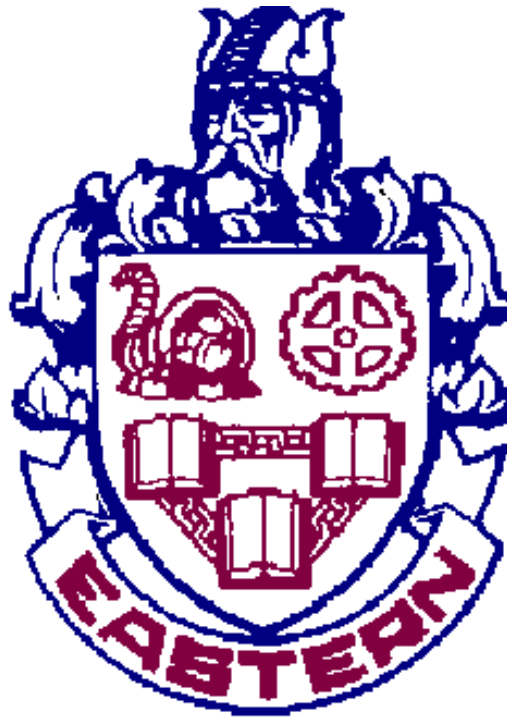


**BOARD OF EDUCATION
OF THE
EASTERN CAMDEN COUNTY REGIONAL
SCHOOL DISTRICT
VOORHEES, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Table of Contents

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditor's Report	11
Required Supplementary Information – Part I Management’s Discussion and Analysis	17
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	30
A-2 Statement of Activities	31
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	33
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	34
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Proprietary Funds:	
B-4 Statement of Net Position	37
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	38
B-6 Statement of Cash Flows	39
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	40
B-8 Statement of Changes in Fiduciary Net Position	41
Notes to the Financial Statements	42
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	75
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	86
C-3 Notes to Required Supplementary Information – Part II Budget-to-GAAP Reconciliation	87

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Required Supplementary Information – Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	89
L-2 Schedule of District Contributions – PERS	90
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	91
L-4 Schedule of District Contributions – TPAF	92
L-5 Notes to the Required Supplementary Information – Part III GASB 68 Pension Changes	93
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	96
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status -Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	98
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	99
G-3 Combining Statement of Cash Flows	100

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	102
H-2 Combining Statement of Changes in Fiduciary Net Position	103
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	104
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	105
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	107
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	108

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	111
J-2 Changes in Net Position	112
J-3 Fund Balances—Governmental Funds	114
J-4 Changes in Fund Balances—Governmental Funds	115
J-5 General Fund Other Local Revenue by Source	116

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	118
J-7 Direct and Overlapping Property Tax Rates	119
J-8 Principal Property Taxpayers	122
J-9 Property Tax Levies and Collections	125

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	127
J-11 Ratios of General Bonded Debt Outstanding	128
J-12 Direct and Overlapping Governmental Activities Debt	129
J-13 Legal Debt Margin Information	132

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Statistical Section (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	134
J-15 Principal Employers	135
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	139
J-17 Operating Statistics	140
J-18 School Building Information	141
J-19 Schedule of Required Maintenance Expenditures by School Facility	142
J-20 Insurance Schedule	143
 SINGLE AUDIT SECTION 	
K-1 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	14
K-2 Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required By OMB Circular A-133 and State of New Jersey Circular 15-08-OMB	145
K-3 Schedule of Expenditures of Federal Awards, Schedule A	147
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	149
K-5 Notes to the Schedules of Awards and Financial Assistance	151
K-6 Schedule of Findings and Questioned Costs	153
K-7 Summary Schedule of Prior Audit Findings	158

INTRODUCTORY SECTION



Eastern Camden County Regional School District

Diana L. Schiraldi, C.P.A.
School Business Administrator/Board Secretary
dschiraldi@eccrsd.us

Laurel Oak Road
Box 2500
Voorhees, New Jersey 08043
856.346.6728 FAX: 856.627.7894

October 6, 2016

Honorable President and
Members of the Board of Education
Eastern Camden County Regional School District
Camden County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Eastern Camden County Regional School District for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the OMB's Uniform Guidance and the State of New Jersey Circular Letter 15-08-OMB. 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: Eastern Camden County Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Eastern Camden County Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of regional educational services appropriate to grade levels 9 through 12 in one school complex. Programs are available for regular, vocational and special education for exceptional youngsters. The District completed the 2015-2016 fiscal year with an average daily enrollment of 1,994 students, which is 49 students less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>
2006-2007	2155
2007-2008	2131
2008-2009	2121
2009-2010	2119
2010-2011	2116
2011-2012	2077
2012-2013	2066
2013-2014	2043
2014-2015	1994
2015-2016	2023

2) MAJOR INITIATIVES: Students continued to score above the state and national averages on the N. J. the Scholastic Assessment Test. Plans of our 2016 graduates and a statistical analysis of the district's test scores are listed for review.

PLANS OF THE GRADUATES OF 2016

<u>PLANS</u>	<u># OF STUDENTS</u>	<u>% OF CLASS</u>
4 Year Colleges	328	67
2 year Colleges	<u>111</u>	<u>23</u>
TOTAL COLLEGE BOUND	439	90
Other Post Secondary Schools	<u>14</u>	<u>6</u>
FULL TIME EDUCATION	453	96
Employment	10	<2%
Status Unknown	5	<1%
Military	11	<2%
Gap Year	<u>6</u>	<u><1%</u>
TOTAL STUDENTS	491	100%

COLLEGE ADMISSION TEST SCORES
 Class of 2016 PSAT/NMSQT
 Mean Evidence Based Reading and Writing -519
 Mean Math-528
 Total Mean - 1048

Class of 2016 SAT SCORES (Participants-408)
 83% of Class took SAT's
 Mean Critical Reading-541 Mean Math-570 Mean Writing-540

Class of 2016 SAT SCORES – 75th Percentile

	<u>Eastern High School</u>	<u>National</u>	<u>New Jersey</u>
Critical Reading Scores	610	570	580
Math Scores	640	590	600
Writing Scores	<u>610</u>	<u>560</u>	<u>570</u>
 TOTAL	 <u>1860</u>	 <u>1720</u>	 <u>1750</u>

ACADEMIC ACHIEVEMENT – CLASS OF 2016

NATIONAL MERIT

1 Winner 4 Finalists 22 Commended 2 Special Program Nominees

CURRICULUM – The curriculum at Eastern Regional is designed to provide sufficient flexibility for each student’s program of studies determined by the abilities, interests and needs of the student. There are extensive offerings of college preparatory courses at different levels of difficulty along with courses in the Fine, Practical, and Performing Arts, Business Education, Gifted and Talented Education, Computer Education, and Remedial and Special Education.

Certain subjects are required at each grade level in accordance with state and local Board of Education requirements as well as their fundamental importance to educational goals.

Eastern Regional provides the following Advanced Placement courses:

A.P. Literature Comp.	A. P. US History 1	A. P. Calculus AB
A.P. English Lang. Comp.	A. P. US History 2	A. P. Calculus BC
A.P. Physics	A. P. Chemistry	A. P. Biology
A.P. Spanish Language	A. P. Music Theory	A. P. Studio Art
A.P. French	A. P. European History	A. P. Statistics
A.P. Latin	A. P. Computer Science	A. P. Macro-economics
A.P. Micro-economics	A. P. U.S. Gov't. & Politics	A. P. World History
A.P. Environmental Science	A. P. Psychology	A.P. Physics 1

96% of our 2016 graduates went on to further education – 67% to four year institutions.

3) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure

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

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

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

4) 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 municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

5) 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 1.

6) DEBT ADMINISTRATION: At June 30, 2016, the district's outstanding debt issues included \$2,655,000.00 of Series 2012 school refunding bonds.

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

depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9) OTHER INFORMATION:

A) Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and related OMB Circular A-133 and State of New Jersey Circular 15-08-OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report, along with the auditor's report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGEMENTS:

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

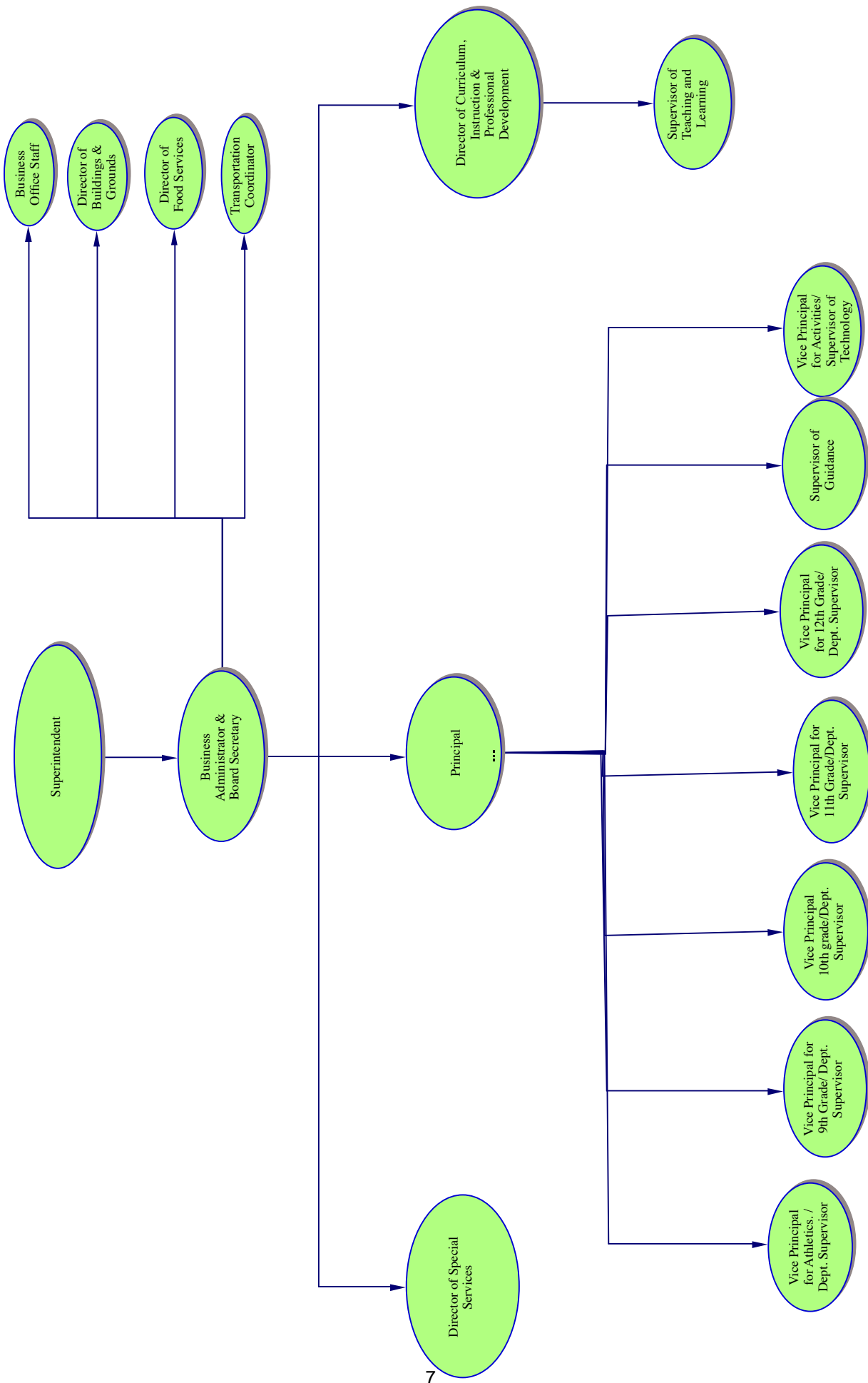
Respectfully submitted,



Harold Melleby, Jr., Ed.D.
Superintendent



Diana L. Schiraldi, CPA
Business Administrator/
Board Secretary



EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires December 31</u>
Robert M. DeCicco, President	2016
Mary T. Schmus, Vice President	2016
Hillary J. Garr	2016
Elena M. Chow	2017
Robert A. Paul	2017
Gail M. David	2017
Dr. Richard A. Teichman, III	2018
Robert L. Campbell	2018
Dennis Deichert	2018

Other Officials

Dr. Harold Melleby, Jr., Superintendent

Diana Schiraldi, CPA, Business Administrator / Board Secretary

Robert Schmus, Treasurer

Anthony Padovani, Esq., Solicitor

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

2016

ARCHITECT

The Gibson Tarquini Group
764 Cuthbert Blvd.
Cherry Hill, New Jersey 08002

AUDIT FIRM

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 080403

ATTORNEY

Sahli & Padovani
Attorneys at Law
503 S. White Horse Pike
Hammonton, New Jersey 08037

OFFICIAL DEPOSITORY

Bank of America
703 Haddonfield-Berlin Road
Voorhees, New Jersey 08043

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Eastern Camden County Regional School District
Voorhees, New Jersey 08043

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 Voorhees, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Eastern Camden County Regional School District, in the County of Camden, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior Period Restatement

During the fiscal year ended June 30, 2016, the School District undertook an appraisal of capital assets. As a result of this appraisal net position as of June 30, 2015 on the statement of activities has been restated, as discussed in note 22 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eastern Camden County Regional School District's basic financial statements. The introductory section, combining statements, related major fund supporting statements and schedules, statistical section and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

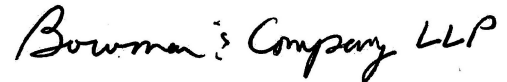
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2016 on our consideration of the Eastern Camden County Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Eastern Camden County Regional School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
October 6, 2016

**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
Eastern Camden County Regional School District
Voorhees, New Jersey 08043

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Eastern Camden County Regional School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 6, 2016. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the re-appraisal of capital assets.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

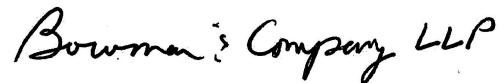
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
October 6, 2016

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)

The discussion and analysis of Eastern Camden County Regional School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. 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.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2015-16) and the prior year (2014-15) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2015-16 are as follows:

- The total assets and deferred outflows of resources of the School District were more than its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$23,625,678 (net position).
- The School District's total net position increased by \$1,312,279 from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$9,825,060, an increase of 831,934 in comparison with the prior year. The business type activities reported a combined ending net position of \$56,123, a decrease of \$10,978 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II that contains required supplementary information that further explains and supports the information in the financial statements including budget schedules, reconciliations and individual fund statements.

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

Table A-1 summarizes the major features of the Eastern Camden County Regional School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1			
Major Features of the Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education, building maintenance, and pupil transportation.	Activities the district operates similar to private business: Food Service Fund
Required Financial Statements	Statement of Net Position	Balance sheet	Statement of Net Position
	Statement of Activities	Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Revenue, Expenses, and Changes in Fund Net Position
			Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes 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 Net Position. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial position 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 facility condition, required educational programs, changes in the district's property tax base and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business – type activities.

- *Governmental activities* - Most of the School District's programs and services are reported including, but not limited to, regular and special instruction, support services, operation and maintenance of plant, pupil transportation and administration. Aid from the State of New Jersey and from the Federal government along with local property taxes finances the majority of these activities.
- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The Fund financial statements provide detailed information about the School District's governmental funds. The School District uses several funds to account for a variety 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, the Special Revenue Fund, the Capital Projects Fund and the Debt Service Fund. During the year ended June 30, 2016, the District did not have a Capital Projects Fund.

Governmental Funds

Most of 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 future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The 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.

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

FINANCIAL ANALYSIS OF THE EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT AS A WHOLE

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

Table A-2 provides a summary of the School District's Net Position for the fiscal years ended June 30, 2016 and 2015.

Table A-2						
Net Position						
	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 9,912,540	\$ 9,152,014	\$ 24,474	\$ 38,963	\$ 9,937,014	\$ 9,190,977
Capital Assets	<u>26,384,218</u>	<u>26,705,916</u>	<u>43,348</u>	<u>41,800</u>	<u>26,427,567</u>	<u>26,747,716</u>
Total Assets	36,296,759	35,857,930	67,822	80,763	36,364,580	35,938,694
Deferred Outflows of Resources						
Related to Deferred Loss	61,179	81,021			61,179	81,021
Related to Pensions	<u>1,685,408</u>	<u>637,397</u>			<u>1,685,408</u>	<u>637,397</u>
Deferred Outflows	1,746,587	718,418	-	-	1,746,587	718,418
Long Term Liabilities	13,643,085	13,248,145	6,426	5,352	13,649,511	13,253,497
Other Liabilities	<u>520,668</u>	<u>578,038</u>	<u>5,273</u>	<u>8,310</u>	<u>525,941</u>	<u>586,348</u>
Total Liabilities	14,163,753	13,826,183	11,699	13,662	14,175,452	13,839,846
Deferred Inflows of Resources -						
Related to Pension	310,038	503,867			310,038	503,867
Net Position						
Net Investment in						
Capital Assets	23,633,333	23,104,446	43,348	41,800	23,676,681	23,146,246
Restricted	9,706,910	8,685,055			9,706,910	8,685,055
Unrestricted	<u>(9,770,688)</u>	<u>(9,543,203)</u>	<u>12,775</u>	<u>25,301</u>	<u>(9,757,913)</u>	<u>(9,517,902)</u>
Total Net Position	<u>\$ 23,569,555</u>	<u>\$ 22,246,298</u>	<u>\$ 56,123</u>	<u>\$ 67,101</u>	<u>\$ 23,625,678</u>	<u>\$ 22,313,399</u>

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

- Program revenues were \$9,307,072.
 - Operating Grants & Contributions - \$8,008,133.
 - Charges for Services - \$1,289,282.
 - Capital Grants & Contributions - \$9,657.
- General revenues and Transfers amounted to \$34,580,563.
- Net Expenditures were \$33,268,284.
- Total District general revenues and beginning net position are adjusted by net expenditures resulting in a calculation of Net Position of \$23,625,678, as of June 30, 2016 as follows:
 - Revenues (\$34,580,563) + Beginning Net Position (\$22,313,399) – Net expenditures (\$33,268,284) = Net Position of \$23,625,678.

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

Table A-3 shows a summary of the changes in Net Position for fiscal year 2016 and 2015.

Table A-3			
Changes in Net Position			
Governmental and Business-Type Activities			
Revenues:	2016	2015	
Program Revenues:			
Charges for Services	\$ 1,289,282	\$	1,102,091
Operating Grants and Contributions	8,176,394		6,675,901
Capital Grants and Contributions	9,657		
General Revenues:			
Property Taxes	24,761,734		24,270,881
State and Federal Aid	9,510,511		9,583,083
Other	140,057		356,416
Total Revenues	43,887,636		41,988,372
Expenses:			
Governmental Activities:			
Instruction:			
Regular	14,501,188		14,392,512
Community Service Programs	22,045		33,343
Support Services:			
Tuition	1,379,153		1,597,023
Health	204,738		157,217
Student and Instruction Related Services	539,505		533,034
Extraordinary Services	691,844		546,875
Other Support Services - Students Regular	939,902		948,712
Other Support Services - Students Special	741,950		716,533
Improvement of Instruction Services	351,866		384,365
Educational Media Services / School Library	151,675		139,844
Instructional Staff Training Services	258,781		225,052
School Administrative Services	623,845		941,517
General and Business Administrative Services	1,127,863		550,407
Undistributed Expenditure - Central Services	548,150		569,571
Undistributed Expenditure - Administrative Information Technology	403,259		453,624
Operation and Maintenance of Plant Services	3,115,344		3,256,261
Security	166,201		156,396
Pupil Transportation	1,977,047		1,916,318
Unallocated Benefits	13,004,718		11,467,534
Transfer to Charter School	12,259		45,264
Interest on Long-term Debt	81,765		108,124
Unallocated Depreciation	890,876		1,070,507
Total Governmental Activities Expenses	41,733,975		40,210,033
Business-Type Activities:			
Food Service	841,382		876,068
Total Business-Type Activities Expenses	841,382		876,068
Total Expenses	42,575,357		41,086,101
Net Increase (Decrease) in Net Position	1,312,279		902,272
Net Position Beginning, July 1 (Restated)	22,313,399		20,371,191
Prior Period Adjustment			1,039,936
Net Position Ending, June 30	\$ 23,625,678		\$ 22,313,399

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

Total revenues for the District were \$43,887,636. Government funding was the source of 40.3% of the District's revenues. This includes Federal Sources and the State of New Jersey.

Property taxes of \$24,761,734 provided the District with 56.4% of the District's total revenue.

The District's expenses for government activities are predominately related to instruction and support services. Instruction combined with tuition total \$15,902,386 which is 38.1% of total expenditures of Governmental Activities for the District. (See Table A-4)

Total revenues exceeded expenses for governmental activities, increasing Net Position \$1,312,279 from the beginning balance as of July 1, 2015.

Table A-4					
Net Cost of Governmental Activities					
	<u>Source</u>	2016		2015	
		<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Governmental Activities:					
Instruction:					
Regular	A-2	\$ 14,501,188	\$ 13,679,697	\$ 14,392,512	\$ 13,727,061
Community Service Programs	A-2	22,045	22,045	33,343	33,343
Support Services:					
Tuition	A-2	1,379,153	1,379,153	1,597,023	1,597,023
Health	A-2	204,738	204,738	157,218	157,218
Student and Instruction Related Services	A-2	539,505	393,172	533,034	390,913
Extraordinary Services	A-2	691,844	691,844	546,875	546,875
Other Support Services - Students Regular	A-2	939,902	939,902	948,712	948,712
Other Support Services - Students Special	A-2	741,950	741,950	716,533	716,533
Improvement of Instruction Services	A-2	351,866	351,866	384,365	384,365
Educational Media Services / School Library	A-2	151,675	151,675	139,844	139,844
Instructional Staff Training Services	A-2	258,781	258,781	225,052	225,052
School Administrative Services	A-2	623,845	623,845	941,517	941,517
General and Business Administrative Services	A-2	1,127,863	1,127,863	550,407	550,407
Undistributed Expenditure - Central Services	A-2	548,150	548,150	569,571	569,571
Undistributed Expenditure - Administrative Info. Tech.	A-2	403,259	403,259	453,624	453,624
Operation and Maintenance of Plant Services	A-2	3,115,344	3,115,344	3,256,261	3,256,260
Security	A-2	166,201	166,201	156,397	156,397
Pupil Transportation	A-2	1,977,047	1,572,025	1,916,318	1,510,515
Unallocated Benefits	A-2	13,004,718	5,712,760	11,467,534	5,471,399
Transfer to Charter School	A-2	12,259	12,259	45,264	45,264
Interest on Long-term Debt	A-2	81,765	81,765	108,124	108,124
Unallocated Depreciation	A-2	890,876	890,876	1,070,507	1,070,507
Total Governmental Activities		<u>\$ 41,733,975</u>	<u>\$ 33,069,173</u>	<u>\$ 40,210,033</u>	<u>\$ 33,000,524</u>

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

Activity Descriptions

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

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

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

School administrative and general and business administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

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

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits include the costs of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits, pension expense and other employee benefits.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Eastern Camden County Regional School District as a whole is reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$39,023,337, expenditures of \$38,171,653, and other financing sources/ (uses) of (\$19,750). As the District completed the year, its governmental funds reported a combined fund balance of \$9,825,060.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the District in providing educational services to students from grade 9 through grade 12 including pupil transportation activities and capital outlay projects.

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

The following schedule (Table A-5) presents a summary of General Fund Revenues.

Table A-5		
Summary of General Fund Revenues		
	For the Year Ended	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Revenues:		
Local Sources:		
Local Tax Levy	\$ 23,803,547	\$ 23,336,811
Transportation	236,760	209,952
Tuition	287,638	144,025
Miscellaneous	412,355	458,498
Total Local Sources	<u>24,740,300</u>	<u>24,149,286</u>
State Sources	12,744,267	12,378,855
Federal Sources	4,557	325
Total Governmental Sources	<u>12,748,824</u>	<u>12,379,180</u>
Total Revenues	<u>\$ 37,489,123</u>	<u>\$ 36,528,466</u>

The primary source of funding for the District is received from local property taxes that accounted for 63.5% of total revenues for the General Fund. State aid accounted for 34.0%.

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

The following schedule (Table A-6) presents a summary of General Fund expenditures.

Table A-6		
Summary of General Fund Expenditures		
	For the Year Ended	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Current		
Instruction		
Regular	\$ 10,015,728	\$ 10,224,536
Special Education	2,232,356	2,326,717
Other	1,350,137	1,389,409
Support Services and Undistributed Costs:		
Tuition (Instruction)	1,379,153	1,597,023
Other Student and Staff Services	3,857,973	3,593,057
School Administrative Services	1,143,215	939,120
General and Business Administrative Services	1,706,504	1,518,332
Operation and Maintenance of Plant Services	3,147,988	3,330,609
Pupil Transportation	1,976,862	1,878,724
Unallocated Benefits	8,723,758	8,206,442
Transfer to Charter School	12,259	45,264
Capital Outlay	1,091,507	569,989
Total Expenditures	\$ 36,637,439	\$ 35,619,222

Total General Fund expenditures increased by \$1,018,217 from the previous year. This increase was primarily due to Capital Outlay purchases and project construction costs being completed.

CAPITAL ASSETS AND DEBT ADMINISTRATION

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

At the end of the fiscal year 2016, the School District had \$26,384,218 invested in land, land improvements, building and improvements, furniture, fixtures and equipment, net of depreciation for governmental activities.

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONT'D)

Table A-7 shows a summary of the fiscal 2016 and 2015 balances.

Table A-7				
Capital Assets as of				
	June 30, 2016		Restated June 30, 2015	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 227,922		\$ 227,922	
Construction in Progress	2,522			
Land Improvements	6,109,961		5,852,757	
Building and Improvements	35,346,385		35,195,440	
Equipment, Furniture, and Fixtures	6,256,552	\$ 344,740	5,614,567	\$ 383,506
Total Capital Assets	47,943,342	344,740	46,890,686	383,506
Less: Accumulated Depreciation	(21,559,124)	(301,392)	(20,184,771)	(341,706)
Net Capital Assets	\$ 26,384,218	\$ 43,348	\$ 26,705,916	\$ 41,800

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$958,188. Funding was provided by local tax levy in the amount of \$958,188. No aid was received from the State of New Jersey.

FOOD SERVICE FUND

The Food Service Fund had Net Position of \$56,123 as of June 30, 2016. This reflects a decrease of \$10,978 from June 30, 2015. The decrease is attributed to normal operations of the Food Service Fund.

Eastern Camden County Regional School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

(Unaudited)(Cont'd)

Long-Term Obligations

As of June 30, 2016 the District had \$2,655,000 in general obligation bonds outstanding, a decrease of \$865,000 from last year as shown in Table A-8.

The District had a net pension liability of \$9,793,696, an increase of \$1,451,918 from the previous year's liability.

The District also had a Governmental Activity liability of \$1,070,512 as of June 30, 2016 for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements and accumulated unused vacation days upon retirement.

Table A-8 shows the District's long-term obligations.

Table A-8			
Long Term Obligations			
	Balance <u>June 30, 2016</u>	Balance <u>June 30, 2015</u>	Increase / <u>(Decrease)</u>
<u>Governmental Activity</u>			
General Obligation Bonds Payable	\$ 2,655,000	\$ 3,520,000	\$ (865,000)
Net Pension Liability	9,793,696	8,341,778	1,451,918
Compensated Absences	1,070,512	1,222,314	(151,802)
Unamortized Premium on Bonds	123,877	164,053	(40,176)
Total Governmental Activity	13,643,085	13,248,145	394,940
<u>Business-Type Activity</u>			
Compensated Absences	6,426	5,352	1,074
Total Business-Type Activity	6,426	5,352	1,074
TOTAL	\$ 13,649,511	\$ 13,253,497	\$ 396,014

Current Financial Issues and Concerns

The Eastern Camden County Regional School District has had a long standing record of financial stability. Tax increases have been modest and reflect a cost of living increase to the communities served. The increases were due to utility costs, salary and benefit costs, and the maintenance of academic programs.

This has been accomplished in difficult times with the Federal and State governments' providing reduced funding, flat funding, or funding which does not keep pace with current inflation. The School District is committed to excellence and boasts of being one of the top academic High Schools in the State of New Jersey. The administration and faculty are excellent and the Board of Education is committed to fiscal responsibilities.

Contacting the School District's Financial Management

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Diana Schiraldi, CPA, RSBA, School Business Administrator/Board Secretary at: Eastern Camden County Regional School District, 1202 Laurel Oak Road, P. O. Box 2500, Voorhees, New Jersey 08043.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 3,760,656.62	\$ 1,943.89	\$ 3,762,600.51
Receivables, net	354,854.26	9,268.46	364,122.72
Inventory		13,261.22	13,261.22
Restricted Assets:			
Restricted Cash and Cash Equivalents	695,978.19		695,978.19
Capital Reserve Account - Cash	5,101,051.12		5,101,051.12
Capital Assets, net (Note 7)	<u>26,384,218.37</u>	<u>43,348.36</u>	<u>26,427,566.73</u>
Total Assets	<u>36,296,758.56</u>	<u>67,821.93</u>	<u>36,364,580.49</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 10)	1,681,243.00		1,681,243.00
Deferred Loss on Defeasance of Debt	<u>61,179.31</u>		<u>61,179.31</u>
Total Deferred Outflows of Resources	<u>1,742,422.31</u>		<u>1,742,422.31</u>
LIABILITIES:			
Accounts Payable	480,164.71		480,164.71
Unearned Revenue	3,150.30	5,273.02	8,423.32
Accrued Interest on Bonds	33,187.50		33,187.50
Noncurrent Liabilities (Note 8):			
Due within One Year	1,019,506.46		1,019,506.46
Due beyond One Year	<u>12,623,578.83</u>	<u>6,425.73</u>	<u>12,630,004.56</u>
Total Liabilities	<u>14,159,587.80</u>	<u>11,698.75</u>	<u>14,171,286.55</u>
DEFERRED INFLOW OF RESOURCES:			
Related to Pensions (Note 9)	<u>310,038.00</u>		<u>310,038.00</u>
NET POSITION:			
Net Investment in Capital Assets	23,633,332.93	43,348.36	23,676,681.29
Restricted for:			
Debt Service	0.80		0.80
Capital Projects	5,793,966.59		5,793,966.59
Other Purposes	3,931,940.27		3,931,940.27
Unrestricted (Deficit)	<u>(9,789,685.52)</u>	<u>12,774.82</u>	<u>(9,776,910.70)</u>
Total Net Position	<u>\$ 23,569,555.07</u>	<u>\$ 56,123.18</u>	<u>\$ 23,625,678.25</u>

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 14,501,187.91	\$ 287,637.70	\$ 533,852.83		\$ (13,679,697.38)		\$ (13,679,697.38)
Community Services Programs / Operations	22,044.52				(22,044.52)		(22,044.52)
Support Services:							
Tuition (Instruction)	1,379,152.95				(1,379,152.95)		(1,379,152.95)
Health	204,738.07				(204,738.07)		(204,738.07)
Student and Instruction Related Services	539,505.01	104,159.25	42,173.77		(393,171.99)		(393,171.99)
Extraordinary Services	691,844.18				(691,844.18)		(691,844.18)
Other Support Services - Students Regular	939,902.34				(939,902.34)		(939,902.34)
Improvement of Instruction Services	741,950.24				(741,950.24)		(741,950.24)
Educational Media Services / School Library	351,866.06				(351,866.06)		(351,866.06)
Instructional Staff Training Services	151,675.12				(151,675.12)		(151,675.12)
School Administrative Services	258,781.45				(258,781.45)		(258,781.45)
General and Business Administrative Services	623,845.07				(623,845.07)		(623,845.07)
Undistributed Expenditure - Central Services	1,127,862.90				(1,127,862.90)		(1,127,862.90)
Undistributed Expenditure - Administrative	548,150.00				(548,150.00)		(548,150.00)
Information Technology	403,259.09				(403,259.09)		(403,259.09)
Plant Operations and Maintenance	3,115,344.43				(3,115,344.43)		(3,115,344.43)
Security	166,200.88				(166,200.88)		(166,200.88)
Pupil Transportation	1,977,046.50	236,760.15	168,260.90		(1,572,025.45)		(1,572,025.45)
Unallocated Benefits	13,004,717.61		7,291,957.68		(5,712,759.93)		(5,712,759.93)
Transfer to Charter School	12,259.00				(12,259.00)		(12,259.00)
Interest on Long-Term Debt	81,765.40				(81,765.40)		(81,765.40)
Unallocated Depreciation	890,876.19				(890,876.19)		(890,876.19)
Total Governmental Activities	41,733,974.92	628,557.10	8,036,245.18	-	(33,069,172.64)	-	(33,069,172.64)
Business-Type Activities:							
Food Service	841,381.93	660,725.17	140,149.06	\$ 9,657.00		\$ (30,850.70)	(30,850.70)
Total Business-Type Activities	841,381.93	660,725.17	140,149.06	9,657.00	-	(30,850.70)	(30,850.70)
Total Primary Government	\$ 42,575,356.85	\$ 1,289,282.27	\$ 8,176,394.24	9,657.00	\$ (33,069,172.64)	\$ (30,850.70)	\$ (33,100,023.34)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					\$ 23,803,547.00		\$ 23,803,547.00
Property Taxes Levied for Debt Service					958,187.00		958,187.00
Federal and State Aid not Restricted					9,510,511.10		9,510,511.10
Miscellaneous Income						\$ 122.84	\$ 122.84
Operating Transfer					(19,750.00)	19,750.00	
Total General Revenues and Transfers					34,392,429.60	19,872.84	34,412,302.44
Change in Net Position					1,323,256.96	(10,977.86)	1,312,279.10
Net Position -- July 1 (Restated)					22,246,298.11	67,101.04	22,313,399.15
Net Position -- June 30					\$ 23,569,555.07	\$ 56,123.18	\$ 23,625,678.25

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

FUND FINANCIAL STATEMENTS

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 4,453,572.09	\$ 3,061.92	\$ 0.80	\$ 4,456,634.81
Interfunds Receivable	44.35			44.35
Receivables from Other Governments	292,187.55			292,187.55
Other Accounts Receivable	62,533.98	88.38		62,622.36
Restricted Cash and Cash Equivalents	5,101,051.12			5,101,051.12
Total Assets	\$ 9,909,389.09	\$ 3,150.30	\$ 0.80	\$ 9,912,540.19
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 84,329.71			\$ 84,329.71
Unearned Revenue		\$ 3,150.30		3,150.30
Total Liabilities	84,329.71	3,150.30	---	87,480.01
Fund Balances:				
Restricted:				
Capital Reserve Account	5,793,966.59			5,793,966.59
Maintenance Reserve	2,351,267.95			2,351,267.95
Excess Surplus - Current Year	898,873.32			898,873.32
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures	563,788.00			563,788.00
Debt Service			\$ 0.80	0.80
Assigned:				
Designated for Subsequent Years' Expenditures	118,011.00			118,011.00
Other Purposes	222,266.99			222,266.99
Unassigned - Deficit in Fund Balance	(123,114.47)			(123,114.47)
Total Fund Balances	9,825,059.38		0.80	9,825,060.18
Total Liabilities and Fund Balances	\$ 9,909,389.09	\$ 3,150.30	\$ 0.80	

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 \$47,943,341.93 and the accumulated depreciation is \$21,559,123.56.	26,384,218.37
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(33,187.50)
Deferred loss on defeasance of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds.	61,179.31
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,849,389.29)
Net Pension Liability	(9,793,696.00)
Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not to be liquidated with current financial resources.	(395,835.00)
Deferred Outflows of Resources - Related to Pensions	1,681,243.00
Deferred Inflows of Resources - Related to Pensions	(310,038.00)
Net Position of Governmental Activities	\$ 23,569,555.07

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Local Tax Levy	\$ 23,803,547.00		\$ 958,187.00	\$ 24,761,734.00
Tuition Charges	287,637.70			287,637.70
Transportation	236,760.15			236,760.15
Miscellaneous	412,354.65			412,354.65
State Sources	12,744,266.68	7,684.71		12,751,951.39
Federal Sources	4,557.10	568,341.89		572,898.99
Total Revenues	37,489,123.28	576,026.60	958,187.00	39,023,336.88
EXPENDITURES:				
Current:				
Instruction	13,598,220.57	533,852.83		14,132,073.40
Community Services Programs / Operations	22,044.52			22,044.52
Support Services and Undistributed Costs:				
Instruction	1,379,152.95			1,379,152.95
Health Services	193,064.44			193,064.44
Student Related Services	458,730.23	42,173.77		500,904.00
Extraordinary Services	691,844.18			691,844.18
Other Support Services - Students Regular	958,769.99			958,769.99
Other Support Services - Students Special	736,993.81			736,993.81
Improvement of Instruction Services	374,686.92			374,686.92
Educational Media Services / School Library	154,348.37			154,348.37
Instructional Staff Training Services	267,490.32			267,490.32
Support Services - General Administration	646,258.53			646,258.53
Support Services - School Administration	977,013.86			977,013.86
Undistributed Expenditure - Central Services	590,935.52			590,935.52
Undistributed Expenditure - Administrative Information				
Technology	469,309.65			469,309.65
Operation and Maintenance of Plant Services	3,147,988.03			3,147,988.03
Security	166,200.88			166,200.88
Student Transportation	1,976,862.46			1,976,862.46
Unallocated Benefits	5,485,445.40			5,485,445.40
On-behalf Contributions	3,238,312.68			3,238,312.68
Transfer to Charter School	12,259.00			12,259.00
Debt Service:				
Principal			865,000.00	865,000.00
Interest and Other Charges			93,187.50	93,187.50
Capital Outlay	1,091,506.87			1,091,506.87
Total Expenditures	36,637,439.18	576,026.60	958,187.50	38,171,653.28

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues over Expenditures	\$ 851,684.10		\$ (0.50)	\$ 851,683.60
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	(19,750.00)			(19,750.00)
Total Other Financing Sources and Uses	(19,750.00)	---	-	(19,750.00)
Net Change in Fund Balances	831,934.10		(0.50)	831,933.60
Fund Balance -- July 1	8,993,125.28		1.30	8,993,126.58
Fund Balance -- June 30	\$ 9,825,059.38	---	\$ 0.80	\$ 9,825,060.18

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$ 831,933.60
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	\$ (1,383,759.40)
Capital Outlays	1,091,506.87
Adjustment for Fixed Assets Purchased for Food Service Fund	(9,657.00)
Debt Service Assessment	<u>(19,788.00)</u>
	(321,697.53)
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.	865,000.00
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)	10,875.62
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	151,801.79
The issuance of long-term debt (bonds) provides current financial resources to governmental funds while the repayment of the principle of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	20,334.48
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceed the School District's pension contributions in the current period.	<u>(234,991.00)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,323,256.96</u>

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Proprietary Fund
Statement of Net Position
June 30, 2016

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 1,943.89
Accounts Receivable:	
State	269.01
Federal	8,639.45
Other	360.00
Inventories	
Food	6,502.33
Supplies	4,681.09
Commodities	<u>2,077.80</u>
Total Current Assets	<u>24,473.57</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	344,739.88
Less Accumulated Depreciation	<u>(301,391.52)</u>
Total Noncurrent Assets	<u>43,348.36</u>
Total Assets	<u>67,821.93</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	<u>5,273.02</u>
Total Current Liabilities	<u>5,273.02</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>6,425.73</u>
Total Liabilities	<u>11,698.75</u>
NET POSITION:	
Net Investment in Capital Assets	43,348.36
Unrestricted	<u>12,774.82</u>
Total Net Position	<u>\$ 56,123.18</u>

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 163,243.25
Daily Sales - Non-Reimbursable Programs	340,815.77
Satellite Programs	79,890.75
Special Functions	24,477.07
Miscellaneous	<u>52,298.33</u>
Total Operating Revenues	<u>660,725.17</u>
OPERATING EXPENSES:	
Salaries	366,243.03
Employee Benefits	27,386.58
Purchase Professional Services	52,303.32
Supplies and Materials	36,760.82
Depreciation	8,108.93
Cost of Sales - Reimbursable Programs	118,226.00
Cost of Sales - Non-Reimbursable Programs	214,850.01
Repairs and Services	2,638.38
Miscellaneous	<u>14,864.86</u>
Total Operating Expenses	<u>841,381.93</u>
Operating Loss	<u>(180,656.76)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	3,461.04
Federal Sources:	
National Lunch Program	106,924.86
Food Distribution Program	29,763.16
Interest Revenue	<u>122.84</u>
Total Nonoperating Revenues	<u>140,271.90</u>
Net Income (Loss) before Contributions and Transfers	(40,384.86)
Capital Contributions	9,657.00
Operating Transfers In - General Fund	<u>19,750.00</u>
Change in Net Position	(10,977.86)
Net Position -- July 1 (Restated)	<u>67,101.04</u>
Net Position -- June 30	<u><u>\$ 56,123.18</u></u>

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 664,497.10
Payments to Employees	(365,245.53)
Payments for Employee Benefits	(27,310.28)
Payments to Suppliers	<u>(405,249.55)</u>
Net Cash Used for Operating Activities	<u>(133,308.26)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	3,474.07
Federal Sources	104,051.39
Operating Transfers - General Fund	<u>19,750.00</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>127,275.46</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>122.84</u>
Net Cash Provided by (used for) Investing Activities	<u>122.84</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,909.96)
Cash and Cash Equivalents -- July 1	<u>7,853.85</u>
Cash and Equivalents -- June 30	<u><u>\$ 1,943.89</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (180,656.76)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	8,108.93
Food Service Distribution Program	29,763.16
(Increase) Decrease in Accounts Receivable, net	6,809.40
(Increase) Decrease in Inventories	4,630.68
Increase (Decrease) in Compensated Absences Payable	1,073.80
Increase (Decrease) in Unearned Revenue	<u>(3,037.47)</u>
Total Adjustments	<u>47,348.50</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (133,308.26)</u></u>

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2016

	<u>Private-Purpose Trust Funds</u>		
	Unemployment Compensation	Scholarship <u>Fund</u>	Agency <u>Fund</u>
ASSETS:			
Cash and Cash Equivalents	\$ 358,705.45	\$ 102,434.48	\$ 254,719.87
Intrafund Accounts Receivable:			
Due Payroll Agency	83.74		
Total Assets	<u>358,789.19</u>	<u>102,434.48</u>	<u>254,719.87</u>
LIABILITIES:			
Accounts Payable	9,240.69		
Payable to Student Groups			224,712.91
Interfund Accounts Payable:			
Due General Fund			44.35
Intrafund Accounts Payable:			
Due Unemployment Compensation			83.74
Payroll Deductions and Withholdings			29,878.87
Total Liabilities	<u>9,240.69</u>	<u>---</u>	<u>\$ 254,719.87</u>
NET POSITION:			
Restricted:			
Held in Trust for:			
Unemployment Claims	349,548.50		
Scholarships		102,434.48	
Total Net Position	<u>\$ 349,548.50</u>	<u>\$ 102,434.48</u>	

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2016

	<u>Private-Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
ADDITIONS:		
Contributions	\$ 3,992.14	\$ 2,000.00
Investment earnings:		
Interest	766.38	209.09
Net Investment Earnings	766.38	209.09
Total Additions	4,758.52	2,209.09
DEDUCTIONS:		
Quarterly Contribution Reports Scholarships Awarded	54,541.74	3,965.00
Total Deductions	54,541.74	3,965.00
Change in Net Position	(49,783.22)	(1,755.91)
Net Position -- July 1	399,331.72	104,190.39
Net Position -- June 30	<u>\$ 349,548.50</u>	<u>\$ 102,434.48</u>

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The School District is a regional high school district; therefore the terms are staggered based on the municipality each board member represents. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades 9 through 12 at its school. The School District has an approximate enrollment at June 30, 2016 of 2,011.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

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

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

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

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

Based upon the application of these criteria, the School District has determined that the component unit listed below is not significant and therefore has not been included in the basic financial statements.

Eastern Education Foundation
Laurel Oak Road, Box 2500
Voorhees, New Jersey 08043

Complete financial statements of the individual components can be obtained from their administrative offices.

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1.

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

Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

The School District reports the following major proprietary fund:

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

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

The School District maintains the following fiduciary funds:

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

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

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

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

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

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

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

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

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

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

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

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

Encumbrances

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

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method. The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Short-Term Interfund Receivables / Payables**

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

Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years
Buildings and Improvements	10 - 50 Years
Land Improvements	10 - 20 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

In addition, the School District reports the following as deferred outflows of resources:

Loss on Refunding of Debt - The loss on refunding arising from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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

Bond Discounts / Premiums

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

For the fiscal year ended June 30, 2016, the School District adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the School District.

In addition, the School District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

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

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

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

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

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

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

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2016, all of the School District's bank balances of \$10,942,885.23 were insured by either FDIC and/or GUDPA.

Note 3: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015		\$ 5,091,074.86
Increased by:		
Interest Earnings	\$ 9,976.26	
Deposits:		
Board Resolution, June 15, 2016	1,500,000.00	
Transfer from Capital Outlay	<u>122,955.47</u>	
		<u>1,632,931.73</u>
		6,724,006.59
Decreased by:		
Withdrawals:		
Transfer to Capital Outlay		<u>930,040.00</u>
Ending Balance, June 30, 2016		<u>\$ 5,793,966.59</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted projects at June 30, 2016 is \$10,105,356.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: TRANSFERS FROM CAPITAL RESERVE TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2016, the School District transferred \$930,040.00 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Fund</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Awards		\$ 88.38	\$ 88.38	\$ 8,639.45	\$ 8,727.83
State Awards	\$ 292,187.55		292,187.55	269.01	292,456.56
Tuition/Transportation Charges	45,188.48		45,188.48		45,188.48
Use of Facilities	17,345.50		17,345.50		17,345.50
Provided Services				360.00	360.00
	<u>\$ 354,721.53</u>	<u>\$ 88.38</u>	<u>\$ 354,809.91</u>	<u>\$ 9,268.46</u>	<u>\$ 364,078.37</u>

Note 6: INVENTORY

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 6,502.33
Supplies	4,681.09
Commodities	<u>2,077.80</u>
	<u>\$ 13,261.22</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016 is as follows:

	Restated Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 227,922.00			\$ 227,922.00
Construction in Progress		\$ 2,522.44		2,522.44
Total Capital Assets, not being Depreciated	227,922.00	2,522.44	-	230,444.44
Capital Assets, being Depreciated:				
Land Improvements	5,852,757.36	257,203.18		6,109,960.54
Buildings and Improvements	35,195,440.04	150,944.57		35,346,384.61
Furniture, Fixtures and Equipment	5,614,567.16	651,391.68	\$ (9,406.50)	6,256,552.34
Total Capital Assets, being Depreciated	46,662,764.56	1,059,539.43	(9,406.50)	47,712,897.49
Total Capital Assets, Cost	46,890,686.56	1,062,061.87	(9,406.50)	47,943,341.93
Less Accumulated Depreciation for:				
Land Improvements	(2,482,518.28)	(245,801.08)		(2,728,319.36)
Buildings and Improvements	(14,898,851.43)	(632,932.67)		(15,531,784.10)
Furniture, Fixtures and Equipment	(2,803,400.95)	(505,025.65)	9,406.50	(3,299,020.10)
Total Accumulated Depreciation	(20,184,770.66)	(1,383,759.40)	9,406.50	(21,559,123.56)
Total Capital Assets, being Depreciated, Net	26,477,993.90	(324,219.97)	-	26,153,773.93
Governmental Activities Capital Assets, Net	\$ 26,705,915.90	\$ (321,697.53)	\$ -	\$ 26,384,218.37
	Restated Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 383,506.48	\$ 9,657.00	\$ (48,423.60)	\$ 344,739.88
Total Capital Assets, being Depreciated	383,506.48	9,657.00	(48,423.60)	344,739.88
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(341,706.19)	(8,108.93)	48,423.60	(301,391.52)
Total Capital Assets, being Depreciated, Net	41,800.29	1,548.07	-	43,348.36
Business-Type Activities Capital Assets, Net	\$ 41,800.29	\$ 1,548.07	\$ -	\$ 43,348.36

Note 7: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:	
Regular Instruction	\$ 222,629.72
Other Administrative Services	223,495.34
Plant Operations and Maintenance	46,758.15
Unallocated	<u>890,876.19</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,383,759.40</u>

Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 3,520,000.00		\$ (865,000.00)	\$ 2,655,000.00	\$ 860,000.00
Add Amounts:					
Issuance Premiums	164,053.66		(40,176.41)	123,877.25	
Total Bonds Payable	<u>3,684,053.66</u>		<u>(905,176.41)</u>	<u>2,778,877.25</u>	<u>860,000.00</u>
Other Liabilities:					
Net Pension Liability (note 10)	8,341,778.00	\$ 2,399,353.00	(947,435.00)	9,793,696.00	
Compensated Absences	1,222,313.83	207,382.52	(359,184.31)	1,070,512.04	159,506.46
Total Other Liabilities	<u>9,564,091.83</u>	<u>2,606,735.52</u>	<u>(1,306,619.31)</u>	<u>10,864,208.04</u>	<u>159,506.46</u>
Governmental Activity Long-Term Liabilities	<u>\$ 13,248,145.49</u>	<u>\$ 2,606,735.52</u>	<u>\$ (2,211,795.72)</u>	<u>\$ 13,643,085.29</u>	<u>\$ 1,019,506.46</u>

The bonds payable are generally liquidated by the debt service fund, while compensated absences and net pension liability are liquidated by the general fund. The unamortized premium on bonds is included in the noncurrent liabilities and net investment in capital assets in the Statement of Net Position.

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
Business-Type Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 5,351.93	\$ 1,995.00	\$ (921.20)	\$ 6,425.73	
Business-Type Activity Long-Term Liabilities	<u>\$ 5,351.93</u>	<u>\$ 1,995.00</u>	<u>\$ (921.20)</u>	<u>\$ 6,425.73</u>	<u>-</u>

Compensated absences are liquidated by the food service fund.

Note 8: LONG-TERM LIABILITIES (CONT'D)

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

On July 1, 2003, the School District issued \$8,457,000.00 general obligation bonds at interest rates varying from 2.50% to 3.50% to finance the District's local share of capital improvement projects. The School District issued refunding bonds on July 19, 2012 to refund the callable portion of these bonds. The remaining refunding bonds mature on August 1, 2019.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 860,000.00	\$ 66,750.00	\$ 926,750.00
2018	890,000.00	40,500.00	930,500.00
2019	905,000.00	13,575.00	918,575.00
Total	<u>\$ 2,655,000.00</u>	<u>\$ 120,825.00</u>	<u>\$ 2,775,825.00</u>

Bonds Authorized but not Issued - As of June 30, 2016, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 15 for a description of the School District's policy.

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for 2008-09 fiscal year. Commencing in fiscal year June 30, 2010, and beyond, the full annual PERS pension liability is required to be budgeted and paid. The School District did not elect to defer any PERS pension liability.

Net Pension Liability - For details on the net pension liability, refer to note 10. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

Note 9: OPERATING LEASES

At June 30, 2016, the School District had operating lease agreements in effect for office space and a vehicle. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2017	\$ 77,644.08
2018	75,220.34
2019	<u>43,750.00</u>
	<u>\$ 196,614.42</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$77,644.08.

Note 10: PENSION PLANS

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

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

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

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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

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

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

Note 10: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.31% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$709,978.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$949,201.83.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 12.57% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$375,087.00 and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$226,346.80.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2016, employee contributions totaled \$3,926.73, and the School District recognized pension expense of \$2,141.91. There were no forfeitures during the fiscal year.

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Teachers' Pension and Annuity Fund - At June 30, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>83,497,172.00</u>
	<u>\$ 83,497,172.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .1321068530%, which was a decrease of .0039968277% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$5,098,254.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

Public Employees' Retirement System - At June 30, 2016, the School District reported a liability of \$9,793,696.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the School District's proportion was .0436283732%, which was a decrease of .0009258997% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$610,067.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 233,643.00	\$ -
Changes of Assumptions	1,051,765.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	157,464.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	152,574.00
School District Contributions Subsequent to the Measurement Date	395,835.00	-
	<u>\$ 1,681,243.00</u>	<u>\$ 310,038.00</u>

\$395,835.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2017	\$ 173,302.00
2018	173,302.00
2019	173,301.00
2020	297,583.00
2021	157,882.00
	<u>\$ 975,370.00</u>

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) – The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

Note 10: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.04%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

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

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2015 are summarized in the following tables:

Note 10: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%	Cash	5.00%	1.04%
US Government Bonds	1.75%	1.39%	U.S. Treasuries	1.75%	1.64%
US Credit Bonds	13.50%	2.72%	Investment Grade Credit	10.00%	1.79%
US Mortgages	2.10%	2.54%	Mortgages	2.10%	1.62%
US Inflation-Indexed Bonds	1.50%	1.47%	High Yield Bonds	2.00%	4.03%
US High Yield Bonds	2.00%	4.57%	Inflation-Indexed Bonds	1.50%	3.25%
US Equity Market	27.25%	5.63%	Broad U.S. Equities	27.25%	8.52%
Foreign-Developed Equity	12.00%	6.22%	Developed Foreign Equities	12.00%	6.88%
Emerging Markets Equity	6.40%	8.46%	Emerging Market Equities	6.40%	10.00%
Private Real Estate Property	4.25%	3.97%	Private Equity	9.25%	12.41%
Timber	1.00%	4.09%	Hedge Funds/Absolute Return	12.00%	4.72%
Farmland	1.00%	4.61%	Real Estate (Property)	2.00%	6.83%
Private Equity	9.25%	9.15%	Commodities	1.00%	5.32%
Commodities	1.00%	3.58%	Global Debt ex U.S.	3.50%	-0.40%
Hedge Funds - MultiStrategy	4.00%	4.59%	REIT	4.25%	5.12%
Hedge Funds - Equity Hedge	4.00%	5.68%			
Hedge Funds - Distressed	4.00%	4.30%			
				<u>100.00%</u>	
	<u>100.00%</u>				

Discount Rate - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 10: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	99,233,268.00	83,497,172.00	69,939,584.00
	<u>\$ 99,233,268.00</u>	<u>\$ 83,497,172.00</u>	<u>\$ 69,939,584.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
School District's Proportionate Share of the Net Pension Liability	\$ 12,172,365.00	\$ 9,793,696.00	\$ 7,799,436.00

Pension Plan Fiduciary Net Position

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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 additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/annrpts.shtml.

Note 11: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs and post-retirement medical costs were \$1,044,609.00 and \$1,243,840.00, respectively.

Note 13: RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2016	\$ 3,992.14	\$ 766.38	\$ 54,541.74	\$ 349,548.50
2015	27,147.09	771.49	17,310.68	399,331.72
2014	26,200.39	729.13	4,439.15	388,723.82

Note 13: RISK MANAGEMENT (CONT'D)

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

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

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the School Pool for Excess Liability Limits Joint Insurance Fund (SPELL) for claims in excess of \$100,000.00 to \$250,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2016, which can be obtained from:

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

Note 14: DEFERRED COMPENSATION

The School District offers its employees a choice of nine deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrator is OMNI Financial Group, Inc.

Note 15: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$1,070,512.04 and \$6,425.73, respectively.

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 44.35	
Fiduciary	83.74	\$ 128.09
	<u>\$ 128.09</u>	<u>\$ 128.09</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

<u>Transfer In:</u>	
	Food Service Fund
<u>Transfer Out:</u>	
General Fund	<u>\$ 19,750.00</u>

The interfund transfer from General Fund to Food Service Fund was for the reduction of Food Service Fund deficit in operations for the fiscal year ended June 30, 2016.

Note 17: CONTINGENCIES

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

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

Note 18: CONCENTRATIONS

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

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

As reflected on Exhibit A-1, statement of net position, an unrestricted net deficit of \$9,789,685.52 exists for the governmental activities. The deficit is a result of the delay in the payment of state aid until the following fiscal year as described in Note 21 and the application of GASBS No.68 as described in Note 10.

Note 20: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$123,114.47 in the general fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$123,114.47 is less than the June state aid payments.

Note 21: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School District does not have any nonspendable fund balances as of June 30, 2016.

RESTRICTED

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

Specific restrictions of the School District's fund balance are summarized as follows:

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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, 2016 is \$898,873.32. Additionally, \$563,788.00 of excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

For Capital Reserve Account - As of June 30, 2016, the balance in the capital reserve account is \$5,793,966.59. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2016, the balance in the maintenance reserve account is \$2,351,267.95. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). During the fiscal year ended June 30, 2016, the School District withdrew \$230,000.00 as part of the budget process.

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

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$0.80 of debt service fund balance at June 30, 2016.

ASSIGNED

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$118,011.00 of general fund balance at June 30, 2016.

Other Purposes - As of June 30, 2016, the School District had \$222,266.99 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District had a deficit unassigned fund balance of \$123,114.47 as of June 30, 2016.

Note 22: RESTATEMENT OF PRIOR PERIOD NET POSITION

The School District restated its net position as of June 30, 2015 as a result of a capital asset appraisal. The cumulative effect on the financial statements as reported for June 30, 2015 is as follows:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Beginning Net Position as Previously Reported at June 30, 2015	\$ 21,214,054.32	\$ 59,408.54
Prior Period Adjustment(s):		
Capital Assets, Net of Accumulated Depreciation	<u>1,032,243.79</u>	<u>7,692.50</u>
Net Position as Restated, July 1, 2015	<u>\$ 22,246,298.11</u>	<u>\$ 67,101.04</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund

Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 23,803,547.00	\$	23,803,547.00	\$ 23,803,547.00	
Tuition from Individuals	64,774.00		64,774.00	107,661.00	\$ 42,887.00
Tuition from Other LEAs Within the State	20,288.00		20,288.00	179,976.70	159,688.70
Transportation Fees from Individuals				282.00	282.00
Transportation Fees from Other LEAs				47,015.45	47,015.45
Other Local Governmental Units - Restricted	195,500.00		195,500.00	189,462.70	(6,037.30)
Rents and Royalties	125,000.00		125,000.00	168,260.90	43,260.90
Other Restricted Miscellaneous Revenues	95,000.00		95,000.00	104,159.25	9,159.25
Interest Earned on Capital Reserve Funds	500.00		500.00	9,976.26	9,476.26
Unrestricted Miscellaneous Revenues	77,000.00		77,000.00	129,958.24	52,958.24
Total - Local Sources	24,381,609.00		24,381,609.00	24,740,299.50	358,690.50
State Sources:					
Categorical Special Education Aid	1,200,638.00		1,200,638.00	1,200,638.00	
Equalization Aid	7,420,607.00		7,420,607.00	7,420,607.00	
Categorical Transportation Aid	438,726.00		438,726.00	438,726.00	
Categorical Security Aid	165,422.00		165,422.00	165,422.00	
Extraordinary Aid	130,500.00		130,500.00	233,372.00	102,872.00
PARCC Readiness Aid	20,440.00		20,440.00	20,440.00	
Per Pupil Growth Aid	20,440.00		20,440.00	20,440.00	
Nonpublic School Transportation Costs				11,484.00	11,484.00
On-Behalf TPAF Post Retirement Medical (non-budgeted)				1,243,840.00	1,243,840.00
On-Behalf Teacher's Pension and Annuity Fund (non-budgeted)				995,042.00	995,042.00
On-Behalf TPAF Non-Contributory Insurance (non-budgeted)				49,567.00	49,567.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				949,863.68	949,863.68
Total - State Sources	9,396,773.00		9,396,773.00	12,749,441.68	3,352,668.68
Federal Sources:					
Medicaid Reimbursement	22,691.00		22,691.00	4,557.10	(18,133.90)
Total - Federal Sources	22,691.00		22,691.00	4,557.10	(18,133.90)
Total Revenues	33,801,073.00		33,801,073.00	37,494,298.28	3,693,225.28

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 9-12	\$ 9,092,470.00	\$ (256,800.00)	\$ 8,835,670.00	\$ 8,711,124.73	\$ 124,545.27
Regular Programs - Home Instruction:					
Salaries of Teachers	80,130.00		80,130.00	58,666.18	21,463.82
Purchased Professional - Educational Services	130,000.00		130,000.00	31,742.32	98,257.68
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	1,500.00		1,500.00	500.00	1,000.00
Other Purchased Services	36,327.00	21,000.00	57,327.00	45,195.88	12,131.12
General Supplies	1,137,061.19	(57,526.00)	1,079,535.19	911,178.60	168,356.59
Textbooks	151,450.00	94,500.00	245,950.00	231,453.01	14,496.99
Other Objects	48,698.00	(4,590.00)	44,108.00	25,867.50	18,240.50
Total Regular Programs	10,677,636.19	(203,416.00)	10,474,220.19	10,015,728.22	458,491.97
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	166,971.00	(30,000.00)	136,971.00	112,093.76	24,877.24
Other Salaries for Instruction	23,133.00		23,133.00	22,797.00	336.00
Purchased Professional Services	14,700.00		14,700.00	900.00	13,800.00
Other Purchased Services	6,200.00	2,000.00	8,200.00	8,175.00	25.00
General Supplies	20,000.00	(2,750.00)	17,250.00	5,328.70	11,921.30
Textbooks	1,300.00	750.00	2,050.00	2,008.43	41.57
Other Objects	2,500.00		2,500.00		2,500.00
Total Behavioral Disabilities	234,804.00	(30,000.00)	204,804.00	151,302.89	53,501.11
Resource Room / Resource Center:					
Salaries of Teachers	1,700,233.00		1,700,233.00	1,686,955.41	13,277.59
Other Salaries for Instruction	386,045.00		386,045.00	354,997.84	31,047.16
General Supplies	63,045.00		63,045.00	39,099.39	23,945.61
Textbooks	5,000.00		5,000.00		5,000.00
Total Resource Room / Resource Center	2,154,323.00		2,154,323.00	2,081,052.64	73,270.36
Special Education - Home Instruction					
Purchased Professional - Educational Services	5,000.00		5,000.00		5,000.00
Total Home Instruction	5,000.00		5,000.00		5,000.00
Total Special Education - Instruction	2,394,127.00	(30,000.00)	2,364,127.00	2,232,355.53	131,771.47

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund

Required Supplementary Information
Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
Current Expense (Cont'd):					
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 45,064.00	\$	45,064.00	44,663.60	\$ 400.40
General Supplies	5,143.00		5,143.00	450.00	4,693.00
Total Basic Skills / Remedial - Instruction	50,207.00		50,207.00	45,113.60	5,093.40
Bilingual Education - Instruction:					
Salaries of Teachers	49,178.00		49,178.00	49,177.88	0.12
Total Bilingual Education - Instruction	49,178.00		49,178.00	49,177.88	0.12
School Sponsored Co/Extra-Curricular Activities - Instruction:					
Salaries	257,802.00	\$ (2,902.00)	254,900.00	253,547.16	1,352.84
Purchased Services	4,000.00	(248.00)	3,752.00	3,749.88	2.12
Supplies and Materials	75,621.35	3,150.00	78,771.35	63,080.67	15,690.68
Total School Sponsored Co/Extra-Curricular Activities - Instruction	337,423.35		337,423.35	320,377.71	17,045.64
School Sponsored Athletics - Instruction:					
Salaries	589,958.00		589,958.00	586,663.98	3,294.02
Purchased Services	28,300.00	(6,785.00)	21,515.00	21,380.74	134.26
Supplies and Materials	344,186.48	7,720.00	351,906.48	315,761.31	36,145.17
Other Objects	12,600.00	(935.00)	11,665.00	11,661.60	3.40
Total School Sponsored Athletics - Instruction	975,044.48		975,044.48	935,467.63	39,576.85
Total Instruction	14,483,616.02	(233,416.00)	14,250,200.02	13,598,220.57	651,979.45
Community Services Programs / Operations:					
Salaries	25,000.00		25,000.00	18,340.70	6,659.30
Purchased Services	8,500.00		8,500.00	2,460.25	6,039.75
Supplies and Materials	8,940.00		8,940.00	1,243.57	7,696.43
Total Community Services Programs / Operations	42,440.00		42,440.00	22,044.52	20,395.48

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund

Required Supplementary Information
Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 58,286.00	\$ 7,500.00	\$ 7,500.00	\$ 7,470.72	\$ 29.28
Tuition to Other LEA's Within State - Special	43,064.00	41,801.00	58,286.00	51,041.48	7,244.52
Tuition to County Vocational School District - Regular	33,836.00		84,865.00	84,865.00	
Tuition to County Vocational School District - Special	183,546.00	50,000.00	33,836.00	217,945.24	33,836.00
Tuition to CSSD and Regional Day Schools	1,122,661.00	(91,801.00)	233,546.00	848,132.51	15,600.76
Tuition to Private Schools for the Disabled - Within State			1,030,860.00		182,727.49
Tuition to Private Schools for the Disabled and Other LEA's Outside State	213,000.00		213,000.00	169,698.00	43,302.00
Total Undistributed Expenditures - Instruction	1,654,393.00	7,500.00	1,661,893.00	1,379,152.95	282,740.05
Undistributed Expenditures - Health Services:					
Salaries	193,061.00		193,061.00	182,908.92	10,152.08
Purchased Professional and Technical Services	4,000.00	(2,500.00)	1,500.00	1,500.00	1,500.00
Supplies and Materials	9,500.00	2,500.00	12,000.00	10,155.52	1,844.48
Total Undistributed Expenditures - Health Services	206,561.00		206,561.00	193,064.44	13,496.56
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	186,291.00	5,001.00	191,292.00	189,457.14	1,834.86
Purchased Professional - Educational Services	252,933.00	9,949.00	262,882.00	262,854.37	27.63
Supplies and Materials	4,625.00		4,625.00	1,059.99	3,565.01
Other Objects	6,477.00		6,477.00	5,358.73	1,118.27
Total Undistributed Expenditures - Speech, OT, PT & Related Services	450,326.00	14,950.00	465,276.00	458,730.23	6,545.77
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	139,221.00	103,000.00	242,221.00	233,954.67	8,266.33
Purchased Professional - Educational Services	542,840.00	(84,950.00)	457,890.00	457,889.51	0.49
Other Objects	5,000.00	(3,000.00)	2,000.00		2,000.00
Total Undistributed Expenditures - Other Support Services - Total Students - Extraordinary Services	687,061.00	15,050.00	702,111.00	691,844.18	10,266.82

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
Current Expense (Cont'd):					
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	\$ 800,942.00	\$ (4,000.00)	\$ 796,942.00	\$ 784,131.82	\$ 12,810.18
Salaries of Secretarial and Clerical Assistants	135,336.00	4,000.00	139,336.00	139,302.19	33.81
Other Salaries	6,500.00		6,500.00	6,500.00	0.00
Unused Vacation Leave Payments		2,483.00	2,483.00	2,482.62	0.38
Purchased Professional - Educational Services	3,330.00		3,330.00	1,575.00	1,755.00
Other Purchased Services	450.00	1,000.00	1,450.00	1,402.95	47.05
Supplies and Materials	63,588.00	(1,000.00)	62,588.00	29,875.41	32,712.59
Total Undistributed Expenditures - Guidance	1,010,146.00	2,483.00	1,012,629.00	958,769.99	53,859.01
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	684,869.00	(1.00)	684,868.00	622,767.19	62,100.81
Salaries of Secretarial and Clerical Assistants	101,357.00	1.00	101,358.00	101,357.00	1.00
Other Salaries	2,000.00	(5.00)	1,995.00	1,735.00	260.00
Miscellaneous Purchased Services (other than Residential Costs)	5,000.00	5.00	5,005.00	5,003.81	1.19
Supplies and Materials	10,000.00		10,000.00	6,130.81	3,869.19
Total Undistributed Expenditures - Child Study Team	803,226.00		803,226.00	736,993.81	66,232.19
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	64,375.00		64,375.00	64,219.04	155.96
Salaries of Secretarial and Clerical Assistants	290,537.00		290,537.00	290,536.52	0.48
Other Salaries	23,973.00	(5,400.00)	18,573.00	18,270.46	302.54
Unused Vacation Leave Payments		1,661.00	1,661.00	1,660.90	0.10
Other Objects	1,000.00	(1,000.00)			
Total Undistributed Expenditures - Improvement of Instruction Services	379,885.00	(4,739.00)	375,146.00	374,686.92	459.08
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	116,317.00		116,317.00	96,788.89	19,528.11
Purchased Professional and Technical Services	500.00	(500.00)			
Other Purchased Services	300.00	(300.00)			
Supplies and Materials	74,392.25	800.00	75,192.25	57,559.48	17,632.77
Total Undistributed Expenditures - Educational Media Services / School Library	191,509.25		191,509.25	154,348.37	37,160.88

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund

Required Supplementary Information
Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 64,375.00	\$	\$ 64,375.00	\$ 64,218.96	\$ 156.04
Salaries of Other Professional Staff	74,058.00	20,599.00	94,657.00	94,495.54	161.46
Salaries of Secretaries and Clerical Associates	48,925.00	1.00	48,926.00	48,925.00	1.00
Purchased Professional - Educational Services	5,000.00	5,500.00	10,500.00	10,500.00	
Other Purchased Services	35,600.00	(8,150.00)	27,450.00	27,428.45	21.55
Supplies and Materials	17,530.19	4,450.00	21,980.19	21,922.37	57.82
Total Undistributed Expenditures - Instructional Staff Training Services:	245,488.19	22,400.00	267,888.19	267,490.32	397.87
Undistributed Expenditures - Support Services - General Administration:					
Salaries	193,657.00	7,200.00	200,857.00	200,844.62	12.38
Salaries of Attorneys	48,000.00	(48,000.00)			
Legal Services	90,000.00	44,000.00	134,000.00	91,882.06	42,117.94
Audit Fees	49,000.00		49,000.00	45,450.00	3,550.00
Architectural/Engineering Fees	10,000.00		10,000.00	10,000.00	
Other Purchased Professional Services	15,500.00		15,500.00	9,290.00	6,210.00
Communications / Telephone	83,700.00		83,700.00	73,248.15	10,451.85
BOE Other Purchased Services	7,100.00		7,100.00	2,219.36	4,880.64
Miscellaneous Purchased Services	47,496.00	(1,800.00)	45,696.00	41,299.37	4,396.63
General Supplies	6,000.00	(2,650.00)	3,350.00	3,252.47	97.53
BOE In-House Training/Meeting Supplies	300.00	1,250.00	1,550.00	1,537.85	12.15
Judgements Against the School District	201,188.00		201,188.00	148,293.00	52,895.00
Miscellaneous Expenditures	15,000.00		15,000.00	13,605.80	1,394.20
BOE Membership Dues and Fees	15,900.00		15,900.00	15,335.85	564.15
Total Undistributed Expenditures - Support Services - General Administration	782,841.00		782,841.00	646,258.53	136,582.47
Undistributed Expenditures - Support Services - School Administration					
Salaries of Principals / Assistant Principals / Prog Dir	860,956.00	(1.00)	860,955.00	860,916.12	38.88
Salaries of Secretarial and Clerical Assistants	49,971.00	1.00	49,972.00	45,806.75	4,165.25
Other Salaries	1,000.00	(510.00)	490.00	490.00	
Unused Vacation Leave Payments		12,948.00	12,948.00	12,947.60	0.40
Purchased Professional and Technical Services		1,010.00	1,010.00	1,010.00	
Supplies and Materials	94,215.89	(500.00)	93,715.89	48,612.79	45,103.10
Other Objects	8,000.00		8,000.00	7,720.60	279.40
Total Undistributed Expenditures - Support Services - School Administration	1,014,142.89	12,948.00	1,027,090.89	977,013.86	50,077.03

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
Current Expense (Cont'd):					
Undistributed Expenditures - Central Services:					
Salaries	\$ 501,037.00	\$	501,037.00	477,229.33	\$ 23,807.67
Unused Vacation Leave Payments		32,278.50	32,278.50	32,278.50	
Purchased Professional Services	32,500.00		32,500.00	20,229.00	12,271.00
Miscellaneous Purchased Services	5,000.00		5,000.00	887.41	4,112.59
Supplies and Materials	12,000.00		12,000.00	9,198.34	2,801.66
Miscellaneous Expenditures	40,000.00	15,000.00	55,000.00	51,112.94	3,887.06
Total Undistributed Expenditures - Central Services	590,537.00	47,278.50	637,815.50	590,935.52	46,879.98
Undistributed Expenditures - Administrative Information Technology:					
Salaries	459,380.00		459,380.00	448,596.07	10,783.93
Unused Vacation Leave Payments		12,948.00	12,948.00	12,947.65	0.35
Supplies and Materials	45,000.00	(15,000.00)	30,000.00	7,352.91	22,647.09
Other Objects	6,000.00		6,000.00	413.02	5,586.98
Total Undistributed Expenditures - Administrative Information Technology	510,380.00	(2,052.00)	508,328.00	469,309.65	39,018.35
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	359,442.00	215,000.00	215,000.00	214,607.05	392.95
Cleaning, Repair and Maintenance Services	83,400.00	2,000.00	361,442.00	273,299.86	88,142.14
General Supplies		(65,000.00)	18,400.00	3,252.34	15,147.66
Total Undistributed Expenditures - Required Maintenance for School Facilities	442,842.00	152,000.00	594,842.00	491,159.25	103,682.75
Undistributed Expenditures - Custodial Services:					
Salaries	1,218,959.00	(301,000.00)	917,959.00	907,110.94	10,848.06
Unused Vacation Leave Payments		4,736.32	4,736.32	4,736.32	
Cleaning, Repair and Maintenance Services	269,713.00	41,000.00	310,713.00	281,269.88	29,443.12
Rental of Building	75,000.00		75,000.00	75,000.00	
Other Purchased Property Services	85,000.00	15,000.00	100,000.00	96,971.22	3,028.78
Insurance	219,400.00	(15,000.00)	204,400.00	194,580.00	9,820.00
Miscellaneous Purchased Services	4,500.00		4,500.00	2,473.00	2,027.00
General Supplies	196,721.88	25,000.00	221,721.88	185,208.11	36,513.77
Energy (Natural Gas)	300,000.00		300,000.00	193,200.03	106,799.97
Energy (Electricity)	650,000.00		650,000.00	560,704.44	89,295.56
Energy (Gasoline)	11,000.00		11,000.00	3,695.79	7,304.21
Other Objects	1,000.00	(1.00)	999.00	950.00	49.00
Total Undistributed Expenditures - Custodial Services	3,031,293.88	(230,264.68)	2,801,029.20	2,505,899.73	295,129.47

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	\$ 71,324.00	\$ 46,001.00	\$ 117,325.00	\$ 114,846.86	\$ 2,478.14
Cleaning, Repair and Maintenance Services	68,218.00		68,218.00	33,645.00	34,573.00
General Supplies	14,900.00	(1,000.00)	13,900.00	2,437.19	11,462.81
Total Undistributed Expenditures - Care and Upkeep of Grounds	154,442.00	45,001.00	199,443.00	150,929.05	48,513.95
Undistributed Expenditures - Security:					
Purchased Professional and Technical Services	170,000.00		170,000.00	164,772.88	5,227.12
Cleaning, Repair and Maintenance Services	4,000.00		4,000.00		4,000.00
General Supplies	3,000.00		3,000.00	1,428.00	1,572.00
Total Undistributed Expenditures - Security	177,000.00		177,000.00	166,200.88	10,799.12
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	31,495.00	(1,500.00)	29,995.00	29,495.40	499.60
Salaries for Pupil Transportation (Between Home and School) - Special Education	28,916.00	7,000.00	35,916.00	35,572.19	343.81
Salaries for Pupil Transportation (Other than Between Home and School)	44,748.00	(5,000.00)	39,748.00	39,351.41	396.59
Management Fee - ESC & CTSA Transportation Programs	38,615.00	1,900.00	40,515.00	40,314.63	200.37
Other Purchased Professional and Technical Services	3,000.00		3,000.00	2,900.00	100.00
Cleaning, Repair and Maintenance Services	16,000.00		16,000.00	8,126.54	7,873.46
Contracted Services - Aid in Lieu of Payment for Non-public School Students	38,969.00	20,000.00	58,969.00	55,023.96	3,945.04
Contracted Services - (Between Home and School) - Vendors	747,074.00	6,000.00	753,074.00	745,168.61	7,905.39
Contracted Services - (Other than Between Home and School) - Vendors	227,521.00		227,521.00	224,282.00	3,239.00
Contracted Services (Regular Students) - ESC's & CTSA's	89,320.00	(27,000.00)	62,320.00	44,454.02	17,865.98
Contracted Services (Spec. Ed. Students) - ESC's & CTSA's	644,004.00	110,000.00	754,004.00	736,897.11	17,106.89
Miscellaneous Purchased Services - Transportation	8,794.00		8,794.00	7,817.00	977.00
General Supplies	2,000.00		2,000.00	191.55	1,808.45
Transportation Supplies	15,720.00		15,720.00	6,740.54	8,979.46
Other Objects	1,000.00		1,000.00	527.50	472.50
Total Undistributed Expenditures - Student Transportation Services	1,937,176.00	111,400.00	2,048,576.00	1,976,862.46	71,713.54

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund

Required Supplementary Information
Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
Current Expense (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 397,639.00		\$ 397,639.00	\$ 384,795.71	\$ 12,843.29
Other Retirement Contributions - PERS	424,700.00		424,700.00	377,228.91	47,471.09
Workmen's Compensation	259,845.00		259,845.00	230,981.00	28,864.00
Health Benefits	4,778,462.00	\$ (65,000.00)	4,713,462.00	4,247,216.44	466,245.56
Tuition Reimbursement	50,921.00		50,921.00	33,731.80	17,189.20
Other Employee Benefits	160,755.00	52,443.00	213,198.00	211,491.54	1,706.46
Unused Sick Leave Payments	132,000.00	(54,497.82)	77,502.18	211,491.54	77,502.18
Total Unallocated Benefits - Employee Benefits	6,204,322.00	(67,054.82)	6,137,267.18	5,485,445.40	651,821.78
On-Behalf TPAF Post Retirement Medical (non-budgeted)				1,243,840.00	(1,243,840.00)
On-Behalf Teacher's Pension and Annuity Fund (non-budgeted)				995,042.00	(995,042.00)
On-Behalf TPAF Non-Contributory Insurance (non-budgeted)				49,567.00	(49,567.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				949,863.68	(949,863.68)
Total On-behalf Contributions				3,238,312.68	(3,238,312.68)
Total Undistributed Expenditures	20,473,572.21	126,900.00	20,600,472.21	21,913,408.22	(1,312,936.01)
Total Current Expense	34,999,628.23	(106,516.00)	34,893,112.23	35,533,673.31	(640,561.08)
Capital Outlay:					
Interest Deposit to Capital Reserve	500.00		500.00		500.00
Equipment:					
Grades 9-12		43,453.00	43,453.00	43,452.90	0.10
School-Sponsored and Other Instructional Programs		28,396.00	28,396.00	15,229.84	13,166.16
Undistributed Expenditures:					
School Administration	45,000.00	(43,227.00)	1,773.00	3,237.00	1,773.00
Business Office		3,238.00	3,238.00	38,510.00	1.00
Admin Info Technology	79,015.00	(40,505.00)	38,510.00	164,204.60	264.40
Operation and Maintenance of Plant	41,808.00	122,661.00	164,469.00		
Total Equipment	165,823.00	114,016.00	279,839.00	264,634.34	15,204.66

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
Capital Outlay (Cont'd):					
Facilities Acquisition and Construction Services:					
Architectural/Engineering	\$ 93,400.00	\$	\$ 93,400.00	\$ 30,669.00	\$ 62,731.00
Construction Services	460,100.00	(2,673.00)	457,427.00	397,208.00	60,219.00
Land and Improvements	376,540.00	2,673.00	379,213.00	379,207.53	5.47
Assessment for Debt Service on SDA Funding	19,788.00		19,788.00	19,788.00	
Total Facilities Acquisition and Construction Services	949,828.00		949,828.00	826,872.53	122,955.47
Total Capital Outlay	1,116,151.00	\$ 114,016.00	1,230,167.00	1,091,506.87	138,660.13
Transfer of Funds to Charter School	24,518.00	(7,500.00)	17,018.00	12,259.00	4,759.00
Total Expenditures	36,140,297.23	-	36,140,297.23	36,637,439.18	(497,141.95)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,339,224.23)	-	(2,339,224.23)	856,859.10	3,196,083.33
Other Financing Sources (Uses):					
Operating Transfers Out:					
Transfer to Food Service Fund - Board Contribution	(50,000.00)		(50,000.00)	(19,750.00)	(30,250.00)
Total Other Financing Sources (Uses)	(50,000.00)	-	(50,000.00)	(19,750.00)	(30,250.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,389,224.23)	-	(2,389,224.23)	837,109.10	3,226,333.33
Fund Balances, July 1	2,389,224.23	-	2,389,224.23	9,893,403.28	7,504,179.05
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ 10,730,512.38	\$ 10,730,512.38

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 5,793,966.59	
Maintenance Reserve				2,351,267.95	
Excess Surplus - Current Year				898,873.32	
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures				563,788.00	
Assigned:					
Designated for Subsequent Year's Expenditures				118,011.00	
Year-End Encumbrances				222,266.99	
Unassigned				<u>782,338.53</u>	
				10,730,512.38	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(905,453.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 9,825,059.38</u>	

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:					
Municipal Drug Alliance Program	\$ 6,965.00	\$ 7,746.60	\$ 14,711.60	\$ 6,820.25	\$ (7,891.35)
Special Education Mini Grant		864.46	864.46	864.46	
Total - State Sources	6,965.00	8,611.06	15,576.06	7,684.71	(7,891.35)
Federal Sources:					
Title I	117,951.00	33,959.00	151,910.00	147,186.44	(4,723.56)
Title II A	32,473.00	5,236.00	37,709.00	37,709.00	
Title III Immigrant		6,722.51	6,722.51	3,113.13	(3,609.38)
I.D.E.A., Part B Basic	314,570.00	65,126.00	379,696.00	379,696.00	
Total - Federal Sources	464,994.00	111,043.51	576,037.51	567,704.57	(8,332.94)
Total Revenues	\$ 471,959.00	\$ 119,654.57	\$ 591,613.57	\$ 575,389.28	\$ (16,224.29)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 122,900.31	\$ 35,015.85	\$ 157,916.16	\$ 152,075.73	\$ 5,840.43
Other Purchased Services	314,570.00	65,126.00	379,696.00	379,696.00	
General Supplies		3,069.51	3,069.51	1,443.78	1,625.73
Total Instruction	437,470.31	103,211.36	540,681.67	533,215.51	7,466.16
Support Services:					
Salaries of Other Professional Staff		239.05	239.05	239.05	
Personal Services - Employee Benefits	27,523.69	6,779.06	34,302.75	33,855.97	446.78
Purchased Professional - Educational Services		1,678.50	1,678.50	1,258.50	420.00
Supplies and Materials	6,965.00	7,746.60	14,711.60	6,820.25	7,891.35
Total Support Services	34,488.69	16,443.21	50,931.90	42,173.77	8,758.13
Total Expenditures	\$ 471,959.00	\$ 119,654.57	\$ 591,613.57	\$ 575,389.28	\$ 16,224.29

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 37,494,298.28	\$ 575,389.28
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		637.32
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	900,278.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(905,453.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 37,489,123.28</u></u>	<u><u>\$ 576,026.60</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 36,637,439.18	\$ 575,389.28
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>637.32</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 36,637,439.18</u></u>	<u><u>\$ 576,026.60</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0436283732%	0.0445542729%	0.0445960330%
School District's Proportionate Share of the Net Pension Liability	\$ 9,793,696.00	\$ 8,341,778.00	\$ 8,523,188.00
School District's Covered Payroll (Plan Measurement Period)	\$ 3,101,672.00	\$ 3,096,268.00	\$ 3,174,432.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	315.76%	269.41%	268.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 395,835.00	\$ 375,087.00	\$ 367,299.00
Contributions in Relation to the Contractually Required Contribution	<u>(395,835.00)</u>	<u>(375,087.00)</u>	<u>(367,299.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 3,148,944.00	\$ 3,131,830.00	\$ 3,006,517.00
Contributions as a Percentage of School District's Covered Payroll	12.57%	11.98%	12.22%

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Three Fiscal Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>83,497,172.00</u>	<u>72,742,988.00</u>	<u>66,770,268.00</u>
	<u>\$ 83,497,172.00</u>	<u>\$ 72,742,988.00</u>	<u>\$ 66,770,268.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 15,160,220.00	\$ 15,610,940.00	\$ 15,481,128.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	550.76%	465.97%	431.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

This schedule is not applicable.

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

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2016

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 4.68% as of June 30, 2014, to 4.13% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	N.C.L.B.			I.D.E.A.			
	Title I	Title II Part A	Title III Immigrant	Part B Basic	Special Education Mini Grant	Municipal Drug Alliance	Total
REVENUES:							
Federal Sources	\$ 147,186.44	\$ 37,709.00	\$ 3,113.13	\$ 379,696.00	\$ 864.46	\$ 6,820.25	\$ 567,704.57
State Sources							7,684.71
Total Revenues	\$ 147,186.44	\$ 37,709.00	\$ 3,113.13	\$ 379,696.00	\$ 864.46	\$ 6,820.25	\$ 575,389.28
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 121,202.10	\$ 29,928.00	\$ 547.47	\$ 379,696.00	\$ 398.16		\$ 152,075.73
Other Purchased Services			1,443.78				379,696.00
General Supplies							1,443.78
Total Instruction	121,202.10	29,928.00	1,991.25	379,696.00	398.16	---	533,215.51
Support Services:							
Salaries of Other Professional Staff					239.05		239.05
Personal Services - Employee Benefits	25,984.34	7,781.00	41.88		48.75		33,855.97
Purchased Professional - Educational Services			1,080.00		178.50		1,258.50
Supplies and Materials						\$ 6,820.25	6,820.25
Total Support Services	25,984.34	7,781.00	1,121.88	---	466.30	6,820.25	42,173.77
Total Expenditures	\$ 147,186.44	\$ 37,709.00	\$ 3,113.13	\$ 379,696.00	\$ 864.46	\$ 6,820.25	\$ 575,389.28

PROPRIETARY FUNDS

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Net Position
 June 30, 2016

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 1,943.89
Accounts Receivable:	
State	269.01
Federal	8,639.45
Other	360.00
Inventories	
Food	6,502.33
Supplies	4,681.09
Commodities	2,077.80
Total Current Assets	<u>24,473.57</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	344,739.88
Less Accumulated Depreciation	<u>(301,391.52)</u>
Total Noncurrent Assets	<u>43,348.36</u>
Total Assets	<u>67,821.93</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	<u>5,273.02</u>
Total Current Liabilities	<u>5,273.02</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>6,425.73</u>
Total Liabilities	<u>11,698.75</u>
NET POSITION:	
Net Investment in Capital Assets	43,348.36
Unrestricted	<u>12,774.82</u>
Total Net Position	<u>\$ 56,123.18</u>

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 163,243.25
Daily Sales - Non-Reimbursable Programs	340,815.77
Satellite Programs	79,890.75
Special Functions	24,477.07
Miscellaneous	52,298.33
	660,725.17
Total Operating Revenues	660,725.17
OPERATING EXPENSES:	
Salaries	366,243.03
Employee Benefits	27,386.58
Purchase Professional Services	52,303.32
Supplies and Materials	36,760.82
Depreciation	8,108.93
Cost of Sales - Reimbursable Programs	118,226.00
Cost of Sales - Non-Reimbursable Programs	214,850.01
Repairs and Services	2,638.38
Miscellaneous	14,864.86
	841,381.93
Total Operating Expenses	841,381.93
Operating Loss	(180,656.76)
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	3,461.04
Federal Sources:	
National Lunch Program	106,924.86
Food Distribution Program	29,763.16
Interest Revenue	122.84
	140,271.90
Total Nonoperating Revenues	140,271.90
Net Income (Loss) before Contributions and Transfers	(40,384.86)
Capital Contributions	9,657.00
Operating Transfers In - General Fund	19,750.00
	(10,977.86)
Change in Net Position	(10,977.86)
Net Position -- July 1 (Restated)	67,101.04
Net Position -- June 30	\$ 56,123.18

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Proprietary Fund

Business-Type Activities - Enterprise Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 664,497.10
Payments to Employees	(365,245.53)
Payments for Employee Benefits	(27,310.28)
Payments to Suppliers	<u>(405,249.55)</u>
Net Cash Used for Operating Activities	<u>(133,308.26)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	3,474.07
Federal Sources	104,051.39
Operating Transfers - General Fund	<u>19,750.00</u>
Net Cash Provided by Non-Capital Financing Activities	<u>127,275.46</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>122.84</u>
Net Cash Provided by (used for) Investing Activities	<u>122.84</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,909.96)
Cash and Cash Equivalents -- July 1	<u>7,853.85</u>
Cash and Equivalents -- June 30	<u><u>\$ 1,943.89</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (180,656.76)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	8,108.93
Food Service Distribution Program	29,763.16
(Increase) Decrease in Accounts Receivable, net	6,809.40
(Increase) Decrease in Inventories	4,630.68
Increase (Decrease) in Compensated Absences Payable	1,073.80
Increase (Decrease) in Unearned Revenue	<u>(3,037.47)</u>
Total Adjustments	<u>47,348.50</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (133,308.26)</u></u>

FIDUCIARY FUNDS

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	Private-Purpose Trust		Agency			
	Unemployment Compensation	Scholarship	Total Private-Purpose Trust	Student Activity	Payroll	Total Agency
ASSETS:						
Cash and Cash Equivalents	\$ 358,705.45	\$ 102,434.48	\$ 461,139.93	\$ 224,712.91	\$ 30,006.96	\$ 254,719.87
Intrafund Accounts Receivable:						
Due Payroll Agency	83.74		83.74			
Total Assets	358,789.19	102,434.48	461,223.67	224,712.91	30,006.96	254,719.87
LIABILITIES:						
Accounts Payable			9,240.69			
Payable to Student Groups				224,712.91		224,712.91
Intrafund Accounts Payable:						
Due General Fund					44.35	44.35
Intrafund Accounts Payable:						
Due Unemployment Compensation					83.74	83.74
Payroll Deductions and Withholdings					29,878.87	29,878.87
Total Liabilities	9,240.69	---	9,240.69	\$ 224,712.91	\$ 30,006.96	\$ 254,719.87
NET POSITION:						
Restricted:						
Held in Trust for:						
Unemployment Claims	349,548.50		349,548.50			
Scholarships		102,434.48	102,434.48			
Total Net Position	\$ 349,548.50	\$ 102,434.48	\$ 451,982.98			

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2016

	<u>Private-Purpose Trust Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions	\$ 3,992.14	\$ 2,000.00	\$ 5,992.14
Investment Earnings: Interest	766.38	209.09	975.47
Net Investment Earnings	766.38	209.09	975.47
Total Additions	4,758.52	2,209.09	6,967.61
DEDUCTIONS:			
Quarterly Contribution Reports Scholarships Awarded	54,541.74	3,965.00	54,541.74 3,965.00
Total Deductions	54,541.74	3,965.00	58,506.74
Change in Net Position	(49,783.22)	(1,755.91)	(51,539.13)
Net Position -- July 1	399,331.72	104,190.39	503,522.11
Net Position -- June 30	\$ 349,548.50	\$ 102,434.48	\$ 451,982.98

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Activity Fund	\$ 199,527.55	\$ 880,340.33	\$ 862,242.89	\$ 217,624.99
Athletic Fund	<u>1,539.49</u>	<u>136,236.00</u>	<u>130,687.57</u>	<u>7,087.92</u>
Total All Schools	<u>\$ 201,067.04</u>	<u>\$ 1,016,576.33</u>	<u>\$ 992,930.46</u>	<u>\$ 224,712.91</u>

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 37,448.69	\$ 20,500,927.83	\$ 20,508,369.56	\$ 30,006.96
Total Assets	<u>\$ 37,448.69</u>	<u>\$ 20,500,927.83</u>	<u>\$ 20,508,369.56</u>	<u>\$ 30,006.96</u>
LIABILITIES:				
Net Payroll and Agency Withholdings	\$ 29,903.34	\$ 20,496,492.93	\$ 20,496,517.40	\$ 29,878.87
Interfunds -- General Fund	59.51	442.76	457.92	44.35
Intrafund Accounts Payable Due Unemployment Fund	<u>7,485.84</u>	<u>3,992.14</u>	<u>11,394.24</u>	<u>83.74</u>
Total Liabilities	<u>\$ 37,448.69</u>	<u>\$ 20,500,927.83</u>	<u>\$ 20,508,369.56</u>	<u>\$ 30,006.96</u>

LONG-TERM DEBT

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Schedule of Serial Bonds

For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
Refunding Bonds	10/01/03	\$ 405,000.00		Not Applicable		\$ 45,000.00	\$ 45,000.00	
Refunding Bonds	07/01/12	4,280,000.00	08/01/16	\$ 860,000.00	3.00%			
			08/01/17	890,000.00	3.00%			
			08/01/18	905,000.00	3.00%			
						3,475,000.00	820,000.00	\$ 2,655,000.00
						\$ 3,520,000.00	\$ 865,000.00	\$ 2,655,000.00

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 958,187.00		\$ 958,187.00	\$ 958,187.00	
Total Revenues	<u>958,187.00</u>	---	<u>958,187.00</u>	<u>958,187.00</u>	---
EXPENDITURES:					
Regular Debt Service:					
Interest on Early Retirement of Bonds	1,238.00		1,238.00	1,237.50	\$ 0.50
Redemption of Principal-Early Retirement Bonds	45,000.00		45,000.00	45,000.00	
Interest on Bonds	91,950.00		91,950.00	91,950.00	
Redemption of Principal	820,000.00		820,000.00	820,000.00	
Total Regular Debt Service	<u>958,188.00</u>	---	<u>958,188.00</u>	<u>958,187.50</u>	0.50
Total Expenditures	<u>958,188.00</u>	---	<u>958,188.00</u>	<u>958,187.50</u>	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1.00)</u>		<u>(1.00)</u>	<u>(0.50)</u>	0.50
Fund Balance, July 1		---		1.30	1.30
Fund Balance, June 30	<u>\$ (1.00)</u>	---	<u>\$ (1.00)</u>	<u>\$ 0.80</u>	<u>\$ 1.80</u>

STATISTICAL SECTION

Financial Trends Information

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 23,633,332.93	\$ 22,072,202.19	\$ 21,909,763.26	\$ 19,836,468.56	\$ 18,944,249.40	\$ 18,676,137.53	\$ 18,773,095.36	\$ 19,013,222.92	\$ 19,211,930.11	\$ 19,573,458.69
Restricted	9,725,907.66	8,685,054.87	7,740,460.63	8,791,682.07	7,544,419.26	5,076,436.83	3,129,311.41	3,385,286.53	3,216,013.41	1,911,574.88
Unrestricted	(9,789,685.52)	(9,543,202.74)	(826,824.63)	(1,276,090.09)	(995,360.49)	(1,132,748.85)	(1,337,578.15)	(993,133.01)	(876,303.33)	(887,669.72)
Total Governmental Activities Net Position	\$ 23,569,555.07	\$ 21,214,054.32	\$ 28,823,399.26	\$ 27,352,060.54	\$ 25,493,308.17	\$ 22,619,825.51	\$ 20,564,828.62	\$ 21,405,376.44	\$ 21,551,640.19	\$ 20,597,363.85
Business-type Activities:										
Net Investment in Capital Assets	\$ 43,348.36	\$ 34,107.79	\$ 42,351.65	\$ 50,669.91	\$ 56,532.88	\$ 64,627.94	\$ 72,786.36	\$ 81,036.62	\$ 94,880.92	\$ 82,581.16
Restricted										1,309.25
Unrestricted	12,774.82	25,300.75	28,628.43	21,663.62	19,784.12	21,589.26	29,675.76	39,511.36	34,408.27	18,902.90
Total Business-type Activities Net Position	\$ 56,123.18	\$ 59,408.54	\$ 70,980.08	\$ 72,333.53	\$ 76,317.00	\$ 86,217.20	\$ 102,462.12	\$ 120,547.98	\$ 129,289.19	\$ 102,793.31
District-wide:										
Net Investment in Capital Assets	\$ 23,676,681.29	\$ 22,106,309.98	\$ 21,952,114.91	\$ 19,887,138.47	\$ 19,000,782.28	\$ 18,740,765.47	\$ 18,845,881.72	\$ 19,094,259.54	\$ 19,306,811.03	\$ 19,656,039.85
Restricted	9,725,907.66	8,685,054.87	7,740,460.63	8,791,682.07	7,544,419.26	5,076,436.83	3,129,311.41	3,385,286.53	3,243,116.43	1,912,884.13
Unrestricted	(9,776,910.70)	(9,517,901.99)	(798,196.20)	(1,254,426.47)	(975,576.37)	(1,111,159.59)	(1,307,902.39)	(953,621.55)	(868,998.08)	(868,766.82)
Total District-wide Net Position	\$ 23,625,678.25	\$ 21,273,462.86	\$ 28,894,379.34	\$ 27,424,394.07	\$ 25,569,625.17	\$ 22,706,042.71	\$ 20,667,290.74	\$ 21,525,924.42	\$ 21,680,929.38	\$ 20,700,157.16

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

Source: Exhibit A-1

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expense)/Revenue:										
Governmental Activities	\$ (33,069,172.64)	\$ (33,196,373.25)	\$ (31,680,480.95)	\$ (31,136,866.01)	\$ (30,480,550.42)	\$ (30,123,091.22)	\$ (32,545,969.63)	\$ (30,907,655.71)	\$ (30,240,513.71)	\$ (29,390,139.26)
Business-type Activities	(30,850.70)	(111,735.57)	(125,503.89)	(95,373.59)	(96,287.62)	(95,522.12)	(93,119.43)	(125,313.92)	(157,198.89)	(158,563.57)
Total District-wide Net Expense	\$ (33,100,023.34)	\$ (33,308,108.82)	\$ (31,805,984.84)	\$ (31,232,239.60)	\$ (30,576,838.04)	\$ (30,218,613.34)	\$ (32,639,089.06)	\$ (31,032,969.63)	\$ (30,397,712.59)	\$ (29,548,702.83)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 23,803,547.00	\$ 23,336,811.00	\$ 23,105,753.00	\$ 22,652,699.00	\$ 22,652,699.00	\$ 21,949,809.00	\$ 21,150,009.00	\$ 20,336,547.00	\$ 19,554,372.00	\$ 18,476,597.00
Taxes Levied for Debt Service	958,187.00	934,070.00	989,432.00	1,006,415.00	1,001,353.00	875,402.00	987,265.00	470,522.00	1,325,496.00	1,669,719.00
State Aid and Other Grants Restricted	9,510,511.10	9,683,083.40	9,400,557.00	9,320,779.70	9,386,188.00	8,766,786.34	9,333,874.00	9,551,070.20	9,890,901.75	9,634,957.50
Federal and State Aid Not Restricted	308,195.40	358,360.05	321,953.87	478,326.86	418,677.63	668,051.77	503,071.65	571,021.72	838,346.52	899,877.53
Other				(53,466.38)	(3,750.00)	(0.10)	(85,318.52)	(0.10)	(424,659.46)	(113,944.26)
Adjustment of Capital Assets		(2,108.14)	(541,876.20)	(371,059.66)	(14,954.40)	(2,961.00)	(260.00)	(50,099.89)	(1,902.50)	(3,525.00)
Disposal of Assets				53,156.00		(79,000.00)		(117,668.97)		(7,181.98)
Cancellation of (Receivables)/Accounts Payable	(19,750.00)	(100,000.00)	(124,000.00)	(91,232.14)	(86,180.15)					
Transfers										
Total Governmental Activities	\$ 34,560,890.50	\$ 34,110,216.31	\$ 33,151,819.67	\$ 32,995,618.38	\$ 33,354,033.08	\$ 32,178,088.11	\$ 31,589,823.09	\$ 30,761,391.96	\$ 31,194,790.05	\$ 30,838,311.50
Business-type Activities:										
Other	122.84	164.03	150.44	157.98	207.27	277.20	33.57	(1,096.26)	28,407.04	3,297.55
Transfers	19,750.00	100,000.00	124,000.00	91,232.14	86,180.15	79,000.00	75,000.00	117,668.97	155,287.72	113,944.26
Total Business-type Activities	19,872.84	100,164.03	124,150.44	91,390.12	86,387.42	79,277.20	75,033.57	116,572.71	183,694.76	117,241.81
Total District-wide	\$ 34,580,563.34	\$ 34,210,380.34	\$ 33,275,970.11	\$ 33,087,008.50	\$ 33,440,420.50	\$ 32,257,365.31	\$ 31,664,856.66	\$ 30,877,964.67	\$ 31,378,484.81	\$ 30,955,553.31
Change in Net Position:										
Governmental Activities	\$ 1,323,256.96	\$ 913,843.06	\$ 1,471,338.72	\$ 1,856,752.37	\$ 2,873,482.66	\$ 2,054,996.89	\$ (956,144.54)	\$ (146,263.75)	\$ 954,276.34	\$ 1,448,172.24
Business-type Activities	(10,977.86)	(11,571.54)	(1,353.45)	(3,983.47)	(9,900.20)	(16,244.92)	(18,085.86)	(8,741.21)	26,495.88	(41,321.76)
Total District	\$ 1,312,279.10	\$ 902,271.52	\$ 1,469,985.27	\$ 1,852,768.90	\$ 2,863,582.46	\$ 2,038,751.97	\$ (974,230.40)	\$ (155,004.96)	\$ 980,772.22	\$ 1,406,850.48

In accordance with GASBS No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

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

Source: Exhibit A-2

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Reserved										
Unreserved										
Restricted	\$ 9,607,895.86	\$ 8,529,013.02	\$ 7,713,566.83	\$ 8,764,789.02	\$ 7,544,452.11	\$ 5,076,436.18	\$ 3,367,195.10	\$ 3,625,479.90	\$ 3,460,500.89	\$ 1,986,410.53
Assigned	340,277.99	531,073.78	632,092.73	435,143.87	735,926.28	333,781.33	(72,660.81)	288,006.31	272,485.51	345,971.50
Unassigned (Deficit)	(123,114.47)	(66,961.52)	(161,778.60)	(223,213.57)	(162,326.31)	19,962.82				
Total General Fund	\$ 9,825,059.38	\$ 8,993,125.28	\$ 8,183,880.96	\$ 8,976,719.32	\$ 8,118,052.08	\$ 5,430,180.33	\$ 3,294,544.29	\$ 3,913,486.21	\$ 3,732,986.40	\$ 2,332,382.03
All Other Governmental Funds:										
Reserved										
Restricted for Debt Service	\$ 0.80	\$ 1.30	\$ 26,893.80	\$ 26,893.80	\$ 1.15	\$ 0.65	\$ 8,250.00			
Unreserved, Reported in:										
Debt Service Fund							1.15	1.15	0.40	284,017.15
Total All Other Governmental Funds	\$ 0.80	\$ 1.30	\$ 26,893.80	\$ 26,893.80	\$ 1.15	\$ 0.65	\$ 8,251.15	\$ 1.15	\$ 0.40	\$ 284,017.15

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

Source: Exhibit B-1

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Unrestricted Miscellaneous Revenues:										
Interest	\$ 51,379.39	\$ 48,139.48	\$ 44,919.32	\$ 58,353.95	\$ 53,455.65	\$ 44,246.02	\$ 8,472.50	\$ 109,859.05	\$ 267,006.23	\$ 385,234.67
Federal E-Rate	10,018.13	21,351.84	3,673.96	9,308.54	9,959.53	11,553.52	21,337.87	25,624.03	21,096.50	14,507.00
Settlement			31,851.38							
Jury Duty	7,277.80	6,217.87	6,177.95	258.00	4,269.88	4,453.69	3,420.54	5,005.85		9.00
Sale of Textbooks & Fines	12.70	65.50	144.00	114.90	92.50	399.64		2.25	11.25	7,624.84
Photocopies			1,555.00	168.00	755.00	150.00	429.00	1,324.00	729.00	
Sale of Assets	235.00	1,309.41	56.47							
Miscellaneous Refunds	21,888.64	4,096.73	3,998.58	5,080.93	9,429.54	17,892.47	8,561.14	4,378.97	12,719.93	3,286.37
Miscellaneous							33,536.25			
Clean Energy Program									6,587.52	18,066.37
Tuition and Student Reimbursements	12,555.25	50,051.97		1,000.00						
Insurance Claim and Health Benefit Refund				5,130.40						
Eastern Public Education Foundation Donation										
Restitution	2,375.00	1,947.93			700.00			200.00	180.00	5,000.00
Reimburse Cap & Gowns		42.00	9,787.95	10,849.20	11,807.25	11,787.70				168.00
Reimburse from Student Activities	24,216.33	27,000.00	25,200.00	40,000.00	41,000.00	74,181.00				
Contributions/Donations				500.00		500.00	500.00			
Summer Enrichment								4,800.00	7,177.00	6,960.00
Total Unrestricted Miscellaneous Revenues:	129,958.24	161,777.73	125,977.61	130,595.32	131,478.35	165,164.04	76,275.30	151,199.15	315,507.43	440,846.25
Athletic Fees	104,159.25	100,136.93	97,400.00	97,290.00	94,000.00	88,500.00				
Rents and Royalties	168,260.90	188,753.25	187,794.25	156,217.00	103,672.00	100,956.00	149,667.95	112,152.00	134,234.00	117,082.25
Interest on Capital Reserve Funds	9,976.26	7,829.07	8,182.01	6,033.16	3,825.60	4,398.35	461.13			
Total Other Local Revenues	\$ 412,354.65	\$ 458,496.98	\$ 419,353.87	\$ 390,135.48	\$ 332,975.95	\$ 359,018.39	\$ 226,404.38	\$ 263,351.15	\$ 449,741.43	\$ 557,928.50

Source: District Records

Revenue Capacity Information

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Table with columns: Year Ended Dec. 31, Residential, Farm, Commercial, Industrial, Apartment, Total Assessed Value, Public Utilities (2), Net Valuation Taxable, Tax-Exempt Property, Estimated Actual (County Equalized) Value, Total Direct School Tax Rate (3). Rows include Berlin Borough, Gibbsboro Borough, and Voorhees Township for years 2006-2015.

(1) Revaluation/Reassessment
(2) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
(3) Tax Rates are per \$100.00 of Assessed Valuation

Source: Camden County Board of Taxation

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended Dec. 31	Regional School District Direct Rate				Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Local District	Municipal Library	Borough of Berlin	Municipal Open Space	Camden County		
2016	\$ 0.494	\$ 0.020	\$ 0.514	\$ 1.016	\$ 0.032	\$ 0.633	\$ 0.014	\$ 0.815	\$ 3.024	
2015	0.491	0.019	0.510	0.990	0.032	0.634	0.015	0.807	2.988	
2014	0.470	0.019	0.489	0.957		0.624	0.014	0.838	2.922	
2013	0.441	0.021	0.462	0.929		0.604	0.015	0.838	2.848	
2012	0.476	0.019	0.495	0.906		0.589	0.009	0.794	2.793	
2011 (1)	0.435	0.017	0.452	0.876		0.560	0.019	0.723	2.630	
2010	0.802	0.032	0.834	1.647		1.039	0.020	1.298	4.838	
2009	0.819	0.017	0.836	1.577		0.925	0.010	1.279	4.627	
2008	0.715	0.051	0.766	1.568		0.810		1.249	4.393	
2007	0.740	0.062	0.802	1.534		0.743		1.249	4.328	

(1) Revaluation

Source: Municipal Tax Collector

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Gibbsboro Borough:

Year Ended Dec. 31	Regional School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Local District	Borough of Gibbsboro	Camden County	
2016	\$ 0.740	\$ 0.027	\$ 0.767	\$ 1.857	\$ 1.197	\$ 1.211	\$ 5.032
2015	0.679	0.027	0.706	1.816	1.165	1.180	4.867
2014	0.664	0.028	0.692	1.711	1.121	1.199	4.723
2013	0.633	0.032	0.665	1.646	1.074	1.110	4.495
2012	0.711	0.034	0.745	1.583	1.027	1.094	4.449
2011	0.754	0.029	0.783	1.547	0.973	1.097	4.400
2010	0.741	0.021	0.762	1.543	0.928	1.016	4.249
2009	0.745	0.018	0.763	1.511	0.809	0.966	4.049
2008	0.758	0.050	0.808	1.481	0.796	1.014	4.099
2007	0.720	0.062	0.782	1.395	0.666	1.057	3.900

Source: Municipal Tax Collector

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	Regional School District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Local District	Township of Voorhees	Township of Voorhees Fire District	Camden County	
2016	\$ 0.628	\$ 0.024	\$ 0.652	\$ 1.420	\$ 0.630	\$ 0.194	\$ 0.974	\$ 3.870
2015	0.597	0.023	0.620	1.371	0.607	0.183	0.967	3.748
2014	0.584	0.025	0.609	1.354	0.607	0.178	0.953	3.701
2013 (1)	0.608	0.005	0.613	1.329	0.587	0.169	0.886	3.584
2012	0.463	0.021	0.484	1.081	0.466	0.137	0.723	2.891
2011	0.448	0.018	0.484	1.070	0.441	0.125	0.713	2.833
2010	0.425	0.012	0.466	1.034	0.441	0.125	0.654	2.720
2009	0.406	0.009	0.433	1.002	0.412	0.124	0.631	2.602
2008	0.391	0.027	0.417	0.994	0.394	0.124	0.651	2.580

(1) Revaluation/Reassessment

Source: Municipal Tax Collector

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Principal Property Tax Payers
 Current Year and Nine Years Ago
Unaudited

Berlin Borough:	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Berlin Realty Company	\$ 6,700,000.00	1	0.90%	\$ 3,934,300.00	1	0.97%
Berlin Residences, LLC	5,570,000.00	2	0.75%			
AC I Berlin, LLC	5,100,000.00	3	0.69%	3,900,000.00	2	0.96%
Sinelnik	4,648,800.00	4	0.63%			
Evinos Corporation Inc.	4,555,600.00	5	0.61%	2,346,900.00	5	0.58%
Hasbro LLC	3,200,000.00	6	0.43%	1,724,800.00	8	0.43%
Berlin Center LLC	3,200,000.00	7	0.43%	2,900,600.00	4	0.72%
Berlin Equities LLC	2,838,100.00	8	0.38%	1,635,000.00	10	0.40%
Osborne Associates % Rite Aid Corp	2,800,000.00	9	0.38%			
Public Storage Properties XVII, Inc.	2,600,000.00	10	0.35%			
Verizon New Jersey				3,064,552.00	3	0.76%
Eckerd Pharmacy				1,986,900.00	6	0.49%
Bell Atlantic Property				1,894,000.00	7	0.47%
Individual #1				1,649,500.00	9	0.41%
Total	\$ 41,212,500.00		5.56%	\$ 25,036,552.00		6.19%

Source: Municipal Tax Assessor

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

	2016				2007			
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	
Gibbsboro Borough:								
Brandywine Operat.	\$ 8,613,700.00	1	5.27%		\$ 13,415,400.00	1	7.44%	
Tahmed LLC c/o Affiliated Mgmt Co	2,100,000.00	2	1.29%					
4 S Lakeview Dr LLC	1,877,600.00	3	1.15%					
Eureka Stone Quarry, Inc.	1,426,800.00	4	0.87%		2,418,700.00	2	1.34%	
DC Gibbs c/o CVS	1,250,000.00	5	0.77%					
Square Circle Sportsmen	1,185,700.00	6	0.73%		1,152,500.00	7	0.64%	
Parisi Enterprises, LLC	1,140,000.00	7	0.70%		1,375,000.00	6	0.76%	
Clementon LLC	875,000.00	8	0.54%					
59-63 North Lakeview Drive LLC	860,000.00	9	0.53%					
88 S. Lakeview Drive Associates LLC	806,200.00	10	0.49%					
CIT Lending					2,100,000.00	3	1.16%	
J&W Paint Works					2,000,000.00	4	1.11%	
Chophouse					1,700,000.00	5	0.94%	
Silver Lake/Advanta Corp.					800,000.00	8	0.44%	
MCAP Gibbsboro					751,300.00	9	0.42%	
Taxpayer #1					748,300.00	10	0.41%	
Total	\$ 20,135,000.00				\$ 26,461,200.00		14.67%	

Source: Municipal Tax Assessor

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Principal Property Tax Payers
 Current Year and Nine Years Ago
Unaudited

	2016				2007			
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	
Voorhees Township:								
	\$				\$			
Virtua Health-Division of Property Mgmt.	57,666,600.00	1	1.84%					
AG-Candlebrook LLC	41,389,600.00	2	1.32%					
Village Group Limited Partnership	34,997,200.00	3	1.12%		35,415,500.00	3	0.92%	
DCI-GIM VTC Apts. LP c/o Lowe LLC	31,232,500.00	4	1.00%					
Eagle Plaza Associates	25,030,300.00	5	0.80%		24,864,900.00	5	0.65%	
QRP Voorhees, LP	23,368,000.00	6	0.75%					
Del Coop, LLC	17,242,700.00	7	0.55%		17,404,500.00	8	0.45%	
SJF CCRS, Inc.	16,694,500.00	8	0.53%					
Cooper Holdings LLC	15,936,000.00	9	0.51%		16,050,800.00	9	0.42%	
311 Route 73 LLC	14,226,200.00	10	0.45%					
Echelon Glen I & II Investors LLC					46,835,000.00	1	1.22%	
Brandywine Main Street LLC					38,321,900.00	2	1.00%	
Echelon Title LLC					27,697,400.00	4	0.72%	
West Jersey Health Systems					21,129,800.00	6	0.55%	
VSC Partners LLC					19,483,800.00	7	0.51%	
Arden Echelon Partners LLC					15,506,400.00	10	0.40%	
Total	\$ 277,783,600.00		8.88%		\$ 262,710,000.00		6.83%	

Source: Municipal Tax Assessor

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 24,761,734.00	\$ 24,761,734.00	100.00%	-
2015	24,270,881.00	24,270,881.00	100.00%	-
2014	24,095,185.00	24,095,185.00	100.00%	-
2013	23,659,114.00	23,659,114.00	100.00%	-
2012	23,654,052.00	23,654,052.00	100.00%	-
2011	22,825,211.00	22,825,211.00	100.00%	-
2010	21,737,274.00	21,737,274.00	100.00%	-
2009	20,807,069.00	20,807,069.00	100.00%	-
2008	20,879,868.00	20,879,868.00	100.00%	-
2007	20,146,316.00	20,146,316.00	100.00%	-

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

Source: District Records

Debt Capacity Information

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

Fiscal Year Ended <u>June 30.</u>	Governmental Activities		Percentage of Personal <u>Income (2)</u>	<u>Per Capita (3)</u>
	General Obligation <u>Bonds (1)</u>			
Berlin Borough:				
2016	\$	432,764.49	Unavailable	Unavailable
2015		573,085.12	Unavailable	\$ 75.51
2014		705,860.47	0.20%	92.89
2013		857,164.73	0.25%	112.53
2012		986,504.52	0.29%	129.01
2011		1,117,085.77	0.33%	146.25
2010		1,237,307.60	0.39%	162.16
2009		1,276,521.79	0.39%	160.71
2008		1,277,038.92	0.39%	161.12
2007		1,372,134.85	0.43%	173.21
Gibbsboro Borough:				
2016	\$	134,811.75	Unavailable	Unavailable
2015		176,332.36	Unavailable	\$ 78.58
2014		217,690.99	0.21%	96.97
2013		272,173.64	0.27%	120.86
2012		335,846.40	0.33%	148.41
2011		381,009.44	0.38%	168.22
2010		428,769.68	0.45%	188.97
2009		461,033.32	0.46%	189.57
2008		485,483.69	0.48%	199.13
2007		536,889.80	0.55%	219.59
Voorhees Township:				
2016	\$	2,087,423.77	Unavailable	Unavailable
2015		2,770,582.52	Unavailable	\$ 94.41
2014		3,441,448.54	0.25%	117.10
2013		4,085,661.63	0.31%	139.29
2012		4,754,649.09	0.36%	162.24
2011		5,363,904.79	0.41%	168.43
2010		5,980,922.72	0.49%	191.06
2009		6,239,444.89	0.47%	201.51
2008		6,419,477.39	0.50%	211.77
2007		7,032,417.58	0.57%	220.82

Sources:

- (1) District Records. Apportioned to each municipality based on three year average of equalized valuations for the District.
- (2) Personal income has been estimated based upon the municipal population and per capita.
- (3) Per Capita personal income by municipality-estimated based upon NJ Dept of Labor and Workforce Development estimates and census data.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30.	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
Berlin Borough:					
2016	\$ 432,764.49	-	\$ 432,764.49	0.06%	Unavailable
2015	573,085.12	-	573,085.12	0.08%	\$ 75.51
2014	705,860.47	-	705,860.47	0.09%	92.89
2013	857,164.73	-	857,164.73	0.11%	112.53
2012	986,504.52	-	986,504.52	0.13%	129.01
2011	1,117,085.77	-	1,117,085.77	0.14%	146.25
2010	1,237,307.60	-	1,237,307.60	0.30%	162.16
2009	1,276,521.79	-	1,276,521.79	0.31%	160.71
2008	1,277,038.92	-	1,277,038.92	0.31%	161.12
2007	1,372,134.85	-	1,372,134.85	0.34%	173.21
Gibbsboro Borough:					
2016	\$ 134,811.75	-	\$ 134,811.75	0.08%	Unavailable
2015	176,332.36	-	176,332.36	0.11%	\$ 78.54
2014	217,690.99	-	217,690.99	0.13%	96.67
2013	272,173.64	-	272,173.64	0.16%	120.27
2012	335,846.40	-	335,846.40	0.20%	148.28
2011	381,009.44	-	381,009.44	0.22%	167.92
2010	428,769.68	-	428,769.68	0.24%	176.30
2009	461,033.32	-	461,033.32	0.26%	189.10
2008	485,483.69	-	485,483.69	0.27%	198.56
2007	536,889.80	-	536,889.80	0.30%	219.14
Voorhees Township:					
2016	\$ 2,087,423.77	-	\$ 2,087,423.77	0.07%	Unavailable
2015	2,770,582.52	-	2,770,582.52	0.09%	\$ 94.27
2014	3,441,448.54	-	3,441,448.54	0.11%	117.33
2013	4,085,661.63	-	4,085,661.63	0.13%	139.41
2012	4,754,649.09	-	4,754,649.09	0.12%	149.30
2011	5,363,904.79	-	5,363,904.79	0.14%	171.35
2010	5,980,922.72	-	5,980,922.72	0.15%	193.16
2009	6,239,444.89	-	6,239,444.89	0.16%	205.83
2008	6,419,477.39	-	6,419,477.39	0.17%	201.57
2007	7,032,417.58	-	7,032,417.58	0.18%	224.65

Sources:

(1) District Records

(2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation.

(3) Per capita calculation based upon population information provided by the NJ Dept. of Labor.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
Unaudited

Berlin Borough:	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Borough</u>	<u>County Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Berlin Borough School District	\$ 4,295,000.00	\$ 4,295,000.00			
Eastern Regional High School District	432,764.49	432,764.49			
Self Liquidating Debt	6,569,967.64	6,569,967.64			
Berlin Borough	<u>9,143,854.61</u>	<u>\$ 9,143,854.61</u>	<u>\$ 9,143,854.61</u>	<u>\$ 9,143,854.61</u>	
	<u>20,441,586.74</u>	<u>11,297,732.13</u>	<u>9,143,854.61</u>	<u>9,143,854.61</u>	
Overlapping Debt Apportioned to the Municipality: County of Camden: (2)					
General:					
Bonds	35,695,000.00	12,761,633.00 (3)	22,933,367.00	457,692.30 (5)	\$ 204,000.00
Loan Agreements	269,003,014.00		269,003,014.00	5,368,623.32 (5)	
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>471,754,632.00</u>	<u>471,754,632.00 (4)</u>			
	<u>776,452,646.00</u>	<u>484,516,265.00</u>	<u>291,936,381.00</u>	<u>5,826,315.63</u>	<u>204,000.00</u>
	<u>\$ 796,894,232.74</u>	<u>\$ 495,813,997.13</u>	<u>\$ 301,080,235.61</u>	<u>\$ 14,970,170.24</u>	<u>\$ 204,000.00</u>

Sources:

- (1) 2015 Annual Debt Statement
- (2) Entity 2015 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S.A. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2015 equalized value, which is 2.00%.
 The source for this computation was the 2015 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
Unaudited

Gibbsboro Borough:	<u>Gross Debt</u>	<u>Deductions</u>	Statutory Net Debt <u>Outstanding</u>	Net Debt Outstanding Allocated to the Borough	County Debt Authorized <u>But Not Issued</u>
Municipal Debt: (1)					
Gibbsboro Borough School District	\$ 2,310,000.00	\$ 2,310,000.00			
Eastern Regional High School District	134,811.75	134,811.75			
Self Liquidating Debt	3,096,111.74	3,096,111.74			
Gibbsboro Borough	<u>4,781,908.68</u>	<u>272,799.02</u>	\$ 4,509,109.66	\$ 4,509,109.66	
	<u>10,322,832.17</u>	<u>5,813,722.51</u>	<u>4,509,109.66</u>	<u>4,509,109.66</u>	
Overlapping Debt Apportioned to the					
Municipality:					
County of Camden: (2)					
General:					
Bonds	35,695,000.00	12,761,633.00 (3)	22,933,367.00	138,661.63 (5)	\$ 204,000.00
Loan Agreements	269,003,014.00		269,003,014.00	1,626,468.36 (5)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	<u>471,754,632.00</u>	<u>471,754,632.00 (4)</u>			
	<u>776,452,646.00</u>	<u>484,516,265.00</u>	<u>291,936,381.00</u>	<u>1,765,129.99</u>	<u>204,000.00</u>
	<u>\$ 786,775,478.17</u>	<u>\$ 490,329,987.51</u>	<u>\$ 296,445,490.66</u>	<u>\$ 6,274,239.65</u>	<u>\$ 204,000.00</u>

Sources:

- (1) 2015 Annual Debt Statement
- (2) Entity 2015 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S.A. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2015 equalized value, which is 0.60%.
 The source for this computation was the 2015 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
Unaudited

Voorhees Township:	<u>Gross Debt</u>	<u>Deductions</u>	Statutory Net Debt <u>Outstanding</u>	Net Debt Outstanding Allocated to the <u>Township</u>	County Debt Authorized <u>But Not Issued</u>
Municipal Debt: (1)					
Voorhees Township School District	\$ 8,209,000.00	\$ 8,209,000.00			
Eastern Regional High School District	2,087,423.77	2,087,423.77			
Self Liquidating Debt	5,172,150.00	5,172,150.00			
Voorhees Township	<u>27,123,324.39</u>	<u>4,648,313.15</u>	<u>\$ 22,475,011.24</u>	<u>\$ 22,475,011.24</u>	
	<u>42,591,898.16</u>	<u>20,116,886.92</u>	<u>22,475,011.24</u>	<u>22,475,011.24</u>	
Overlapping Debt Apportioned to the Municipality: County of Camden: (2)					
General:					
Bonds	35,695,000.00	12,761,633.00 (3)	22,933,367.00	2,196,742.44 (5)	\$ 204,000.00
Loan Agreements	269,003,014.00		269,003,014.00	25,767,273.34 (5)	
Bonds Issued by Other Public Bodies Guaranteed by the County	471,754,632.00	471,754,632.00 (4)			
Voorhees Fire District (2)	<u>4,225,000.00</u>		<u>4,225,000.00</u>	<u>4,225,000.00</u>	
	<u>780,677,646.00</u>	<u>484,516,265.00</u>	<u>296,161,381.00</u>	<u>32,189,015.78</u>	<u>204,000.00</u>
	<u>\$ 823,269,544.16</u>	<u>\$ 504,633,151.92</u>	<u>\$ 318,636,392.24</u>	<u>\$ 54,664,027.02</u>	<u>\$ 204,000.00</u>

Sources:

- (1) 2015 Annual Debt Statement
- (2) Entity 2015 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S.A. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2015 equalized value, which is 9.58%.
 The source for this computation was the 2015 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2016											
	Average Equalized Valuation of Taxable Property										Regional Total Equalized valuation Basis (L)
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
Debt Limit	\$ 134,676,005.99	\$ 137,066,270.86	\$ 141,838,748.05	\$ 142,143,075.74	\$ 146,822,408.17	\$ 148,944,131.37	\$ 150,424,688.77	\$ 145,482,798.17	\$ 134,077,715.98	\$ 118,944,878.99	
Total Net Debt Applicable to Limit (3)	2,655,000.00	3,520,000.00	4,365,000.00	5,215,000.00	6,077,000.00	6,862,000.00	7,647,000.00	7,977,000.00	8,182,000.00	8,941,442.25	
Legal Debt Margin	\$ 132,021,005.99	\$ 133,546,270.86	\$ 137,473,748.05	\$ 136,928,075.74	\$ 140,745,408.17	\$ 142,082,131.37	\$ 142,777,688.77	\$ 137,505,798.17	\$ 125,895,715.98	\$ 110,003,436.74	
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.97%	2.57%	3.08%	3.67%	4.14%	4.61%	5.08%	5.48%	6.10%	7.52%	

Average Equalized Valuation of Taxable Property	
[A]	\$ 13,467,600,599
[A/3]	\$ 4,489,200,199.67
[B]	\$ 134,676,006
[C]	\$ 2,655,000
[B-C]	\$ 132,021,006

Debt limit (3% of average equalization value) (2)
Total Net Debt Applicable to Limit

Legal Debt Margin

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by N.J.S.A. 18A:24-19 for a 9 - 12 School Districts
- (3) District Records

[A] For Regional School Districts the debt limit is based on the sum of all three constituent municipalities equalized valuations.
 [B] The sum as indicated on [A/3] is multiplied by three percent which is the allowable percentage for 9 - 12 School Districts.
 [C] Represents the total debt of the regional as of June 30.

Demographic and Economic Information

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Berlin Borough:

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	7,590	Unavailable	Unavailable	5.2%
2014	7,599	\$ 356,286,714.00	\$ 46,886.00	7.0%
2013	7,617	343,351,509.00	45,077.00	6.2%
2012	7,647	342,142,074.00	44,742.00	8.7%
2011	7,638	336,950,370.00	44,115.00	8.6%
2010	7,630	320,406,590.00	41,993.00	8.7%
2009	7,943	330,754,463.00	41,641.00	8.3%
2008	7,926	327,922,398.00	41,373.00	5.3%
2007	7,922	316,927,532.00	40,006.00	4.0%
2006	7,902	305,001,396.00	38,598.00	4.3%

Gibbsboro Borough:

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	2,244	Unavailable	Unavailable	5.8%
2014	2,245	\$ 105,259,070.00	\$ 46,886.00	7.4%
2013	2,252	101,513,404.00	45,077.00	5.3%
2012	2,263	101,251,146.00	44,742.00	8.1%
2011	2,265	99,920,475.00	44,115.00	8.0%
2010	2,269	95,282,117.00	41,993.00	8.2%
2009	2,432	101,270,912.00	41,641.00	7.8%
2008	2,438	100,867,374.00	41,373.00	4.9%
2007	2,445	97,814,670.00	40,006.00	3.7%
2006	2,450	94,565,100.00	38,598.00	4.0%

Voorhees Township:

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	29,370	Unavailable	Unavailable	4.4%
2014	29,349	\$ 1,376,057,214.00	\$ 46,886.00	5.4%
2013	29,346	1,322,829,642.00	45,077.00	6.0%
2012	29,389	1,314,922,638.00	44,742.00	7.4%
2011	29,332	1,293,981,180.00	44,115.00	7.0%
2010	29,307	1,230,688,851.00	41,993.00	6.4%
2009	31,847	1,326,140,927.00	41,641.00	6.5%
2008	31,304	1,295,140,392.00	41,373.00	3.8%
2007	30,963	1,238,705,778.00	40,006.00	2.9%
2006	30,313	1,170,021,174.00	38,598.00	3.2%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (2) Personal income has been estimated based upon the municipal population and per capita.
- (3) Per Capita personal income by municipality-estimated based upon the 2005 - 2014 revised estimates available.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	2016			2007		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Berlin Borough:						

INFORMATION NOT AVAILABLE

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Principal Non-Governmental Employers

Current Year and Nine Years Ago

Unaudited

<u>Employer</u>	2016			2007		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Gibbsboro Borough:						

INFORMATION NOT AVAILABLE

(Continued)

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	2016			2007		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Virtua Health System	1,200	1	8.19%	1,200	2	7.27%
Voorhees Town Center	1,000	2	6.82%	1,450	1	8.79%
Cooper Health System	400	3	2.73%			
Children's Hospital	300	4	2.05%			
Lakewood of Voorhees	290	5	1.98%	290	6	1.76%
Comcast Corp.	265	6	1.81%	265	7	1.61%
Genesis Eldercare	225	7	1.54%	225	8	1.36%
NJ American Water Co.	200	8	1.36%	180	10	1.09%
Macy's	200	9	1.36%			
Boscov's	175	10	1.19%	300	5	1.82%
Strawbridge's				450	3	2.73%
Cigna Corp.				445	4	2.70%
AFL Web Inc.				200	9	1.21%
	<u>4,255</u>		<u>29.03%</u>	<u>5,005</u>		<u>30.34%</u>

Voorhees Township:

Source: Township Official Statement

Operating Information

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Teachers - General Fund	139.4	139.4	139.4	139.0	139.4	137.7	154.2	153.8	151.2	151.5
Teachers - Special Revenue	0.6	0.6	0.6	1.0	1.7	1.9	1.8	1.7	1.3	1.3
Classroom Aides - General Fund	17.0	17.0	15.0	5.0	5.0	4.8	9.0	7.0	10.0	14.0
Support Services:										
Health Services	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Related Services	3.0	3.0	3.0	3.0	3.0	2.8	2.8	2.8	2.8	2.8
Extraordinary Services	5.0	5.0	5.0	15.0	16.0	4.7	2.0	2.0	2.0	2.0
Guidance - Professional	10.0	10.0	10.0	9.0	9.0	9.0	11.0	11.0	11.0	11.5
Guidance - Support	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.5
Child Study Team	7.0	7.0	7.0	7.0	7.0	7.0	7.6	7.6	7.4	7.4
Child Study Team - Support	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Supervisors & Others Professionals	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.8	3.8
Improv of Instruc - Support	7.0	7.0	7.0	7.5	6.5	6.5	7.5	7.5	7.5	7.3
Media Services - Technology	1.8	2.0	2.0	2.0	2.0	2.0	5.0	5.0	5.0	5.0
Prof Development - Professionals	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Prof Development - Support	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.0	0.2
General District Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Gen. Administration - Professional	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Gen. Administration - Support	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	1.1	1.1
Principals/Assistant Principals	7.5	7.5	7.5	6.5	7.5	7.5	8.5	8.5	6.5	3.9
School Admin - Support	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Central Services - Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central Services - Support	5.5	5.5	5.5	5.5	5.5	5.5	6.0	6.0	5.0	5.0
Admin Info, Technology Services	5.5	6.5	5.5	5.5	5.5	5.5	5.5	5.5	4.3	3.8
Operations & Maintenance - Other	23.5	23.5	23.5	23.5	23.5	23.5	24.5	24.5	24.0	24.0
Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other	2.2	2.2	2.2	2.2	2.2	1.5	2.5	2.5	3.7	0.0
Food Service	6.0	8.0	10.0	11.0	16.0	19.0	21.0	21.0	22.0	22.0
Total	255.0	258.2	257.2	256.2	264.3	253.4	283.4	280.9	280.5	281.0

Source: District Records

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Intermediate	Middle/Senior*				
2016	2,011	\$ 36,121,958.91	\$ 17,962.19	-0.41%	170	N/A	13.76	2,023	1,887	1.43%	93.30%
2015	1,980	35,712,643.03	18,036.69	7.68%	170	N/A	13.47	1,994	1,852	-2.41%	92.90%
2014	2,035	34,088,366.80	16,751.04	2.80%	171	N/A	13.62	2,043	1,906	-1.11%	93.27%
2013	2,056	33,503,617.42	16,295.53	5.22%	169	N/A	13.96	2,066	1,933	-0.52%	93.55%
2012	2,078	32,182,222.20	15,487.11	2.99%	171	13.33	12.96	2,077	1,973	-1.85%	95.00%
2011	2,105	31,653,126.60	15,037.11	-6.12%	171	13.86	12.94	2,116	1,997	-0.15%	94.36%
2010	2,111	33,813,871.07	16,017.94	5.55%	190	12.90	11.30	2,119	1,984	-0.10%	93.63%
2009	2,102	31,899,484.59	15,175.78	1.76%	190	12.26	11.85	2,121	1,987	-0.46%	93.65%
2008	2,123	31,661,040.21	14,913.35	3.43%	189	12.90	11.50	2,131	2,004	-1.13%	94.04%
2007	2,136	30,800,007.37	14,419.48	10.24%	189	13.40	11.39	2,155	2,027	-2.29%	94.03%

Source: District Records

* In 2012 - 2013 District combined Intermediate and Senior schools into one building.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	<u>2016</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>
District Building										
High School										
Senior High School (1964)	448,296	448,296	193,339	193,339	193,339	193,339	193,339	193,339	193,339	193,339
Square Feet	2,418	2,418	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Capacity (students)	2,011	2,013	1,002	1,057	1,025	1,039	1,039	1,044	1,057	1,078
Enrollment	---	---	254,957	254,957	254,957	254,957	254,957	254,957	254,957	254,957
Intermediate High School (1991) Note A	---	---	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268
Square Feet	---	---	1,049	1,023	1,053	1,079	1,093	1,088	1,069	1,091
Capacity (students)										
Enrollment										
Other										
Concession Stand/Storage Building (1993)	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648
Square Feet	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325
Central Administration (1991)	1,885	1,885	1,885	1,885	1,885	1,885	1,885	1,885	1,885	1,885
Square Feet										
Maintenance Garage (1990)										
Square Feet										

Number of Schools at June 30, 2016
 High School = 1
 Other = 3

Source: District Records

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

Note A: The Intermediate High School and Senior High School were combined during the 2014 - 2015 fiscal year and are now represented as combined.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

School Facilities*	Project # (s)	Fiscal Year Ended June 30,									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Eastern High School	50	\$ 491,159.25	\$ 373,748.87	\$ 290,306.09	\$ 148,694.42	\$ 363,315.99	\$ 200,421.59	\$ 122,038.17	\$ 281,201.34	\$ 358,512.20	\$ 85,058.00
Total School Facilities		\$ 491,159.25	\$ 373,748.87	\$ 290,306.09	\$ 148,694.42	\$ 363,315.99	\$ 200,421.59	\$ 122,038.17	\$ 281,201.34	\$ 358,512.20	\$ 85,058.00

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

Source: District Records

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT

Insurance Schedule

June 30, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:*		
Property Blanket Building and Contents - Per Occurrence	\$ 150,000,000.00	\$ 500.00
Boiler and Machinery	125,000,000.00	1,000.00
General and Automobile Liability	20,000,000.00	None
Workers' Compensation	Statutory	None
Crime Coverage	500,000.00	500.00
Educator's Legal Liability - Per Claim/Aggregate	20,000,000.00	None
Pollution Legal Liability - Per Claim/Aggregate	3,000,000.00	25,000.00
Cyber Liability	1,000,000.00	25,000.00
Student Accident Full Excess	1,000,000.00	None
Bonds:		
Board Secretary	10,000.00	
Treasurer of School Funds	260,000.00	

Source: District Records

* Burlington County Insurance Pool Joint Insurance Fund (BCIPJF)

Additional coverage provided by School Pool For Excess Liability Limits Joint Insurance Fund (SPELL)

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Eastern Camden County Regional School District
Voorhees, New Jersey 08043

Report on Compliance for Each Major State Program

We have audited the Eastern Camden County Regional School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2016. The School District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Eastern Camden County Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Eastern Camden County Regional School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

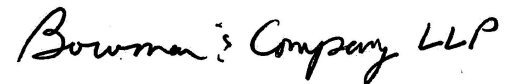
Management of the Eastern Camden County Regional School District, in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
October 6, 2016

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2016

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal FAIN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2015</u>
					<u>From</u>	<u>To</u>	
General Fund:							
U.S. Department of Health and Human Services:							
Passed-through the State Department of Education:							
Special Education Medicaid Initiative	93.778	1605NJ5MAP	NA	\$ 4,557.10	7-1-15	6-30-16	_____
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through the State Department of Education:							
N.C.L.B.							
Title I	84.010	S010A150030	NCLB125516	151,910.00	7-1-15	6-30-16	
Title II Part A	84.367	S367A150029	NCLB125516	37,709.00	7-1-15	6-30-16	
Title III Immigrant	84.365	S365A150030	NCLB125516	6,085.00	7-1-15	6-30-16	
Title III Immigrant	84.365	S365A140030	NCLB125515	8,546.00	7-1-14	6-30-15	<u>\$ (5,731.81)</u>
Total Title III Immigrant							<u>(5,731.81)</u>
I.D.E.A. Part B:							
Basic Regular	84.027	H027A150100	IDEA 125516	379,696.00	7-1-15	6-30-16	_____
Total Special Revenue Fund							<u>(5,731.81)</u>
Enterprise Fund:							
U.S. Department of Agriculture:							
Passed-through the State Department of Education:							
Child Nutrition Cluster:							
Food Distribution Program (Non-Cash Assistance)	10.555	16161NJ304N1099	NA	29,763.16	7-1-15	6-30-16	
Food Distribution Program (Non-Cash Assistance)	10.555	16161NJ304N1099	NA	20,307.99	7-1-14	6-30-15	4,875.67
National School Lunch Program	10.555	16161NJ304N1099	NA	106,924.86	7-1-15	6-30-16	
National School Lunch Program	10.555	16161NJ304N1099	NA	91,976.74	7-1-14	6-30-15	<u>(5,765.98)</u>
Total Child Nutrition Cluster							<u>(890.31)</u>
Total U.S. Department of Agriculture and Enterprise Funds							<u>(890.31)</u>
Total Federal Financial Assistance							<u>\$ (6,622.12)</u>

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

These funds were not audited in accordance with the Uniform Administrative Audit Requirements since the total expenditures did not exceed \$750,000.00.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2016

Carryover / (Walkover) Amount	Budgetary Expenditures			Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2016			
	Cash Received	Pass-Through Funds	Direct Funds			Total Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 4,557.10	\$ 4,557.10		\$ 4,557.10					
	147,186.00	147,186.44		147,186.44		\$ (4,724.00)	\$ 4,723.56		
	37,709.00	37,709.00		37,709.00					
	3,025.00	3,112.94		3,112.94		(3,060.00)	2,972.06		
	5,732.00	0.19		0.19					
-	8,757.00	3,113.13	-	3,113.13	-	-	(3,060.00)	2,972.06	-
	379,696.00	379,696.00		379,696.00					
-	573,348.00	567,704.57	-	567,704.57	-	-	(7,784.00)	7,695.62	-
	29,763.16	27,685.36		27,685.36				2,077.80	
		4,875.67		4,875.67					
	98,285.41	106,924.86		106,924.86		(8,639.45)			
	5,765.98								
-	133,814.55	139,485.89	-	139,485.89	-	-	(8,639.45)	2,077.80	-
-	133,814.55	139,485.89	-	139,485.89	-	-	(8,639.45)	2,077.80	-
-	\$ 711,719.65	\$ 711,747.56	-	\$ 711,747.56	-	-	\$ (16,423.45)	\$ 9,773.42	-

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2016

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
General Fund:						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public Cluster:						
Equalization Aid	16-495-034-5120-078	\$ 7,420,607.00	7-1-15	6-30-16		
Equalization Aid	15-495-034-5120-078	7,420,607.00	7-1-14	6-30-15	\$ (720,959.68)	
Special Education Categorical Aid	16-495-034-5120-089	1,200,638.00	7-1-15	6-30-16		
Special Education Categorical Aid	15-495-034-5120-089	1,200,638.00	7-1-14	6-30-15	(116,649.70)	
Security Aid	16-495-034-5120-084	165,422.00	7-1-15	6-30-16		
Security Aid	15-495-034-5120-084	165,422.00	7-1-14	6-30-15	(16,071.81)	
Per Pupil Growth Aid	16-495-034-5120-097	20,440.00	7-1-15	6-30-16		
Per Pupil Growth Aid	15-495-034-5120-097	20,440.00	7-1-14	6-30-15	(1,985.88)	
PARCC Readiness	16-495-034-5120-098	20,440.00	7-1-15	6-30-16		
PARCC Readiness	15-495-034-5120-098	20,440.00	7-1-14	6-30-15	(1,985.88)	
Total State Aid - Public Cluster					(857,652.95)	-
Transportation Aid:						
Transportation Aid	16-495-034-5120-014	438,726.00	7-1-15	6-30-16		
Transportation Aid	15-495-034-5120-014	438,726.00	7-1-14	6-30-15	(42,625.05)	
Additional Nonpublic School Transportation Aid	16-495-034-5120-014	11,484.00	7-1-15	6-30-16		
Additional Nonpublic School Transportation Aid	15-495-034-5120-014	10,962.00	7-1-14	6-30-15	(10,962.00)	
Total Transportation Aid					(53,587.05)	-
Extraordinary Aid						
Extraordinary Aid	16-100-034-5120-473	233,372.00	7-1-15	6-30-16		
Extraordinary Aid	15-100-034-5120-473	296,392.00	7-1-14	6-30-15	(296,392.00)	
Total Extraordinary Aid					(296,392.00)	-
Reimbursed TPAF Social Security Contributions						
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	949,863.68	7-1-15	6-30-16		
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	948,058.37	7-1-14	6-30-15	(46,842.36)	
Total Reimbursed TPAF Social Security Contributions					(46,842.36)	-
Total General Fund					(1,254,474.36)	-
Special Revenue Fund:						
New Jersey Council on Developmental Disabilities Mini Grant	01DU6S	864.46	2-1-16	2-1-17		
Municipal Drug Alliance Program	2016-475-995120-60	6,965.00	7-1-15	6-30-16		
Pass Through the County of Camden and the Township of Voorhees	2015-475-995120-60	6,965.00	7-1-14	6-30-15	4,663.84	
	2014-475-995120-60	13,402.50	1-1-13	6-30-14	781.60	
Total Special Revenue Fund					5,445.44	-
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Aid	16-100-010-3350-023	3,461.04	7-1-15	6-30-16		
State School Lunch Aid	15-100-010-3350-023	3,194.56	7-1-14	6-30-15	(282.04)	
Total Enterprise Fund					(282.04)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(1,249,310.96)	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
On-Behalf Contributions:						
TPAF Post-Retirement Medical	495-034-5094-001	1,243,840.00	7-1-15	6-30-16		
Teacher's Pension and Annuity Fund	495-034-5094-002	995,042.00	7-1-15	6-30-16		
TPAF Non-Contributory Insurance	495-034-5094-004	49,567.00	7-1-15	6-30-16		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					\$ (1,249,310.96)	-

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2016

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2016			Memo Only	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
	\$ 6,695,503.08	\$ 7,420,607.00			\$ (725,103.92)			\$ (725,103.92)	\$ 7,420,607.00
	720,959.68								
	1,083,317.77	1,200,638.00			(117,320.23)			(117,320.23)	1,200,638.00
	116,649.70								
	149,257.80	165,422.00			(16,164.20)			(16,164.20)	165,422.00
	16,071.81								
	18,442.71	20,440.00			(1,997.29)			(1,997.29)	20,440.00
	1,985.88								
	18,442.71	20,440.00			(1,997.29)			(1,997.29)	20,440.00
	1,985.88								
-	8,822,617.02	8,827,547.00	-	-	(862,582.93)	-	-	(862,582.93)	8,827,547.00
	395,855.93	438,726.00			(42,870.07)			(42,870.07)	438,726.00
	42,625.05								
	10,962.00	11,484.00			(11,484.00)				11,484.00
-	449,442.98	450,210.00	-	-	(54,354.07)	-	-	(42,870.07)	450,210.00
		233,372.00			(233,372.00)				233,372.00
-	296,392.00	233,372.00	-	-	(233,372.00)	-	-	-	233,372.00
	902,532.13	949,863.68			(47,331.55)				949,863.68
	46,842.36								
-	949,374.49	949,863.68	-	-	(47,331.55)	-	-	-	949,863.68
-	10,517,826.49	10,460,992.68	-	-	(1,197,640.55)	-	-	(905,453.00)	10,460,992.68
	864.46	864.46							864.46
	2,223.95					\$ 2,223.95			
	2,301.16	6,038.65				926.35			6,038.65
		781.60				-			781.60
-	5,389.57	7,684.71	-	-	-	3,150.30	-	-	7,684.71
	3,192.03	3,461.04			(269.01)				3,461.04
	282.04								
-	3,474.07	3,461.04	-	-	(269.01)	-	-	-	3,461.04
-	10,526,690.13	10,472,138.43	-	-	(1,197,909.56)	3,150.30	-	(905,453.00)	10,472,138.43
	1,243,840.00	1,243,840.00							1,243,840.00
	995,042.00	995,042.00							995,042.00
	49,567.00	49,567.00							49,567.00
-	2,288,449.00	2,288,449.00	-	-	-	-	-	-	2,288,449.00
-	\$ 12,815,139.13	\$ 12,760,587.43	-	-	\$ (1,197,909.56)	\$ 3,150.30	-	\$ (905,453.00)	\$ 12,760,587.43

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Eastern Camden County Regional School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. This basis of accounting is described in note 1 to the School District's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* or the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$5,175.00) for the general fund and \$637.32 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 4,557.10	\$ 12,744,266.68	\$ 12,748,823.78
Special Revenue	568,341.89	7,684.71	576,026.60
Food Service	136,688.02	3,461.04	140,149.06
Total Awards and Financial Assistance	<u>\$ 709,587.01</u>	<u>\$ 12,755,412.43</u>	<u>\$ 13,464,999.44</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: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

Note 6: MAJOR PROGRAMS

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

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes <u>X</u> no
Significant deficiency(ies) identified?	___ yes <u>X</u> none reported
Noncompliance material to financial statements noted?	___ yes <u>X</u> no

Federal Awards

Not Applicable

Internal control over major programs:	
Material weakness(es) identified?	___ yes ___ no
Significant deficiency(ies) identified?	___ yes ___ none reported
Type of auditor's report issued on compliance for major programs	_____
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	___ yes ___ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs	\$ _____
Auditee qualified as low-risk auditee?	___ yes ___ no

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? yes no

Identification of major programs:

GMIS Number(s)

Name of State Program

495-034-5120-078

State Aid Public -- Equalization Aid

495-034-5120-084

State Aid Public -- Security Aid

495-034-5120-089

State Aid Public -- Special Education Aid

495-034-5120-097

State Aid Public -- Per Pupil Growth Aid

495-034-5120-098

State Aid Public -- PARCC Readiness

495-034-5094-003

Reimbursed TPAF Social Security Contributions

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? yes no

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings

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

None

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

A Federal Single Audit was not required.

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None

EASTERN CAMDEN COUNTY REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

None

