent of revenues for governmental activities for the Township of Elsinboro School District for fiscal year 2015. Federal, state and local grants accounted for \$930,467 or another 31.7%. The total cost of all program and services was \$2,691,184. Instruction comprises 36.7% of District expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$4,891 and SACC revenues exceeded expenses by \$1,234.
- ❖ Charges for food service were \$15,207. This represents amount paid by patrons for daily food services. SACC revenues were \$6,726.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$31,081.
- ❖ There was also a board subsidy in the amount of \$6,000 to offset the deficit.

Governmental Activities

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

Table 3

| | Total Cost of Services 2015 | Net Cost of Services 2015 | Total Cost of Services 2014 | Net Cost of Services 2014 |
|---|--------------------------------|------------------------------|--------------------------------|------------------------------|
| Instruction | \$ 987,447 | \$ 899,815 | \$ 863,733 | \$ 775,392 |
| Support Services | | | | |
| Tuition | 371,718 | 371,718 | 543,893 | 543,893 |
| Pupils and Instructional Staff | 224,349 | 154,709 | 161,436 | 158,613 |
| General Administration, School | | | | |
| Administration, Business | 186,910 | 186,910 | 184,738 | 184,738 |
| Operation and Maintenance of Facilities | 115,835 | 115,835 | 126,080 | 126,080 |
| Pupil Transportation | 107,240 | 107,240 | 97,394 | 97,394 |
| Employee Benefits | 611,201 | 230,868 | 364,384 | 204,042 |
| Interest and Fiscal Charges | | 0 | 27 | 27 |
| Other | 29,813 | 29,813 | 21,076 | 21,076 |
| Total Expenses | \$ 2,634,513 | \$ 2,096,908 | \$ 2,362,761 | \$ 2,111,255 |

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

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

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$2,627,738 and expenditures of \$2,498,446. The net positive/negative change in fund balance for the year was most significant in the General Fund, which had an increase of \$129,292.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

| <u>Revenue</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase/ (Decrease) from 2014</u> | <u>Percent/ Increase (Decrease)</u> |
|-----------------|---------------------|-----------------------------|---|---|
| Local Sources | \$ 1,418,754 | 54% | \$ 14,227 | 1% |
| State Sources | 1,112,963 | 42% | (32,433) | -4% |
| Federal Sources | 96,021 | 4% | 1,472 | 2% |
| Total | <u>\$ 2,627,738</u> | <u>100%</u> | <u>\$ (16,734)</u> | <u>-1%</u> |

The increase in Local Sources is attributed to increases in, and local tax levy of \$47,793, and interest revenue of \$159, offset with decreases in miscellaneous revenue of \$33,725.

The decrease in State Sources is attributable to a decrease in general fund state aid of \$32,433.

The increase in Federal Sources is attributed to increases in various grant awards totaling \$1,472.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2015.

| <u>Expenditures</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase/ (Decrease) from 2014</u> | <u>Percent/ Increase (Decrease)</u> |
|----------------------------|---------------------|-----------------------------|---|---|
| Current: | | | | |
| Instruction | \$ 987,447 | 40% | \$ 123,714 | 14.30% |
| Undistributed Expenditures | 1,369,413 | 55% | (103,909) | -7.05% |
| Capital Outlay | 141,586 | 5% | (5,592) | -3.80% |
| Debt Service: | | | | |
| Principal | | 0% | (17,185) | -100.00% |
| Interest | | 0% | (388) | -100.00% |
| Total | \$ 2,498,446 | 100% | \$ (3,360) | -0.15% |

The increase in Current – Instruction is attributed to an increase in regular instruction of \$85,214, special education instruction of \$27,848 and other instruction of \$10,652.

The increase in Current – Undistributed Expenditures is attributed to increases in student and instructional related services of \$62, general, school and central administrative services of \$2,172, pupil transportation of \$9,846 and employee benefits of \$66,431 offset by decreases in tuition costs of \$172,175 and plant operations and maintenance of \$10,245.

The decrease in capital outlay of \$5,592 is attributed to increased spending on buildings and improvements of \$3,654, offset by decreased equipment purchases of \$ 9,246, as compared to last year.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

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

While the District's final budget for the general fund anticipated that revenues and expenditures would equal, the actual results for the year show an \$110,364 increase in fund balance.

- ❖ Actual revenues were \$78,497 higher than expected, due to increases in State Aid of \$73,694 and local sources of \$4,803. This includes on-behalf pension and social security reimbursements of \$182,496.
- ❖ The actual expenditures were \$234,773 lower than expected, primarily due to favorable variances in most line items of the budget. These variances included on-behalf pension and social security costs of \$182,496.

Capital Assets

At the end of the fiscal year 2015, the School District had \$368,750 invested in land, buildings, site improvements and machinery and equipment. Table 4 shows fiscal 2015 balances compared to 2014.

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

| | <u>2015</u> | <u>2014</u> |
|---------------------------|-------------------|-------------------|
| Land | \$ 35,442 | \$ 35,442 |
| Building and Improvements | 315,916 | 203,674 |
| Machinery and Equipment | 17,392 | 17,861 |
| Totals | <u>\$ 368,750</u> | <u>\$ 256,977</u> |

Overall capital assets increased \$111,773 from fiscal year 2014 to fiscal year 2015. This increase in capital assets (primarily buildings and improvements and equipment) represented acquisitions in the amount of \$141,586, offset by unallocated depreciation expense of \$29,813 for the year.

Debt Administration

At June 30, 2015, the School District had \$14,825 in outstanding debt, which represented compensated absences. At June 30, 2015, the School District's overall legal debt margin was \$3,296,921, all of which was available for future projects.

For the Future

The Township of Elsinboro School District is presently in good financial condition. Future finances are not without challenges as the community continues to deal with increasing fixed costs, along with stagnant or loss in state funding. Inter-district School Choice continues to assist us in maintaining our programs. Choice aid helps pay for more technology, curriculum and capital improvements.

The Township of Elsinboro is primarily a residential community, with very few ratables and thus the tax burden is focused on homeowners. During the last budget process, it was a concern of the Administration and Board of Education on how future budgets would be financed. In an effort to optimize spending in educational program areas, the district closely monitors our administrative cost. In addition, the Board of Education and the Administration continually review all program cost centers in the District in order to hold the tax rate down.

In conclusion, the Elsinboro School District has committed itself to effective financial planning and budgeting. The District also endeavors to maintain optimum internal financial controls in order to meet the financial challenges of the future through sound fiscal management.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Rebecca Joyce, School Business Administrator at Township of Elsinboro Board of Education, 631 Salem-Fort Elfsborg Road, Salem, NJ 08079, or email at joycer@allowayschool.org

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

| | Governmental | Business-type | Total |
|---|---------------------|----------------------|--------------|
| | Activities | Activities | |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 467,691 | \$ 9,678 | \$ 477,369 |
| Receivables, Net | 28,278 | 808 | 29,086 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 450,021 | | 450,021 |
| Capital Assets, Net (Note 6) | 368,750 | | 368,750 |
| Total Assets | 1,314,740 | 10,486 | 1,325,226 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Deferred Pension Outflow | 14,238 | | 14,238 |
| Total Deferred Outflows of Resources | 14,238 | | 14,238 |
| LIABILITIES | | | |
| Accounts Payable | 2,443 | | 2,443 |
| Unearned Revenue | 34,696 | | 34,696 |
| Net Pension Liability | 186,118 | | 186,118 |
| Non-current Liabilities (Note 7): | | | |
| Due Within One Year | 6,000 | | 6,000 |
| Due Beyond One Year | 8,825 | | 8,825 |
| Total Liabilities | 238,082 | | 238,082 |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Deferred Pension Inflow | 30,266 | | 30,266 |
| Total Deferred Inflows of Resources | 30,266 | | 30,266 |
| NET POSITION | | | |
| Invested in Capital Assets, Net of Related Debt | 368,750 | | 368,750 |
| Restricted for: | | | |
| Excess Surplus | 128,961 | | 128,961 |
| Capital Reserve | 450,021 | | 450,021 |
| Maintenance Reserve | 49,165 | | 49,165 |
| Other Purposes | 154,929 | | 154,929 |
| Unrestricted (Deficit) | (91,196) | 10,486 | (80,710) |
| Total Net Position | \$ 1,060,630 | \$ 10,486 | \$ 1,071,116 |

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|--|-----------------|-------------------------------------|---|--|--|--------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business- type Activities</u> | <u>Total</u> |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 855,755 | \$ | 87,632 | \$ (768,123) | | \$ (768,123) |
| Special Education | 95,692 | | | (95,692) | | (95,692) |
| Other Instruction | 36,000 | | | (36,000) | | (36,000) |
| Support Services: | | | | | | |
| Tuition | 371,718 | | | (371,718) | | (371,718) |
| Student & Instruction Related Services | 224,349 | 62,851 | 6,789 | (154,709) | | (154,709) |
| General and Business Admin Services | 87,537 | | | (87,537) | | (87,537) |
| School Administrative Services | 63,561 | | | (63,561) | | (63,561) |
| Central Services | 35,812 | | | (35,812) | | (35,812) |
| Plant Operations and Maintenance | 115,835 | | | (115,835) | | (115,835) |
| Pupil Transportation | 107,240 | | | (107,240) | | (107,240) |
| Employee Benefits | 611,201 | | 380,333 | (230,868) | | (230,868) |
| Unallocated Depreciation | 29,813 | | | (29,813) | | (29,813) |
| Total Governmental Activities | 2,634,513 | 62,851 | 474,754 | (2,096,908) | | (2,096,908) |
| Business-Type Activities: | | | | | | |
| Food Service | 51,179 | 15,207 | 31,081 | | (4,891) | (4,891) |
| SACC | 5,492 | 6,726 | | | 1,234 | 1,234 |
| Total Business-Type Activities | 56,671 | 21,933 | 31,081 | | (3,657) | (3,657) |
| Total Primary Government | \$2,691,184 | \$ 84,784 | \$ 505,835 | (2,096,908) | (3,657) | (2,100,565) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes, Levied for General Purposes, Net | | | | 1,407,960 | | 1,407,960 |
| Federal and State Aid Not Restricted | | | | 930,467 | | 930,467 |
| Investment Earnings | | | | 6,879 | | 6,879 |
| Miscellaneous Income | | | | 1,424 | | 1,424 |
| Transfers - Food Service | | | | (6,000) | 6,000 | |
| Total General Revenues, Special Items, Extraordinary Items and Transfers | | | | 2,340,730 | 6,000 | 2,346,730 |
| Change in Net Position | | | | 243,822 | 2,343 | 246,165 |
| Net Position—Beginning (Restated) | | | | 816,808 | 8,143 | 824,951 |
| Net Position—Ending | | | | \$ 1,060,630 | \$ 10,486 | \$ 1,071,116 |

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

| | General Fund | Special Revenue Fund | Total Governmental Funds |
|---|-------------------------|-------------------------------------|---|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 458,272 | \$ 2,443 | \$ 460,715 |
| Cash and Cash Equivalents - Capital Reserve | 450,021 | | 450,021 |
| State Aid Receivable | 348 | | 348 |
| Local District Tax Receivable | 210 | | 210 |
| | 908,851 | 2,443 | 911,294 |
| Total Assets | \$ 908,851 | \$ 2,443 | \$ 911,294 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$ | \$ 2,443 | \$ 2,443 |
| | | 2,443 | 2,443 |
| Total Liabilities | | 2,443 | 2,443 |
| Fund Balances: | | | |
| Restricted for: | | | |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 128,961 | | 128,961 |
| Capital Reserve | 197,021 | | 197,021 |
| Capital Reserve - Designated for Subsequent Year's Expenditures | 253,000 | | 253,000 |
| Maintenance Reserve | 49,165 | | 49,165 |
| Assigned to: | | | |
| Designated for Subsequent Year's Expenditures | 154,929 | | 154,929 |
| Unassigned | 125,775 | | 125,775 |
| | 908,851 | | 908,851 |
| Total Fund Balances | 908,851 | | 908,851 |
| Total Liabilities and Fund Balances | \$ 908,851 | \$ 2,443 | |

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 \$1,112,317 and the accumulated depreciation is \$743,567 (see Note 6).

368,750

Deferred Outflow of Resources - Deferred Pension Contribution
 Deferred Inflows of Resources - Pension Actuarial Gains
 Long Term Net Pension Liability

14,238
 (30,266)
 (186,118)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).

(14,825)

Net Position of governmental activities

\$ 1,060,630

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|---|
| REVENUES | | | |
| Local Sources: | | | |
| Local Tax Levy | \$ 1,407,960 | \$ | \$ 1,407,960 |
| Interest Earned | 6,879 | | 6,879 |
| Miscellaneous | 1,424 | 2,491 | 3,915 |
| Total - Local Sources | 1,416,263 | 2,491 | 1,418,754 |
| State Sources | 1,112,963 | | 1,112,963 |
| Federal Sources | | 96,021 | 96,021 |
| Total Revenues | 2,529,226 | 98,512 | 2,627,738 |
| EXPENDITURES | | | |
| Current: | | | |
| Regular Instruction | 768,123 | 87,632 | 855,755 |
| Special Education Instruction | 95,692 | | 95,692 |
| Other Instruction | 36,000 | | 36,000 |
| Support Services: | | | |
| Tuition | 371,718 | | 371,718 |
| Student & Instruction Related Services | 154,709 | 6,789 | 161,498 |
| General Administrative Services | 87,537 | | 87,537 |
| School Administrative Services | 63,561 | | 63,561 |
| Central Services | 35,812 | | 35,812 |
| Plant Operations and Maintenance | 115,835 | | 115,835 |
| Pupil Transportation | 107,240 | | 107,240 |
| Employee Benefits | 422,121 | 4,091 | 426,212 |
| Capital Outlay | 141,586 | | 141,586 |
| Total Expenditures | 2,399,934 | 98,512 | 2,498,446 |
| Excess (Deficiency) of Revenues over Expenditures | 129,292 | | 129,292 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer to Food Service Fund | (6,000) | | (6,000) |
| Total Other Financing Sources and Uses | (6,000) | | (6,000) |
| Net Change in Fund Balances | 123,292 | | 123,292 |
| Fund Balance—July 1 | 785,559 | | 785,559 |
| Fund Balance—June 30 | \$ 908,851 | \$ | \$ 908,851 |

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2) \$ 123,292

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 | \$ | (29,813) | |
| Capital Outlays | | 141,586 | |
| | | <hr/> | 111,773 |

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 2,154

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.

Increase in Compensated Absences 6,603

Change in net position of governmental activities (A-2) **\$ 243,822**

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

PROPRIETARY FUNDS

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|-------------------------------------|--|-------------------------|---------------|--|
| | SACC | Food Service | Totals | |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 1,308 | \$ 8,370 | \$ 9,678 | \$ 6,976 |
| Federal and State Aid Receivable | | 808 | 808 | 27,720 |
| Total Current Assets | 1,308 | 9,178 | 10,486 | 34,696 |
| Fixed Assets: | | | | |
| Equipment | | 2,832 | 2,832 | |
| Accumulated Depreciation | | (2,832) | (2,832) | |
| Total Fixed Assets | | | | |
| Total Assets | 1,308 | 9,178 | 10,486 | 34,696 |
| LIABILITIES AND FUND EQUITY: | | | | |
| Current Liabilities: | | | | |
| Unearned Revenue | | | | 34,696 |
| Total Current Liabilities | | | | 34,696 |
| NET POSITION | | | | |
| Unrestricted | 1,308 | 9,178 | 10,486 | |
| Total Net Position | \$ 1,308 | \$ 9,178 | \$ 10,486 | \$ |

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

| | Business-type Activities - Enterprise Fund | | | Governmental Activities - Internal Service Fund |
|---|---|-----------------|---------------------|---|
| | SACC | Food Service | Total Enterprise | |
| Operating Revenues: | | | | |
| Charges for Services: | | | | |
| Daily Sales - Reimbursable Programs | \$ | \$ 9,620 | \$ 9,620 | \$ |
| Non-reimbursable Sales | | 5,587 | 5,587 | |
| Program Fees | 6,726 | | 6,726 | 62,851 |
| Total Operating Revenue: | 6,726 | 15,207 | 21,933 | 62,851 |
| Operating Expenses: | | | | |
| Cost of Sales | | 43,455 | 43,455 | |
| Salaries | 4,922 | 7,640 | 12,562 | 29,028 |
| Employee Benefits | | | | 4,911 |
| Tuition | | | | 7,374 |
| Transportation | | | | 21,341 |
| Other | | 84 | 84 | 197 |
| Supplies and Materials | 570 | | 570 | |
| Total Operating Expenses | 5,492 | 51,179 | 56,671 | 62,851 |
| Operating Loss | 1,234 | (35,972) | (34,738) | |
| Non-operating Revenues (Expenses): | | | | |
| State Sources: | | | | |
| State School Lunch Program | | 460 | 460 | |
| Federal Sources: | | | | |
| National School Lunch Program | | 18,617 | 18,617 | |
| National School Breakfast Program | | 3,952 | 3,952 | |
| Food Distribution Program | | 8,052 | 8,052 | |
| Total Non-operating Revenues (Expenses) | | 31,081 | 31,081 | |
| Loss Before Transfers | 1,234 | (4,891) | (3,657) | |
| Transfers In (Out) | | 6,000 | 6,000 | |
| Change in Net Position | 1,234 | 1,109 | 2,343 | |
| Total Net Position—Beginning | 74 | 8,069 | 8,143 | |
| Total Net Position—Ending | \$ 1,308 | \$ 9,178 | \$ 10,486 | \$ |

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|--|--|--------------------|---------------------|---|
| | SACC | Food Service | Total Enterprise | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers | \$ 6,726 | \$ 15,207 | \$ 21,933 | \$ 62,851 |
| Payments to Employees | (4,922) | (7,640) | (12,562) | (52,405) |
| Payments to Suppliers | 205 | (43,399) | (43,194) | |
| Net Cash Provided by (Used for) Operating Activities | <u>2,009</u> | <u>(35,832)</u> | <u>(33,823)</u> | <u>10,446</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| State Sources | | 460 | 460 | |
| Federal Sources | | 30,621 | 30,621 | |
| Operating Subsidies and Transfers to Other Funds | | 6,000 | 6,000 | |
| Net Cash Provided by (Used for) Non-capital Financing Activities | | <u>37,081</u> | <u>37,081</u> | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest and Dividends | | | | |
| Net Cash Provided by (Used for) Investing Activities | | | | |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,009 | 1,249 | 3,258 | 10,446 |
| Balances—Beginning of Year | (701) | 7,121 | 6,420 | (3,470) |
| Balances—End of Year | <u>\$ 1,308</u> | <u>\$ 8,370</u> | <u>\$ 9,678</u> | <u>\$ 6,976</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating Income (Loss) | \$ 1,234 | \$ (35,972) | \$ (34,738) | \$ |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | | | |
| Depreciation and Net Amortization | | | | |
| Decrease/(Increase) in Accounts Receivable, Net | 775 | 140 | 915 | 8,335 |
| Increase/(Decrease) in Unearned Revenue | | | | 2,111 |
| Total Adjustments | <u>775</u> | <u>140</u> | <u>915</u> | <u>10,446</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 2,009</u> | <u>\$ (35,832)</u> | <u>\$ (33,823)</u> | <u>\$ 10,446</u> |

Noncash Noncapital Financing Activities:

During the year, the district received \$785 of food commodities from the U. S. Department of Agriculture

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

FIDUCIARY FUNDS

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

| | <u>Unemployment Compensation Trust</u> | <u>Agency Fund</u> |
|---|---|-------------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 10,900 | \$ 10,387 |
| Total Assets | <u>10,900</u> | <u>10,387</u> |
| LIABILITIES | | |
| Payable to Student Groups | | 10,387 |
| Total Liabilities | | <u>\$ 10,387</u> |
| NET POSITION | | |
| Held in Trust for Unemployment Claims and Other Purposes | \$ 10,900 | |

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

| | <u>Unemployment Compensation Trust</u> |
|------------------------------------|---|
| ADDITIONS | |
| Contributions: | |
| Plan Member | \$ 2,077 |
| | <hr/> |
| Total Contributions | 2,077 |
| Investment Earnings: | |
| Interest | 14 |
| | <hr/> |
| Total Additions | 2,091 |
| | <hr/> |
| DEDUCTIONS | |
| Quarterly Contribution Reports | |
| Unemployment Claims | 64 |
| | <hr/> |
| Total Deductions | 64 |
| | <hr/> |
| Change in Net Position | 2,027 |
| Net Position—Beginning of the Year | 8,873 |
| | <hr/> |
| Net Position—End of the Year | \$ 10,900 |
| | <hr/> <hr/> |

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

A. Reporting Entity:

The Elsinboro School District is a Type II District located in the County of Salem, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. These terms are staggered so that two or three members' terms expire each year. The purpose of the District is to educate students in grades K-8. The Elsinboro School District had an approximate enrollment at June 30, 2015 of 139 students.

Business Administrator/Board Secretary services are contracted with Alloway Shared Services including responsibility for the administrative control of the district.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recently Issued and Adopted Accounting Pronouncements:

The district adopted the following GASB statements:

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 67, however, does not have any impact on the School District's financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the School District's.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Recently Issued and Adopted Accounting Pronouncements (Cont'd):

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

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

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

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

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

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

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

A. Basis of Presentation (Cont'd):

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

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The district currently has no capital projects and, therefore, has not included a Capital Projects Fund.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

B. Fund Accounting (Cont'd):

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

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District.

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs (including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|--------------------|----------|
| Food Service Fund: | |
| Equipment | 12 Years |

Internal Service Fund - The Internal Service Fund has been established to account for custodial services provided by the Elsinboro Township School District for use by Lower Alloway Creek School District. Services are generally provided on a cost-reimbursement basis.

FIDUCIARY FUNDS

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

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

B. Fund Accounting (Cont'd):

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

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

C. Basis of Accounting and Measurement Focus:

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

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

D. Budgets/Budgetary Control:

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

Formal budgetary integration into the accounting system is 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 mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below.

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-3.

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

G. Tuition Payable:

Tuition charges for the fiscal years 2012-13, 2013-14 and 2014-15 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses:

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

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

J. Assets, Liabilities and Equity:

Transactions

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

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. There was no inventory in the Food Service Fund at June 30, 2015.

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

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2015 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|-----------------------|-----------------------------------|
| School Building | 50 |
| Building Improvements | 20 |
| Equipment | 5-10 |

K. Compensated Absences:

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

L. Unearned Revenue:

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

M. Operating Revenues and Expenses:

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

N. Allocation of Indirect Expenses:

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

O. Extraordinary and Special Items:

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

P. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2015.

Q. Fund Equity:

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

R. Comparative Data/Reclassifications:

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

S. Management Estimates:

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

T. Accrued Liabilities and Long-term Obligations:

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

U. Net Position:

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

V. Fund Balance Reserves:

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

W. Revenues – Exchange and Non-exchange Transactions:

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

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

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2015, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq. establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or Federally chartered banks, savings banks or associations located in or having a branch office on 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 5% of the average daily balance of collected public funds on deposit, 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 full amount of their deposits to Governmental Units.

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

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

| | Cash and Cash Equivalents | |
|----------------------|--------------------------------------|---------|
| | <hr/> | <hr/> |
| Checking Accounts | \$ | 746,382 |
| Savings Certificates | | 202,295 |
| | <hr/> | <hr/> |
| Total | \$ | 948,677 |
| | <hr/> | <hr/> |

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2015, the District's bank balance of \$1,004,503 was insured or collateralized as follows:

| | |
|---------------------------------|---------------------|
| Insured by Depository Insurance | \$ 453,802 |
| Collateralized under GUDPA | <u>550,701</u> |
| Total | \$ <u>1,004,503</u> |

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

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

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account may be established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post -April 2005 transfers must be in compliance with P.L.2005, C73 (S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$797,075, as shown in its approved LRFP.

The District transferred \$200,000 to a capital reserve account during the 2014-15 fiscal school year.

NOTE 5. OPERATING LEASES

As of the audit date, the District has commitments to lease two copiers under operating leases that expire in 2018. The total amount of the operating lease obligations initiated in the year ended June 30, 2014 was \$19,005. The future minimum lease payments are as follows:

| Year Ending June 30, | Amount |
|----------------------|-------------------------|
| 2016 | \$ 4,751 |
| 2017 | 4,751 |
| 2018 | <u>792</u> |
| Total | \$ <u><u>10,294</u></u> |

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6. CAPITAL ASSETS

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Adjustments/ Retired</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|---------------------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets That are Not Being Depreciated: | | | | |
| Land | \$ 35,442 | | | \$ 35,442 |
| Total Capital Assets Not Being Depreciated | 35,442 | | | 35,442 |
| Land Improvements | 67,859 | | | 67,859 |
| Building and Building Improvements | 814,349 | \$ 137,186 | | 951,535 |
| Machinery and Equipment | 55,913 | 4,400 | \$ (2,832) | 57,481 |
| Totals at Historical Cost | 938,121 | 141,586 | (2,832) | 1,076,875 |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (67,859) | | | (67,859) |
| Building and Improvements | (610,675) | (24,944) | | (635,619) |
| Machinery and Equipment | (38,052) | (4,869) | 2,832 | (40,089) |
| Total Accumulated Depreciation | (716,586) | (29,813) | 2,832 | (743,567) |
| Total Capital Assets Being Depreciated, Net of Accumulated Depreciation | 221,535 | 111,773 | | 333,308 |
| Government Activities Capital Assets, Net | \$ 256,977 | \$ 111,773 | | \$ 368,750 |
| | | | | To A-1 |
| Business-type Activities - Equipment | \$ 2,832 | | | \$ 2,832 |
| Less Accumulated Depreciation | (2,832) | | | (2,832) |
| Business-type activities capital assets, net | \$ - | \$ - | \$ - | \$ - |
| Depreciation expense was charged to governmental functions as follows: | | | | |
| | | | | \$ 29,813 |

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7. GENERAL LONG-TERM DEBT

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Amounts Due within One Year</u> | <u>Long-term Portion</u> |
|---------------------------------|------------------------------|------------------|-------------------|---------------------------|--|------------------------------|
| Governmental Activities: | | | | | | |
| Loans Payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Loans Payable | | | | | | |
| Other Liabilities: | | | | | | |
| Compensated Absences Payable | 21,428 | | (6,603) | 14,825 | 6,000 | 8,825 |
| Total Other Liabilities | <u>\$ 21,428</u> | <u>\$ -</u> | <u>\$ (6,603)</u> | <u>\$ 14,825</u> | <u>\$ 6,000</u> | <u>\$ 8,825</u> |
| | | | | | <u>To A-1</u> | |

A. Bonds Payable – Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As the final bond payment was made during the 2013-14 school year, there is no Principal or Interest due subsequent to June 30, 2015.

B. Bonds Authorized But Not Issued – As of June 30, 2015, the District had no authorized but not issued bonds.

C. Capital Leases – There were no capital leases in force during as of the end of the audit year

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONT'D)

Teachers Pension and Annuity Fund (TPAF) (Cont'd) - 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 additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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 a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$34,977 and revenue of \$34,977 for support provided by the State.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

For the year ended June 30, 2015, the District recognized pension expense of \$6,231. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ | \$ |
| Changes of assumptions | 5,853 | |
| Net difference between projected and actual earnings on pension plan investments | | 11,092 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | | 19,174 |
| District contributions subsequent to the measurement date | 8,385 | |
| Total | \$ 14,238 | \$ 30,266 |

\$14,238 reported as deferred outflows of resources, related to pensions resulting from the school district contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONT'D)

Additional Information

Collective balances at June 30, 2013 and 2014 are as follows:

| | 6/30/2014 | 6/30/2013 |
|---|------------------|------------------|
| Collective deferred outflows of resources | \$ 1,032,618,058 | \$ |
| Collective deferred inflows of resources | 1,726,631,532 | |
| Collective net pension liability | 14,665,837,859 | 15,190,834,283 |
| District's Proportion | 0.0994073700 | 0.1112837100 |

Significant Legislation

P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Three-Year Trend Information for PERS

| <u>Year</u> <u>Funding</u> | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
|-------------------------------|--|--|---|
| 6/30/15 | \$ 8,195 | 100 % | \$ 8,195 |
| 6/30/14 | 9,337 | 100 | 9,337 |
| 6/30/13 | 11,317 | 100 | 11,317 |

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONT'D)

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

| <u>Year</u> <u>Funding</u> | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
|-------------------------------|--|--|---|
| 6/30/15 | \$ 111,411 | 100 % | \$ 0 |
| 6/30/14 | 91,945 | 100 | 0 |
| 6/30/13 | 112,163 | 100 | 0 |

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$43,058 to the TPAF for pension and \$68,353 for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$71,085 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and 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 post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement 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 benefits 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 10. 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 that are 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 employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the district wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10. COMPENSATED ABSENCES (CONT'D)

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, a liability existed for compensated absences in the General Fund of \$14,825 and none in the Food Service Fund.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is as follows: T. Rowe Price and Lincoln Financial

NOTE 12. RISK MANAGEMENT

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

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

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

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|-------------------------------|--------------------------|-----------------------|
| 2014-2015 | \$ | \$ 2,091 | \$ 64 | \$ 10,900 |
| 2013-2014 | | 2,710 | 3,556 | 8,873 |
| 2012-2013 | | 1,815 | 29 | 9,719 |

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

There were no interfunds on the various balance sheets at June 30, 2015.

NOTE 14. INVENTORY

As all meals are received by satellite from a neighboring school district, there is no inventory in the food service fund as of June 30, 2015.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15. FUND BALANCE APPROPRIATED

General Fund – Of the \$908,851 General Fund balance at June 30, 2015, \$128,961 was restricted as excess surplus at June 30, 2015 in accordance with N.J.S.A. 18A:7F-7; (\$128,961 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$0 is Assigned for Encumbrances payable, \$450,021 is restricted for Capital Reserve Fund, of which \$253,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$49,165 is restricted for Maintenance Reserve; \$154,929 has been appropriated and included as anticipated revenue for the year ending June 30, 2016 and \$125,775 is unreserved and undesignated.

Debt Service Fund – The Debt Service fund had no fund balance at June 30, 2015.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$128,961, of which \$128,961 must be appropriated in the 2015-16 budget. There is no remaining excess surplus to be appropriated in the 2016-2017 school budget.

NOTE 17. LITIGATION

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

NOTE 18. DEFICIT FUND BALANCES

The District did not have any deficits of fund balance in the General or Special Revenue 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 year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, a deficit does not alone indicate that the District is facing financial difficulties. There were no deficits as of June 30, 2015.

NOTE 19. SUBSEQUENT EVENTS

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 20. RETROACTIVE RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

| | |
|--|-------------------|
| Beginning net position as previously reported at June 30, 2014 | \$ 1,021,108 |
| Prior Period Adjustment - Implementation GASB 68: | |
| Net Pension Liability (measurement date) | (212,685) |
| Net Deferred Outflows | <u>8,385</u> |
| Net Position as restated, July 1, 2014 | <u>\$ 816,808</u> |

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 1,407,960 | \$ | \$ 1,407,960 | \$ 1,407,960 | \$ |
| Interest on Investments-Capital Reserve | | | | 6,858 | 6,858 |
| Interest on Investments | | | | 21 | 21 |
| Miscellaneous | 3,500 | | 3,500 | 1,424 | (2,076) |
| Total - Local Sources | 1,411,460 | | 1,411,460 | 1,416,263 | 4,803 |
| State Sources: | | | | | |
| Equalization Aid | 300,281 | | 300,281 | 300,281 | |
| Special Education Categorical Aid | 69,516 | | 69,516 | 69,516 | |
| Security Aid | 20,313 | | 20,313 | 20,313 | |
| Adjustment Aid | 83,519 | | 83,519 | 83,519 | |
| Categorical Transportation Aid | 54,311 | | 54,311 | 54,311 | |
| School Choice Aid | 480,260 | | 480,260 | 371,110 | (109,150) |
| Under Adequacy Aid | 4,066 | | 4,066 | 4,066 | |
| Additional Adjustment Aid | 10,915 | | 10,915 | 10,915 | |
| PARCC Readiness aid | 1,580 | | 1,580 | 1,580 | |
| Per Pupil Growth Aid | 1,580 | | 1,580 | 1,580 | |
| Non-public Transportation Aid | | | | 348 | 348 |
| On-behalf TPAF Post - Retire Medical (non-budgeted) | | | | 68,353 | 68,353 |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | 43,058 | 43,058 |
| Reimbursement TPAF Social Security Contributions (non-budgeted) | | | | 71,085 | 71,085 |
| Total - State Sources | 1,026,341 | | 1,026,341 | 1,100,035 | 73,694 |
| TOTAL REVENUES | \$ 2,437,801 | \$ | \$ 2,437,801 | \$ 2,516,298 | \$ 78,497 |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Instruction - Regular Programs: | | | | | |
| Salaries of Teachers: | | | | | |
| Preschool/Kindergarten | \$ 64,535 | \$ 17,200 | \$ 81,735 | \$ 80,845 | \$ 890 |
| Grades 1-5 | 344,030 | (3,500) | 340,530 | 338,308 | 2,222 |
| Grades 6-8 | 227,018 | 23,250 | 250,268 | 249,048 | 1,220 |
| Home Instruction: | | | | | |
| Salaries of Teachers | 800 | 800 | 1,600 | 1,583 | 17 |
| Purchased Professional - Educational Services | 550 | 14,250 | 14,800 | 13,183 | 1,617 |
| Undistributed Instruction - Regular | | | | | |
| Purchased Professional - Educational Services | 16,000 | 1,202 | 17,202 | 14,516 | 2,686 |
| Other Purchased Services | 16,002 | (16,002) | | | |
| General Supplies | 63,500 | 11,750 | 75,250 | 70,085 | 5,165 |
| Textbooks | 12,000 | (12,000) | | | |
| Other Objects | 2,000 | | 2,000 | 555 | 1,445 |
| Total Regular Programs | 746,435 | 36,950 | 783,385 | 768,123 | 15,262 |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| Special Education: | | | | | |
| Resource Room: | | | | | |
| Salaries of Teachers | \$ 95,586 | \$ 300 | \$ 95,886 | \$ 95,692 | \$ 194 |
| General Supplies | 300 | (300) | | | |
| Total Resource Room | 95,886 | | 95,886 | 95,692 | 194 |
| TOTAL SPECIAL EDUCATION | 95,886 | | 95,886 | 95,692 | 194 |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 27,760 | 8,565 | 36,325 | 36,000 | 325 |
| General Supplies | 500 | (465) | 35 | | 35 |
| Total Basic Skills/Remedial - Instruction | 28,260 | 8,100 | 36,360 | 36,000 | 360 |
| School - Sponsored Co curricular Activities - Instruction: | | | | | |
| Salaries | 1,000 | | 1,000 | | 1,000 |
| Total School - Sponsored Co curricular Activities - Instruction | 1,000 | | 1,000 | | 1,000 |
| Total Instruction | 871,581 | 45,050 | 916,631 | 899,815 | 16,816 |
| Undistributed Expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition - Other LEA's within State-Regular | 300,937 | (55,500) | 245,437 | 245,279 | 158 |
| Tuition - Other LEA's within State-Special | 28,700 | (16,000) | 12,700 | 12,700 | |
| Tuition - County Voc School Districts-Regular | | 55,500 | 55,500 | 45,528 | 9,972 |
| Tuition - CSSD & Regional Day Schools | 80,500 | (35,179) | 45,321 | 25,883 | 19,438 |
| Tuition - Private Schools for Disabled within State | | 46,500 | 46,500 | 37,828 | 8,672 |
| Tuition - State Facilities | | 4,500 | 4,500 | 4,500 | |
| Total Undistributed Expenditures - Instruction | 410,137 | (179) | 409,958 | 371,718 | 38,240 |
| Attendance and Social Work Services | | | | | |
| Salaries | 8,835 | | 8,835 | 8,635 | 200 |
| Purchased Professional and Technical Services | 2,152 | | 2,152 | 565 | 1,587 |
| Total Attendance and Social Work Services | 10,987 | | 10,987 | 9,200 | 1,787 |
| Health Services: | | | | | |
| Salaries | 52,802 | (55) | 52,747 | 52,579 | 168 |
| Purchased Professional and Technical Services | 500 | 55 | 555 | 553 | 2 |
| Other Purchased Services | 250 | | 250 | | 250 |
| Supplies and Materials | 1,600 | | 1,600 | 564 | 1,036 |
| Total Health Services | 55,152 | | 55,152 | 53,696 | 1,456 |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------|---|
| EXPENDITURES: CURRENT EXPENSES (Continued) | | | | | |
| Undistributed Expenditures: (Continued) | | | | | |
| Other Support Services- Student- Related Services | | | | | |
| Purchased Professional- Educational Services | \$ 26,000 | \$ 10,000 | \$ 36,000 | \$ 35,529 | \$ 471 |
| Supplies and Materials | 300 | | 300 | | 300 |
| Total Undist. Expend.- Other Supp Serv Student- Related Services | 26,300 | 10,000 | 36,300 | 35,529 | 771 |
| Special Education - Extraordinary Services: | | | | | |
| Salaries | 33,456 | (7,100) | 26,356 | 16,645 | 9,711 |
| Purchased Professional - Educational Services | 22,000 | (16,750) | 5,250 | | 5,250 |
| Supplies and Materials | 50 | | 50 | | 50 |
| Total Undist. Expend. - Other Supp. Serv. - Extra. Services | 55,506 | (23,850) | 31,656 | 16,645 | 15,011 |
| Guidance: | | | | | |
| Other Purchased Professional and Technical Services | 1,000 | | 1,000 | | 1,000 |
| Total Guidance | 1,000 | | 1,000 | | 1,000 |
| Child Study Team: | | | | | |
| Purchased Professional-Educational Services | 35,155 | | 35,155 | 32,538 | 2,617 |
| Other Purchased Professional & Technical Services | 800 | | 800 | 436 | 364 |
| Total Child Study Team | 35,955 | | 35,955 | 32,974 | 2,981 |
| Improvement of Instruction Services/Other Support: | | | | | |
| Salaries of Secretarial and Clerical Assistants | 500 | | 500 | | 500 |
| Supplies & Materials | 150 | | 150 | | 150 |
| Total Improvement of Instruction Services/Other Support | 650 | | 650 | | 650 |
| Educational Media Services - School Library | | | | | |
| Salaries | 6,000 | | 6,000 | 4,744 | 1,256 |
| Total Educational Media Services - School Library: | 6,000 | | 6,000 | 4,744 | 1,256 |
| Instructional Staff Training Services: | | | | | |
| Salaries of Other Professional Staff | 250 | | 250 | | 250 |
| Purchased Professional - Educational Services | 7,000 | | 7,000 | 100 | 6,900 |
| Other Purchased Services | 2,800 | | 2,800 | 1,821 | 979 |
| Total Instructional Staff Training Services | 10,050 | | 10,050 | 1,921 | 8,129 |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| Undistributed Expenditures: (Continued) | | | | | |
| Support Services General Administration: | | | | | |
| Salaries | \$ 58,571 | \$ | \$ 58,571 | 57,903 | \$ 668 |
| Legal Services | 2,500 | | 2,500 | 499 | 2,001 |
| Audit Fees | 11,000 | | 11,000 | 10,735 | 265 |
| Architectural/Engineering Services | | | | | |
| Other Purchased Professional Services | 3,000 | 500 | 3,500 | 2,950 | 550 |
| Communications - Telephone | 4,650 | 800 | 5,450 | 5,258 | 192 |
| BOE Other Purchased Services | 3,100 | (2,800) | 300 | | 300 |
| Other Purchased Services | 8,247 | 1,100 | 9,347 | 7,187 | 2,160 |
| General Supplies | 1,800 | (1,000) | 800 | | 800 |
| Miscellaneous Expenditures | 1,850 | | 1,850 | 1,442 | 408 |
| BOE Membership Dues and Fees | 2,500 | (100) | 2,400 | 1,563 | 837 |
| Total Support Services General Administration | 97,218 | (1,500) | 95,718 | 87,537 | 8,181 |
| Support Services - School Administration: | | | | | |
| Salaries of Principals/Assistant Principals | 47,418 | | 47,418 | 47,418 | |
| Salaries of Secretarial and Clerical Assistants | 14,437 | 1,800 | 16,237 | 15,826 | 411 |
| Other Purchased Services | 350 | (300) | 50 | | 50 |
| Supplies and Materials | 500 | | 500 | 317 | 183 |
| Total Support Services School Administration | 62,705 | 1,500 | 64,205 | 63,561 | 644 |
| Central Services: | | | | | |
| Purchased Professional Services | 27,000 | | 27,000 | 27,000 | |
| Purchased Technical Services | 9,100 | | 9,100 | 8,700 | 400 |
| Supplies and Materials | 500 | | 500 | 112 | 388 |
| Other Objects | 75 | | 75 | | 75 |
| Total Central Services | 36,675 | | 36,675 | 35,812 | 863 |
| Required Maintenance for School Facilities: | | | | | |
| Increase in Maintenance Reserve | | | | | |
| Salaries | 6,396 | (231) | 6,165 | 6,037 | 128 |
| Cleaning, Repair and Maintenance Services | 15,000 | | 15,000 | 10,245 | 4,755 |
| General Supplies | 1,769 | 231 | 2,000 | | 2,000 |
| Other Objects | 500 | | 500 | | 500 |
| Total Required Maintenance for School Facilities | 23,665 | | 23,665 | 16,282 | 7,383 |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| Undistributed Expenditures: (Continued) | | | | | |
| Other Operation and Maintenance of Plant Services: | | | | | |
| Salaries | \$ 26,496 | \$ | \$ 26,496 | \$ 22,625 | \$ 3,871 |
| Purchased Professional and Technical Services | 18,200 | | 18,200 | 17,742 | 458 |
| Cleaning, Repair and Maintenance Services | 15,950 | | 15,950 | 15,494 | 456 |
| Insurance | 8,287 | | 8,287 | 7,981 | 306 |
| Miscellaneous Purchased Services | 100 | | 100 | 20 | 80 |
| General Supplies | 10,500 | | 10,500 | 9,504 | 996 |
| Energy (Heat and Electricity) | 13,500 | | 13,500 | 12,314 | 1,186 |
| Energy (Oil) | 20,000 | (6,000) | 14,000 | 13,873 | 127 |
| Total Other Operation and Maintenance of Plant Services | 113,033 | (6,000) | 107,033 | 99,553 | 7,480 |
| Total Operation and Maintenance of Plant Services | 136,698 | (6,000) | 130,698 | 115,835 | 14,863 |
| Student Transportation Services: | | | | | |
| Salaries for Pupil Trans (Between Home and School) - Sp. Ed. | 2,878 | | 2,878 | 2,878 | |
| Other Purchased Professional and Technical Services | 13,500 | | 13,500 | 13,500 | |
| Contracted Services (Between Home and School) - Vendors | 58,127 | | 58,127 | 57,876 | 251 |
| Contracted Services (Other than Betw. Home and Sch) - Vendors | 3,369 | 1,000 | 4,369 | 3,645 | 724 |
| Contracted Services (Home/School) - Joint Agreements | 7,650 | (2,150) | 5,500 | 3,000 | 2,500 |
| Contracted Services (Special Ed) - Joint Agreements | | | | | |
| Contracted Services (Regular Students) - ESCs | 26,632 | | 26,632 | 14,339 | 12,293 |
| Contracted Services (Special Ed. Students) - ESCs | 11,220 | | 11,220 | 7,302 | 3,918 |
| Contracted Services - Aid in Lieu of Payments - Non Pub Sch | 2,705 | 250 | 2,955 | 2,922 | 33 |
| Contracted Services - Aid in Lieu of Payments - Choice Sch | 1,768 | 900 | 2,668 | 1,778 | 890 |
| Total Student Transportation Services | 127,849 | | 127,849 | 107,240 | 20,609 |
| Unallocated Benefits: | | | | | |
| Social Security Contributions | 11,157 | | 11,157 | 9,890 | 1,267 |
| Other Retirement Contributions - PERS | 15,000 | | 15,000 | 8,688 | 6,312 |
| Unemployment Compensation | 2,000 | | 2,000 | | 2,000 |
| Workmen's Compensation | 13,625 | | 13,625 | 11,743 | 1,882 |
| Health Benefits | 205,771 | (13,500) | 192,271 | 187,534 | 4,737 |
| Tuition Reimbursement | 6,000 | | 6,000 | 6,000 | |
| Other Employee Benefits | 10,100 | 6,750 | 16,850 | 15,770 | 1,080 |
| Total Unallocated Benefits / Total Personal Services - Employee Benefits | 263,653 | (6,750) | 256,903 | 239,625 | 17,278 |
| On-behalf TPAF Post - Retire Medical (Non-budgeted) | | | | 68,353 | (68,353) |
| On-behalf TPAF Pension Contributions (Non-budgeted) | | | | 43,058 | (43,058) |
| Reimbursement TPAF Social Security Contrib. (Non-budgeted) | | | | 71,085 | (71,085) |
| Total Undistributed Expenditures | 1,336,535 | (26,779) | 1,309,756 | 1,358,533 | (48,777) |
| TOTAL EXPENDITURES - CURRENT EXPENSE | \$ 2,208,116 | \$ 18,271 | \$ 2,226,387 | \$ 2,258,348 | \$ (31,961) |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| CAPITAL OUTLAY: | | | | | |
| Undistributed Expenditures: | | | | | |
| Equipment: | | | | | |
| Admin Information Technology | \$ | \$ 2,300 | \$ 2,300 | \$ 2,260 | \$ 40 |
| Custodial Services | | 5,300 | 5,300 | 4,400 | 900 |
| Total Equipment | | 7,600 | 7,600 | 6,660 | 940 |
| Facilities Acquisition & Construction Services: | | | | | |
| Architectural/Engineering Services | 50,000 | | 50,000 | 906 | 49,094 |
| Construction Services | 222,000 | 128,720 | 350,720 | 134,020 | 216,700 |
| Total Facilities Acquisition & Construction Services: | 272,000 | 128,720 | 400,720 | 134,926 | 265,794 |
| TOTAL CAPITAL OUTLAY | 272,000 | 136,320 | 408,320 | 141,586 | 266,734 |
| TOTAL EXPENDITURES | 2,480,116 | 154,591 | 2,634,707 | 2,399,934 | 234,773 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (42,315) | (154,591) | (196,906) | 116,364 | 313,270 |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfer Out - Food Service Fund | (8,000) | | (8,000) | (6,000) | 2,000 |
| Total Other Financing Sources (Uses) | (8,000) | | (8,000) | (6,000) | 2,000 |
| Excess (Deficiency) of Revenues and Other Expenditures and Other Financing Uses | (50,315) | (154,591) | (204,906) | 110,364 | 315,270 |
| Fund Balances, July 1 | 883,370 | | 883,370 | 883,370 | |
| Fund Balances, June 30 | \$ 833,055 | \$ (154,591) | \$ 678,464 | \$ 993,734 | \$ 315,270 |
| RECAPITULATION: | | | | | |
| Restricted Fund Balance: | | | | | |
| Excess Surplus - Designated for Subsequent Year's Expenditures | | | | \$ 128,961 | |
| Capital Reserve | | | | 197,021 | |
| Capital Reserve - Designated for Subsequent Year's Expenditures | | | | 253,000 | |
| Maintenance Reserve | | | | 49,165 | |
| Assigned to: | | | | | |
| Designated for Subsequent Year's Expenditures | | | | 154,929 | |
| Unassigned | | | | | |
| | | | | 210,658 | |
| TOTAL | | | | 993,734 | |
| Reconciliation to Governmental Fund Statements (GAAP): | | | | | |
| Last State Aid Payment not Recognized on GAAP Basis | | | | (84,883) | |
| TOTAL | | | | \$ 908,851 | |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
BUDGET COMPARISON SCHEDULE - SPECIAL REVENUE FUND
AS OF JUNE 30, 2015

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------|---|
| REVENUES: | | | | | |
| State Sources | \$ | \$ | \$ | \$ | \$ |
| Federal Sources | 77,876 | 18,145 | 96,021 | 96,021 | |
| Other | 2,491 | | 2,491 | 2,491 | |
| Total Revenues | 80,367 | 18,145 | 98,512 | 98,512 | |
| EXPENDITURES: | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 10,909 | 400 | 11,309 | 11,309 | |
| Salaries - Other | 16,400 | (400) | 16,000 | 16,000 | |
| Purchased Services - Other (400-500 series) | 42,178 | 70 | 42,248 | 42,248 | |
| General Supplies | | 18,075 | 18,075 | 18,075 | |
| Total Instruction | 69,487 | 18,145 | 87,632 | 87,632 | |
| Support Services | | | | | |
| Employee Benefits | 4,091 | | 4,091 | 4,091 | |
| Purchased Professional - Technical Services | 1,527 | | 1,527 | 1,527 | |
| Purchased Prof. Educational Serv. | 640 | | 640 | 640 | |
| Other Purchased Services | 2,131 | | 2,131 | 2,131 | |
| Maintenance/Cleaning/Repair | 2,491 | | 2,491 | 2,491 | |
| Total Support Services | 10,880 | | 10,880 | 10,880 | |
| Facilities and Acquisition Costs | | | | | |
| Land and Improvements | | | | | |
| Total Expenditures | 80,367 | 18,145 | 98,512 | 98,512 | |
| Other Financing Sources (Uses) | | | | | |
| Total Outflows | | | | | |
| Excess (Deficiency) of Revenues Over (Under) | | | | | |
| Expenditures and Other Financing Sources (Uses) | \$ | \$ | \$ | \$ | \$ |

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
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) "revenue" from the budgetary comparison schedule | [C-1] \$ | 2,516,298 | [C-2] \$ | | 98,512 |
| Difference - budget to GAAP: | | | | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | | | | |
| State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes. | | 97,811 | | | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | | (84,883) | | | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | [B-2] \$ | <u>2,529,226</u> | [B-2] \$ | | <u>98,512</u> |
| Uses/outflows of resources | | | | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | [C-1] \$ | 2,399,934 | [C-2] \$ | | 98,512 |
| Differences - budget to GAAP | | | | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. | | | | | |
| Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. | | | | | |
| Net transfers (outflows) to general fund | | | | | |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | [B-2] \$ | <u>2,399,934</u> | [B-2] \$ | | <u>98,512</u> |

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULE L-1

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

| | <u>2014</u> |
|---|-------------|
| District's Proportion of the Net Pension Liability(Asset) | 0.09940737% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 186,118 |
| District's Covered-Employee Payroll | \$ 77,064 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 241.51% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 52.08% |

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

| | <u>2014</u> |
|---|----------------|
| Contractually Required Contribution | \$ 8,195 |
| Contributions in Relation to the Contractually Required Contribution | <u>(8,195)</u> |
| Contribution Deficiency (Excess) | <u>\$</u> |
| District's Covered-Employee Payroll | \$ 77,064 |
| Contributions as a Percentage of Covered-Employee Payroll | 10.63% |

SCHEDULE L-3

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER'S PENSION PLAN

| | <u>2014</u> |
|---|---------------|
| District's Proportion of the Net Pension Liability(Asset) | 0.0082339769% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 362.36 |
| District's Covered-Employee Payroll | \$ 950,830 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 0.04% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 33.64% |

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

ELSINBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules
For the Fiscal Year Ended June 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. 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.

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 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.

Public Employees' Retirement System (PERS)

Changes of benefit terms. 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.

Change of assumptions. 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.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NCLB

| | <u>Title I</u> <u>Part A</u> | <u>Title II</u> <u>Part A</u> | <u>I.D.E.A.</u> <u>Part - B</u> <u>Basic</u> | <u>Sub-Total</u> <u>Per</u> <u>E-1a</u> | <u>Totals</u> <u>2015</u> |
|--|---------------------------------|----------------------------------|--|---|------------------------------|
| REVENUES: | | | | | |
| State Sources | \$ | \$ | \$ | \$ | \$ |
| Federal Sources | 31,400 | 2,131 | 42,248 | 20,242 | 96,021 |
| Other | | | | 2,491 | 2,491 |
| Total Revenues | <u>31,400</u> | <u>2,131</u> | <u>42,248</u> | <u>22,733</u> | <u>98,512</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 11,309 | | | | 11,309 |
| Salaries - Other | 16,000 | | | | 16,000 |
| Other - Purchased Services | | | 42,248 | | 42,248 |
| General Supplies | | | | 18,075 | 18,075 |
| Total Instruction | <u>27,309</u> | | <u>42,248</u> | <u>18,075</u> | <u>87,632</u> |
| Support Services: | | | | | |
| Employee Benefits | 4,091 | | | | 4,091 |
| Purchased Prof. & Technical Serv. | | | | 1,527 | 1,527 |
| Purchased Prof. Educational Serv. | | | | 640 | 640 |
| Other Purchased Services | | 2,131 | | | 2,131 |
| Maintenance/Cleaning/Repair | | | | 2,491 | 2,491 |
| Total Support Services | <u>4,091</u> | <u>2,131</u> | | <u>4,658</u> | <u>10,880</u> |
| Facilities Acquisition and Constr. Servs.: | | | | | |
| Land and Improvements | | | | | |
| Total Facilities Acquisition and Construction Services: | | | | | |
| Total Expenditures | <u>\$ 31,400</u> | <u>\$ 2,131</u> | <u>\$ 42,248</u> | <u>\$ 22,733</u> | <u>\$ 98,512</u> |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>I.D.E.A.</u> <u>Preschool</u> | <u>REAP</u> | <u>Race to</u> <u>The Top</u> | <u>NJSBAIG</u> <u>Safety</u> <u>Grant</u> | <u>Totals</u> <u>2015</u> |
|--|-------------------------------------|-------------|----------------------------------|---|------------------------------|
| REVENUES: | | | | | |
| State Sources | \$ | \$ | \$ | \$ | \$ |
| Federal Sources | 640 | 18,075 | 1,527 | | 20,242 |
| Other | | | | 2,491 | 2,491 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenues | 640 | 18,075 | 1,527 | 2,491 | 22,733 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| General Supplies | | 18,075 | | | 18,075 |
| | | <hr/> | | | <hr/> |
| Total Instruction | | 18,075 | | | 18,075 |
| | | <hr/> | | | <hr/> |
| Support: | | | | | |
| Purchased Prof. & Technical Service | | | 1,527 | | 1,527 |
| Purchased Prof. & Educational Serv. | 640 | | | | 640 |
| Maintenance/Cleaning/Repair | | | | 2,491 | 2,491 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Support | 640 | | 1,527 | 2,491 | 4,658 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Facilities Acquisition and Constr. Servs.: | | | | | |
| Land and Improvements | | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Facilities Acquisition and Construction Services: | | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Expenditures | \$ 640 | \$ 18,075 | \$ 1,527 | \$ 2,491 | \$ 22,733 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015 AND 2014

| | <u>SACC</u> | <u>Food Service Enterprise Fund</u> | <u>Totals</u> | |
|-------------------------------------|-----------------|---|------------------|-----------------|
| | | | <u>2015</u> | <u>2014</u> |
| ASSETS: | | | | |
| Current Assets: | | | | |
| Cash | \$ 1,308 | \$ 8,370 | \$ 9,678 | \$ 6,420 |
| Accounts Receivable: | | | | |
| State | | 26 | 26 | 45 |
| Federal | | 782 | 782 | 903 |
| Other | | | | 775 |
| Total Current Assets | <u>1,308</u> | <u>9,178</u> | <u>10,486</u> | <u>8,143</u> |
| Fixed Assets: | | | | |
| Equipment | | 2,832 | 2,832 | 2,832 |
| Accumulated Depreciation | | (2,832) | (2,832) | (2,832) |
| Total Fixed Assets | | | | |
| Total Assets | <u>\$ 1,308</u> | <u>\$ 9,178</u> | <u>\$ 10,486</u> | <u>\$ 8,143</u> |
| LIABILITIES AND FUND EQUITY: | | | | |
| Net Position: | | | | |
| Investment in Fixed Assets | | | | |
| Net Position | \$ 1,308 | \$ 9,178 | \$ 10,486 | \$ 8,143 |
| Total Net Position | <u>1,308</u> | <u>9,178</u> | <u>10,486</u> | <u>8,143</u> |
| Total Liabilities and Fund Equity | <u>\$ 1,308</u> | <u>\$ 9,178</u> | <u>\$ 10,486</u> | <u>\$ 8,143</u> |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

| | <u>SACC</u> | <u>Food Service Enterprise Fund</u> | <u>Totals</u> | |
|--|-----------------|---|------------------|-----------------|
| | | | <u>2015</u> | <u>2014</u> |
| OPERATING REVENUES: | | | | |
| Local Sources: | | | | |
| Daily Sales | | | | |
| Reimbursable Programs | \$ | \$ 9,620 | \$ 9,620 | \$ 9,617 |
| Non-Reimbursable Sales | | 5,587 | 5,587 | 5,119 |
| Program Fees | 6,726 | | 6,726 | 4,614 |
| Total Operating Revenue | <u>6,726</u> | <u>15,207</u> | <u>21,933</u> | <u>19,350</u> |
| OPERATING EXPENSES: | | | | |
| Salaries | 4,922 | 7,640 | 12,562 | 10,441 |
| Depreciation | | | | |
| Other Costs | | 84 | 84 | 80 |
| Cost of Sales | | 43,455 | 43,455 | 37,801 |
| Supplies and Materials | 570 | | 570 | 563 |
| Total Operating Expenses | <u>5,492</u> | <u>51,179</u> | <u>56,671</u> | <u>48,885</u> |
| Operating Loss | <u>1,234</u> | <u>(35,972)</u> | <u>(34,738)</u> | <u>(29,535)</u> |
| Non-Operating Revenues: | | | | |
| State Sources: | | | | |
| State School Lunch Program | | 460 | 460 | 459 |
| Federal Sources: | | | | |
| National School Lunch Program | | 18,617 | 18,617 | 17,129 |
| National School Breakfast Program | | 3,952 | 3,952 | 2,451 |
| Food Distribution Program | | 8,052 | 8,052 | 6,794 |
| Total Non-Operating Revenues | | <u>31,081</u> | <u>31,081</u> | <u>26,833</u> |
| Net (Loss) Income before Operating Transfers | 1,234 | (4,891) | (3,657) | (2,702) |
| Operating Transfer In - General Fund | | 6,000 | 6,000 | 4,000 |
| Net (Loss) Income | 1,234 | 1,109 | 2,343 | 1,298 |
| Net Position - July 1 | 74 | 8,069 | 8,143 | 6,845 |
| Net Position - June 30 | <u>\$ 1,308</u> | <u>\$ 9,178</u> | <u>\$ 10,486</u> | <u>\$ 8,143</u> |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015 AND 2014

| | <u>SACC</u> | <u>Food Service Enterprise Fund</u> | <u>Totals</u> | |
|---|-----------------|---|-----------------|-----------------|
| | | | <u>2015</u> | <u>2014</u> |
| Cash Flows from Operating Activities: | | | | |
| Receipts from Customers | \$ 6,726 | \$ 15,207 | \$ 21,933 | \$ 19,350 |
| Payments to Employees | (4,922) | (7,640) | (12,562) | (10,441) |
| Payments to Suppliers | 205 | (43,399) | (43,194) | (36,886) |
| Net Cash Used by Operating Activities | <u>2,009</u> | <u>(35,832)</u> | <u>(33,823)</u> | <u>(27,977)</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Operating Transfer In-General Fund | | 6,000 | 6,000 | 4,000 |
| Cash Received from State and Federal Reimbursements | | 31,081 | 31,081 | 26,833 |
| Net Cash Provided by Noncapital Financing Activities | | <u>37,081</u> | <u>37,081</u> | <u>30,833</u> |
| Cash Flows from Investing Activities | | | | |
| Interest on Investments | | | | |
| Net Cash Provided by Investing Activities | | | | |
| Net Increase/(Decrease) in Cash | 2,009 | 1,249 | 3,258 | 2,856 |
| Cash and Cash Equivalents, July 1 | (701) | 7,121 | 6,420 | 3,564 |
| Cash and Cash Equivalents, June 30 | <u>\$ 1,308</u> | <u>\$ 8,370</u> | <u>\$ 9,678</u> | <u>\$ 6,420</u> |
| Operating Income (Loss) | \$ 1,234 | \$ (35,972) | \$ (34,738) | \$ (29,535) |
| Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities: | | | | |
| Depreciation | | | | |
| Change in Assets and Liabilities: | | | | |
| Decrease/(Increase) in Accounts Receivable | 775 | 140 | 915 | 1,558 |
| Net Cash Used by Operating Activities | <u>2,009</u> | <u>(35,832)</u> | <u>(33,823)</u> | <u>(27,977)</u> |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|---|------------------|------------------|
| ASSETS: | | |
| Cash and Cash Equivalents | \$ 6,976 | \$ (3,470) |
| Accounts Receivable | 27,720 | 36,055 |
| Total Assets | \$ 34,696 | \$ 32,585 |
| | | |
| LIABILITIES: | | |
| Unearned Revenues | \$ 34,696 | \$ 32,585 |
| Total Liabilities | 34,696 | 32,585 |
| | | |
| NET POSITION | | |
| Net Position | | |
| Total Net Positon | | |
| Total Liabilities and Net Position | \$ 34,696 | \$ 32,585 |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|--------------------------|---------------|----------------|
| OPERATING REVENUES: | | |
| Custodial Services | | |
| LEAs Within the State | \$ 62,851 | \$ 126,576 |
| Total Operating Revenue | <u>62,851</u> | <u>126,576</u> |
| OPERATING EXPENSES: | | |
| Salaries | 29,028 | 65,324 |
| Employee Benefits | 4,911 | 10,942 |
| Tuition | 7,374 | 24,586 |
| Transportation | 21,341 | 25,659 |
| Miscellaenous | 197 | 65 |
| Total Operating Expenses | <u>62,851</u> | <u>126,576</u> |
| Net Income (Loss) | | |
| Net Position - July 1 | | |
| Net Position - June 30 | <u>\$</u> | <u>\$</u> |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|---|------------------|--------------------|
| Cash Flows from Operating Activities: | | |
| Receipts from Customers | \$ 62,851 | \$ 126,576 |
| Payments to Employees and Employee Benefits | (52,405) | (145,859) |
| Net Cash Provided (Used) by Operating Activities | <u>10,446</u> | <u>(19,283)</u> |
| Net Increase in Cash and Cash Equivalents | <u>10,446</u> | <u>(19,283)</u> |
| Cash and Cash Equivalents, July 1 | <u>(3,470)</u> | <u>15,813</u> |
| Cash and Cash Equivalents, June 30 | <u>\$ 6,976</u> | <u>\$ (3,470)</u> |
| | | |
| Operating Income (Loss) | \$ | \$ |
| Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities | | |
| Change in Assets and Liabilities | | |
| (Increase)/Decrease in Intergovernmental Accounts Receivable | 8,335 | (36,055) |
| Increase/(Decrease) in Unearned Revenue | 2,111 | 16,772 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 10,446</u> | <u>\$ (19,283)</u> |

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

ELSINBORO TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

| | Unemployment Compensation Expendable Trust | Agency | | Total | |
|---|---|---------------------|---------|-----------|-----------|
| | | Student Activity | Payroll | 2015 | 2014 |
| ASSETS: | | | | | |
| Cash and Cash Equivalents | \$ 10,900 | \$ 10,387 | \$ | \$ 21,287 | \$ 16,606 |
| Total Assets | 10,900 | 10,387 | | 21,287 | 16,606 |
| LIABILITIES: | | | | | |
| Liabilities: | | | | | |
| Due to Student Groups | | 10,387 | | 10,387 | 7,733 |
| Total Liabilities | | 10,387 | | 10,387 | 7,733 |
| NET POSITION: | | | | | |
| Held in Trust for Unemployment Claims and Other Purposes | \$ 10,900 | \$ | \$ | \$ 10,900 | \$ 8,873 |

ELSINBORO TOWNSHIP SCHOOL DISTRICT
UNEMPLOYMENT COMPENSATION EXPENDABLE TRUST
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ADDITIONS:

Contributions

Plan Member

\$ 2,077

Total Contributions

2,077

Investment Earnings

Interest

14

Net Investment Earnings

14

Total Additions

2,091

DEDUCTIONS:

Quarterly Contribution Reports

Unemployment Claims

64

Total Deductions

64

Change in Net Position

2,027

Net Position - July 1, 2014

8,873

Net Position - June 30, 2015

\$ 10,900

ELSINBORO TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Balance</u> <u>July 1,</u> <u>2014</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Accounts</u> <u>Payable</u> | <u>Balance</u> <u>June 30,</u> <u>2015</u> |
|--------------------------|---|--------------------------------|-------------------------------------|-----------------------------------|--|
| ELEMENTARY SCHOOL | \$ 7,733 | \$ 24,758 | \$ 22,104 | \$ | \$ 10,387 |

Analysis of June 30, 2015:

| | |
|----------------------------|-----------|
| 8th Grade Carryover | \$ 1,451 |
| Class of 2016 | 1,569 |
| Yerkes Donation | 1,035 |
| Miscellaneous | 15 |
| Superintendent Round Table | 6,317 |
| Total Elementary Schools | \$ 10,387 |

ELSINBORO TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Balance July 1, 2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2015</u> |
|--|-------------------------------------|---------------------|---------------------|--------------------------------------|
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ | \$ 1,211,093 | \$ 1,211,093 | \$ |
| | <u>\$</u> | <u>\$ 1,211,093</u> | <u>\$ 1,211,093</u> | <u>\$</u> |
| LIABILITIES: | | | | |
| Interfund Payable | \$ | \$ | \$ | \$ |
| Payroll Deductions and Withholdings | | 1,211,093 | 1,211,093 | |
| Total Liabilities and Reserves | <u>\$</u> | <u>\$ 1,211,093</u> | <u>\$ 1,211,093</u> | <u>\$</u> |

LONG-TERM DEBT SCHEDULES

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

STATISTICAL SECTION

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

| | Fiscal Year Ending June 30, | | | | | | | | | | |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental Activities | | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 97,439 | \$ 80,402 | \$ 69,310 | \$ 103,873 | \$ 106,103 | \$ 107,960 | \$ 118,232 | \$ 116,109 | \$ 113,690 | \$ 256,977 | \$ 368,750 |
| Restricted | 206,807 | 275,844 | 192,268 | 345,383 | 509,883 | 365,507 | 200,775 | 226,472 | 403,053 | 154,591 | 783,076 |
| Unrestricted | 81,017 | 111,942 | 255,153 | 250,841 | 195,007 | 227,378 | 350,774 | 314,586 | 226,654 | 131,099 | (91,196) |
| Total Governmental Activities Net Position | \$ 385,263 | \$ 468,188 | \$ 516,731 | \$ 700,097 | \$ 810,993 | \$ 700,845 | \$ 669,781 | \$ 657,167 | \$ 743,397 | \$ 542,667 | \$ 1,060,630 |
| Business-Type Activities | | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 1,416 | \$ 1,180 | \$ 944 | \$ 708 | \$ 661 | \$ 472 | \$ 283 | \$ 94 | \$ | \$ | \$ |
| Unrestricted | 851 | (34) | 277 | 1,974 | 225 | 3,229 | 4,063 | 3,288 | 6,845 | 8,143 | 10,486 |
| Total Business-Type Activities Net Position | \$ 2,267 | \$ 1,146 | \$ 1,221 | \$ 2,682 | \$ 886 | \$ 3,701 | \$ 4,346 | \$ 3,382 | \$ 6,845 | \$ 8,143 | \$ 10,486 |
| District-Wide | | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 98,855 | \$ 81,582 | \$ 70,254 | \$ 104,581 | \$ 106,764 | \$ 108,432 | \$ 118,515 | \$ 116,203 | \$ 113,690 | \$ 256,977 | \$ 368,750 |
| Restricted | 206,807 | 275,844 | 192,268 | 345,383 | 509,883 | 365,507 | 200,775 | 226,472 | 403,053 | 154,591 | 783,076 |
| Unrestricted | 81,868 | 111,908 | 255,430 | 252,815 | 195,232 | 230,607 | 354,837 | 317,874 | 233,499 | 139,242 | (80,710) |
| Total District-Wide Net Position | \$ 387,530 | \$ 469,334 | \$ 517,952 | \$ 702,779 | \$ 811,879 | \$ 704,546 | \$ 674,127 | \$ 660,549 | \$ 750,242 | \$ 550,810 | \$ 1,071,116 |

Source: CAFR Schedule A-1

ELSINBORO TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 593,378 | 626,855 | 648,155 | 655,082 | 760,235 | 714,192 | 706,745 | 738,117 | 770,541 | 855,755 |
| Special Education | 29,487 | 16,794 | 42,031 | 45,002 | 46,266 | 44,570 | 44,730 | 46,395 | 67,844 | 95,692 |
| Other Special Instruction | 175 | 150 | | 36,142 | 34,793 | 38,987 | 38,979 | 22,856 | 25,348 | 36,000 |
| Support Services | | | | | | | | | | |
| Tuition | 410,017 | 417,214 | 350,477 | 358,743 | 359,294 | 411,089 | 437,036 | 439,399 | 543,893 | 371,718 |
| Student and Instruction Related Services | 170,913 | 134,980 | 120,038 | 165,439 | 176,957 | 231,960 | 226,125 | 201,999 | 161,436 | 224,349 |
| General and Business Administrative Services | 59,384 | 74,017 | 75,297 | 77,098 | 73,807 | 75,596 | 74,543 | 90,093 | 88,156 | 87,537 |
| School Administrative Services | 39,504 | 48,818 | 42,956 | 43,272 | 42,836 | 44,103 | 44,705 | 51,123 | 61,477 | 63,561 |
| Central Services and Information Technology | | | 19,207 | 16,797 | 24,336 | 25,513 | 25,648 | 29,402 | 35,105 | 35,812 |
| Plant Operations and Maintenance | 99,815 | 122,996 | 126,837 | 149,472 | 113,968 | 113,117 | 106,441 | 116,197 | 126,080 | 115,835 |
| Pupil Transportation | 146,309 | 181,470 | 163,682 | 134,538 | 156,126 | 111,446 | 118,743 | 124,475 | 97,394 | 107,240 |
| Employee Benefits | 228,257 | 281,666 | 278,750 | 220,197 | 258,382 | 286,510 | 315,590 | 367,458 | 364,384 | 611,201 |
| Interest on Long-Term Debt | 8,285 | 4,910 | 4,289 | 3,649 | 2,982 | 2,291 | 1,566 | 817 | 27 | |
| Unallocated Depreciation and Amortization | 30,270 | 13,768 | 12,880 | 15,714 | 16,682 | 15,992 | 18,145 | 24,798 | 21,076 | 29,813 |
| Total Governmental Activities Expenses | 1,815,794 | 1,923,638 | 1,884,599 | 1,921,145 | 2,066,664 | 2,115,366 | 2,158,996 | 2,253,129 | 2,362,761 | 2,634,513 |
| Business-Type Activities | | | | | | | | | | |
| Food Service | 30,350 | 47,636 | 45,797 | 39,632 | 30,341 | 33,259 | 38,856 | 41,911 | 44,345 | 51,179 |
| SACC | | | | | | | | | 4,540 | 5,492 |
| Total Business-Type Activities Expense | 30,350 | 47,636 | 45,797 | 39,632 | 30,341 | 33,259 | 38,856 | 41,911 | 48,885 | 56,671 |
| Total District Expenses | \$ 1,846,144 | 1,971,274 | 1,930,396 | 1,960,777 | 2,097,005 | 2,148,625 | 2,197,852 | 2,295,040 | 2,411,646 | 2,691,184 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Operating Grants and Contributions | \$ 152,461 | 210,788 | 241,128 | 158,681 | 210,869 | 206,325 | 216,161 | 247,687 | 251,506 | 474,754 |
| Charges for Services | | | | | | 49,994 | | 60,526 | | 62,851 |
| Total Governmental Activities Program Revenues | 152,461 | 210,788 | 241,128 | 158,681 | 210,869 | 256,319 | 216,161 | 308,213 | 251,506 | 537,605 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service | 13,059 | 14,133 | 15,452 | 14,634 | 13,334 | 14,285 | 13,784 | 14,030 | 14,736 | 15,207 |
| SACC | | | | | | | | | 4,614 | 6,726 |
| Operating Grants and Contributions | 11,165 | 14,591 | 12,923 | 12,996 | 11,742 | 13,526 | 17,015 | 24,235 | 26,833 | 31,081 |
| Total Business-Type Activities Program Revenues | 24,224 | 28,724 | 28,375 | 27,630 | 25,076 | 27,811 | 30,799 | 38,265 | 46,183 | 53,014 |
| Total District Program Revenues | \$ 176,685 | 239,512 | 269,503 | 186,311 | 235,945 | 284,130 | 246,960 | 346,478 | 297,689 | 590,619 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Governmental Activities | \$ (1,663,333) | (1,712,850) | (1,643,471) | (1,762,464) | (1,855,795) | (1,859,047) | (1,942,835) | (1,944,916) | (2,111,255) | (2,096,908) |
| Business-Type Activities | | | | | | | | | | |
| Business-Type Activities | (6,126) | (18,912) | (17,422) | (12,002) | (5,265) | (5,448) | (8,057) | (3,646) | (2,702) | (3,657) |
| Total District-Wide Net Expense | \$ (1,669,459) | (1,731,762) | (1,660,893) | (1,774,466) | (1,861,060) | (1,864,495) | (1,950,892) | (1,948,562) | (2,113,957) | (2,100,565) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 1,151,525 | 1,190,351 | 1,237,100 | 1,261,500 | 1,261,500 | 1,261,500 | 1,312,449 | 1,312,449 | 1,348,412 | 1,407,960 |
| Taxes Levied for Debt Service | 5,255 | 11,496 | 11,387 | 11,281 | 11,163 | 12,110 | 11,871 | 11,871 | 11,755 | |
| Unrestricted Grants and Contributions | 538,202 | 540,466 | 555,119 | 581,090 | 436,927 | 494,876 | 657,792 | 657,792 | 988,439 | 930,467 |
| Tuition Received | 35,051 | 26,247 | 27,531 | 20,720 | 27,941 | 32,207 | 29,104 | 29,104 | | |
| Investment Earnings | 14,925 | 20,943 | 13,780 | 8,280 | 7,816 | 10,827 | 6,770 | 6,770 | 6,720 | 6,879 |
| Miscellaneous Income | 6,300 | 1,849 | 803 | 695 | 5,489 | 22,556 | 20,269 | 20,269 | 37,640 | 1,424 |
| Prior Year Fixed Asset Adjustment | | (10,972) | | | 2,891 | | | | | |
| Transfers | (5,000) | (18,987) | (18,883) | (10,206) | (8,080) | (6,093) | (7,109) | (7,109) | (4,000) | |
| Total Governmental Activities | 1,746,258 | 1,761,393 | 1,826,837 | 1,873,360 | 1,745,647 | 1,827,983 | 2,031,146 | 2,031,146 | 2,388,966 | 2,346,730 |
| Business-Type Activities | | | | | | | | | | |
| Transfer | 5,005 | 18,987 | 18,883 | 10,206 | 8,080 | 6,093 | 7,109 | 7,109 | 4,000 | - |
| Total Business-Type Activities | 5,005 | 18,987 | 18,883 | 10,206 | 8,080 | 6,093 | 7,109 | 7,109 | 4,000 | - |
| Total District-Wide | \$ 1,751,263 | 1,780,380 | 1,845,720 | 1,883,566 | 1,753,727 | 1,834,076 | 2,038,255 | 2,038,255 | 2,392,966 | 2,346,730 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Governmental Activities | \$ 82,925 | 48,543 | 183,366 | 110,896 | (110,148) | (31,064) | 88,311 | 86,230 | 277,711 | 249,822 |
| Business-Type Activities | | | | | | | | | | |
| Business-Type Activities | (1,121) | 75 | 1,461 | (1,796) | 2,815 | 645 | (948) | 3,463 | 1,298 | (3,657) |
| Total District-Wide | \$ 81,804 | 48,618 | 184,827 | 109,100 | (107,333) | (30,419) | 87,363 | 89,693 | 279,009 | 246,165 |

Source: CAFR Schedule A-2

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | | | | | | |
| Restricted | \$ 275,843 | \$ 222,268 | \$ 302,688 | \$ 514,258 | \$ 381,905 | \$ 343,353 | \$ 356,779 | \$ 453,368 | \$ 478,441 | \$ 628,147 |
| Assigned - Encumbrances | | | | | | | | | 154,591 | 154,929 |
| Unassigned | 129,291 | 242,452 | 311,171 | 207,290 | 228,732 | 232,832 | 208,183 | 193,525 | 152,527 | 125,775 |
| Total General Fund | \$ 405,134 | \$ 464,720 | \$ 613,859 | \$ 721,548 | \$ 610,637 | \$ 576,185 | \$ 564,962 | \$ 646,893 | \$ 785,559 | \$ 908,851 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Fund | \$ (60) | \$ (60) | \$ (682) | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Debt Service Fund | 1 | 1 | | | | | | | | |
| Total All Other Governmental Funds | \$ (59) | \$ (59) | \$ (682) | \$ |

Source: CAFR Schedule B-1

EL SINBORO TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (UNAUDITED)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------------------|------------------|-------------------|-------------------|---------------------|--------------------|--------------------|------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Tax Levy | \$ 1,156,780 | \$ 1,201,847 | \$ 1,248,487 | \$ 1,272,781 | \$ 1,272,663 | \$ 1,273,610 | \$ 1,298,716 | \$ 1,324,320 | \$ 1,360,167 | \$ 1,407,960 |
| Tuition Charges | 35,051 | 26,247 | 27,531 | 20,720 | 27,941 | 32,207 | 39,039 | 29,104 | | |
| Interest Earnings | 14,925 | 20,943 | 13,780 | 8,280 | 7,816 | 10,827 | 6,664 | 6,770 | 6,720 | 6,879 |
| Miscellaneous | 6,300 | 4,849 | 5,303 | 1,695 | 5,489 | 22,556 | 14,863 | 22,539 | 37,640 | 3,915 |
| State Sources | 635,444 | 693,391 | 725,272 | 682,314 | 513,490 | 607,989 | 631,348 | 824,077 | 1,145,396 | 1,112,963 |
| Federal Sources | 55,219 | 54,863 | 66,475 | 56,457 | 134,306 | 93,212 | 98,886 | 79,132 | 94,549 | 96,021 |
| Other Sources | | | | | | | | | | |
| Total Revenues | 1,903,719 | 2,002,140 | 2,086,848 | 2,042,247 | 1,961,705 | 2,040,401 | 2,089,516 | 2,285,942 | 2,644,472 | 2,627,738 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 597,254 | 626,855 | 648,155 | 655,082 | 760,235 | 714,192 | 706,745 | 738,117 | 770,541 | 855,755 |
| Special Education Instruction | 29,487 | 16,794 | 42,031 | 45,002 | 46,266 | 44,570 | 44,730 | 46,395 | 67,844 | 95,692 |
| Other Special Instruction | 175 | 150 | | 36,142 | 34,793 | 38,987 | 38,979 | 22,856 | 25,348 | 36,000 |
| Support Services | | | | | | | | | | |
| Tuition | 410,017 | 417,214 | 350,477 | 358,743 | 359,294 | 411,089 | 437,036 | 439,399 | 543,893 | 371,718 |
| Student and Instruction Related Services | 170,913 | 134,980 | 120,038 | 165,439 | 176,957 | 181,966 | 162,166 | 141,473 | 161,436 | 161,498 |
| General Administrative Services | 59,384 | 74,017 | 75,297 | 77,098 | 73,807 | 75,596 | 74,543 | 90,093 | 88,156 | 87,537 |
| School Administrative Services | 39,504 | 48,818 | 42,956 | 43,272 | 42,836 | 44,103 | 44,705 | 51,123 | 61,477 | 63,561 |
| Central Services and Information Technology | 41,090 | 15,742 | 19,207 | 16,797 | 24,336 | 25,513 | 25,648 | 29,402 | 35,105 | 35,812 |
| Plant Operations and Maintenance | 99,815 | 122,996 | 126,837 | 149,472 | 113,968 | 113,117 | 106,441 | 116,197 | 126,080 | 115,835 |
| Pupil Transportation | 146,309 | 181,470 | 163,682 | 134,538 | 156,126 | 111,446 | 118,743 | 124,475 | 97,394 | 107,240 |
| Employee Benefits | 187,167 | 265,699 | 278,750 | 219,547 | 257,632 | 279,310 | 315,990 | 373,833 | 359,781 | 426,212 |
| Lease Purchase Interest | | | | | | | | | | |
| Capital Outlay | | | 33,364 | 4,059 | | 10,767 | | 5,792 | 147,178 | 141,586 |
| Debt Service | | | | | | | | | | |
| Principal | 13,233 | 13,648 | 14,079 | 14,535 | 14,998 | 15,497 | 16,022 | 16,587 | 17,185 | |
| Interest and Other Charges | 5,771 | 5,184 | 4,576 | 3,944 | 3,288 | 2,607 | 1,898 | 1,160 | 388 | |
| Total Expenditures | 1,800,119 | 1,923,567 | 1,919,449 | 1,923,670 | 2,064,536 | 2,068,760 | 2,093,646 | 2,196,902 | 2,501,806 | 2,498,446 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 103,600 | 78,573 | 167,399 | 118,577 | (102,831) | (28,359) | (4,130) | 89,040 | 142,666 | 129,292 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Capital Lease | | | | | | | | | | |
| Transfers | (5,000) | (18,987) | (18,883) | (10,206) | (8,080) | (6,093) | (7,093) | (7,109) | (4,000) | (6,000) |
| Total Other Financing Sources (Uses) | (5,000) | (18,987) | (18,883) | (10,206) | (8,080) | (6,093) | (7,093) | (7,109) | (4,000) | (6,000) |
| Net Change in Fund Balances | \$ 98,600 | \$ 59,586 | \$ 148,516 | \$ 108,371 | \$ (110,911) | \$ (34,452) | \$ (11,223) | \$ 81,931 | \$ 138,666 | \$ 123,292 |
| Debt Service as a Percentage of Noncapital Expenditures | | | | | | | | | | |
| | 1.06% | 0.98% | 0.99% | 0.96% | 0.89% | 0.88% | 0.86% | 0.81% | 0.75% | 0.00% |

Source: CAFR Schedule B-2

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

| <u>Fiscal Year</u> <u>Ended June 30,</u> | <u>Tuition</u> | <u>Interest</u> | <u>Shared</u> <u>Transportation</u> | <u>Local</u> <u>Grant</u> | <u>Prior Year</u> <u>Insurance</u> <u>Refund</u> | <u>Refund of</u> <u>Prior Year</u> <u>Expenditure</u> | <u>Misc.</u> | <u>Total</u> | |
|---|----------------|-----------------|--|------------------------------|--|---|--------------|--------------|--------|
| 2015 | \$ | \$ | 6,879 | \$ | \$ | \$ | 1,322 | \$ | 8,303 |
| 2014 | | | 6,720 | | | 21,826 | 15,814 | | 44,360 |
| 2013 | 29,104 | 6,770 | 7,200 | | | | 13,069 | | 56,143 |
| 2012 | 39,039 | 6,664 | 2,160 | | | | 10,421 | | 58,284 |
| 2011 | 32,207 | 10,827 | | | | | 20,247 | | 63,281 |
| 2010 | 27,941 | 7,816 | | | | | 2,256 | | 38,013 |
| 2009 | 20,720 | 8,280 | | | | | 695 | | 29,695 |
| 2008 | | | | 4,500 | | | 803 | | 5,303 |
| 2007 | | | | 3,000 | | | 1,849 | | 4,849 |
| 2006 | | | | | | | 6,300 | | 6,300 |

Source: District Records

ELSINBORO TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Total Assessed Value | Public Utilities ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) |
|-----------------------------------|--------------------|--------------------|------------------|--------------|-------------------|-----------------------------|--------------------------------------|------------------------------|--|--|
| 2015 | \$ 4,162,100 | \$ 100,680,100 | \$ 10,258,200 | \$ 1,349,900 | \$ 3,451,100 | \$ 119,901,400 | \$ 266,579 | \$ 120,167,979 | 1.196 | \$ 115,379,721 * |
| 2014 | 3,902,700 | 101,931,200 | 10,324,900 | 1,470,300 | 3,451,100 | 121,080,200 | 258,052 | 121,338,252 | 1.160 | 116,503,362 |
| 2013 | 3,202,100 | 102,408,200 | 10,304,600 | 1,475,100 | 3,556,100 | 120,946,100 | 249,505 | 121,195,605 | 1.122 | 116,366,399 |
| 2012 | 3,262,600 | 101,665,400 | 10,239,200 | 1,475,100 | 3,701,300 | 120,343,600 | 222,960 | 120,566,560 | 1.099 | 112,041,337 |
| 2011 | 3,757,100 | 101,969,700 | 10,239,200 | 1,410,100 | 4,901,300 | 122,277,400 | 258,285 | 122,535,685 | 1.081 | 113,577,373 |
| 2010 | 3,896,300 | 101,992,900 | 10,159,100 | 1,401,900 | 4,901,100 | 122,351,300 | 285,651 | 122,636,951 | 1.039 | 119,200,000 |
| 2009 | 4,083,100 | 99,961,600 | 11,046,100 | 1,422,500 | 4,901,100 | 121,414,400 | 293,398 | 121,707,798 | 1.046 | 119,019,194 |
| 2008 | 4,249,400 | 100,235,200 | 11,159,000 | 1,391,400 | 4,901,100 | 121,936,100 | 269,601 | 122,205,701 | 1.042 | 104,337,422 |
| 2007 | 1,458,000 | 47,158,400 | 5,420,400 | 1,004,200 | 2,656,100 | 57,697,100 | 151,245 | 57,848,345 | 2.137 | 102,505,541 |
| 2006 | 1,560,400 | 46,316,300 | 5,375,900 | 1,017,600 | 2,713,500 | 56,983,700 | 172,013 | 57,155,713 | 2.148 | 81,683,898 |

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

* Estimate

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

| Year Ended June 30, | Elsinboro Township Board of Education | | | Overlapping Rates | | Total |
|---------------------------|--|---|-----------------|-----------------------|-----------------|-------|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct | Elsinboro Township | Salem County | |
| 2015 | 1.196 | 0.000 | 1.196 | 0.339 | 0.887 | 2.422 |
| 2014 | 1.150 | 0.010 | 1.160 | 0.331 | 0.852 | 2.343 |
| 2013 | 1.112 | 0.010 | 1.122 | 0.307 | 0.931 | 2.360 |
| 2012 | 1.089 | 0.010 | 1.099 | 0.299 | 0.879 | 2.277 |
| 2011 | 1.071 | 0.010 | 1.081 | 0.261 | 0.855 | 2.197 |
| 2010 | 1.029 | 0.010 | 1.039 | 0.242 | 0.814 | 2.095 |
| 2009 | 1.037 | 0.009 | 1.046 | 0.217 | 0.863 | 2.126 |
| 2008 * | 1.032 | 0.010 | 1.042 | 0.198 | 0.792 | 2.032 |
| 2007 | 2.137 | 0.021 | 2.158 | 0.423 | 1.544 | 4.125 |
| 2006 | 2.148 | 0.010 | 2.158 | 0.359 | 1.427 | 3.944 |

* First Year of Revaluation

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax

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

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

TOWNSHIP OF ELBINBORO SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

| <u>Taxpayer</u> | <u>2015</u> | | <u>2006</u> | |
|------------------------|-------------------------------|---|-------------------------------|---|
| | <u>Taxable Assessed Value</u> | <u>% of Total District Net Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>% of Total District Net Assessed Value</u> |
| Country Club of Salem | \$ | | \$ 980,000 | 1.72% |
| R.F.I., Inc. A NJ Corp | 420,000 | 0.35% | 496,300 | 0.87% |
| Taxpayer #1 | 1,100,000 | 0.91% | 459,500 | 0.81% |
| Yrmanleen, LLC | 675,000 | 0.56% | | |
| Taxpayer #2 | 548,600 | 0.45% | 315,300 | 0.55% |
| Taxpayer #3 | 542,000 | 0.45% | 300,000 | 0.53% |
| Taxpayer #4 | 507,400 | 0.42% | 285,500 | 0.50% |
| Taxpayer #5 | 498,500 | 0.41% | 280,600 | 0.49% |
| Taxpayer #6 | 497,800 | 0.41% | 280,000 | 0.49% |
| Taxpayer #7 | 469,500 | 0.39% | 247,500 | 0.43% |
| Taxpayer #8 | | | 247,000 | 0.43% |
| Taxpayer #9 | 420,000 | 0.35% | | |
| Total | \$ 5,678,800 | 4.68% | \$ 3,891,700 | 6.82% |

Source: District CAFR & Municipal Tax Assessor

ELSINBORO TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|----------------------------------|--|---|-----------|---------------------------------------|
| | | Amount | % of Levy | |
| 2015 | \$ 1,407,960 | \$ 1,407,960 | 100% | \$ |
| 2014 | 1,360,167 | 1,360,167 | 100% | |
| 2013 | 1,324,320 | 1,324,320 | 100% | |
| 2012 | 1,298,716 | 1,298,716 | 100% | |
| 2011 | 1,273,610 | 1,273,610 | 100% | |
| 2010 | 1,272,663 | 1,272,663 | 100% | |
| 2009 | 1,272,781 | 1,272,781 | 100% | |
| 2008 | 1,248,487 | 1,248,487 | 100% | |
| 2007 | 1,201,847 | 1,201,847 | 100% | |
| 2006 | 1,156,780 | 1,156,780 | 100% | |

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

ELSINBORO TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year Ended June 30, | Governmental Activities | | | Business-Type Activities | | Total District | Percentage of Personal Income ^a | | Per Capita ^a |
|----------------------------------|---|-------------------|--------------------------------------|-----------------------------|---------------------|----------------|--|-----|-------------------------|
| | General Obligation Bonds ^b | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | Income ^a | | Per Capita ^a | | |
| 2015 | \$ N/A | \$ N/A | \$ N/A | \$ N/A | \$ N/A | N/A | \$ N/A | N/A | |
| 2014 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| 2013 | 17,185 | | | | 17,185 | 0.04% | | 17 | |
| 2012 | 33,772 | | | | 33,772 | 0.08% | | 33 | |
| 2011 | 49,794 | | | | 49,794 | 0.12% | | 48 | |
| 2010 | 65,291 | | | | 65,291 | 0.15% | | 62 | |
| 2009 | 80,289 | | | | 80,289 | 0.19% | | 76 | |
| 2008 | 94,824 | | | | 94,824 | 0.24% | | 90 | |
| 2007 | 108,903 | | | | 108,903 | 0.28% | | 103 | |
| 2006 | 122,551 | | | | 122,551 | 0.33% | | 116 | |

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

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

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

ELSINBORO TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value ^a of Property | | Per Capita ^b |
|----------------------------------|---------------------------------|------------|---|--|----|----------------------------|
| | General Obligation Bonds | Deductions | | | | |
| 2015 | \$ N/A | \$ | \$ N/A | N/A | \$ | N/A |
| 2014 | N/A | | N/A | N/A | | N/A |
| 2013 | 17,185 | | 17,185 | 0.01% | | 17 |
| 2012 | 33,772 | | 33,772 | 0.03% | | 33 |
| 2011 | 49,794 | | 49,794 | 0.04% | | 48 |
| 2010 | 65,291 | | 65,291 | 0.05% | | 62 |
| 2009 | 80,289 | | 80,289 | 0.08% | | 76 |
| 2008 | 94,824 | | 94,824 | 0.09% | | 90 |
| 2007 | 108,903 | | 108,903 | 0.13% | | 103 |
| 2006 | 122,551 | | 122,551 | 0.15% | | 116 |

* Estimate

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

- a) See Exhibit NJ J-6 for property tax data.
- b) Population data can be found in Exhibit NJ J-14.

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

ELSINBORO TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(UNAUDITED)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|---|--|
| Debt repaid with property taxes | | | |
| Elsinboro Township | \$ - | 100% | \$ |
| Other debt | | | |
| Salem County - Township's Share | 40,278,964 | 2.01% | 809,233 |
| Subtotal, Overlapping Debt | | | <u>809,233</u> |
| Elsinboro Township School District Direct Debt | | | |
| Total Direct and Overlapping Debt | | | <u>\$ 809,233</u> |

Sources: Elsinboro Township Finance Officer and Salem County Finance Office

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

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

ELSINBORO TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2014

| | | |
|---|---------------------------|------------------------|
| | Equalized Valuation Basis | |
| | 2014 | \$ 107,780,132 |
| | 2013 | 106,363,644 |
| | 2012 | 115,548,344 |
| | [A] | \$ 329,692,120 |
| Average Equalized Valuation of Taxable Property | [A/3] | \$ 109,897,373 |
| Debt Limit (3% of Average Equalization Value) | [B] | 3,296,921 ^a |
| Net Bonded School Debt | [C] | - |
| Legal Debt Margin | [B-C] | \$ 3,296,921 |

For Fiscal Year Ending,

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Debt Limit | \$ 2,281,014 | \$ 2,528,132 | \$ 1,979,004 | \$ 3,167,993 | \$ 3,442,518 | \$ 3,442,518 | \$ 3,391,946 | \$ 3,429,742 | \$ 3,357,537 | \$ 3,296,921 |
| Total Net Debt Applicable to Limit | <u>122,551</u> | <u>108,903</u> | <u>94,824</u> | <u>80,289</u> | <u>65,291</u> | <u>49,794</u> | <u>33,772</u> | <u>17,185</u> | | |
| Legal Debt Margin | <u>\$ 2,158,463</u> | <u>\$ 2,419,229</u> | <u>\$ 1,884,180</u> | <u>\$ 3,087,704</u> | <u>\$ 3,377,227</u> | <u>\$ 3,392,724</u> | <u>\$ 3,358,174</u> | <u>\$ 3,412,557</u> | <u>\$ 3,357,537</u> | <u>\$ 3,296,921</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 5.37% | 4.31% | 4.79% | 2.53% | 1.90% | 1.45% | 1.00% | 0.50% | 0.00% | 0.00% |

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

ELSINBORO TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Year</u> | <u>Population</u> ^a | <u>Personal Income (thousands of dollars)</u> ^b | <u>Per Capita Personal Income</u> ^c | <u>Unemployment Rate</u> ^d | |
|-------------|--------------------------------|--|--|---|-------|
| 2015 | * | 1,000 | \$ 42,125,000 | \$ 42,125 | 8.00% |
| 2014 | | 1,009 | 42,381,027 | 42,003 | 8.10% |
| 2013 | | 1,015 | 42,626,955 | 41,997 | 9.50% |
| 2012 | | 1,026 | 42,630,300 | 41,550 | 3.50% |
| 2011 | | 1,030 | 42,372,140 | 41,138 | 3.40% |
| 2010 | | 1,034 | 41,040,494 | 39,691 | 3.60% |
| 2009 | | 1,050 | 40,921,650 | 38,973 | 3.40% |
| 2008 | | 1,051 | 41,087,794 | 39,094 | 1.50% |
| 2007 | | 1,053 | 38,979,954 | 37,018 | 1.50% |
| 2006 | | 1,061 | 37,538,180 | 35,380 | 2.90% |

*Estimate

Source:

^a For Salem County, Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

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

N/A Not Available at time of Audit

ELSINBORO TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

| Function/Program | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | | | | | | | | | | |
| Regular | 9.6 | 9.6 | 10.1 | 10.6 | 10.6 | 10.6 | 11.6 | 11.6 | 11.6 | 12.1 |
| Special Education | 0.5 | 0.5 | 1.0 | 1.0 | 2.0 | 2.0 | 1.0 | 1.0 | 1.0 | 2.0 |
| Other Special Education | | | | | | | | | | |
| Vocational | | | | | | | | | | |
| Other instruction | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Tuition | | | | | | | | | | |
| Student & Instruction Related Services | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 3.0 |
| General Administrative Services | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| School Administrative Services | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Business Administrative Services | | | | | 1.0 | 1.0 | 0.3 | 0.3 | 0.3 | - |
| Plant Operations and Maintenance | | | | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Food Service | | | | | | | 0.5 | 0.5 | 0.5 | 0.8 |
| Total | 12.1 | 12.1 | 13.1 | 13.6 | 16.6 | 16.6 | 16.4 | 16.4 | 17.4 | 19.9 |

Source: District Personnel Records

ELSINBORO TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Fiscal Year</u> | <u>Enrollment</u> | <u>Operating Expenditures^a</u> | <u>Cost Per Pupil</u> | <u>Percentage Change</u> | <u>Teaching Staff^b</u> | <u>Pupil/Teacher Ratio Elementary</u> | <u>Average Daily Enrollment (ADE)^c</u> | <u>Average Daily Attendance (ADA)^c</u> | <u>% Change in Average Daily Enrollment</u> | <u>Student Attendance Percentage</u> |
|--------------------|-------------------|---|-----------------------|--------------------------|-----------------------------------|---------------------------------------|---|---|---|--------------------------------------|
| 2015 | 139 | \$ 2,356,860 | \$ 16,956 | -2.78% | 14.1 | 9 : 1 | 127.3 | 121.0 | -5.00% | 95.05% |
| 2014 | 134 | 2,337,055 | 17,441 | -4.51% | 12.6 | 11 : 1 | 134.0 | 128.0 | 13.27% | 95.52% |
| 2013 | 119 | 2,173,363 | 18,264 | 5.58% | 12.6 | 9 : 1 | 118.3 | 112.8 | 19.37% | 95.35% |
| 2012 | 120 | 2,075,726 | 17,298 | 7.69% | 12.6 | 8 : 1 | 99.1 | 94.6 | 2.38% | 95.46% |
| 2011 | 127 | 2,039,889 | 16,062 | 2.04% | 11.6 | 9 : 1 | 96.8 | 92.4 | -2.42% | 95.45% |
| 2010 | 130 | 2,046,250 | 15,740 | 13.43% | 11.6 | 8 : 1 | 99.2 | 93.7 | -1.49% | 94.46% |
| 2009 | 137 | 1,901,132 | 13,877 | -17.52% | 11.6 | 8 : 1 | 100.7 | 95.9 | -5.62% | 95.23% |
| 2008 | 111 | 1,867,430 | 16,824 | -1.95% | 12 | 9 : 1 | 106.7 | 101.7 | -2.73% | 95.31% |
| 2007 | 111 | 1,904,502 | 17,158 | 15.60% | 10 | 11 : 1 | 109.7 | 104.8 | -9.71% | 95.53% |
| 2006 | 120 | 1,781,115 | 14,843 | -10.65% | 10 | 13 : 1 | 121.5 | 116.0 | 7.00% | 95.47% |

Sources: District records

Note: Enrollment based on annual October district count.

Enrollment includes Salem High School enrollment of 12

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

ELSINBORO TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>District Building</u> | | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | | |
| Elsinboro Elementary (1951) | | | | | | | | | | |
| Square Feet | 17,548 | 17,548 | 17,548 | 17,548 | 17,548 | 17,548 | 17,548 | 17,548 | 17,548 | 17,548 |
| Capacity (Students) | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 |
| Enrollment | 120 | 111 | 111 | 104 | 97 | 101 | 100 | 119 | 134 | 127 |

Number of Schools at June 30, 2015

Elementary = 1

Middle School = 0

Other = 0

Source: District records, ASSA

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

ELSINBORO TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

| <u>School Facilities</u> | <u>Gross Square Footage</u> | <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> |
|--------------------------|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| Elsinboro Elementary | 17,548 | \$ 16,282 | \$ 24,796 | \$ 15,209 | \$ 16,045 | \$ 15,568 | \$ 16,478 | \$ 26,442 | \$ 12,684 | \$ 15,562 | \$ 9,414 |
| Total School Facilities | | <u>16,282</u> | <u>24,796</u> | <u>15,209</u> | <u>16,045</u> | <u>15,568</u> | <u>16,478</u> | <u>26,442</u> | <u>12,684</u> | <u>15,562</u> | <u>9,414</u> |
| Other Facilities | | | | | | | | | | | |
| Grand Total | | <u>\$ 16,282</u> | <u>\$ 24,796</u> | <u>\$ 15,209</u> | <u>\$ 16,045</u> | <u>\$ 15,568</u> | <u>\$ 16,478</u> | <u>\$ 26,442</u> | <u>\$ 12,684</u> | <u>\$ 15,562</u> | <u>\$ 9,414</u> |

ELSINBORO TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

| <u>Company</u> | <u>Type of Coverage</u> | <u>Coverage</u> | <u>Deductible</u> |
|--|--|------------------------|--------------------------|
| SAIF | Property Blanket Building & Contents | \$ 2,598,283 | \$ 2,500 |
| | Comprehensive General Liability | | |
| | Personal and Advertising Injury | 5,000,000 | |
| | Bodily Injury and Property Damage | 5,000,000 | |
| | Products and Completed Operations | 5,000,000 | |
| | Commercial Excess | 5,000,000 | |
| | Comprehensive Automobile Liability | 5,000,000 | |
| | Comprehensive Crime Coverage | 500,000 | 1,000 |
| | Premises Pollution | 1,000,000 | 10,000 |
| | Board of Education Legal Liability | 5,000,000 | 5,000 |
| NJSBAIG | Workers Compensation | 2,000,000 | |
| National Union Fire Insurance Company | Compulsory Student Accident | 25,000 | |
| | Catastrophic Student Accident Coverage | | |
| | Maximum Benefit per Participant | 2,000,000 | |
| | Cash Benefit - Maximum Benefit | 500,000 | |
| The Ohio Casualty Insurance Company | Treasurer's Bond | 150,000 | |
| | Business Administrator's Bond | 50,000 | |

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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November 16, 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
Elsinboro Township School District
County of Salem, New Jersey 08079

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Elsinboro Township School District, in the County of Salem, 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 Board of Education of the Elsinboro Township School District's basic financial statements and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Elsinboro Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures 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 Elsinboro Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Elsinboro Township Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 Elsinboro Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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November 16, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133
AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Elsinboro Township School District
County of Salem, New Jersey 08079

Report on Compliance for Each Major Program

We have audited the Board of Education of the Elsinboro Township School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Elsinboro Township School District's major state programs for the fiscal year ended June 30, 2015. The Elsinboro Township Board of Education'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 each of its major state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Elsinboro Township Board of Education's major federal and state compliance based on our audit of the types of compliance 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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and New Jersey OMB's Circular 04-04 and/or 15-08, 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 Elsinboro Township Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Elsinboro Township Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Elsinboro Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the 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 of Internal Control Over Compliance

Management of the Elsinboro Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Elsinboro Township Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey Circular 04-04 and 15-08, 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 Elsinboro Township School District Board of Education's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

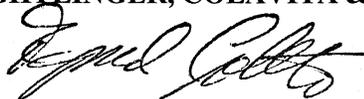
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance or deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditor's Management Report on Administrative Findings- Financial, Compliance and Performance* dated November 16, 2015. 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 New Jersey OMB's Circular 04-04 and/or 15-08.

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Grant or State Project Number | Grant Period From | Grant Period To | Program or Award Amount | June 30, 2014 | | | Cash Received | Budgetary Expenditures | June 30, 2015 | | |
|--|---------------------------|-------------------------------------|----------------------|--------------------|----------------------------------|--------------------------|---------------------|-------------------|------------------|---------------------------|--------------------------|---------------------|-------------------|
| | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor |
| U.S. Department of Education | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | |
| Total General Fund | | | | | | | | | | | | | |
| U.S. Department of Agriculture | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | N/A | 7/1/13 | 6/30/14 | \$ 17,129 | \$ (760) | \$ | \$ | 760 | \$ | \$ | \$ | |
| National School Lunch Program | 10.555 | N/A | 7/1/14 | 6/30/15 | 18,617 | | | | 18,091 | (18,617) | (526) | | |
| National School Breakfast Program | 10.553 | N/A | 7/1/13 | 6/30/14 | 2,451 | (143) | | | 143 | | | | |
| National School Breakfast Program | 10.553 | N/A | 7/1/14 | 6/30/15 | 3,952 | | | | 3,696 | (3,952) | (256) | | |
| Food Distribution Program | 10.565 | N/A | 7/1/14 | 6/30/15 | 8,052 | | | | 8,052 | (8,052) | | | |
| Total Enterprise Fund | | | | | | (903) | | | 30,742 | (30,621) | (782) | | |
| U.S. Department of Education | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| Title I, Part A | 84.010A | NCLB-1350-15 | 7/1/14 | 6/30/15 | 31,400 | | | | 31,400 | (31,400) | | | |
| I.D.E.A. Part B | 84.027 | IDEA-1350-14 | 7/1/13 | 6/30/14 | 41,445 | (23,406) | | | 23,406 | | | | |
| I.D.E.A. Part B | 84.027 | IDEA-1350-15 | 7/1/14 | 6/30/15 | 42,248 | | | | 42,248 | (42,248) | | | |
| I.D.E.A. Preschool | 84.173 | IDEAPS-1350-14 | 7/1/13 | 6/30/14 | 647 | (647) | | | 647 | | | | |
| I.D.E.A. Preschool | 84.173 | IDEAPS-1350-15 | 7/1/14 | 6/30/15 | 640 | | | | 640 | (640) | | | |
| Title II, Part A | 84.367A | NCLB-1350-15 | 7/1/14 | 6/30/15 | 2,131 | | | | 2,131 | (2,131) | | | |
| REAP | 84.358A | S358A133733 | 7/1/14 | 9/30/15 | 18,075 | | | | 18,075 | (18,075) | | | |
| Race To The Top Phase 3 (RTT3) | 84.413A | RTTT-1350-15 | 9/1/11 | 11/30/15 | 1,527 | | | | 1,527 | (1,527) | | | |
| Total Special Revenue Fund | | | | | | (24,053) | | | 120,074 | (96,021) | | | |
| Total Federal Financial Assistance | | | | | | \$ (24,956) | \$ | \$ | 150,816 | \$ (126,642) | \$ (782) | \$ | |

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

These funds were not audited in accordance with OMB Circular A-133 since the total of all federal grant expenditures was less than \$500,000.

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| State Grantor/Program Title | Grant or State Project Number | Grant Period | | Program or Award Amount | Balance at June 30, 2014 | | Cash Received | Budgetary Expenditures | Balance at June 30, 2015 | | | MEMO | |
|--|-------------------------------|--------------|---------|-------------------------|--------------------------|------------------|---------------|------------------------|--------------------------|------------------|----------------|----------------------|-------------------------------|
| | | From | To | | (Accounts Receivable) | Unearned Revenue | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| State Department of Education | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | |
| Equalization Aid | 15-495-034-5120-078 | 7/1/14 | 6/30/15 | \$ 300,281 | | | \$ 272,491 | \$ (300,281) | \$ (27,790) | | | * \$ (27,790) | \$ 300,281 |
| Equalization Aid | 14-495-034-5120-078 | 7/1/13 | 6/30/14 | 300,281 | \$ (28,705) | | 28,705 | | | | | | |
| Special Education Categorical Aid | 15-495-034-5120-089 | 7/1/14 | 6/30/15 | 69,516 | | | 63,083 | (69,516) | (6,433) | | | * (6,433) | 69,516 |
| Special Education Categorical Aid | 14-495-034-5120-089 | 7/1/13 | 6/30/14 | 69,516 | (6,645) | | 6,645 | | | | | | |
| Transportation Aid | 15-495-034-5120-014 | 7/1/14 | 6/30/15 | 54,311 | | | 49,285 | (54,311) | (5,026) | | | * (5,026) | 54,311 |
| Transportation Aid | 14-495-034-5120-014 | 7/1/13 | 6/30/14 | 54,311 | (5,192) | | 5,192 | | | | | | |
| Security Aid | 15-495-034-5120-084 | 7/1/14 | 6/30/15 | 20,313 | | | 18,433 | (20,313) | (1,880) | | | * (1,880) | 20,313 |
| Security Aid | 14-495-034-5120-084 | 7/1/13 | 6/30/14 | 20,313 | (1,942) | | 1,942 | | | | | | |
| Adjustment Aid | 15-495-034-5120-085 | 7/1/14 | 6/30/15 | 83,519 | | | 75,790 | (83,519) | (7,729) | | | * (7,729) | 83,519 |
| Adjustment Aid | 14-495-034-5120-085 | 7/1/13 | 6/30/14 | 83,519 | (7,984) | | 7,984 | | | | | | |
| School Choice Aid | 15-495-034-5120-068 | 7/1/14 | 6/30/15 | 371,110 | | | 336,765 | (371,110) | (34,345) | | | * (34,345) | 371,110 |
| School Choice Aid | 14-495-034-5120-068 | 7/1/13 | 6/30/14 | 491,175 | (46,954) | | 46,954 | | | | | | |
| Under Adequacy Aid | 15-495-034-5120-096 | 7/1/14 | 6/30/15 | 4,066 | | | 3,690 | (4,066) | (376) | | | * (376) | 4,066 |
| Under Adequacy Aid | 14-495-034-5120-096 | 7/1/13 | 6/30/14 | 4,066 | (389) | | 389 | | | | | | |
| Additional Adjustment Aid | 15-495-034-5120-085 | 7/1/14 | 6/30/15 | 10,915 | | | 9,905 | (10,915) | (1,010) | | | * (1,010) | 10,915 |
| PARCC Readiness aid | 15-495-034-5120-098 | 7/1/14 | 6/30/15 | 1,580 | | | 1,434 | (1,580) | (146) | | | * (146) | 1,580 |
| Per Pupil Growth Aid | 15-495-034-5120-097 | 7/1/14 | 6/30/15 | 1,580 | | | 1,434 | (1,580) | (146) | | | * (146) | 1,580 |
| Nonpublic Transportation Aid | 15-495-034-5120-014 | 7/1/14 | 6/30/15 | 348 | | | | (348) | (348) | | | * (348) | 348 |
| Nonpublic Transportation Aid | 14-495-034-5120-014 | 7/1/13 | 6/30/14 | 338 | (338) | | 338 | | | | | | |
| Reimbursed TPAF Social Security Contrib. | 15-495-034-5094-003 | 7/1/14 | 6/30/15 | 71,085 | | | 71,085 | (71,085) | | | | * (71,085) | 71,085 |
| Total General Fund | | | | | | | | | | | | | |
| | | | | | (98,149) | | 1,001,542 | (988,624) | (85,231) | | | (84,883) | 988,624 |
| State Department of Agriculture | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| National School Lunch Prog. (State Share) | 15-100-010-3350-023 | 7/1/14 | 6/30/15 | 460 | | | 434 | (460) | (26) | | | * (26) | 460 |
| National School Lunch Prog. (State Share) | 14-100-010-3350-023 | 7/1/13 | 6/30/14 | 459 | (45) | | 45 | | | | | | |
| Total Enterprise Fund | | | | | (45) | | 479 | (460) | (26) | | | | 460 |
| Total State Financial Assistance Subject to OMB 04-04/15-08 | | | | | \$ (98,194) | | \$ 1,002,021 | \$ (989,084) | \$ (85,257) | | | \$ (84,883) | \$ 989,084 |
| On Behalf TPAF Contributions Not Subject to OMB 04-04/15-08 | | | | | | | | | | | | | |
| On-Behalf TPAF Post Retirement Medical | 15-495-034-5094-001 | 7/1/14 | 6/30/15 | 68,353 | | | \$ 68,353 | \$ (68,353) | | | | | |
| On-Behalf TPAF Pension Contribution | 15-495-034-5094-006 | 7/1/14 | 6/30/15 | 43,058 | | | 43,058 | (43,058) | | | | | |
| Total State Financial Assistance | | | | | | | \$ 1,113,432 | \$ (1,100,495) | | | | | |

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Elsinboro School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$12,928 for the general fund and \$0 for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015
(Continued)

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|-------------------|---------------------|---------------------|
| General Fund | \$ | \$ 1,112,963 | \$ 1,112,963 |
| Special Revenue Fund | 96,021 | | 96,021 |
| Food Service Fund | 30,621 | 460 | 31,081 |
| Total Financial Assistance | \$ <u>126,642</u> | \$ <u>1,113,423</u> | \$ <u>1,240,065</u> |

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Elsinboro School District had no loan balances outstanding during the year ended June 30, 2015.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

School-wide programs are not separate Federal programs as defined in OMB Circular A-133; amounts used in school-wide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditure of Federal Awards. There were no school-wide programs in the District.

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? _____ yes X none reported

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

Federal Awards N/A

Internal control over major programs:

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

2) Significant deficiencies 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 Circular A-133? _____ yes _____ no

CFDA Number(s) _____ Name of Federal Program or Cluster _____

No Major Federal Programs

Dollar threshold used to distinguish between type A and type B programs: N/A

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

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08 yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

15-495-034-5120-078
15-495-034-5120-089
15-495-034-5120-084
15-495-034-5120-085
15-495-034-5120-068
15-495-034-5120-097
15-495-034-5120-098
15-495-034-5120-096

Equalization Aid
Special Education Categorical Aid
Security Aid
Adjustment Aid
School Choice Aid
Per Pupil Growth Aid
PARCC Readiness
Under Adequacy Aid

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section II - Financial Statement Findings

Finding: NONE

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 (continued)**

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

FEDERAL AWARDS N/A

Finding:

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

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

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, US OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

STATUS OF PRIOR - YEAR FINDINGS

NONE