

Comprehensive Annual Financial Report

of the

**Edgewater Park Township
School District**



Edgewater Park, New Jersey

**For The Fiscal Year Ended
June 30, 2016**

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
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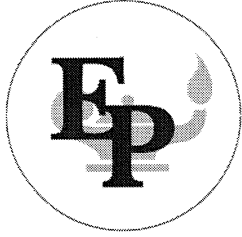
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INTRODUCTORY SECTION



OFFICE OF THE BUSINESS ADMINISTRATOR
EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
25 Washington Avenue
Edgewater Park, NJ 08010

November 21, 2016

Honorable President and
 Members of the Board of Education
 Edgewater Park Township School District
 Edgewater Park, New Jersey 08010

Dear Board Members:

The comprehensive annual financial report of the Edgewater Park Township 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 School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information 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 (4) sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title II U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

(1) REPORTING ENTITY AND ITS SERVICES:

Edgewater Park Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All major funds of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, pre-school, before and after school latchkey services as well as special education programs. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	854	-1.61%
2014-2015	868	-0.57%
2013-2014	873	-1.13%
2012-2013	883	3.52%
2011-2012	853	-
2010-2011	853	-2.74%
2009-2010	877	5.79%
2008-2009	829	-.36%
2007-2008	832	3.82%
2006-2007	875	-5.91%

Honorable President and
Members of the Board of Education

(2) ECONOMIC CONDITION AND OUTLOOK:

The Edgewater Park Township area remains stable, with relatively little new development. The exceptions are a planned townhome development which has begun and is near completion. It is expected that this new construction project will result in an enrollment increase for the District. Business growth/loss has remained unchanged. The "Route 130 Corridor" has seen some businesses close; however, new business has opened along the highway to replace the others. Government officials continue to work on revitalizing Route 130 with the plan to attract new businesses and additional ratables. With conditions status quo, the area should continue to prosper and the tax base will not be negatively affected.

(3) MAJOR INITIATIVES:

The goal of this District to remain competitive with comparable communities in educational performance was accomplished during the 2015-2016 school year.

Professional Development, as mandated by the state department, logs the number of hours each teacher spends during the course of the school year on professional improvement. Professional development activities were aligned with each individual PIP, and the results indicate that the vast majority of teachers far exceeded the suggested 20 hours per year, with all teachers successfully meeting their PIP for 2015-16.

The 2015-16 staff development program maintained the District's initiatives from the 2014-15 school year. Staff members received updated in-service training by the School Psychologist on board policy, "*Prohibiting and Intervening for Harassment, Intimidation and Bullying*". Administrators will work with employees to identify and discipline students exhibiting objectionable behaviors. The District's curriculum will continue to correlate instruction to the Assessment of Skills & Knowledge (ASK) for grades 3, 4, 5, 6, 7 & 8 and the NJ CORE Curriculum Standards. Teachers continue fulfilling the requirements established by the No Child Left Behind federal initiative that necessitates all teachers to meet the definition of a "highly qualified teacher".

Staff development helps teachers acquire techniques so they can most effectively work with our highly diversified population, including students with mild disabilities who are in the regular classrooms. Special attention will be given at the middle school level with the at risk students so they can achieve academic and behavioral success. The District's major goal instructionally will be to adapt to how all children learn in a positive educational environment. Professional development continues to focus on enhanced literacy and mathematics instruction.

Staff members are committed in their efforts to guarantee that our school system is up to date in the ever-changing world of technology and to make sure all students receive the proper tools to achieve. A full-time Computer Systems Senior Technician sets up and services all computers and is available to the staff for trouble-shooting, hardware questions/concerns and supplies. The District also employed an Instructional Technology Facilitator/Coordinator to work directly with the teaching staff and introduce them to enhanced technology, new software, and the techniques necessary to implement them in the classrooms. Internet connectivity is available in all classrooms and labs.

(4) INTERNAL ACCOUNTING CONTROLS:

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

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

Honorable President and
Members of the Board of Education

(4) INTERNAL ACCOUNTING CONTROLS (CONT'D):

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

(5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. 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 cancelled or are included as appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30.

(6) ACCOUNTING SYSTEM AND REPORTS:

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

(7) FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

(8) CASH MANAGEMENT:

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

(9) RISK MANAGEMENT:

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

(10) INDEPENDENT AUDIT:

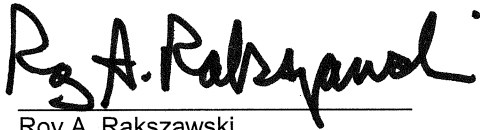
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title II U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements, required supplementary information and supplementary information are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Honorable President and
Members of the Board of Education

(11) ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Edgewater Park Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the 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 Business Office staff.

Respectfully Submitted,



Roy A. Rakszawski
Superintendent



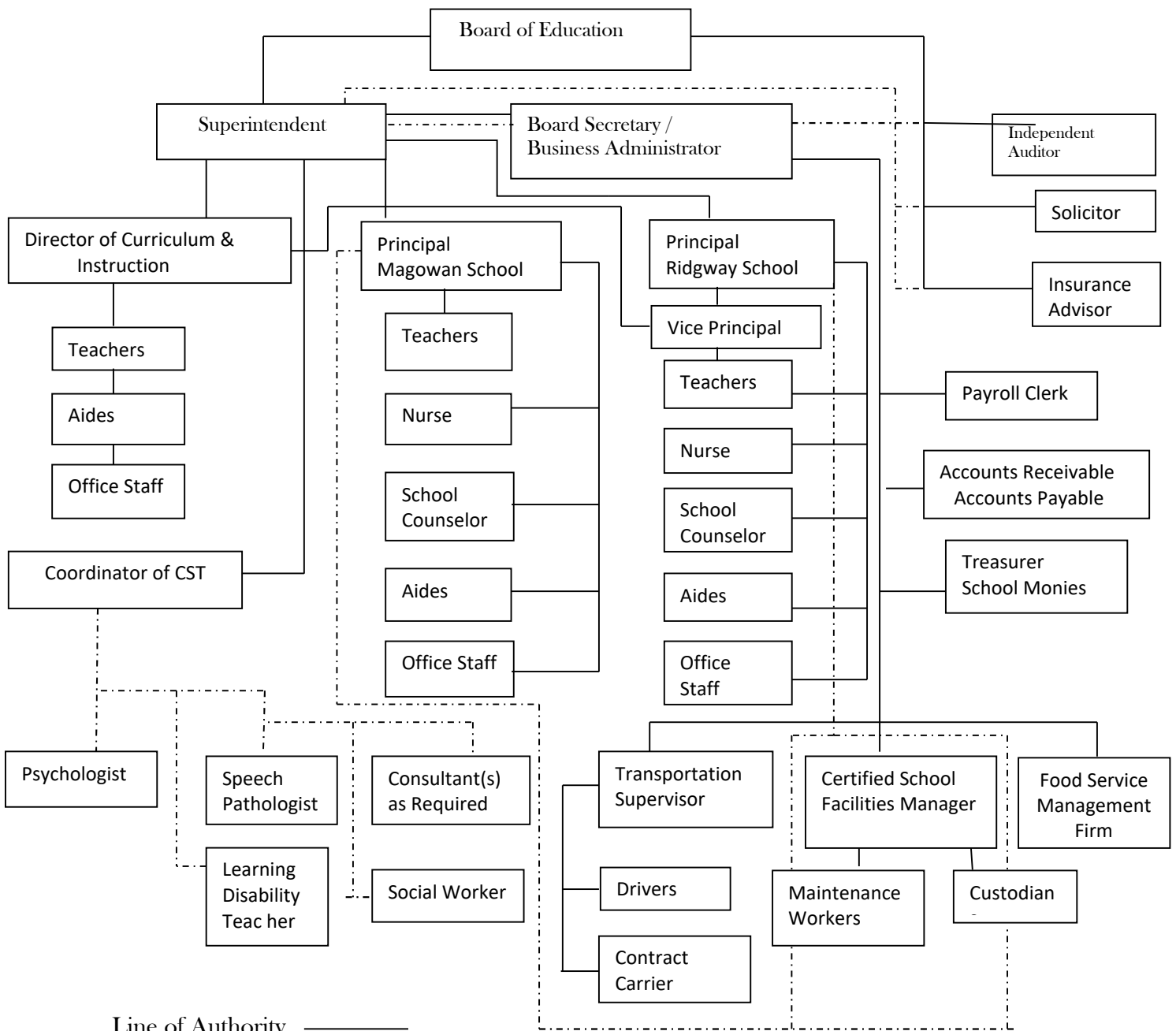
Nancy Lane
Board Secretary/School Business Administrator

POLICY

EDGEWATER PARK TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
1110/PAGE 1 OF 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Line of Authority _____

Line of Cooperation - - - - -

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

EDGEWATER PARK, NEW JERSEY 08010

ROSTER OF OFFICIALS

At June 30, 2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Lester Holley, President	2017
Robert Shappell, Vice President	2017
Karen Daly	2017
Dr. Gerald Gares	2016
Deborah Lynch	2018
Robert Lynch	2018
Jennifer Schuck	2018
Colleen Torres	2016
Jeffrey Jacobs	2016

OTHER OFFICIALS

Roy Rakszawski, Superintendent

Nancy Lane, Board Secretary/School Business Administrator

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

EDGEWATER PARK, NEW JERSEY 08010

CONSULTANTS AND ADVISORS

JUNE 30, 2016

AUDIT FIRM

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043

ATTORNEY

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

INSURANCE BROKER

Haines & Haines
T.C. Irons Agency
230 High Street
P.O. Box 158
Burlington, New Jersey 08016

OFFICIAL DEPOSITORY

Investors Bank
1105 S. Fairview Street
Delran, New Jersey 08075

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Edgewater Park Township School District
Edgewater Park, New Jersey 08010

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Edgewater Park School District, in the County of Burlington, 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 Township of Edgewater Park School District, in the County of Burlington, 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Edgewater Park School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section 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 schedules of expenditures of federal awards and state financial assistance, 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), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

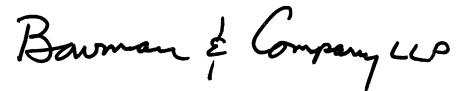
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2016 on our consideration of the Township of Edgewater Park School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Edgewater Park School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Public School Accountant No. CS 2065

Voorhees, New Jersey
November 21, 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
Edgewater Park Township School District
Edgewater Park, New Jersey 08010

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 Township of Edgewater Park School District, in the County of Burlington, 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 November 21, 2016.

Internal Control Over Financial Reporting

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

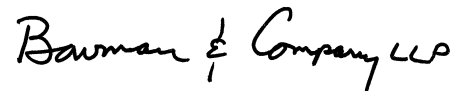
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Edgewater Park 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 P. Nehila, Jr.
Certified Public Accountant
Public School Accountant No. CS 002065

Voorhees, New Jersey
November 21, 2016

REQUIRED SUPPLEMENTARY INFORMATION
PART I

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The management's discussion and analysis of Edgewater Park Township School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016 and 2015. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2016:

- The total assets and deferred outflows of resources of the School District exceeded total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$352,297.51 (net position).
- The School District's total net position decreased by (\$34,172.04) 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 \$3,470,483.87, an increase of \$2,882,043.76 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The School District has three kinds of funds:

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2016 and 2015.

TABLE 1
Net Position

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 3,673,351.37	\$ 1,026,985.00	\$ 2,646,366.37	257.68%
Capital Assets	3,758,559.44	3,990,451.54	(231,892.10)	-5.81%
Total Assets	<u>7,431,910.81</u>	<u>5,017,436.54</u>	<u>2,414,474.27</u>	<u>48.12%</u>
Deferred Outflow of Resources - Related to Pensions	955,204.00	519,079.00	436,125.00	100.00%
Long-Term Liabilities	8,224,290.51	5,217,132.53	3,007,157.98	57.64%
Other Liabilities	177,201.81	378,000.48	(200,798.67)	-53.12%
Total Liabilities	<u>8,401,492.32</u>	<u>5,595,133.01</u>	<u>2,806,359.31</u>	<u>50.16%</u>
Deferred Inflow of Resources - Related to Pensions	337,920.00	259,508.00	78,412.00	100.00%
Net Position:				
Net Investment in Capital Assets	3,758,559.44	3,751,451.54	7,107.90	0.19%
Restricted	846,417.69	751,120.50	95,297.19	12.69%
Unrestricted (Deficit)	(4,957,274.64)	(4,820,697.51)	(136,577.13)	2.83%
Total Net Position	<u>\$ (352,297.51)</u>	<u>\$ (318,125.47)</u>	<u>\$ (34,172.04)</u>	<u>10.74%</u>

This is the second year of implementation for Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68. Table 2 provides an illustration of the impact that GASBS 68 and 71 had to the School District's Unrestricted Net Position.

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 997,221.00	\$ 519,079.00	\$ 478,142.00	92.11%
Less: Net Pension Liability	(4,853,726.00)	(4,354,566.00)	(499,160.00)	11.46%
Less: Deferred Inflows Related to Pensions	(337,920.00)	(259,508.00)	(78,412.00)	30.22%
	<u>\$ (4,194,425.00)</u>	<u>\$ (4,094,995.00)</u>	<u>\$ (99,430.00)</u>	<u>2.43%</u>

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2016 and 2015.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 431,915.28	\$ 470,981.70	\$ (39,066.42)	-8.29%
Federal & State Categorical Grants	4,458,539.16	3,565,598.13	892,941.03	25.04%
General Revenues:				
Property Taxes	8,939,088.19	8,556,158.00	382,930.19	4.48%
Federal & State Grants	6,644,562.36	6,635,688.94	8,873.42	0.13%
Other	256,904.12	326,555.24	(69,651.12)	-21.33%
Total Revenues	<u>20,731,009.11</u>	<u>19,554,982.01</u>	<u>1,176,027.10</u>	<u>6.01%</u>
Expenses:				
Instruction:				
Regular	4,645,241.93	4,707,528.68	(62,286.75)	-1.32%
Special Education	786,826.75	1,036,383.65	(249,556.90)	-24.08%
Other Instruction	253,685.92	308,388.42	(54,702.50)	-17.74%
Student Services:				
Tuition	3,829,275.91	3,669,008.77	160,267.14	4.37%
Student and Instruction Related	1,524,883.50	1,519,194.43	5,689.07	0.37%
General Administrative Services	562,980.64	429,219.88	133,760.76	31.16%
School Administrative Services	421,205.78	472,181.53	(50,975.75)	-10.80%
Central Services	263,027.38	205,040.07	57,987.31	28.28%
Administrative Information Technology	217,377.98	141,721.14	75,656.84	53.38%
Plant Operations and Maintenance	825,305.49	858,922.10	(33,616.61)	-3.91%
Pupil Transportation	565,896.23	546,866.68	19,029.55	3.48%
Unallocated Benefits	6,078,241.84	5,403,504.35	674,737.49	12.49%
Interest on Long-Term Debt	15,511.67	24,931.66	(9,419.99)	-37.78%
Unallocated Depreciation	177,448.45	182,746.06	(5,297.61)	-2.90%
Transfer to Charter Schools	52,850.00	65,537.00	(12,687.00)	100.00%
Food Service	382,609.33	399,764.68	(17,155.35)	-4.29%
After School Program	162,812.35	212,895.50	(50,083.15)	-23.52%
Total Expenses	<u>20,765,181.15</u>	<u>20,183,834.60</u>	<u>581,346.55</u>	<u>2.88%</u>
Increase (Decrease) in Net Position	(34,172.04)	(628,852.59)	594,680.55	(0.95)
Beginning Net Position (Deficit)	<u>(318,125.47)</u>	<u>310,727.12</u>	<u>(628,852.59)</u>	<u>-202.38%</u>
Ending Net Position (Deficit)	<u>\$ (352,297.51)</u>	<u>\$ (318,125.47)</u>	<u>\$ (34,172.04)</u>	<u>10.74%</u>

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

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

Governmental Activities

In 2015-2016, Governmental Activities Revenues were \$20,117,1010.00 or 97.04% of total revenues.

In 2014-2015, Governmental Activities Revenues were \$18,972,144.57 or 97.02% of total revenues.

In 2015-2016, General Revenues - Property Taxes of \$8,939,088.19 made up 44.44%, and General Revenues - Federal & State Grants of \$6,644,562.36 made up 33.03% of Governmental Activities Revenues.

In 2014-2015, General Revenues - Property Taxes of \$8,556,158.00 made up 45.10%, and General Revenues - Federal & State Grants of \$6,635,688.94 made up 34.98% of Governmental Activities Revenues.

In 2015-2016, the School District's Governmental Activities expenditures increased by \$648,585.05 or 3.31%.

Business-Type Activities

In 2015-16 Business-Type Activities Revenues were \$613,908.11 or 2.96% of total revenues. In 2014-2015 Business-Type Activities Revenues were \$582,837.44 or 2.98% of total revenues.

Charges for Services for Business-Type Activities were \$312,288.11 in 2015-2016 compared to \$303,425.67 in 2014-2015, a 2.92% increase.

Operating Grants and Contributions for Business-Type Activities were \$301,620.00 in 2015-2016 compared to \$279,411.77 in 2014-2015, a 7.95% increase.

Expenses for Business-Type Activities were \$545,421.68 in 2015-2016 compared to \$612,660.18 in 2014-2015, a 10.97% decrease.

General Fund Budgeting Highlights

During the fiscal 2016 school year, the Board of Education amended its general fund budget as needed. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and anticipation of miscellaneous revenues.

The final budgetary basis revenue estimate was \$16,025,775.00, which was equal to the original budget.

The 2015-2016 General Fund Tax Levy was \$8,939,088.19, an increase of \$382,930.19 or 4.48% from the 2014-2015 General Fund Tax Levy of \$8,556,158.00.

During fiscal year 2016, the School District budgeted \$8,938,914.00 and \$6,619,235 for property taxes (local tax levy) and state aid revenues, respectively.

The School District also received \$421,446.87, \$429,164.00, \$536,471.00 and \$21,378.00 in reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Pension Contributions, T.P.A.F. Post-Retirement Medical Contributions and T.P.A.F. Non-contributory Insurance, respectively.

The final budgetary basis expenditure appropriation estimate was \$16,402,155.64, which was equal to the original budget.

The School District's expenditures also include reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Pension Contributions, T.P.A.F. Post-Retirement Medical Contributions and T.P.A.F. Non-contributory Insurance of \$421,446.87, \$429,164.00, \$536,471.00 and \$21,378.00, respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2016
 (Unaudited) (Cont'd)

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

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances (deficits) of \$(563,171.79), an increase of \$36,081.53 in comparison with the prior year.

Of the combined ending fund balances (deficits) of \$(563,171.79), (\$5,189,403.33) constitutes unassigned fund balance (deficits). The remainder of fund balance of \$4,626,231.54 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary funds had \$210,874.28 in unrestricted net position, a decrease of \$70,253.57 in comparison with the prior year.

CAPITAL ASSETS

At the end of fiscal year 2016 and 2015, the School District had \$3,758,559.44 and \$3,990,451.54, respectively, in capital assets less accumulated depreciation. Net Investment in Capital Assets was \$3,758,559.44 at June 30, 2016 and \$3,751,451.54 at June 30, 2015. Table 4 reflects the capital assets.

TABLE 4
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Land	\$ 7,953.00	\$ 7,953.00
Construction in Progress	58,569.22	
Machinery and Equipment	311,829.05	402,783.25
Building and Improvements	3,198,287.95	3,387,371.87
Land Improvements	<u>181,920.22</u>	<u>192,343.42</u>
 Total Capital Assets	 <u>\$ 3,758,559.44</u>	 <u>\$ 3,990,451.54</u>

Depreciation expense was \$310,090.20 for fiscal year ended 2016 and \$287,309.17 for fiscal year ended 2015.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the School District had a bond anticipation note outstanding for \$2,700,000.00, which matured on September 1, 2016 and was paid off with the issuance of \$16,169,000.00 general obligation bonds which occurred on August 17, 2016.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

FACTORS ON THE SCHOOL DISTRICT'S FUTURE

One of the most important factors affecting the School District's budget is state aid. The 2015-16 budget was adopted with a \$382,930.19 increase in the tax levy based in part on the state aid the School District anticipated receiving, which has no anticipated increase from prior year budget. In addition, the 2016-2015 budget was supplemented by excess surplus in the amount of \$272,817.16. The School District was cautious regarding the amount of excess surplus, and recognizing that it was not sustainable, used these funds for a majority of one-time purchases and/or improvements.

Any reduction of state aid and/or an increase in expenditures will put an additional burden on the taxpayers of this School District.

In conclusion, the Edgewater Park Township Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances to show the School District's accountability for money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary at the Edgewater Park Township School District, 25 Washington Avenue, Edgewater Park, New Jersey 08010.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 359,584.63	\$ 139,908.58	\$ 499,493.21
Receivables, net	357,555.64	34,708.98	392,264.62
Inventory		12,699.30	12,699.30
Restricted Assets:			
Cash and Cash Equivalents	2,768,894.24		2,768,894.24
Capital Assets, net (Note 6)	3,731,333.85	27,225.59	3,758,559.44
Total Assets	7,217,368.36	214,542.45	7,431,910.81
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	955,204.00	-	955,204.00
LIABILITIES:			
Accounts Payable:			
Related to Pensions	157,983.00		157,983.00
Other	4,332.64	553.13	4,885.77
Unearned Revenue	11,218.00	3,115.04	14,333.04
Noncurrent Liabilities (Note 8):			
Due within One Year	27,219.30		27,219.30
Due beyond One Year	8,197,071.21		8,197,071.21
Total Liabilities	8,397,824.15	3,668.17	8,401,492.32
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions (Note 9)	337,920.00	-	337,920.00
NET POSITION:			
Net Investment in Capital Assets	3,731,333.85	27,225.59	3,758,559.44
Restricted for:			
Debt Service	25,610.00		25,610.00
Capital Projects	177,709.84		177,709.84
Other Purposes	643,097.85		643,097.85
Unrestricted (Deficit)	(5,140,923.33)	183,648.69	(4,957,274.64)
Total Net Position	\$ (563,171.79)	\$ 210,874.28	\$ (352,297.51)

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,645,241.93	\$ 119,627.17	\$ 723,355.23	\$ -	\$ (3,802,259.53)	\$ -	\$ (3,802,259.53)
Special Education	786,826.75				(786,826.75)		(786,826.75)
Other Special Instruction	253,685.92				(253,685.92)		(253,685.92)
Support Services:							
Tuition	3,829,275.91		55,406.06		(3,829,275.91)		(3,829,275.91)
Student and Instruction Related Services	1,524,883.50				(1,469,477.44)		(1,469,477.44)
General Administrative Services	562,980.64				(562,980.64)		(562,980.64)
School Administrative Services	421,205.78				(421,205.78)		(421,205.78)
Central Services	263,027.38				(263,027.38)		(263,027.38)
Administrative Information Technology	217,377.98				(217,377.98)		(217,377.98)
Plant Operations and Maintenance	825,305.49				(825,305.49)		(825,305.49)
Pupil Transportation	565,896.23				(565,896.23)		(565,896.23)
Unallocated Benefits	6,078,241.84		3,293,647.87		(2,784,593.97)		(2,784,593.97)
Transfer to Charter Schools	52,850.00		84,510.00		(52,850.00)		(52,850.00)
Interest on Long-Term Debt	15,511.67				68,998.33		68,998.33
Unallocated Depreciation	177,448.45				(177,448.45)		(177,448.45)
Total Governmental Activities	20,219,759.47	119,627.17	4,156,919.16	-	(15,943,213.14)	-	(15,943,213.14)
Business-Type Activities:							
Food Service	382,609.33	129,694.61	301,620.00			48,705.28	48,705.28
After School Program	162,812.35	182,593.50				19,781.15	19,781.15
Total Business-Type Activities	545,421.68	312,288.11	301,620.00	-	-	68,486.43	68,486.43
Total Primary Government	\$ 20,765,181.15	\$ 431,915.28	\$ 4,458,539.16	\$ -	(15,943,213.14)	68,486.43	(15,874,726.71)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					8,939,088.19		8,939,088.19
Federal and State Aid Not Restricted					6,644,562.36		6,644,562.36
Investment Earnings					7,723.34		7,723.34
Miscellaneous Income					249,180.78		249,180.78
Transfers					138,740.00	(138,740.00)	-
Total General Revenues					15,979,294.67	(138,740.00)	15,840,554.67
Change in Net Position					36,081.53	(70,253.57)	(34,172.04)
Net Position (Deficit) -- July 1					(599,253.32)	281,127.85	(318,125.47)
Net Position (Deficit) -- June 30					\$ (563,171.79)	\$ 210,874.28	\$ (352,297.51)

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

FUND FINANCIAL STATEMENTS

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Governmental Funds
Balance Sheet
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 359,584.63	\$ -	\$ 2,743,284.24	\$ 25,610.00	\$ 3,128,478.87
Interfund Receivable:					
Special Revenue Fund	133,310.16				133,310.16
Capital Projects Fund	8,913.00				8,913.00
Accounts Receivable:					
Federal		135,147.86			135,147.86
State	5,916.00		143,338.60		149,254.60
Other	73,153.18				73,153.18
Total Assets	\$ 580,876.97	\$ 135,147.86	\$ 2,886,622.84	\$ 25,610.00	\$ 3,628,257.67
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfund Payable:					
General Fund	\$ -	\$ 133,310.16	\$ 8,913.00	\$ -	\$ 142,223.16
Unearned Revenue		11,218.00			11,218.00
Accounts Payable	4,332.64				4,332.64
Total Liabilities	4,332.64	144,528.16	8,913.00	-	157,773.80
Fund Balances:					
Restricted:					
Maintenance Reserve	100,083.80				100,083.80
Emergency Reserve	176,961.51				176,961.51
Capital Reserve	141,715.38				141,715.38
Excess Surplus - Current Year	224,337.16				224,337.16
Capital Projects			2,877,709.84		2,877,709.84
Debt Service				25,610.00	25,610.00
Assigned:					
Designated for Subsequent Year's Expenditures	200,000.00				200,000.00
Unassigned:					
General Fund (Deficit)	(266,553.52)				(266,553.52)
Special Revenue Fund (Deficit)		(9,380.30)			(9,380.30)
Total Fund Balances	576,544.33	(9,380.30)	2,877,709.84	25,610.00	3,470,483.87
Total Liabilities and Fund Balances	\$ 580,876.97	\$ 135,147.86	\$ 2,886,622.84	\$ 25,610.00	

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 \$12,334,443.31, and the accumulated depreciation is \$8,603,109.46. 3,731,333.85

Long-term liabilities, including bonds payable and bond anticipation notes payable are not due and payable in the current period and therefore are not reported as liabilities in the funds:

Compensated Absences Payable	(670,564.51)
Bond Anticipation Notes Payable	(2,700,000.00)
Net Pension Liability	(4,853,726.00)
Accounts Payable related to the April 1, 2017 required PERS pension contribution that is not to be liquidated with current financial resources.	(157,983.00)
Deferred Outflows of Resources - Related to Pensions	955,204.00
Deferred Inflows of Resources - Related to Pensions	(337,920.00)
Net Position of Governmental Activities	\$ (563,171.79)

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

EDGEWATER PARK TOWNSHIP 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	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 8,939,088.19	\$ -	\$ -	\$ -	\$ 8,939,088.19
Unrestricted Miscellaneous Revenues	376,531.29				376,531.29
State Sources	8,049,872.87	93,803.00		84,510.00	8,228,185.87
Federal Sources	3,149.36	684,958.29			688,107.65
Total Revenues	17,368,641.71	778,761.29	-	84,510.00	18,231,913.00
EXPENDITURES:					
Current:					
Regular Instruction	3,875,434.66	723,355.23			4,598,789.89
Special Education Instruction	786,826.75				786,826.75
Other Special Instruction	253,685.92				253,685.92
Support Services and Undistributed Costs:					
Tuition	3,829,275.91				3,829,275.91
Student and Instruction Related Services	1,469,477.44	55,406.06			1,524,883.50
General Administrative Services	502,804.01				502,804.01
School Administrative Services	421,205.78				421,205.78
Central Services	263,027.38				263,027.38
Administrative Information Technology	217,377.98				217,377.98
Plant Operations and Maintenance	803,460.66				803,460.66
Pupil Transportation	565,210.50				565,210.50
Unallocated Benefits	4,032,517.86				4,032,517.86
Transfer to Charter Schools	52,850.00				52,850.00
Debt Service:					
Principal				239,000.00	239,000.00
Interest and Other Charges	9,935.00			9,560.00	19,495.00
Capital Outlay	19,628.88		58,569.22		78,198.10
Total Expenditures	17,102,718.73	778,761.29	58,569.22	248,560.00	18,188,609.24
Excess (Deficiency) of Revenues over Expenditures	265,922.98	-	(58,569.22)	(164,050.00)	43,303.76
OTHER FINANCING SOURCES (USES):					
Proceeds from Issuance of Bond Anticipation Note			2,700,000.00		2,700,000.00
Transfer from Other Funds: After School Fund				138,740.00	138,740.00
Total Other Financing Sources and Uses	-	-	2,700,000.00	138,740.00	2,838,740.00
Net Change in Fund Balance	265,922.98	-	2,641,430.78	(25,310.00)	2,882,043.76
Fund Balance (Deficit) -- July 1	310,621.35	(9,380.30)	236,279.06	50,920.00	588,440.11
Fund Balance (Deficit) -- June 30	<u>\$ 576,544.33</u>	<u>\$ (9,380.30)</u>	<u>\$ 2,877,709.84</u>	<u>\$ 25,610.00</u>	<u>\$ 3,470,483.87</u>

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2016

Total Net Change in Fund Balances - Governmental Funds \$ 2,882,043.76

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	\$ (306,607.68)
Capital Outlays	<u>78,198.10</u>
	(228,409.58)

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. 239,000.00

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt. 3,983.33

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 (+).

Compensated Absences	(46,997.98)
Proceeds from the Issuance of Bond Anticipation Notes Payable	<u>(2,700,000.00)</u>
	(2,746,997.98)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. (113,538.00)

Change in Net Position of Governmental Activities \$ 36,081.53

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Statements of Net Position
June 30, 2016

	<u>Food Service</u>	<u>After School Program</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 54,069.92	\$ 85,838.66
Accounts Receivable:		
State	251.71	
Federal	34,457.27	
Inventories	<u>12,699.30</u>	
Total Current Assets	<u>101,478.20</u>	<u>85,838.66</u>
Noncurrent Assets:		
Machinery and Equipment	194,352.77	
Less Accumulated Depreciation	<u>(167,127.18)</u>	
Total Noncurrent Assets	<u>27,225.59</u>	<u>-</u>
Total Assets	<u>128,703.79</u>	<u>85,838.66</u>
LIABILITIES :		
Current Liabilities:		
Unearned Revenue	3,115.04	
Accounts Payable		553.13
Total Current Liabilities	<u>3,115.04</u>	<u>553.13</u>
NET POSITION:		
Net Investment in Capital Assets	27,225.59	
Unrestricted	<u>98,363.16</u>	<u>85,285.53</u>
Total Net Position	<u>\$ 125,588.75</u>	<u>\$ 85,285.53</u>

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Statements of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2016

	Food Service	After School Program
OPERATING REVENUES:		
Charges for Services:		
Daily Sales - Reimbursable	\$ 86,810.25	\$ -
Daily Sales - Non-Reimbursable	42,884.36	
Program Fees		182,593.50
Total Operating Revenues	<u>129,694.61</u>	<u>182,593.50</u>
OPERATING EXPENSES:		
Salaries and Benefits	165,584.88	156,311.80
Supplies and Materials	12,173.48	6,500.55
Cost of Sales - Reimbursable Programs	143,747.95	
Cost of Sales - Non-reimbursable Programs	16,962.00	
Management Fee	23,499.84	
Purchased Professional Educational Services	1,885.00	
Depreciation	3,482.52	
Miscellaneous	15,273.66	
Total Operating Expenses	<u>382,609.33</u>	<u>162,812.35</u>
Operating Income (Loss)	<u>(252,914.72)</u>	<u>19,781.15</u>
NONOPERATING REVENUES:		
State Sources:		
State School Lunch Program	4,595.08	
Federal Sources:		
National School Lunch Program	203,003.11	
National School Breakfast Program	42,554.93	
Special Milk Program	955.94	
Snack Program	10,910.76	
Food Distribution Program	39,600.18	
Total Nonoperating Revenues	<u>301,620.00</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	<u>48,705.28</u>	<u>19,781.15</u>
Contributions and Transfers:		
Transfer to - Debt Service Fund		<u>(138,740.00)</u>
Change in Net Position	48,705.28	(118,958.85)
Total Net Position -- July 1	<u>76,883.47</u>	<u>204,244.38</u>
Total Net Position -- June 30	<u>\$ 125,588.75</u>	<u>\$ 85,285.53</u>

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Statements of Cash Flows
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>After School Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 129,694.61	\$ 182,593.50
Payments for Salaries and Benefits	(165,584.88)	(152,164.54)
Payments to Suppliers	<u>(176,332.68)</u>	<u>(10,979.24)</u>
Net Cash Provided by (used for) Operating Activities	<u>(212,222.95)</u>	<u>19,449.72</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal and State Sources	246,499.48	
Transfer to Other Funds		<u>(138,740.00)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>246,499.48</u>	<u>(138,740.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	34,276.53	(119,290.28)
Cash and Cash Equivalents -- July 1	<u>19,793.39</u>	<u>205,128.94</u>
Cash and Equivalents -- June 30	<u>\$ 54,069.92</u>	<u>\$ 85,838.66</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (252,914.72)	\$ 19,781.15
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation	3,482.52	
Food Distribution Program	39,600.18	
(Increase) Decrease in Inventories	(3,212.11)	
(Increase) Decrease in Accounts Receivables	471.59	
Increase (Decrease) in Unearned Revenue	349.59	
Increase (Decrease) in Accounts Payable		<u>(331.43)</u>
Total Adjustments	<u>40,691.77</u>	<u>(331.43)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (212,222.95)</u>	<u>\$ 19,449.72</u>

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2016

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>	<u>loo</u>
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 16,254.56	\$ 57,509.20	\$ 575.70
Total Assets	<u>16,254.56</u>	<u>\$ 57,509.20</u>	<u>\$ 575.70</u>
LIABILITIES:			
Payable to Student Groups Payroll Deductions Payable		\$ 57,509.20	\$ - 575.70
Total Liabilities	<u>-</u>	<u>\$ 57,509.20</u>	<u>\$ 575.70</u>
NET POSITION:			
Held in Trust for Unemployment Claims and Other Purposes	<u>16,254.56</u>		
Total Net Position	<u>\$ 16,254.56</u>		

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Year Ended June 30, 2016

	Private-Purpose Trust Fund
	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Employee Payroll Deductions	\$ 11,665.89
Total Additions	11,665.89
DEDUCTIONS:	
Other Deductions	18,421.66
Unemployment Claims	15,684.68
Total Deductions	34,106.34
Change in Net Position	(22,440.45)
Net Position -- July 1	38,695.01
Net Position -- June 30	\$ 16,254.56

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

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 8 at its two schools. The School District has an approximate enrollment at June 30, 2016 of 855.

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 no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

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

After School Fund - This fund accounts for the financial transactions related to day care services provided to School District students before and after school.

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

The School District maintains the following fiduciary funds:

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

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

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all 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 exhibits C-1, C-2 and I-3 includes all amendments to the adopted budget, if any.

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

Encumbrances

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

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

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.

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

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

Short-Term Interfund Receivables / Payables

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

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>	Governmental Activities <u>Estimated Lives</u>	Business Activities <u>Estimated Lives</u>
Machinery & Equipment	5 - 20 Years	12 Years
Buildings & Improvements	10 - 20 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.

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

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.

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, the School District's bank balances of \$3,987,210.23 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 3,912,132.53
Uninsured and Uncollateralized	<u>75,077.70</u>
Total	<u>\$ 3,987,210.23</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account 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	\$ 141,573.74
Increased by:	
Interest Earnings	<u>141.64</u>
Ending Balance, June 30, 2016	<u>\$ 141,715.38</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted projects.

Note 4: 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>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	
Federal Awards	\$ -	\$ 135,147.86	\$ -	\$ 135,147.86	\$ 34,457.27	\$ 169,605.13
State Awards	5,916.00		143,338.60	149,254.60	251.71	149,506.31
Tuition Charges	73,153.18			73,153.18		73,153.18
	<u>\$ 79,069.18</u>	<u>\$ 135,147.86</u>	<u>\$ 143,338.60</u>	<u>\$ 357,555.64</u>	<u>\$ 34,708.98</u>	<u>\$ 392,264.62</u>

Note 5: 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	\$ 10,029.30
Supplies	<u>2,670.00</u>
	<u>\$ 12,699.30</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 7,953.00	\$ -	\$ -	\$ 7,953.00
Construction in Progress		58,569.22		58,569.22
Total Capital Assets, not being Depreciated	<u>7,953.00</u>	<u>58,569.22</u>	<u>-</u>	<u>66,522.22</u>
Capital Assets, being Depreciated:				
Machinery and Equipment	1,115,665.60	12,695.24		1,128,360.84
Buildings and Improvements	10,810,385.54	6,933.64		10,817,319.18
Land Improvements	322,241.07			322,241.07
Total Capital Assets, being Depreciated	<u>12,248,292.21</u>	<u>19,628.88</u>	<u>-</u>	<u>12,267,921.09</u>
Total Capital Assets, Cost	<u>12,256,245.21</u>	<u>78,198.10</u>	<u>-</u>	<u>12,334,443.31</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(712,882.35)	(130,875.03)		(843,757.38)
Buildings and Improvements	(7,453,721.78)	(165,309.45)		(7,619,031.23)
Land Improvements	(129,897.65)	(10,423.20)		(140,320.85)
Total Accumulated Depreciation	<u>(8,296,501.78)</u>	<u>(306,607.68)</u>	<u>-</u>	<u>(8,603,109.46)</u>
Total Capital Assets, being Depreciated, Net	<u>3,951,790.43</u>	<u>(286,978.80)</u>	<u>-</u>	<u>3,664,811.63</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,959,743.43</u>	<u>\$ (228,409.58)</u>	<u>-</u>	<u>\$ 3,731,333.85</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 194,352.77	\$ -	\$ -	\$ 194,352.77
Less Accumulated Depreciation for:				
Machinery and Equipment	(163,644.66)	(3,482.52)		(167,127.18)
Business-Type Activities Capital Assets, Net	<u>\$ 30,708.11</u>	<u>\$ (3,482.52)</u>	<u>\$ -</u>	<u>\$ 27,225.59</u>

Note 6: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

Regular Instruction	\$ 46,452.04
General and Business Administrative Services	60,176.63
Transportation	685.73
Plant Operations and Maintenance	21,844.83
Unallocated	<u>177,448.45</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 306,607.68</u>
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Business-Type Activities:

Food Service	<u>\$ 3,482.52</u>
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Note 7: SHORT-TERM OBLIGATIONS

The schedule below details the change in short-term debt during the fiscal year ended June 30, 2016 for the governmental activities:

<u>Description</u>	<u>Balance July 1, 2015</u>	<u>Issued/ Additions</u>	<u>Other Net Decreases*</u>	<u>Balance June 30, 2016</u>
Governmental Activities:				
Bond Anticipation Notes	<u>\$ -</u>	<u>\$ 2,700,000.00</u>	<u>\$ (2,700,000.00)</u>	<u>\$ -</u>

* The short-term debt was refinanced by general obligation bonds subsequent to the fiscal year end (see note 21) and therefore considered long-term debt at June 30, 2016.

Bond Anticipation Notes – On March 17, 2016, the School District issued a \$2,700,000.00 bond anticipation note to fund renovation projects approved on January 1, 2016. This amount was reported as other financing sources in the fund financial statements. The bond anticipation note bears an interest rate of 1.35% and matures September 1, 2016.

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	<u>\$ 239,000.00</u>	<u>\$ -</u>	<u>\$ (239,000.00)</u>	<u>\$ -</u>	<u>\$ -</u>
Other Liabilities:					
Bond Anticipation Notes Payable		2,700,000.00		2,700,000.00	
Compensated Absences	623,566.53	231,573.00	(184,575.25)	670,564.28	27,219.30
Net Pension Liability (note 9)	<u>4,354,566.00</u>	<u>1,356,159.00</u>	<u>(856,999.00)</u>	<u>4,853,726.00</u>	
Total Other Liabilities	<u>4,978,132.53</u>	<u>4,287,732.00</u>	<u>(1,041,574.25)</u>	<u>8,224,290.28</u>	<u>27,219.30</u>
Governmental Activity Long-Term Liabilities	<u>\$ 5,217,132.53</u>	<u>\$ 4,287,732.00</u>	<u>\$ (1,280,574.25)</u>	<u>\$ 8,224,290.28</u>	<u>\$ 27,219.30</u>

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

The compensated absences and net pension liability are liquidated by the general fund. The bond anticipation notes payable are liquidated by the capital projects fund.

Bonds Authorized but not Issued - As of June 30, 2016, the School District authorized the issuance of \$16,169,208.00 in additional debt, see note 21.

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

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

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (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>

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

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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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.

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.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.76% 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 \$325,271.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$409,222.63.

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 13.27% 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 \$185,892.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$85,570.98.

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

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 \$17,541.77, and the School District recognized pension expense of \$9,848.77. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 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>38,253,648.00</u>
	<u>\$ 38,253,648.00</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 .0605238342%, which was an increase of .0063962121% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$2,335,730.00 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.

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

Public Employees' Retirement System - At June 30, 2016, the School District reported a liability of \$4,853,726.00 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 .0216220918%, which was a decrease of .0016360783% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$299,420.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

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	\$ 115,793.00	\$ -
Changes of Assumptions	521,251.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	78,039.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	160,177.00	259,881.00
School District Contributions Subsequent to the Measurement Date	157,983.00	-
	<u>\$ 955,204.00</u>	<u>\$ 337,920.00</u>

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

Public Employees' Retirement System (Cont'd) - \$157,983.00 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:

Year Ending <u>June 30,</u>		
2017	\$	83,411.00
2018		83,411.00
2019		83,410.00
2020		148,289.00
2021		<u>60,780.00</u>
	\$	<u>459,301.00</u>

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

Public Employees' Retirement System (Cont'd) – 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 9: 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 9: 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 for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years actuarially determined 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 9: 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	45,463,031.00	38,253,648.00	32,042,333.00
	<u>\$ 45,463,031.00</u>	<u>\$ 38,253,648.00</u>	<u>\$ 32,042,333.00</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	<u>\$ 6,032,588.00</u>	<u>\$ 4,853,726.00</u>	<u>\$ 3,865,377.00</u>

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 10: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 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 11: 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, post-retirement medical costs and non-contributory insurance were \$429,164.00, \$536,471.00.00 and \$21,378.00, respectively.

Note 12: RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</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	\$ -	\$ 11,665.89	\$ -	\$ 34,106.34	\$ 16,254.56
2015	25,000.00	19,466.15	22.15	37,105.20	38,695.01
2014	843.00	20,031.50	34.81	34,363.76	31,311.91

Note 13: DEFERRED COMPENSATION

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

Met Life
Equitable
Lincoln

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position was \$670,564.52.

Note 15: 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	\$ 142,223.16	\$ -
Special Revenue		133,310.16
Capital Projects		8,913.00
	<u>\$ 142,223.16</u>	<u>\$ 142,223.16</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 - During the fiscal year the After School Program transferred \$138,740.00 to the Debt Service Fund.

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2016 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Project</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Anne C. Jacques School Renovations	01/26/16	\$ 4,843,252.15
Mildred Magowan School Renovations	01/26/16	5,506,442.13
Samuel M. Ridgeway School Renovations	01/26/16	<u>5,711,512.40</u>
		<u>\$ 16,061,206.68</u>

Note 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$266,553.52 in the general fund and \$9,380.30 in the special revenue 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.

Note 19: DEFICIT FUND BALANCES (CONT'D)

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 \$266,553.52 is less than the June state aid payments.

Note 20: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to 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 \$224,337.16.

For Capital Reserve Account - As of June 30, 2016, the balance in the capital reserve account is \$141,715.38. 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 \$100,083.80. 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).

For Emergency Reserve - As of June 30, 2016, the balance in the emergency reserve is \$176,961.51. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

Capital Projects Fund - On March 17, 2016, the School District issued a \$2,700,000.00 Bond Anticipation Note to fund renovations. The Bond Anticipation Note was authorized as part of a proposal approved by the voters of the School District at a special election held on January 26, 2016. The issuance was approved by the voters for repairs and improvements at Anne C. Jacque, Mildred Magowan and Samuel M. Ridgeway schools, including the replacement of a portion of the roof. As of June 30, 2016, the restricted fund balance amount was \$2,877,709.84.

Note 20: 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 anticipated revenue for the fiscal year ending June 30, 2017 \$25,610.00 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 anticipated revenue for the fiscal year ending June 30, 2017 \$200,000.00 of general fund balance at June 30, 2016.

UNASSIGNED

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

General Fund - As of June 30, 2016, the fund balance of the general fund was a deficit of \$266,553.52, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$266,553.52 is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2016, the fund balance of the special revenue fund was a deficit of \$9,380.30, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, 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 special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$9,380.30 is less than the last state aid payment.

Note 21: SUBSEQUENT EVENTS

On August 17, 2016, the School District issued \$16,169,000.00 in general obligation bonds (bonds). The bonds were issued by the School District to provide funds to finance school renovations passed by a special election on January 26, 2016. The bonds will mature on July 15, 2036 and bear interest rates ranging from 2.0% to 3.0%. The bonds will pay off the \$2,700,000.00 bond anticipation note outstanding at June 30, 2016.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

EDGEWATER PARK TOWNSHIP 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	\$ 8,938,914.00	\$ -	\$ 8,938,914.00	\$ 8,939,088.19	\$ 174.19
Tuition	54,500.00	-	54,500.00	119,627.17	65,127.17
Transportation fees from other LEAs	22,800.00	-	22,800.00	-	(22,800.00)
Rents and Royalties	85,000.00	-	85,000.00	85,050.00	50.00
Private Contributions	1,000.00	-	1,000.00	-	(1,000.00)
Unrestricted Miscellaneous Revenues	282,001.00	-	282,001.00	171,854.12	(110,146.88)
Total - Local Sources	9,384,215.00	-	9,384,215.00	9,315,619.48	(68,595.52)
State Sources:					
Categorical Special Education Aid	583,952.00	-	583,952.00	583,952.00	-
Equalization Aid	5,627,373.00	-	5,627,373.00	5,627,373.00	-
Categorical Security Aid	248,909.00	-	248,909.00	248,909.00	-
Categorical Transportation Aid	133,655.00	-	133,655.00	133,655.00	-
Under Adequacy Aid	4,746.00	-	4,746.00	4,746.00	-
PARCC Readiness Aid	10,300.00	-	10,300.00	10,300.00	-
Per Pupil Growth Aid	10,300.00	-	10,300.00	10,300.00	-
Non-Public Transportation Aid	-	-	-	5,916.00	5,916.00
On-Behalf T.P.A.F. Pension Contributions - Normal Costs (non-budgeted)	-	-	-	429,164.00	429,164.00
On-Behalf T.P.A.F. Pension Contributions - Insurance (non-budgeted)	-	-	-	21,378.00	21,378.00
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)	-	-	-	536,471.00	536,471.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	421,446.87	421,446.87
Total - State Sources	6,619,235.00	-	6,619,235.00	8,033,610.87	1,414,375.87
Federal Sources:					
Medical Reimbursement Program (SEMI)	22,325.00	-	22,325.00	3,149.36	(19,175.64)
Total - Federal Sources	22,325.00	-	22,325.00	3,149.36	(19,175.64)
Total Revenues	16,025,775.00	-	16,025,775.00	17,352,379.71	1,326,604.71

(Continued)

EDGEWATER PARK TOWNSHIP 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:					
Preschool	\$ 145,740.00	\$ (130,281.19)	\$ 15,458.81	\$ 15,458.81	\$ -
Kindergarten	301,015.00	(1,170.00)	299,845.00	299,845.00	-
Grades 1-5	2,176,045.00	(363,444.29)	1,812,600.71	1,812,600.63	0.08
Grades 6-8	1,148,158.00	157,691.95	1,305,849.95	1,301,987.83	3,862.12
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000.00	1,120.00	6,120.00	6,120.00	-
Purchased Professional - Educational Services	-	2,176.00	2,176.00	2,176.00	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	244,412.00	59,457.83	303,869.83	303,579.50	290.33
Other Purchased Services (400-500 series)	15,875.50	(6,039.03)	9,836.47	7,325.12	2,511.35
General Supplies	88,000.16	(16,986.50)	71,013.66	66,422.99	4,590.67
Textbooks	45,997.70	538.59	46,536.29	45,246.78	1,289.51
Other Objects	7,250.00	7,750.00	15,000.00	14,672.00	328.00
Total Regular Programs - Instruction	4,177,493.36	(289,186.64)	3,888,306.72	3,875,434.66	12,872.06
Special Education Instruction:					
Multiple Disabilities:					
Salaries of Teachers	141,471.00	125,429.00	266,900.00	265,980.00	920.00
Other Salaries for Instruction	130,477.00	(77,226.05)	53,250.95	51,278.66	1,972.29
General Supplies	500.00	568.19	1,068.19	1,067.53	0.66
Other Objects	500.00	(400.53)	99.47	-	99.47
Total Multiple Disabilities	272,948.00	48,370.61	321,318.61	318,326.19	2,992.42
Resource Room / Resource Center:					
Salaries of Teachers	467,760.00	(107,797.50)	359,962.50	358,956.35	1,006.15
General Supplies	900.00	414.39	1,314.39	1,256.81	57.58
Total Resource Room / Resource Center	468,660.00	(107,383.11)	361,276.89	360,213.16	1,063.73
Preschool Disabilities - Part Time:					
Salaries of Teachers	-	118,287.50	118,287.50	108,287.40	10,000.10
Total Preschool Disabilities - Part Time	-	118,287.50	118,287.50	108,287.40	10,000.10
Total Special Education - Instruction	741,608.00	59,275.00	800,883.00	786,826.75	14,056.25

(Continued)

EDGEWATER PARK TOWNSHIP 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 (Contd):					
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 69,460.00	\$ (26,984.00)	\$ 42,476.00	\$ 40,476.00	\$ 2,000.00
General Supplies	500.00	-	500.00	199.81	300.19
Total Basic Skills / Remedial - Instruction	69,960.00	(26,984.00)	42,976.00	40,675.81	2,300.19
Bilingual Education - Instruction:					
Salaries of Teachers	142,270.00	(414.39)	141,855.61	139,336.92	2,518.69
General Supplies	3,032.00	(126.00)	2,906.00	2,406.72	499.28
Total Bilingual Education - Instruction	145,302.00	(540.39)	144,761.61	141,743.64	3,017.97
School Sponsored Cocurricular Activities - Instruction:					
Salaries	56,831.00	(13,304.26)	43,526.74	43,526.74	-
Supplies and Materials	4,175.10	(3,060.62)	1,114.48	1,114.48	-
Total School Sponsored Cocurricular Activities - Instruction	61,006.10	(16,364.88)	44,641.22	44,641.22	-
School Sponsored Athletics - Instruction:					
Salaries	18,025.00	4,220.25	22,245.25	22,245.25	-
Purchased Services (300-500 series)	2,550.00	431.00	2,981.00	2,981.00	-
Supplies and Materials	4,500.00	(3,101.00)	1,399.00	1,399.00	-
Total School Sponsored Athletics - Instruction	25,075.00	1,550.25	26,625.25	26,625.25	-
Total Instruction	5,220,444.46	(272,250.66)	4,948,193.80	4,915,947.33	32,246.47
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	2,233,800.00	(767.00)	2,233,033.00	2,209,576.22	23,456.78
Tuition to Other LEAs Within the State - Special	577,500.00	(131,599.00)	445,901.00	353,867.36	92,033.64
Tuition to County Vocation School District - Regular	333,947.00	83,157.00	417,104.00	417,104.00	-
Tuition to County Vocation School District - Special	40,573.00	(40,573.00)	-	-	-
Tuition to CSSD and Regional Day Schools	481,056.00	259,399.07	740,455.07	677,119.33	63,335.74
Tuition to Private Schools for the Disabled - Within State	227,696.00	(113,141.00)	114,555.00	113,945.00	610.00
Tuition - State Facilities	22,699.00	34,965.00	57,664.00	57,664.00	-
Total Undistributed Expenditures - Instruction	3,917,271.00	91,441.07	4,008,712.07	3,829,275.91	179,436.16

EDGEWATER PARK TOWNSHIP 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 (Contd):					
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	\$ -	\$ 44,890.50	\$ 44,890.50	\$ 44,890.50	\$ -
Purchased Professional and Technical Services	-	5,660.00	5,660.00	5,660.00	-
Total Undistributed Expenditures - Attendance and Social Work Services	-	50,550.50	50,550.50	50,550.50	-
Undistributed Expenditures - Health Services:					
Salaries	143,698.00	2,306.30	146,004.30	145,904.30	100.00
Purchased Professional and Technical Services	6,500.00	358.22	6,858.22	6,189.96	668.26
Other Purchased Services (400-500 series)	500.00	(294.96)	205.04	52.44	152.60
Supplies and Materials	1,981.00	(177.06)	1,803.94	1,803.94	-
Other Objects	300.00	605.00	905.00	905.00	-
Total Undistributed Expenditures - Health Services	152,979.00	2,797.50	155,776.50	154,855.64	920.86
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	226,056.00	(9,094.47)	216,961.53	216,961.53	-
Purchased Professional - Educational Services	-	41,017.00	41,017.00	41,017.00	-
Supplies and Materials	3,600.00	(2,555.00)	1,045.00	1,044.92	0.08
Other Objects	500.00	(500.00)	-	-	-
Total Undistributed Expenditures - Speech, OT, PT and Related Services	230,156.00	28,867.53	259,023.53	259,023.45	0.08
Undistributed Expenditures - Other Supp. Serv. Students-Extra. Serv.:					
Salaries	-	58,693.00	58,693.00	58,693.00	-
Total Undistributed Expenditures - Other Supp. Serv. Students-Extra. Serv.	-	58,693.00	58,693.00	58,693.00	-
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	177,205.00	51,771.00	228,976.00	228,315.41	660.59
Salary Secretary and Clerical Asst	88,590.00	(88,590.00)	-	-	-
Purchased Professional - Educational Services	1,250.00	(1,250.00)	-	-	-
Purchased Professional and Technical Services	1,250.00	(1,250.00)	-	-	-
Other Purchased Services (400-500 series)	1,000.00	-	1,000.00	-	1,000.00
Supplies and Materials	1,660.00	-	1,660.00	522.44	1,137.56
Other Objects	500.00	(232.81)	267.19	199.09	68.10
Total Undistributed Expenditures - Guidance	271,455.00	(39,551.81)	231,903.19	229,036.94	2,866.25

(Continued)

EDGEWATER PARK TOWNSHIP 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 (Contd):					
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	\$ 242,284.00	\$ 38,133.28	\$ 280,417.28	\$ 280,417.07	\$ 0.21
Salaries of Secretarial and Clerical Assistants	41,271.00	(3,586.26)	37,684.74	37,276.78	407.96
Purchased Professional and Technical Services	12,000.00	64,235.80	76,235.80	74,926.76	1,309.04
Miscellaneous Purchased Svcs (400-500 series other than Resid Costs)	16,492.40	(10,803.94)	5,688.46	5,389.54	298.92
Supplies and Materials	2,800.00	6,045.29	8,845.29	8,798.52	46.77
Other Objects	500.00	-	500.00	-	500.00
Total Undistributed Expenditures - Child Study Teams	315,347.40	94,024.17	409,371.57	406,808.67	2,562.90
Undistributed Expenditures - Improvement of Instructional Services:					
Salary of Supervisor of Instruction	58,650.00	12,000.00	70,650.00	54,755.63	15,894.37
Salaries of Secretarial and Clerical Assistants	-	21,622.20	21,622.20	21,622.06	0.14
Purchased Professional and Technical Services	60,000.00	(35,923.86)	24,076.14	22,569.18	1,506.96
Other Purchased Services (400-500)	2,345.75	-	2,345.75	308.71	2,037.04
Supplies and Materials	2,088.00	(1,090.00)	998.00	782.34	215.66
Total Undistributed Expend. - Improvement of Instructional Services	123,083.75	(3,391.66)	119,692.09	100,037.92	19,654.17
Undistributed Expenditures - Educational Media Serv./Sch. Library:					
Salaries	-	58,170.00	58,170.00	58,170.00	-
Salaries Other Professional Staff	50,110.00	(24,314.46)	25,795.54	19,081.44	6,714.10
Purchased Professional and Technical Services	84,480.00	(3,023.53)	81,456.47	81,456.47	-
Supplies and Materials	38,488.83	(188.31)	38,300.52	38,300.29	0.23
Total Undistributed Expenditures - Educational Media Serv./Sch. Library	173,078.83	30,643.70	203,722.53	197,008.20	6,714.33
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	-	8,406.00	8,406.00	8,406.00	-
Salaries Other Professional Staff	46,768.00	(41,566.13)	5,201.87	4,557.12	644.75
Salaries of Secretarial and Clerical Assist	22,054.00	(22,054.00)	-	-	-
Purchased Professional - Educational Services	2,730.00	(2,230.00)	500.00	500.00	-
Total Undistributed Expenditures - Instructional Staff Training Services	71,552.00	(57,444.13)	14,107.87	13,463.12	644.75

EDGEWATER PARK TOWNSHIP 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 (Contd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 192,644.00	\$ (1,880.08)	\$ 190,763.92	\$ 190,763.82	\$ 0.10
Legal Services	30,000.00	5,938.19	35,938.19	35,938.19	-
Audit Fees	26,000.00	21,500.00	47,500.00	47,500.00	-
Architectural/Engineering Services	5,000.00	5,478.50	10,478.50	10,478.50	-
Other Purchased Professional Services	1,000.00	1,572.00	2,572.00	2,572.00	-
Communications / Telephone	151,826.00	41,702.03	193,528.03	190,685.51	2,842.52
BOE Other Purchased Services	4,500.00	(3,005.12)	1,494.88	1,494.88	-
Miscellaneous Purchased Services	25,110.00	(16,273.26)	8,836.74	8,836.74	-
General Supplies	1,500.00	517.59	2,017.59	2,017.59	-
BOE In- House Training / Meeting Supplies	300.00	(300.00)	-	-	-
Miscellaneous Expenditures	3,000.00	2,300.58	5,300.58	5,300.58	-
BOE Membership Dues and Fees	8,500.00	(1,283.80)	7,216.20	7,216.20	-
Total Undistributed Expenditures - Support Services - General Administration	449,380.00	56,266.63	505,646.63	502,804.01	2,842.62
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	192,501.00	59,355.81	251,856.81	251,856.73	0.08
Salaries of Secretarial and Clerical Assistants	93,376.00	(2,575.96)	90,800.04	90,799.96	0.08
Purchased Professional and Technical Services	34,000.00	1,998.52	35,998.52	35,987.03	11.49
Other Purchased Services (400-500 series)	31,150.17	(697.12)	30,453.05	24,514.05	5,939.00
Supplies and Materials	26,483.98	(13,167.97)	13,316.01	12,100.13	1,215.88
Other Objects	4,000.00	2,039.88	6,039.88	5,947.88	92.00
Total Undistributed Expenditures - Support Services - School Administration	381,511.15	46,953.16	428,464.31	421,205.78	7,258.53
Undistributed Expenditures - Central Services:					
Salaries	188,438.00	18,898.68	207,336.68	203,413.58	3,923.10
Purchased Professional Services	37,750.00	(1,476.68)	36,273.32	36,273.32	-
Purchased Technical Services	8,500.00	-	8,500.00	8,242.24	257.76
Miscellaneous Purchased Services (400-500) [O/T 594]	10,982.07	(1,758.23)	9,223.84	8,410.14	813.70
Supplies and Materials	2,000.00	665.00	2,665.00	2,646.52	18.48
Interest on Lease Purchase Agreements	4,000.00	(1,939.52)	2,060.48	-	2,060.48
Miscellaneous Expenditures	2,000.00	2,266.04	4,266.04	4,041.58	224.46
Total Undistributed Expenditures - Central Services	253,670.07	16,655.29	270,325.36	263,027.38	7,297.98

EDGEWATER PARK TOWNSHIP 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 (Contd):					
Undistributed Expenditures - Admin Information Technology:					
Salaries	\$ -	\$ 76,325.52	\$ 76,325.52	\$ 76,325.52	\$ -
Purchased Professional Services	89,380.00	42,930.53	132,310.53	132,310.53	-
Purchased Technical Services	46,700.00	(42,740.04)	3,959.96	3,959.96	-
Supplies and Materials	2,446.00	393.81	2,839.81	2,839.81	-
Other Objects	2,000.00	(57.84)	1,942.16	1,942.16	-
Total Undistributed Expenditures - Admin Information Technology	140,526.00	76,851.98	217,377.98	217,377.98	-
Undistributed Expenditures - Required Maint for School Facilities:					
Salaries	171,514.00	(61.84)	171,452.16	171,452.16	-
Cleaning, Repair and Maintenance Services	60,000.00	(45,174.40)	14,825.60	13,494.93	1,330.67
Total Undistributed Expenditures - Required Maint for Sch Facilities	231,514.00	(45,236.24)	186,277.76	184,947.09	1,330.67
Undistributed Expenditures - Custodial Services:					
Salaries	320,469.00	(22,267.37)	298,201.63	285,916.59	12,285.04
Salaries of Non-Instructional Aides	37,194.00	(12,630.53)	24,563.47	24,070.46	493.01
Purchased Professional and Technical Services	14,000.00	429.73	14,429.73	14,429.73	-
Cleaning, Repair, and Maintenance Services	26,000.00	(10,748.10)	15,251.90	13,700.95	1,550.95
Other Purchased Property Services	18,000.00	(4,016.15)	13,983.85	13,983.85	-
Insurance	72,500.00	253.00	72,753.00	72,753.00	-
Miscellaneous Purchased Services	500.00	(300.00)	200.00	70.00	130.00
General Supplies	30,000.00	10,076.03	40,076.03	40,075.07	0.96
Energy (Natural Gas)	60,000.00	11,682.92	71,682.92	40,608.28	31,074.64
Energy (Electricity)	110,000.00	1,866.60	111,866.60	104,019.23	7,847.37
Energy (Oil)	2,000.00	(2,000.00)	-	-	-
Energy (Gasoline)	10,000.00	(7,276.44)	2,723.56	1,567.39	1,156.17
Other Objects	5,000.00	(854.95)	4,145.05	3,532.44	612.61
Total Undistributed Expenditures - Custodial Services	705,663.00	(35,785.26)	669,877.74	614,726.99	55,150.75
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	1,000.00	-	1,000.00	879.74	120.26
General Supplies	765.00	2,141.84	2,906.84	2,906.84	-
Total Undistributed Expenditures - Care and Upkeep of Grounds	1,765.00	2,141.84	3,906.84	3,786.58	120.26

EDGEWATER PARK TOWNSHIP 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 (Contd):					
Undistributed Expenditures - Security:					
Purchase Professional and Technical Services	\$ 1,250.00	\$ (1,250.00)	\$ -	\$ -	\$ -
Cleaning, Repair and Maintenance	1,500.00	(1,500.00)	-	-	-
General Supplies	3,000.00	(3,000.00)	-	-	-
Total Undistributed Expenditures - Security	5,750.00	(5,750.00)	-	-	-
Undistributed Expenditures - Student Transportation Services:					
Salary Pupil Transportation (Between Home and Sch) - Regular	46,190.00	42.63	46,232.63	46,232.63	-
Salary Pupil Transportation (Between Home and Sch) - Spec Ed	52,376.00	(10,866.01)	41,509.99	33,323.33	8,186.66
Salary Pupil Transportation Other than Between Home and School	3,090.00	2,509.98	5,599.98	5,599.98	-
Management Fee - ESC & CTSA Trans. Program	5,250.00	(2,794.00)	2,456.00	-	2,456.00
Other Purchased Professional and Technical Services	1,789.07	2,993.35	4,782.42	4,447.99	334.43
Cleaning, Repair and Maintenance Services	11,550.00	9,233.40	20,783.40	20,783.40	-
Contracted Services - Aid in Lieu Pymnts - Non Public School	21,000.00	13,918.00	34,918.00	31,824.00	3,094.00
Contracted Services - (Between Home and School) - Charter School	-	2,652.00	2,652.00	2,652.00	-
Contracted Services - (Between Home and School) - Vendors	307,283.00	(271,886.35)	35,396.65	3,226.65	32,170.00
Contracted Services - (Other than Between Home and School) - Vendors	50,000.00	258,849.31	308,849.31	303,489.21	5,360.10
Contracted Services (Spl. Ed. Students) - Joint Agreements	36,750.00	(9,100.00)	27,650.00	5,933.69	21,716.31
Contracted Services (Spl. Ed. Students) - ESCs	121,851.03	-	121,851.03	101,301.26	20,549.77
Miscellaneous Purchased Services - Transportation	4,200.00	-	4,200.00	4,200.00	-
General Supplies	1,500.00	-	1,500.00	-	1,500.00
Transportation Supplies	4,500.00	(884.00)	3,616.00	2,196.36	1,419.64
Other Objects	300.00	-	300.00	-	300.00
Total Undistributed Expenditures - Student Transportation Services	667,629.10	(5,331.69)	662,297.41	565,210.50	97,086.91
Unallocated Benefits:					
Social Security Contributions	187,425.00	(2.00)	187,423.00	161,612.49	25,810.51
Other Retirement Contributions - TPAF	-	965.86	965.86	965.86	-
Other Retirement Contributions - PERS	210,357.00	(22,322.33)	188,034.67	187,524.13	510.54
Other Retirement Contributions	-	11,356.47	11,356.47	9,848.18	1,508.29
Unemployment Compensation	26,250.00	(20,000.00)	6,250.00	933.37	5,316.63
Workmen's Compensation	110,250.00	-	110,250.00	99,536.13	10,713.87
Health Benefits	2,375,780.00	(71,093.00)	2,304,687.00	2,078,673.58	226,013.42
Tuition Reimbursement	66,600.00	15.00	66,615.00	49,783.00	16,832.00
Other Employee Benefits	40,000.00	(522.42)	39,477.58	34,658.75	4,818.83
Other Objects	-	522.50	522.50	522.50	-
Total Unallocated Benefits	3,016,662.00	(101,079.92)	2,915,582.08	2,624,057.99	291,524.09

(Continued)

EDGEWATER PARK TOWNSHIP 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):					
On-Behalf T.P.A.F. Pension Contributions - Normal Costs (non-budgeted)	\$ -	\$ -	\$ -	\$ 429,164.00	\$ (429,164.00)
On-Behalf T.P.A.F. Pension Contributions - Insurance (non-budgeted)	-	-	-	21,378.00	(21,378.00)
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)	-	-	-	536,471.00	(536,471.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	421,446.87	(421,446.87)
Total On-behalf Contributions	-	-	-	1,408,459.87	(1,408,459.87)
Total Undistributed Expenditures	11,108,993.30	262,315.66	11,371,308.96	12,104,357.52	(733,048.56)
Total Current Expense	16,329,437.76	(9,935.00)	16,319,502.76	17,020,304.85	(700,802.09)
Capital Outlay:					
Undistributed Expenditures:					
Grades 1-5	1,999.00	-	1,999.00	1,999.00	-
Grades 6-8	4,319.88	-	4,319.88	4,319.88	-
Total Equipment	6,318.88	-	6,318.88	6,318.88	-
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	9,935.00	-	9,935.00	9,935.00	-
Other Objects	3,375.00	9,935.00	13,310.00	13,310.00	-
Total Facilities Acquisition and Construction Services	13,310.00	9,935.00	23,245.00	23,245.00	-
Total Capital Outlay	19,628.88	9,935.00	29,563.88	29,563.88	-
Transfer to Charter Schools	53,089.00	-	53,089.00	52,850.00	239.00
Total Expenditures	16,402,155.64	-	16,402,155.64	17,102,718.73	(700,563.09)

EDGEWATER PARK TOWNSHIP 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
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (376,380.64)	\$ -	\$ (376,380.64)	\$ 249,660.98	\$ 626,041.62
Fund Balances, July 1	913,238.05	-	913,238.05	913,238.05	-
Fund Balances, June 30	\$ 536,857.41	\$ -	\$ 536,857.41	\$ 1,162,899.03	\$ 626,041.62

Recapitulation:

Restricted:

- Maintenance Reserve \$ 100,083.80
- Emergency Reserve 176,961.51
- Capital Reserve 141,715.38
- Excess Surplus - Current Year 224,337.16

Assigned:

- Designated for Subsequent Year's Expenditures: 200,000.00
- General Fund Balance 319,801.18
- Unassigned 1,162,899.03

Reconciliation to Governmental Funds Statements(GAAP):
 June 2015 State Aid Payments Not Recognized on GAAP Basis (586,354.70)

\$ 576,544.33

EDGEWATER PARK TOWNSHIP 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:					
Preschool Education Aid	\$ 93,803.00	\$ 9,451.00	\$ 103,254.00	\$ 93,803.00	\$ (9,451.00)
Total - State Sources	93,803.00	9,451.00	103,254.00	93,803.00	(9,451.00)
Federal Sources:					
Title I, Part A	271,484.00	117,301.75	388,785.75	367,720.87	(21,064.88)
Title II, Part A	19,995.00	17,649.76	37,644.76	21,652.50	(15,992.26)
Title III	22,468.00	(7,177.00)	15,291.00	15,291.00	-
Title III, Immigration	-	3,813.68	3,813.68	3,813.68	-
I.D.E.A., Part B, Preschool	225,373.00	(212,638.00)	12,735.00	12,735.00	-
I.D.E.A., Part B, Basic	-	256,834.00	256,834.00	256,834.00	-
Total - Federal Sources	539,320.00	175,784.19	715,104.19	678,047.05	(37,057.14)
Total Revenues	633,123.00	185,235.19	818,358.19	771,850.05	(46,508.14)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	401,096.00	65,186.99	466,282.99	451,646.99	14,636.00
Purchased Professional and Technical Services	169,260.50	87,573.50	256,834.00	256,834.00	-
General Supplies	4,083.33	2,112.67	6,196.00	6,196.00	-
Total Instruction	574,439.82	154,873.17	729,312.99	714,676.99	14,636.00
Support Services:					
Personal Services - Employee Benefits	30,280.60	15,666.84	45,947.44	33,770.56	12,176.88
Purchased Professional and Technical Services	24,184.81	12,512.95	36,697.76	23,402.50	13,295.26
Supplies and Materials	4,217.77	2,182.23	6,400.00	-	6,400.00
Total Support Services	58,683.18	30,362.02	89,045.20	57,173.06	31,872.14
Total Expenditures	633,123.00	185,235.19	818,358.19	771,850.05	46,508.14
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information - Part II
 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	\$ 17,352,379.71	\$ 771,850.05
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(1,767.00)
Prior Year	-	8,678.24
The June 2015 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	602,616.70	9,380.30
The June 2016 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(586,354.70)</u>	<u>(9,380.30)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 17,368,641.71</u>	<u>\$ 778,761.29</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 17,102,718.73	\$ 771,850.05
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year	-	(1,767.00)
Prior Year	-	8,678.24
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 17,102,718.73</u>	<u>\$ 778,761.29</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

EDGEWATER PARK TOWNSHIP 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	0.0216220918%	0.0232581701%	0.0220425351%
School District's Proportionate Share of the Net Pension Liability	\$ 4,853,726.00	\$ 4,354,566.00	\$ 4,212,766.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,610,040.00	\$ 1,763,112.00	\$ 1,657,652.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	301.47%	246.98%	254.14%
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.

EDGEWATER PARK TOWNSHIP 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	\$ 157,983.00	\$ 185,892.00	\$ 191,737.00
Contributions in Relation to the Contractually Required Contribution	<u>(157,983.00)</u>	<u>(185,892.00)</u>	<u>(191,737.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,190,575.00	\$ 1,248,347.00	\$ 1,518,500.00
Contributions as a Percentage of School District's Covered Payroll	13.27%	14.89%	12.63%

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.

EDGEWATER PARK TOWNSHIP 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>38,253,648.00</u>	<u>28,929,452.00</u>	<u>30,095,848.00</u>
	<u>\$ 38,253,648.00</u>	<u>\$ 28,929,452.00</u>	<u>\$ 30,095,848.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 6,733,288.00	\$ 6,963,776.00	\$ 6,316,076.00
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	568.13%	415.43%	476.50%
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.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's 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.

EDGEWATER PARK TOWNSHIP 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

EDGEWATER PARK TOWNSHIP 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., Part B		
	Title I, Part A	Title II, Part A	Title III	Title III, Immigrant	Basic	Preschool	Preschool Education Aid
REVENUES:							
Federal Sources	\$ 678,047.05						
State Sources	93,803.00						\$ -
Total Revenues	<u>771,850.05</u>	<u>21,652.50</u>	<u>15,291.00</u>	<u>3,813.68</u>	<u>256,834.00</u>	<u>12,735.00</u>	<u>93,803.00</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	451,646.99						
Purchased Professional and Technical Services	256,834.00			3,133.68	256,834.00	9,389.00	93,803.00
General Supplies	6,196.00		541.00			1,266.00	
Total Instruction	<u>714,676.99</u>	<u>-</u>	<u>15,291.00</u>	<u>3,133.68</u>	<u>256,834.00</u>	<u>10,655.00</u>	<u>93,803.00</u>
Personal Services - Employee Benefits	33,770.56			680.00		2,080.00	
Purchased Professional and Technical Services	23,402.50	21,652.50					
Total Support Services	<u>57,173.06</u>	<u>21,652.50</u>	<u>-</u>	<u>680.00</u>	<u>-</u>	<u>2,080.00</u>	<u>-</u>
Total Expenditures	<u>\$ 771,850.05</u>	<u>\$ 21,652.50</u>	<u>\$ 15,291.00</u>	<u>\$ 3,813.68</u>	<u>\$ 256,834.00</u>	<u>\$ 12,735.00</u>	<u>\$ 93,803.00</u>

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2016

GOVERNMENT-WIDE TOTAL	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 103,254.00	\$ 93,803.00	\$ 9,451.00
Total Instruction	<u>103,254.00</u>	<u>93,803.00</u>	<u>9,451.00</u>
Total Expenditures	<u>\$ 103,254.00</u>	<u>\$ 93,803.00</u>	<u>\$ 9,451.00</u>

CALCULATION OF BUDGET AND CARRYOVER

Total 2015-16 Preschool Education Aid Allocation	\$ 93,803.00
Actual ECPA Carryover (June 30, 2015)	9,451.00
Add: Actual Transfer from General Fund 2015-16	<u>-</u>
Total Preschool Education Aid Funds Available for 2015-16 Budget	103,254.00
Less: 2015-16 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(103,254.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016	-
Add: 2015-16 Unexpended Preschool Education Aid	<u>9,451.00</u>
2015-16 Carryover - Preschool Education Aid	<u>\$ 9,451.00</u>
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2016-2017	<u>\$ -</u>

CAPITAL PROJECTS FUND

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Capital Projects Fund

Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2016

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Mildred Magowan School Renovations	06/15/09	\$ 870,577.00	\$ 651,527.01		\$ 219,049.99
Samuel Ridgway School Renovations	06/15/09	693,096.00	460,764.00		232,332.00
Anne C. Jaques School Renovations	01/26/16	4,896,531.00		\$ 53,278.85	4,843,252.15
Mildred Magowan School Renovations	01/26/16	5,535,219.00		28,776.87	5,506,442.13
Samuel M. Ridgway School Renovations	01/26/16	<u>5,737,458.00</u>		<u>25,945.60</u>	<u>5,711,512.40</u>
		<u>\$ 17,732,881.00</u>	<u>\$ 1,112,291.01</u>	<u>\$ 108,001.32</u>	<u>\$ 16,512,588.67</u>

(49,432.10)

\$ 58,569.22

Encumbrances for supplies, equipment and construction ordered but not received is reported in the year the is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Total expenditures reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances
 For the Fiscal Year Ended June 30, 2016

REVENUES AND OTHER FINANCING SOURCES:	
Proceeds from Issuance of Bond Anticipation Note	\$ 2,700,000.00
EXPENDITURES AND OTHER FINANCING USES:	
Architectural / Engineering Services	<u>108,001.32</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,591,998.68
Fund Balance -- July 1	<u>451,381.99</u>
Fund Balance -- June 30	<u><u>\$ 3,043,380.67</u></u>
Reconciliation to Governmental Fund Statements (GAAP):	
Fund Balance as of June 30, 2016	\$ 3,043,380.67
Encumbrances not Recognized on GAAP Basis	49,432.10
SDA Grant Revenue Not Recognized on GAAP Basis	<u>(215,102.93)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 2,877,709.84</u></u>

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Mildred Magowan School Renovations - 2009
 From Inception and For the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
State Sources--SDA Grant	\$ 516,305.00	\$ -	\$ 516,305.00	\$ 516,305.00
Proceeds from Lease Purchase	300,000.00		300,000.00	300,000.00
Transfer from Capital Reserve	54,272.00		54,272.00	54,272.00
Total Revenues and Other Financing Sources	<u>870,577.00</u>	<u>-</u>	<u>870,577.00</u>	<u>870,577.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	48,047.00		48,047.00	48,047.00
Construction Services	603,480.00		603,480.00	603,480.00
Total Expenditures and Other Financing Uses	<u>651,527.00</u>	<u>-</u>	<u>651,527.00</u>	<u>651,527.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 219,050.00</u>	<u>\$ -</u>	<u>\$ 219,050.00</u>	<u>\$ 219,050.00</u>
Designated for Subsequent Years Expenditures			<u>\$ 219,050.00</u>	
Additional Project Information:				
Project Number	1280-050-09-1001			
Grant Date	02/26/09			
Lease Authorization Date	06/15/09			
Lease Authorized	06/15/09			
Lease Issued	\$ 300,000.00			
Original Authorized Cost	\$ 816,305.00			
Additional Authorized Cost	\$ 54,272.00			
Revised Authorized Cost	\$ 816,305.00			
Percentage Increase over Original Authorized Cost	6.65%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/11			
Revised Target Completion Date	12/31/11			

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Samuel M. Ridgway School Renovations - 2009
 From Inception and For the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
State Sources--SDA Grant	\$ 393,096.00	\$ -	\$ 393,096.00	\$ 393,096.00
Proceeds from Lease Purchase	300,000.00		300,000.00	300,000.00
Total Revenues and Other Financing Sources	693,096.00	-	693,096.00	693,096.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	44,624.00		44,624.00	44,624.00
Construction Services	416,140.00		416,140.00	416,140.00
Total Expenditures and Other Financing Uses	460,764.00	-	460,764.00	460,764.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 232,332.00	\$ -	\$ 232,332.00	\$ 232,332.00
Designated for Subsequent Years Expenditures			\$ 232,332.00	
Additional Project Information:				
Project Number	1280-070-09-1002			
Grant Date	02/26/09			
Lease Authorization Date	06/15/09			
Lease Authorized	06/15/09			
Lease Issued	\$ 300,000.00			
Original Authorized Cost	\$ 693,096.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 693,096.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/11			
Revised Target Completion Date	12/31/11			

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Anne C. Jacques School Renovations - 2016
 From Inception and For the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Proceeds from Issuance of Bond Anticipation Note	\$ -	\$ 817,643.00	\$ 817,643.00	\$ 817,643.00
Proceeds from Issuance of Bonds	-	-	-	4,896,531.00
Total Revenues and Other Financing Sources	-	817,643.00	817,643.00	5,714,174.00
EXPENDITURES AND OTHER FINANCING USES:				
Architectural / Engineering Services	-	53,278.85	53,278.85	391,722.00
Legal Services and Other Bonding Fees	-	-	-	19,586.00
Construction Services	-	-	-	4,308,947.00
Other Purchased Professional and Technical Services	-	-	-	126,146.50
Other	-	-	-	50,129.50
Bond Anticipation Notes Paid with Bond Issue	-	-	-	817,643.00
Total Expenditures and Other Financing Uses	-	53,278.85	53,278.85	5,714,174.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 764,364.15	\$ 764,364.15	\$ -
Designated for Subsequent Years Expenditures			\$ 764,364.15	
Additional Project Information:				
Project Number	1280-050-16-1000			
Bond Authorization Date	01/26/16			
Bonds Authorized	\$ 4,896,531.00			
Bonds Issued (August 31, 2016)	\$ 4,896,531.00			
Original Authorized Cost	\$ 4,896,531.00			
Additional Authorized Costs	-			
Revised Authorized Costs	\$ 4,896,531.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	1.00%			
Original Target Completion Date	12/15/17			
Revised Target Completion Date	12/15/17			

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Mildred Magowan School Renovations - 2016
 From Inception and For the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Proceeds from Issuance of Bond Anticipation Note	\$ -	\$ 924,293.00	\$ 924,293.00	\$ 924,293.00
Proceeds from Issuance of Bonds			-	5,535,219.00
Total Revenues and Other Financing Sources	<u>-</u>	<u>924,293.00</u>	<u>924,293.00</u>	<u>6,459,512.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Architectural / Engineering Services		28,776.87	28,776.87	442,817.00
Legal Services and Other Bonding Fees			-	22,140.00
Construction Services			-	4,870,991.50
Other Purchased Professional and Technical Services			-	142,582.50
Other			-	56,688.00
Bond Anticipation Notes Paid with Bond Issue			-	924,293.00
Total Expenditures and Other Financing Uses	<u>-</u>	<u>28,776.87</u>	<u>28,776.87</u>	<u>6,459,512.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 895,516.13</u>	<u>\$ 895,516.13</u>	<u>\$ -</u>
Designated for Subsequent Years Expenditures			<u>\$ 895,516.13</u>	
Additional Project Information:				
Project Number	1280-050-16-1000			
Bond Authorization Date	01/26/16			
Bonds Authorized	\$ 5,535,219.00			
Bonds Issued (August 31, 2016)	\$ 5,535,219.00			
Original Authorized Cost	\$ 5,535,219.00			
Additional Authorized Costs	-			
Revised Authorized Costs	\$ 5,535,219.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	1.00%			
Original Target Completion Date	12/15/17			
Revised Target Completion Date	12/15/17			

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Samuel M. Ridgway School Renovations - 2016
 From Inception and For the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Proceeds from Issuance of Bond Anticipation Note	\$ -	\$ 958,064.00	\$ 958,064.00	\$ 958,064.00
Proceeds from Issuance of Bonds			-	5,737,250.00
Transfer from Capital Outlay			-	208.00
Total Revenues and Other Financing Sources	<u>-</u>	<u>958,064.00</u>	<u>958,064.00</u>	<u>6,695,522.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Architectural / Engineering Services		25,945.60	25,945.60	458,996.00
Legal Services and Other Bonding Fees			-	22,949.00
Construction Services			-	5,048,963.00
Other Purchased Professional and Technical Services			-	169,626.00
Other			-	36,924.00
Bond Anticipation Notes Paid with Bond Issue			-	958,064.00
Total Expenditures and Other Financing Uses	<u>-</u>	<u>25,945.60</u>	<u>25,945.60</u>	<u>6,695,522.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 932,118.40</u>	<u>\$ 932,118.40</u>	<u>\$ -</u>
Designated for Subsequent Years Expenditures			<u>\$ 932,118.40</u>	
Additional Project Information:				
Project Number	1280-070-16-1000			
Bond Authorization Date	01/26/16			
Bonds Authorized	\$ 5,737,250.00			
Bonds Issued (August 31, 2016)	\$ 5,737,250.00			
Original Authorized Cost	\$ 5,737,250.00			
Additional Authorized Costs	-			
Revised Authorized Costs	\$ 5,737,250.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	1.00%			
Original Target Completion Date	12/15/17			
Revised Target Completion Date	12/15/17			

PROPRIETARY FUNDS

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Proprietary Funds

Business-Type Activities - Enterprise Funds

Combining Statement of Net Position

June 30, 2016

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 54,069.92	\$ 85,838.66	\$ 139,908.58
Accounts Receivable:			
State	251.71		251.71
Federal	34,457.27		34,457.27
Inventories	12,699.30		12,699.30
Total Current Assets	<u>101,478.20</u>	<u>85,838.66</u>	<u>187,316.86</u>
Noncurrent Assets:			
Machinery and Equipment	194,352.77		194,352.77
Less Accumulated Depreciation	<u>(167,127.18)</u>		<u>(167,127.18)</u>
Total Noncurrent Assets	<u>27,225.59</u>	<u>-</u>	<u>27,225.59</u>
Total Assets	<u>128,703.79</u>	<u>85,838.66</u>	<u>214,542.45</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	3,115.04		3,115.04
Accounts Payable		553.13	553.13
Total Current Liabilities	<u>3,115.04</u>	<u>553.13</u>	<u>3,668.17</u>
NET POSITION:			
Net Investment in Capital Assets	27,225.59	-	27,225.59
Unrestricted	<u>98,363.16</u>	<u>85,285.53</u>	<u>183,648.69</u>
Total Net Position	<u>\$ 125,588.75</u>	<u>\$ 85,285.53</u>	<u>\$ 210,874.28</u>

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>After School Program</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable	\$ 86,810.25	\$ -	\$ 86,810.25
Daily Sales - Non-Reimbursable	42,884.36		42,884.36
Program Fees		182,593.50	182,593.50
Total Operating Revenues	<u>129,694.61</u>	<u>182,593.50</u>	<u>312,288.11</u>
OPERATING EXPENSES:			
Salaries and Benefits	165,584.88	156,311.80	321,896.68
Supplies and Materials	12,173.48	6,500.55	18,674.03
Cost of Sales - Reimbursable Programs	143,747.95		143,747.95
Cost of Sales - Non-reimbursable Programs	16,962.00		16,962.00
Management Fee	23,499.84		23,499.84
Purchased Professional Educational Services	1,885.00		1,885.00
Depreciation	3,482.52		3,482.52
Miscellaneous	15,273.66		15,273.66
Total Operating Expenses	<u>382,609.33</u>	<u>162,812.35</u>	<u>545,421.68</u>
Operating Income / (Loss)	<u>(252,914.72)</u>	<u>19,781.15</u>	<u>(233,133.57)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	4,595.08		4,595.08
Federal Sources:			
National School Lunch Program	203,003.11		203,003.11
National School Breakfast Program	42,554.93		42,554.93
Special Milk Program	955.94		955.94
Snack Program	10,910.76		10,910.76
Food Distribution Program	39,600.18		39,600.18
Total Nonoperating Revenues	<u>301,620.00</u>	<u>-</u>	<u>301,620.00</u>
Income (Loss) before Contributions and Transfers	<u>48,705.28</u>	<u>19,781.15</u>	<u>68,486.43</u>
Contributions and Transfers:			
Transfer to - Debt Service Fund		(138,740.00)	(138,740.00)
Total Contributions and Transfers	<u>-</u>	<u>(138,740.00)</u>	<u>(138,740.00)</u>
Change in Net Position	48,705.28	(118,958.85)	(70,253.57)
Net Position -- July 1	<u>76,883.47</u>	<u>204,244.38</u>	<u>281,127.85</u>
Net Position -- June 30	<u>\$ 125,588.75</u>	<u>\$ 85,285.53</u>	<u>\$ 210,874.28</u>

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 129,694.61	\$ 182,593.50	\$ 312,288.11
Payments for Salaries and Benefits	(165,584.88)	(152,164.54)	(317,749.42)
Payments to Suppliers	<u>(176,332.68)</u>	<u>(10,979.24)</u>	<u>(187,311.92)</u>
Net Cash Provided by (used for) Operating Activities	<u>(212,222.95)</u>	<u>19,449.72</u>	<u>(192,773.23)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Federal and State Sources	246,499.48		246,499.48
Transfer to Other Funds		<u>(138,740.00)</u>	<u>(138,740.00)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>246,499.48</u>	<u>(138,740.00)</u>	<u>107,759.48</u>
Net Increase (Decrease) in Cash and Cash Equivalents	34,276.53	(119,290.28)	(85,013.75)
Cash and Cash Equivalents -- July 1	<u>19,793.39</u>	<u>205,128.94</u>	<u>224,922.33</u>
Cash and Equivalents -- June 30	<u>\$ 54,069.92</u>	<u>\$ 85,838.66</u>	<u>\$ 139,908.58</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (252,914.72)	\$ 19,781.15	\$ (233,133.57)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation	3,482.52		3,482.52
Food Distribution Program	39,600.18		39,600.18
(Increase) Decrease in Inventories	(3,212.11)		(3,212.11)
(Increase) Decrease in Accounts Receivables	471.59		471.59
Increase (Decrease) in Unearned Revenue	349.59		349.59
Increase (Decrease) in Accounts Payable		<u>(331.43)</u>	<u>(331.43)</u>
Total Adjustments	<u>40,691.77</u>	<u>(331.43)</u>	<u>40,360.34</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (212,222.95)</u>	<u>\$ 19,449.72</u>	<u>\$ (192,773.23)</u>

FIDUCIARY FUNDS

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	Private-Purpose Trust Funds	Agency Funds		
	Unemployment Compensation Trust	Student Activity	Payroll	Total
ASSETS:				
Cash and Cash Equivalents	\$ 16,254.56	\$ 57,509.20	\$ 575.70	\$ 74,339.46
Total Assets	<u>16,254.56</u>	<u>\$ 57,509.20</u>	<u>\$ 575.70</u>	<u>74,339.46</u>
LIABILITIES:				
Payable to Student Groups		\$ 57,509.20	\$ -	57,509.20
Payroll Deductions Payable			575.70	575.70
Total Liabilities	<u>-</u>	<u>\$ 57,509.20</u>	<u>\$ 575.70</u>	<u>58,084.90</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	<u>16,254.56</u>			<u>16,254.56</u>
Total Net Position	<u>\$ 16,254.56</u>			<u>\$ 16,254.56</u>

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2016

	<u>Private-Purpose Trust Fund</u> <u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee Payroll Deductions	\$ 11,665.89
Total Additions	<u>11,665.89</u>
DEDUCTIONS:	
Other Deductions	18,421.66
Unemployment Claims	<u>15,684.68</u>
Total Deductions	<u>34,106.34</u>
Change in Net Position	(22,440.45)
Net Position -- July 1	<u>38,695.01</u>
Net Position -- June 30	<u><u>\$ 16,254.56</u></u>

EDGEWATER PARK TOWNSHIP 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>
Ridgway School	\$ 28,784.00	\$ 38,620.16	\$ 39,910.94	\$ 27,493.22
Magowan School	17,199.00	21,867.90	30,369.98	8,696.92
Student Council	1,439.44	571.96	15.18	1,996.22
Music	886.56	17,661.58	17,031.15	1,516.99
Pepsi Sales	911.08	89.15	363.25	636.98
PBSIS	2,110.79	8,266.61	6,779.75	3,597.65
Magowan Donations	<u>9,853.31</u>	<u>12,724.08</u>	<u>9,006.17</u>	<u>13,571.22</u>
Total all schools	<u>\$ 61,184.18</u>	<u>\$ 99,801.44</u>	<u>\$ 103,476.42</u>	<u>\$ 57,509.20</u>

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Fiduciary Funds
 Payroll and Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
ASSETS:				
Cash and Cash Equivalents	\$ 449,391.29	\$ 9,095,168.22	\$ 9,543,983.81	\$ 575.70
Total Assets	<u>\$ 449,391.29</u>	<u>\$ 9,095,168.22</u>	<u>\$ 9,543,983.81</u>	<u>\$ 575.70</u>
LIABILITIES:				
Net Payroll	\$ -	\$ 4,816,050.85	\$ 4,816,050.85	\$ -
Payroll Deductions and Withholdings	413,544.50	4,279,056.83	4,692,025.63	575.70
Interfund Payable:				
Unemployment Fund	4,655.35		4,655.35	-
General Fund	<u>31,191.44</u>	<u>60.54</u>	<u>31,251.98</u>	<u>-</u>
Total Liabilities	<u>\$ 449,391.29</u>	<u>\$ 9,095,168.22</u>	<u>\$ 9,543,983.81</u>	<u>\$ 575.70</u>

LONG-TERM DEBT

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
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>Balance June 30, 2015</u>	<u>Paid</u>
School Addition	08/15/06	\$ 2,366,000.00	<u>\$ 239,000.00</u>	<u>\$ 239,000.00</u>

EDGEWATER PARK TOWNSHIP 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:					
State Sources:					
Debt Service Aid Type II	\$ 84,510.00	-	\$ 84,510.00	\$ 84,510.00	\$ -
Total Revenues	<u>84,510.00</u>	<u>-</u>	<u>84,510.00</u>	<u>84,510.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	4,780.00	4,780.00	9,560.00	9,560.00	-
Redemption of Principal	239,000.00		239,000.00	239,000.00	-
Total Regular Debt Service	<u>243,780.00</u>	<u>4,780.00</u>	<u>248,560.00</u>	<u>248,560.00</u>	<u>-</u>
Total Expenditures	<u>243,780.00</u>	<u>4,780.00</u>	<u>248,560.00</u>	<u>248,560.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(159,270.00)	(4,780.00)	(164,050.00)	(164,050.00)	-
Other Financing Sources:					
Transfer in from Enterprise Fund - After School Program	138,740.00		138,740.00	138,740.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(20,530.00)	(4,780.00)	(25,310.00)	(25,310.00)	-
Fund Balance, July 1	20,800.00	-	20,800.00	50,920.00	-
Fund Balance, June 30	<u>\$ 270.00</u>	<u>\$ (4,780.00)</u>	<u>\$ (4,510.00)</u>	<u>\$ 25,610.00</u>	<u>\$ -</u>
Recapitulation:					
Restricted Fund Balance				<u>\$ 25,610.00</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.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 822,925.00	\$ 928,888.00	\$ 701,504.00	\$ 2,378,037.00	\$ 2,716,856.00	\$ 2,402,879.00	\$ 3,027,183.62	\$ 3,440,407.48	\$ 3,720,743.43	\$ 3,731,333.85
Restricted for:										
Special Revenue				59,851.00						
Capital Projects	289,595.00	277,216.00	600,000.00	236,279.00	1,722,439.00	236,279.00	1,016,110.04	236,279.06	377,852.80	177,709.84
Debt Services	50,733.00	50,716.00	243,504.00	243,660.00	56,076.00	55,920.00	14,345.00	39,028.33	46,936.67	25,610.00
Other Purposes	944,403.00	1,344,435.00	1,984,839.00	2,213,903.00	969,902.00	2,818,173.00	861,195.14	1,013,877.55	326,331.03	643,097.85
Unrestricted	(656,045.00)	(804,147.00)	(1,014,507.00)	(1,025,217.00)	(1,007,367.00)	(848,256.00)	(62,801.62)	(726,857.18)	(5,071,117.25)	(5,140,923.33)
Total Governmental Activities Net Position	\$ 1,451,611.00	\$ 1,797,108.00	\$ 2,515,340.00	\$ 4,106,513.00	\$ 4,457,906.00	\$ 4,664,995.00	\$ 4,856,032.18	\$ 4,002,735.24	\$ (599,253.32)	\$ (563,171.79)
Business-Type Activities:										
Net Investment in Capital Assets	\$ 29,407.00	\$ 25,034.00	\$ 20,662.00	\$ 20,298.00	\$ 16,835.00	\$ 17,320.00	\$ 39,043.14	\$ 34,647.29	\$ 30,708.11	\$ 27,225.59
Unrestricted	1,200,072.00	1,465,119.00	1,593,384.00	1,614,260.00	1,666,276.00	1,656,077.00	1,042,912.44	486,110.59	250,419.74	183,648.69
Total Business-Type Activities Net Position	\$ 1,229,479.00	\$ 1,520,153.00	\$ 1,614,046.00	\$ 1,634,558.00	\$ 1,683,111.00	\$ 1,673,397.00	\$ 1,081,955.58	\$ 520,757.88	\$ 281,127.85	\$ 210,874.28
District-Wide:										
Net Investment in Capital Assets	\$ 852,332.00	\$ 953,922.00	\$ 722,166.00	\$ 2,398,335.00	\$ 2,733,691.00	\$ 2,420,199.00	\$ 3,066,226.76	\$ 3,475,054.77	\$ 3,751,451.54	\$ 3,758,559.44
Restricted for:										
Special Revenue				59,851.00						
Capital Projects	289,595.00	277,216.00	600,000.00	236,279.00	1,722,439.00	236,279.00	1,016,110.04	236,279.06	377,852.80	177,709.84
Debt Services	50,733.00	50,716.00	243,504.00	243,660.00	56,076.00	55,920.00	14,345.00	39,028.33	46,936.67	25,610.00
Other Purposes	944,403.00	1,344,435.00	1,984,839.00	2,213,903.00	969,902.00	2,818,173.00	861,195.14	1,013,877.55	326,331.03	643,097.85
Unrestricted	544,027.00	690,972.00	578,877.00	569,043.00	658,909.00	807,821.00	980,110.82	(240,746.59)	(4,820,697.51)	(4,957,274.64)
Total District Net Position	\$ 2,681,090.00	\$ 3,317,261.00	\$ 4,129,386.00	\$ 5,741,071.00	\$ 6,141,017.00	\$ 6,338,592.00	\$ 5,937,987.76	\$ 4,523,493.12	\$ (318,125.47)	\$ (352,297.51)

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: District Records

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 3,954,977.00	\$ 4,096,225.00	\$ 4,078,792.00	\$ 4,362,150.00	\$ 3,998,979.00	\$ 3,461,004.00	\$ 4,213,669.81	\$ 4,697,897.80	\$ 4,707,528.68	\$ 4,645,241.93
Special Education	667,270.00	643,885.00	585,745.00	629,881.00	672,747.00	914,127.00	785,533.38	699,195.94	1,036,383.65	786,826.75
Other Instruction	234,904.00	206,503.00	254,895.00	295,098.00	298,916.00	275,705.00	223,510.84	233,443.79	308,388.42	253,685.92
Support Services:										
Tuition	3,231,794.00	3,418,504.00	3,293,937.00	3,230,821.00	3,751,993.00	3,466,698.00	3,334,580.18	3,543,568.74	3,669,008.77	3,829,275.91
Student and Instruction Related Services	1,166,325.00	1,124,607.00	1,446,990.00	1,354,787.00	1,430,520.00	1,508,636.00	1,366,114.38	1,397,339.93	1,519,194.43	1,524,683.50
School Administrative Services	363,165.00	380,253.00	334,038.00	377,882.00	377,620.00	420,180.00	404,098.90	504,715.77	429,219.88	562,980.64
General and Business Administrative Services	593,335.00	603,082.00	628,155.00	645,400.00	657,265.00	664,693.00	265,543.43	225,567.87	205,040.07	421,205.78
Central Services							109,313.70	259,688.73	141,721.14	217,377.98
Administrative Information Technology							1,123,567.11	1,118,011.25	858,922.10	825,305.49
Plant Operations and Maintenance	918,995.00	968,082.00	1,247,774.00	729,597.00	942,418.00	826,412.00	614,394.69	613,075.32	546,866.68	565,896.23
Pupil Transportation	592,448.00	573,872.00	580,545.00	541,161.00	552,677.00	501,700.00	3,314,531.00	3,701,826.63	5,403,504.35	6,078,241.84
Unallocated Benefits	3,061,445.00	3,180,355.00	2,722,279.00	3,007,955.00	3,006,220.00	3,314,531.00	3,689,828.04	3,701,826.63	5,403,504.35	52,850.00
Transfer to Charter School									65,537.00	
Special Schools	12,724.00	13,405.00	14,738.00	12,244.00					24,931.66	15,511.67
Interest on Long-Term Debt	45,555.00	82,391.00	73,635.00	88,177.00	52,107.00	42,956.00	40,079.67	34,251.67	175,687.34	177,448.45
Unallocated Depreciation	53,900.00	74,852.00	77,900.00	77,150.00	83,477.00	158,306.00	168,588.54	175,687.34	182,746.06	177,448.45
Total Governmental Activities Expenses	14,898,837.00	15,368,016.00	15,341,424.00	15,352,303.00	15,824,939.00	15,555,148.00	16,698,254.02	17,768,416.70	19,571,174.42	20,219,759.47
Business-Type Activities:										
Food Service	284,162.00	271,939.00	332,400.00	361,489.00	358,309.00	379,474.00	390,529.46	400,188.67	399,764.68	382,609.33
After School Program	80,775.00	103,738.00	123,298.00	111,190.00	109,282.00	143,154.00	169,282.22	206,330.21	212,895.50	162,812.35
Tuition Program	693,497.00	696,441.00	918,299.00	839,909.00	916,997.00	815,044.00	812,553.81	583,647.57	612,895.50	545,421.68
Total Business-Type Activities Expense	1,058,434.00	1,072,118.00	1,373,997.00	1,312,668.00	1,384,568.00	1,372,672.00	1,372,366.49	1,190,166.45	1,225,585.50	1,195,644.96
Total District Expenses	\$ 15,957,271.00	\$ 16,440,134.00	\$ 16,715,421.00	\$ 16,664,971.00	\$ 17,209,507.00	\$ 16,927,820.00	\$ 18,070,619.51	\$ 18,958,583.15	\$ 20,796,759.92	\$ 21,415,404.43

(Continued)

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 2,207,835.00	\$ 2,275,786.00	\$ 2,608,825.00	\$ 2,951,109.00	\$ 1,867,115.00	\$ 1,920,292.00	\$ 1,868,202.00	\$ 1,888,983.00	\$ 1,881,382.27	\$ 4,156,919.16
Charges for Services									16,077.50	119,627.17
Total Governmental Activities Program Revenues	2,207,835.00	2,275,786.00	2,608,825.00	2,951,109.00	1,867,115.00	1,920,292.00	1,868,202.00	1,888,983.00	1,897,459.77	4,276,546.33
Business-Type Activities:										
Charges for Services:										
Food Service	98,533.00	90,316.00	114,385.00	108,967.00	166,223.00	160,664.00	152,709.00	155,982.00	131,467.86	129,694.61
After School Program	130,371.00	129,146.00	125,593.00	170,514.00	199,996.00	158,446.00	164,875.00	158,922.00	165,396.90	162,593.50
Tuition Program	1,025,445.00	1,178,398.00	791,163.00	988,302.00	1,013,234.00	969,735.00	1,054,004.00	875,506.00	248,800.00	301,620.00
Operating Grants and Contributions	135,594.00	128,993.00	131,652.00	152,809.00	169,145.00	211,314.00	201,438.00	230,425.00	255,967.35	613,908.11
Total Business Type Activities Program Revenues	1,389,943.00	1,526,853.00	1,162,793.00	1,390,592.00	1,548,598.00	1,501,159.00	1,573,026.00	1,420,835.00	821,632.11	613,908.11
Total District Program Revenues	3,597,778.00	3,802,639.00	3,771,618.00	4,341,701.00	3,415,713.00	3,421,451.00	3,441,228.00	3,309,818.00	2,719,091.88	4,890,454.44
Net (Expense)/Revenue:										
Governmental Activities	\$ (12,623,051.00)	\$ (12,759,191.00)	\$ (12,390,315.00)	\$ (13,485,188.00)	\$ (13,904,647.00)	\$ (13,886,946.00)	\$ (14,809,271.02)	\$ (15,870,956.93)	\$ (16,117,432.03)	\$ (15,943,213.14)
Business-Type Activities	468,419.00	90,675.00	16,595.00	236,010.00	116,591.00	235,354.00	48,469.51	(368,534.34)	(29,822.74)	68,486.43
Total District-Wide Net Expense	(12,154,632.00)	(12,668,516.00)	(12,373,720.00)	(13,249,178.00)	(13,788,056.00)	(13,651,592.00)	(14,760,801.51)	(16,239,491.27)	(16,147,254.77)	(15,874,726.71)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 6,439,639.00	\$ 7,000,303.00	\$ 7,317,531.00	\$ 7,491,510.00	\$ 7,791,170.00	\$ 7,960,155.00	\$ 7,771,800.00	\$ 7,987,511.88	\$ 8,556,158.00	\$ 8,939,088.19
Unrestricted Grants and Contributions	5,059,243.00	5,043,229.00	5,305,011.00	6,300,808.00	6,152,782.00	6,022,648.00	6,429,017.00	6,820,279.66	6,635,688.94	6,644,562.36
State Aid Restricted for Capital Projects				514.00	3,915.00	5,929.00	2,839.00	1,812.01		7,723.34
Investment Earnings	110,815.00	1,259.00	982.00	172,163.00	202,158.00	169,398.00	246,381.00	216,676.45	324,743.23	249,180.78
Miscellaneous Income							(676,783.00)			
Loss on Disposal of Equipment	106,732.00	311,891.00	67,916.00	227,546.00	178,841.00	150,000.00	100,000.00	193,192.00	209,807.29	138,740.00
Transfers	11,716,429.00	12,567,221.00	12,762,404.00	14,192,541.00	15,023,164.00	14,308,130.00	13,873,254.00	15,017,659.99	15,728,209.47	15,979,294.67
Total Governmental Activities	28,732,858.00	30,933,250.00	33,392,864.00	36,306,771.00	37,374,012.00	36,596,288.00	38,377,911.00	40,325,376.94	41,228,618.71	42,108,036.94
Business-Type Activities:										
Investment Earnings	1,766.00	63,866.00	40,116.00	13,574.00	11,082.00	9,795.00	3,346.00	528.64		
Gain on Disposal of Equipment							3,777.00			
Transfers	(106,732.00)	(311,891.00)	(67,916.00)	(94,282.00)	(178,841.00)	(150,000.00)	(100,000.00)	(193,192.00)	(209,807.29)	(138,740.00)
Total Business-Type Activities	(104,966.00)	(248,025.00)	(27,800.00)	(80,708.00)	(167,759.00)	(140,205.00)	(92,877.00)	(192,663.36)	(209,807.29)	(138,740.00)
Total District-Wide	11,611,463.00	12,319,196.00	12,734,604.00	14,111,633.00	14,865,405.00	14,167,923.00	13,780,377.00	14,824,996.63	15,518,402.18	15,840,554.67
Change in Net Position:										
Governmental Activities	\$ (906,622.00)	\$ (191,970.00)	\$ 372,089.00	\$ 707,353.00	\$ 1,118,517.00	\$ 621,184.00	\$ (936,017.02)	\$ (853,296.94)	\$ (389,222.56)	\$ 36,081.53
Business-Type Activities	363,453.00	(157,350.00)	(11,205.00)	155,302.00	(51,168.00)	95,149.00	(44,407.49)	(561,197.70)	(239,630.03)	(70,253.57)
Total District	(543,169.00)	(349,320.00)	360,884.00	862,655.00	1,067,349.00	716,333.00	(880,424.51)	(1,414,494.64)	(628,852.59)	(34,172.04)

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: District Records

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Restricted for:										
Capital Reserve	\$ 32,730.00	\$ 33,712.00	\$ 783,712.00	\$ 787,573.00	\$ 1,486,160.00	\$ 1,244,348.00	\$ 779,830.98	\$ 361,916.51	\$ 141,573.74	\$ 141,715.38
Excess Surplus	754,060.00	590,375.00	303,791.00	559,449.00	72,080.00	916,409.00	1,198,755.14	427,812.67	145,466.67	224,337.16
Emergency Reserve			250,000.00	250,000.00	262,000.00	262,000.00	184,000.00	184,102.35	176,784.64	176,961.51
Maintenance Reserve						100,001.00	100,001.00	40,046.02	4,079.72	100,083.80
Assigned to:										
Encumbrances				81,523.00			101,589.56	14,198.28	34,270.64	
Designated for Subsequent Year's Budget	190,343.00	754,060.00	647,336.00	535,358.00	635,842.00	295,415.00		98,321.00	101,760.82	200,000.00
Unassigned	23,920.00	16,297.00	(307,397.00)	(302,759.00)	(248,157.00)	(293,216.00)	(285,501.83)	(275,266.32)	(293,314.88)	(266,553.52)
Total General Fund	<u>\$ 1,001,053.00</u>	<u>\$ 1,394,444.00</u>	<u>\$ 1,677,442.00</u>	<u>\$ 1,911,144.00</u>	<u>\$ 2,207,925.00</u>	<u>\$ 2,524,957.00</u>	<u>\$ 2,078,674.85</u>	<u>\$ 851,130.51</u>	<u>\$ 310,621.35</u>	<u>\$ 576,544.33</u>
All Other Governmental Funds:										
Unassigned, Reported In:	\$ (38,492.00)	\$ (43,967.00)	\$ -	\$ 59,851.00	\$ -	\$ -	\$ (12,506.00)	\$ (11,355.10)	\$ (9,380.30)	\$ (9,380.30)
Special Revenue Fund										
Restricted, Reported In:										
Capital Projects Fund	256,865.00	243,504.00	600,000.00	236,279.00	236,279.00	236,279.00	236,279.06	236,279.06	236,279.06	2,877,709.84
Debt Service Fund	50,733.00	50,716.00	243,504.00	243,660.00	56,076.00	55,920.00	26,095.00	46,895.00	50,920.00	25,610.00
Total All Other Governmental Funds	<u>\$ 269,106.00</u>	<u>\$ 250,253.00</u>	<u>\$ 843,504.00</u>	<u>\$ 539,790.00</u>	<u>\$ 292,355.00</u>	<u>\$ 292,199.00</u>	<u>\$ 249,868.06</u>	<u>\$ 271,818.96</u>	<u>\$ 277,818.76</u>	<u>\$ 2,893,939.54</u>

In accordance with GASBS No. 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify Fund Balance was changed.

Source: District Records

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$ 7,000,303.00	\$ 7,317,531.00	\$ 7,491,510.00	\$ 7,791,170.00	\$ 7,960,155.00	\$ 7,771,800.00	\$ 7,927,236.00	\$ 7,987,511.88	\$ 8,556,158.00	\$ 8,939,088.19
Transportation Fees						16,428.00				
Interest Earnings	1,259.00	982.00	514.00	3,915.00	5,929.00	2,839.00				
Unrestricted Miscellaneous Revenues	210,539.00	184,936.00	172,163.00	202,158.00	319,398.00	229,953.00	154,703.30	232,753.95	494,111.27	376,531.29
State Sources	7,096,564.00	7,645,926.00	7,360,155.00	6,867,774.00	7,065,078.00	7,387,336.00	8,061,297.48	7,854,742.13	8,077,124.00	8,228,185.87
Federal Sources	553,242.00	610,194.00	807,768.00	1,899,598.00	769,305.00	930,664.00	543,242.98	646,919.80	615,289.30	688,107.65
Total Revenue	14,861,907.00	15,759,569.00	15,832,110.00	16,764,615.00	16,119,865.00	16,339,020.00	16,866,479.76	16,721,927.76	17,742,882.57	18,231,913.00
Expenditures:										
Instruction:										
Regular Instruction	3,958,043.00	3,944,836.00	4,133,576.00	4,349,689.00	3,944,400.00	3,639,215.00	4,184,238.47	4,673,040.81	4,673,571.30	4,598,789.89
Special Education Instruction	667,270.00	643,885.00	585,746.00	629,861.00	672,747.00	914,127.00	785,533.38	699,195.94	1,036,383.65	786,826.75
Other Instruction	234,904.00	208,503.00	254,895.00	295,098.00	298,916.00	275,705.00	223,510.84	233,443.79	308,388.42	253,685.92
Support Services:										
Tuition	3,231,794.00	3,418,504.00	3,293,937.00	3,230,821.00	3,751,993.00	3,468,698.00	3,334,580.18	3,543,568.74	3,669,008.77	3,829,275.91
Student & Inst. Related Services	1,168,325.00	1,124,607.00	1,448,990.00	1,354,787.00	1,430,520.00	1,508,836.00	1,388,114.38	1,597,339.93	1,519,194.43	1,524,883.50
School Administrative Services	363,165.00	380,253.00	334,038.00	377,882.00	377,620.00	420,180.00	404,098.90	364,165.92	472,181.53	421,205.78
General and Business Administrative Services	584,586.00	594,322.00	613,246.00	630,637.00	642,502.00	650,739.00	316,294.67	470,320.69	368,425.32	502,804.01
Central Services							265,543.43	225,567.87	205,040.07	263,027.38
Administrative Information Technology							109,313.70	259,668.73	141,721.14	217,377.98
Plant Operations and Maintenance	926,728.00	965,386.00	1,064,002.00	949,257.00	884,385.00	918,784.00	1,057,771.24	1,114,718.91	855,997.84	803,460.66
Pupil Transportation	576,557.00	556,528.00	561,727.00	523,849.00	535,365.00	489,274.00	605,328.09	607,068.15	543,918.95	565,210.50
Employee Benefits	3,061,445.00	3,180,355.00	2,722,279.00	3,007,955.00	3,006,220.00	3,314,531.00	3,744,906.04	3,637,015.94	4,035,109.86	4,032,517.86
Special Schools	12,724.00	13,405.00	14,738.00	12,244.00					65,537.00	52,850.00
Capital Outlay	2,040,923.00	106,972.00	449,598.00	1,353,490.00	237,002.00	244,195.00	681,709.06	321,134.69	330,705.94	78,198.10
Debt Service:										
Principal	233,000.00	233,000.00	233,000.00	233,000.00	233,000.00	233,000.00	233,000.00	336,328.09	233,000.00	239,000.00
Interest and Other Charges	45,555.00	82,391.00	73,635.00	64,898.00	55,869.00	46,840.00	43,963.00	38,135.00	28,815.00	19,495.00
Total Expenditures	17,105,019.00	15,452,947.00	15,783,407.00	17,013,468.00	16,070,539.00	16,122,124.00	17,377,905.38	18,120,713.20	18,486,999.22	18,188,609.24
Excess (Deficiency) of Revenues over (Under) Expenditures	(2,243,112.00)	306,622.00	48,703.00	(248,853.00)	49,326.00	216,895.00	(691,425.62)	(1,398,785.44)	(744,316.65)	43,303.76
Other Financing Sources (Uses):										
Proceeds from Borrowing	2,248.00		600,000.00							2,700,000.00
Transfers In	327,040.00	77,804.00	506,050.00	178,895.00	57,342.00	222,149.00	214,614.34	193,192.00	209,807.29	138,740.00
Transfers Out		(9,888.00)	(278,504.00)	(54.00)	(57,342.00)	(122,149.00)				
Total Other Financing Sources (Uses)	329,288.00	67,916.00	827,546.00	178,841.00	(57,342.00)	100,000.00	214,614.34	193,192.00	209,807.29	2,838,740.00
Net Change in Fund Balances	\$ (1,913,824.00)	\$ 374,538.00	\$ 876,249.00	\$ (70,012.00)	\$ 49,326.00	\$ 316,895.00	\$ (476,811.28)	\$ (1,205,583.44)	\$ (534,509.36)	\$ 2,882,043.76
Debt Service as a Percentage of Noncapital Expenditures	0.00%	2.06%	2.00%	1.90%	1.82%	1.76%	1.66%	2.10%	1.44%	1.43%

Source: District Records

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue By Source
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Interest	\$ 139,940.00	\$ 69,895.00	\$ 24,040.00	\$ 25,258.00	\$ 25,863.00	\$ 14,218.00	\$ 3,341.05	\$ 1,952.03	\$ 1,812.01	\$ 7,727.22
Tuition		6,061.00	47,215.00	20,783.00	31,965.00	16,428.00				
Premium of BAN										8,913.00
E-Rate				9,541.00	16,352.00	17,426.00	18,122.63	21,747.23	65,010.49	92,979.49
Donations					5,695.00	1,126.00				
Prior Year Refunds		39,180.00	36,456.00	51,284.00	6,440.00	107,084.00	17,260.31	2,761.29	39,235.79	23,135.00
Rentals	71,247.00	65,038.00	62,051.00	90,861.00	88,992.00	68,440.00	75,871.87	88,550.00		
Sale of Bus					88,992.00			35,000.00		
Prior Year Cancelled Checks	611.00	5,744.00	2,915.00	8,346.00	20.00	24,498.00	12,761.91	65,978.05	55,180.26	39,099.41
Miscellaneous									52,026.13	
	<u>\$ 211,798.00</u>	<u>\$ 185,918.00</u>	<u>\$ 172,677.00</u>	<u>\$ 206,073.00</u>	<u>\$ 175,327.00</u>	<u>\$ 249,220.00</u>	<u>\$ 127,357.77</u>	<u>\$ 215,988.60</u>	<u>\$ 213,264.68</u>	<u>\$ 171,854.12</u>

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.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Years
Unaudited

Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax - Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2016	\$ 9,579,200	\$ 452,815,100	\$ 1,236,700	\$ 166,900	\$ 60,053,700	\$ 8,627,900	\$ 63,064,200	\$ 595,543,700	\$ 100	\$ 595,543,800	\$ 79,676,600	\$ 531,925,420	\$ 1.576
2015	8,453,400	458,273,500	1,236,700	166,900	64,046,100	7,027,900	64,891,400	604,095,900	100	604,096,000	79,587,700	579,301,884	1.480
2014	7,693,400	461,491,000	1,236,700	166,900	65,565,600	7,027,900	64,891,400	608,072,900	430,120	608,503,020	80,368,900	654,847,299	1.359
2013	8,058,700	463,867,700	1,236,700	166,900	65,670,500	7,351,900	64,891,400	611,243,800	602,419	611,846,219	80,212,800	569,624,761	1.300
2012	9,118,700	465,201,000	1,236,700	166,900	64,329,500	7,501,900	69,104,400	616,659,100	657,881	617,316,981	79,875,200	587,422,706	1.272
2011	R 9,456,800	469,168,600	1,236,700	166,900	64,429,000	7,614,500	69,402,900	621,475,400	682,336	622,157,736	78,685,200	623,764,882	1.264
2010	3,420,800	238,723,600	602,200	134,700	33,643,600	4,442,100	26,297,800	307,264,800	412,610	307,677,410	43,563,000	638,237,202	2.560
2009	3,518,100	238,411,200	602,200	134,700	34,055,300	4,442,100	28,767,400	309,931,000	394,085	310,325,085	43,593,100	675,262,675	2.462
2008	3,678,100	237,762,400	602,200	134,700	34,417,300	4,442,100	29,717,400	310,754,200	379,967	311,134,167	43,593,100	642,390,317	2.380
2007	3,086,600	237,589,700	602,200	134,700	33,838,100	4,442,100	30,490,400	310,183,800	404,619	310,588,419	44,326,500	578,151,424	2.305

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

b Tax rates are per \$100

R Revaluation Year

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Per \$100.00 of Assessed Valuation
 Last Ten Years
Unaudited

Year	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Township of Edgewater Park	Fire District	Burlington County	
2016	\$ 1.576	\$ -	\$ 1.576	\$ 0.779	\$ 0.067	\$ 0.365	\$ 2.787
2015	1.480		1.480	0.741	0.065	0.399	2.685
2014	1.359		1.359	0.706	0.063	0.412	2.540
2013	1.300		1.300	0.659	0.053	0.356	2.368
2012	1.272		1.272	0.638	0.053	0.360	2.323
2011	R 1.264		1.264	0.618	0.051	0.381	2.314
2010	2.560		2.560	0.193	0.101	0.788	3.642
2009	2.462		2.462	1.064	0.100	0.828	4.454
2008	2.380		2.380	0.990	0.100	0.803	4.273
2007	2.305		2.305	0.941	0.100	0.784	4.130

Source: Abstract of Ratables for the County of Burlington

R - Revaluation

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

Taxpayer	2016				2007			
	Taxable Assessed Value	Rank	% to Total District Net Assessed Value	Taxable Assessed Value	Rank	% to Total District Net Assessed Value	% to Total District Net Assessed Value	
Edgewater Park Real Estate	\$ 20,068,200.00	1	3.37%	\$ 10,773,000.00	1	3.47%	3.47%	
Edgewater Manor Apartments	17,500,000.00	2	2.94%	8,750,000.00	2	2.82%	2.82%	
AION Woodlane Crossings	15,372,900.00	3	2.58%					
Rosemar Properties	9,804,000.00	4	1.65%	3,485,000.00	5	1.12%	1.12%	
Bridget Stuart Inc. (Pathmark Stores)	6,417,000.00	5	1.08%	4,700,000.00	4	1.51%	1.51%	
Burlington Coat Factory Warehouse	4,529,300.00	6	0.76%					
ALDI, Inc	4,510,000.00	7	0.76%					
Ariel Realty	3,661,000.00	8	0.61%					
Edgewater Commons, LLC	3,366,000.00	9	0.57%	2,459,500.00	6	0.79%	0.79%	
Public Storage Management	3,068,900.00	10	0.52%	1,808,300.00	9	0.58%	0.58%	
Rosemar Properties				2,190,000.00	7	0.71%	0.71%	
Edgewater Beach Apartments				5,250,000.00	3	1.69%	1.69%	
D.S.I. Realty				2,000,300.00	8	0.64%	0.64%	
L&M Distribution Center				1,545,600.00	10	0.50%	0.50%	
Total	\$ 88,297,300.00		14.83%	42,961,700.00		13.83%	13.83%	

Source: Municipal Tax Assessor

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 8,939,088.19	\$ 8,939,088.19	100.00%	\$ -
2015	8,556,158.00	8,556,158.00	100.00%	-
2014	7,986,736.00	7,986,736.00	100.00%	-
2013	7,927,236.00	7,187,167.38	90.66%	647,650.00
2012	7,771,800.00	7,771,800.00	100.00%	-
2011	7,960,155.00	7,960,155.00	100.00%	-
2010	7,791,170.00	7,791,170.00	100.00%	-
2009	7,491,510.00	7,491,510.00	100.00%	-
2008	7,317,531.00	7,317,531.00	100.00%	-
2007	7,000,303.00	7,000,303.00	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.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases	Capital Leases	Not Available			
2016	\$ -	\$ 2,700,000.00	\$ -	\$ -	\$ 2,700,000.00	Not Available	Not Available	Not Available
2015	239,000.00	-	-	-	239,000.00	Not Available	Not Available	\$ 27.20
2014	472,000.00	-	-	-	472,000.00	0.10%	0.10%	53.50
2013	705,000.00	-	103,328.09	-	808,328.09	0.18%	0.18%	91.48
2012	938,000.00	-	202,969.00	-	1,140,969.00	0.25%	0.25%	128.56
2011	1,171,000.00	-	299,056.00	-	1,470,056.00	0.33%	0.33%	165.57
2010	1,404,000.00	-	422,872.00	-	1,826,872.00	0.43%	0.43%	205.59
2009	1,637,000.00	-	645,220.00	-	2,282,220.00	0.62%	0.62%	295.59
2008	1,870,000.00	-	58,359.00	-	1,928,359.00	0.52%	0.52%	250.47
2007	2,103,000.00	-	10,452.00	-	2,113,452.00	0.59%	0.59%	272.49

(1) Personal income has been estimated based upon the municipal population and per capita

(2) Population information provided by the NJ Dept. Of Labor and Workforce Development

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Bond Anticipation Notes	Deductions			
2016	\$ -	\$ 2,700,000.00	\$ -	\$ 2,700,000.00	0.45%	Not Available
2015	239,000.00	-	-	239,000.00	0.04%	\$ 27.20
2014	472,000.00	-	-	472,000.00	0.08%	53.50
2013	705,000.00	-	-	705,000.00	0.11%	79.79
2012	938,000.00	-	-	938,000.00	0.15%	105.69
2011	1,171,000.00	-	-	1,171,000.00	0.38%	131.88
2010	1,404,000.00	-	-	1,404,000.00	0.45%	158.00
2009	1,637,000.00	-	-	1,637,000.00	0.53%	212.02
2008	1,870,000.00	-	-	1,870,000.00	0.60%	242.89
2007	2,103,000.00	-	-	2,103,000.00	0.68%	271.14

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

(2) Population information provided by the NJ Dept. Of Labor and Workforce Development

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Net Debt Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Township of Edgewater Park	\$ 6,070,950.27	100.00%	\$ 6,070,950.27
Burlington County General Obligation Debt	217,095,201.00	1.27%	<u>2,760,430.91</u>
Subtotal, Overlapping Debt			8,831,381.18
Edgewater Park Township School District Direct Debt (1)	2,700,000.00	100.00%	<u>2,700,000.00</u>
Total Direct and Overlapping Debt			<u>\$ 11,531,381.18</u>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Township's share of the 2015 Equalized Valuation. The source for this computation was the 2015 County Abstract of Ratables, provided by the County Board of Taxation.
- (A) The debt for this entity was apportioned to Edgewater Park Township by dividing the Township's 2015 equalized value by the total 2015 equalized value for the County of Burlington, which results in an apportionment of 1.27%.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Computation of Legal Debt Margin
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015

	<u>Equalized Valuation Basis (1)</u>	
2015	\$	539,564,041.00
2014		583,115,554.00
2013		653,806,610.00
[A]		<u>\$ 1,776,486,205.00</u>
Average equalized valuation of taxable property	\$	592,162,088.33
[A/3]		
Debt limit (3% of average equalization value) (2)	\$	17,764,862.05
[B]		
[C]		
Total Net Debt Applicable to Limit		
Legal Debt Margin	\$	<u>17,764,862.05</u>
[B-C]		

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debit Limit	\$ 17,764,862.05	\$ 18,109,857.46	\$ 18,146,105.62	\$ 17,791,674.05	\$ 18,434,787.00	\$ 19,284,981.00	\$ 19,464,055.00	\$ 18,805,083.00	\$ 17,030,168.00	\$ 15,250,255.00
Total net debt applicable to limit (3)	-	239,000.00	472,000.00	705,000.00	938,000.00	1,171,000.00	1,404,000.00	1,637,000.00	1,870,000.00	2,103,000.00
Legal Debt Margin	<u>\$ 17,764,862.05</u>	<u>\$ 17,870,857.46</u>	<u>\$ 17,674,105.62</u>	<u>\$ 17,086,674.05</u>	<u>\$ 17,496,787.00</u>	<u>\$ 18,113,981.00</u>	<u>\$ 18,060,055.00</u>	<u>\$ 17,168,083.00</u>	<u>\$ 15,160,168.00</u>	<u>\$ 13,147,255.00</u>
Total net debt applicable to the limit as a percentage of debt limit	-	1.32%	2.60%	3.96%	5.09%	6.07%	7.21%	8.71%	10.98%	13.79%

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 K through 8 district.
 (3) District Records

Demographic and Economic Information

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Years
Unaudited

<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	8,788	Not Available	Not Available	5.10%
2014	8,823	\$ 474,209,781.00	\$ 53,747.00	7.60%
2013	8,836	457,572,260.00	51,785.00	10.40%
2012	8,875	456,086,250.00	51,390.00	11.90%
2011	8,879	443,550,445.00	49,955.00	11.50%
2010	8,886	426,945,642.00	48,047.00	11.80%
2009	7,721	367,897,929.00	47,649.00	11.10%
2008	7,699	368,135,384.00	47,816.00	6.50%
2007	7,756	358,234,128.00	46,188.00	4.80%
2006	7,904	352,376,128.00	44,582.00	5.30%

(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 2000 Census published

(4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

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.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	Fiscal Year Ended June 30.									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction:										
Regular	63	63	69	69	69	69	69	49	51	57
Special Education	14	14	12	12	12	12	12	12	12	10
Other Instruction	7	7	6	6	7	7	7	12	11	5
Support Services:										
Student and Instruction Related Services	16	16	15	15	16	16	16	10	10	6
School Administrative Services	10	10	9	9	9	8	8	6	6	5
General Administration	4	4	4	4	4	4	4	1	4	1
Plant Operations and Maintenance	12	12	12	12	11	11	11	4	4	4
Pupil Transportation	4	4	3	3	2	2	1	1	4	1
Food Service	4	4	2	2						
Total	<u>134</u>	<u>134</u>	<u>132</u>	<u>132</u>	<u>130</u>	<u>129</u>	<u>128</u>	<u>95</u>	<u>97</u>	<u>89</u>

Source: District Personnel Records

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2016	860.0	\$ 17,881,480.02	\$ 20,792.42	0.12%	72	1:12	1:12	860.0	817.0	-0.92%	95.00%
2015	868.0	18,026,933.86	20,768.36	2.61%	73	1:12	1:12	868.0	826.0	-0.34%	95.16%
2014	873.0	17,669,321.49	20,239.77	7.36%	81	1:10	1:10	871.0	830.0	4.74%	95.29%
2013	883.0	16,645,864.38	18,851.49	3.09%	81	1:10	1:10	831.6	762.4	-3.53%	91.68%
2012	853.0	15,598,089.00	18,286.15	0.34%	81	1:10	1:10	862.0	813.6	1.52%	94.39%
2011	853.0	15,544,688.00	18,223.55	4.04%	81	1:10	1:10	849.1	799.7	-2.08%	94.18%
2010	877.0	15,362,080.00	17,516.62	-3.37%	81	1:10	1:10	867.1	815.8	3.70%	94.08%
2009	829.0	15,027,174.00	18,126.87	0.34%	81	1:10	1:10	836.2	791.7	1.23%	94.68%
2008	832.0	15,030,584.00	18,065.61	5.69%	80	1:13	1:10	826.0	785.0	-2.91%	95.04%
2007	865.0	14,785,541.00	17,093.11	4.86%	80	1:13	1:10	850.8	807.3	-2.21%	94.89%

Sources: District records

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>District Building</u>										
<u>Elementary</u>										
Magowan School (1955):										
Square Feet	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410
Capacity (students)	736	736	736	736	736	736	736	736	736	736
Enrollment	537	510	507	520	512	512	520	520	532	538
<u>Middle School</u>										
Ridgway School (1969):										
Square Feet	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment	328	322	322	357	341	341	363	363	336	316

Number of Schools at June 30, 2016
 Elementary = 1
 Middle School = 1

Source: District Records
 Note: Enrollment is based on the annual October district count.

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities 11-000-261-xxx	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
* <u>School Facilities</u>										
Magowan School	\$ 33,963.00	\$ 27,319.00	\$ 33,669.00	\$ 29,454.00	\$ 5,684.00	\$ 32,381.00	\$ 43,376.74	\$ 42,442.50	\$ 18,468.73	\$ 94,551.45
Ridgway School	10,662.00	18,985.00	44,945.00	23,255.00	19,705.00	23,619.00	21,196.27	21,637.24	17,500.95	90,395.64
	<u>\$ 44,625.00</u>	<u>\$ 46,304.00</u>	<u>\$ 78,614.00</u>	<u>\$ 52,709.00</u>	<u>\$ 25,389.00</u>	<u>\$ 56,000.00</u>	<u>\$ 64,573.01</u>	<u>\$ 64,079.74</u>	<u>\$ 35,969.68</u>	<u>\$ 184,947.09</u>

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

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2016

Unaudited

	<u>Coverage</u>	<u>Self-Insured Retention</u>	<u>Deductible</u>
School Package Property (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 30,539,700.00		\$ 1,000.00
General Liability	3,000,000.00		1,000.00
Automobile Liability (2)	1,000,000.00		500.00
Inland Marine	500,000.00		500.00
Crime Coverage	100,000.00		500.00
Commercial Umbrella (2)	10,000,000.00	\$ 10,000.00	
Workers' Compensation (3)	Statutory		
Student Accident (4)	1,000,000.00		
Surety Bonds (5)			
Business Administrator/Board Secretary	300,000.00		
Treasurer	250,000.00		
Superintendent	225,000.00		

- (1) Republic Franklin Insurance
(2) Utica Mutual Insurance Company
(3) New Jersey School Boards Association Insurance Group
(4) Berkley Life and Health
(5) RLI Insurance Company

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Edgewater Park Township School District
Edgewater Park, New Jersey 08010

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; 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, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Edgewater Park School District's, County of Burlington, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Township of Edgewater Park School District, in the County of Burlington, 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 federal and state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

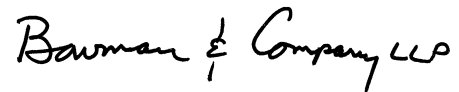
Management of the Township of Edgewater Park School District, in the County of Burlington, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit 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 federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Public School Accountant No. CS 2065

Voorhees, New Jersey
November 21, 2016

EDGEWATER PARK TOWNSHIP 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>	<u>(Accounts Receivable) / Unearned Revenue</u>	<u>Due to Grantor</u>
U.S. Department of Education:								
General Fund:								
Passed-through State Department of Education: Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	\$ 3,149.36	07/01/15	06/30/16	\$ -	\$ -
Total General Fund							-	-
Special Revenue Fund:								
Passed-through State Department of Education:								
N.C.L.B.:								
Title I, Part A	84.010A	S010A150030	NCLB128015	319,393.00	07/01/14	06/30/15	(101,383.25)	
Title I, Part A	84.010A	S010A150030	NCLB128016	317,742.00	07/01/15	06/30/16		
Total Title I, Part A							(101,383.25)	-
Title II, Part A Improving Teacher Quality	84.367A	S364A150029	NCLB128013	23,099.00	09/01/12	08/31/13		2,202.00
Title II, Part A Improving Teacher Quality	84.367A	S364A150029	NCLB128015	23,524.00	07/01/14	06/30/15	(5,417.24)	
Title II, Part A Improving Teacher Quality	84.367A	S364A150029	NCLB128016	23,275.00	07/01/15	06/30/16		
Total Title II, Part A Improving Teacher Quality							(5,417.24)	2,202.00
Title III, Part A	84.365A	S365A150030	NCLB128015	19,441.00	07/01/14	06/30/15	(21,225.00)	
Title III, Part A	84.365A	S365A150030	NCLB128016	15,291.00	07/01/15	06/30/16		
Total Title III, Part A							(21,225.00)	-
Title III, Immigrant	84.365A	S365A150030	NCLB128015	6,992.00	07/01/14	06/30/15	(4,716.32)	-
Total Title III							(25,941.32)	-
I.D.E.A., Part B:								
Special Education Cluster:								
Preschool	84.173	H173A150114	PS128015	11,162.00	07/01/14	06/30/15	(16,961.96)	
Preschool	84.173	H173A150114	PS128016	11,346.00	07/01/15	06/30/16		
Basic Regular	84.027	H027A150100	FT128015	253,983.00	07/01/14	06/30/15	(145,602.00)	
Basic Regular	84.027	H027A150100	FT128016	256,834.00	07/01/15	06/30/16		
Total I.D.E.A. Part B Special Education Cluster							(162,563.96)	-
Race To The Top (Direct Funding)	84.413A	B413A120008	B413A120008	20,256.00	09/01/11	11/30/15	(5,899.00)	-
Total Special Revenue Fund							(301,204.77)	2,202.00
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
Non-Cash Assistance (Food Distribution):								
Food Distribution Program	10.555	16161NJ304N1099	N/A	33,870.35	07/01/14	06/30/15	3,173.66	
Food Distribution Program	10.555	16161NJ304N1099	N/A	39,600.18	07/01/15	06/30/16		
Cash Assistance:								
School Breakfast Program	10.553	16161NJ304N1099	N/A	34,589.54	07/01/14	06/30/15	(3,504.67)	
School Breakfast Program	10.553	16161NJ304N1099	N/A	42,554.93	07/01/15	06/30/16		
After School Snack Program	10.555	16161NJ304N1099	N/A	3,841.59	07/01/14	06/30/15	(322.64)	
After School Snack Program	10.555	16161NJ304N1099	N/A	10,910.76	07/01/15	06/30/16		
National School Lunch Program	10.555	16161NJ304N1099	N/A	201,661.22	07/01/14	06/30/15	(15,302.98)	
National School Lunch Program	10.555	16161NJ304N1099	N/A	203,003.11	07/01/15	06/30/16		
Special Milk Program for Children	10.556	16161NJ304N1099	N/A	897.95	07/01/14	06/30/15	(58.35)	
Special Milk Program for Children	10.556	16161NJ304N1099	N/A	955.94	07/01/15	06/30/16		
Total Child Nutrition Cluster							(16,014.98)	-
Total Enterprise Fund							(16,014.98)	-
Total Federal Financial Assistance							\$ (317,219.75)	\$ 2,202.00

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

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

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures					Balance June 30, 2016			
		Pass Through Funds	Direct Funds	Total Budgetary Expenditures	Passed Through to Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ -	\$ 3,149.36	\$ (3,149.36)	\$ -	\$ (3,149.36)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,149.36	(3,149.36)	-	(3,149.36)	-	-	-	-	-	-
(71,044.00)	172,427.00					0.25				
71,044.00	175,370.00	(367,720.87)		(367,720.87)		(0.25)		(142,372.00)	21,064.88	
-	347,797.00	(367,720.87)	-	(367,720.87)	-	-	-	(142,372.00)	21,064.88	-
(14,370.00)	19,019.00					0.24	(2,202.00)	(768.00)		
14,370.00		(21,652.50)		(21,652.50)		(0.24)		(23,275.00)	15,992.26	
-	19,019.00	(21,652.50)	-	(21,652.50)	-	-	(2,202.00)	(24,043.00)	15,992.26	-
	21,225.00									
	14,704.00	(15,291.00)		(15,291.00)				(587.00)		
-	35,929.00	(15,291.00)	-	(15,291.00)	-	-	-	(587.00)	-	-
-	4,716.00	(3,813.68)	-	(3,813.68)	-	-	-	(3,814.00)	-	-
-	40,645.00	(19,104.68)	-	(19,104.68)	-	-	-	(4,401.00)	-	-
(1,389.00)	18,361.00					(10.04)				
1,389.00	9,957.00	(12,735.00)		(12,735.00)				(1,389.00)		
	145,602.00									
	256,834.00	(256,834.00)		(256,834.00)						
-	430,754.00	(269,569.00)	-	(269,569.00)	-	(10.04)	-	(1,389.00)	-	-
-	5,899.00	-	-	-	-	-	-	-	-	-
-	844,114.00	(678,047.05)	-	(678,047.05)	-	(10.04)	(2,202.00)	(172,205.00)	37,057.14	-
		(3,173.66)		(3,173.66)						
	39,600.18	(31,995.18)		(31,995.18)					7,605.00	
								(3,504.67)		
	39,555.82	(42,554.93)		(42,554.93)				(2,999.11)		
								(322.64)		
	10,195.08	(10,910.76)		(10,910.76)				(715.68)		
	191,491.69	(203,003.11)		(203,003.11)				(15,302.98)		
								(11,511.42)		
	913.52	(955.94)		(955.94)				(58.35)		
								(42.42)		
-	281,756.29	(292,593.58)	-	(292,593.58)	-	-	-	(34,457.27)	7,605.00	-
-	281,756.29	(292,593.58)	-	(292,593.58)	-	-	-	(34,457.27)	7,605.00	-
\$ -	\$ 1,129,019.65	\$ (973,789.99)	\$ -	\$ (973,789.99)	\$ -	\$ (10.04)	\$ (2,202.00)	\$ (206,662.27)	\$ 44,662.14	\$ -

EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2016

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2015</u>	<u>Carryover/ (Walkover) Amount</u>
			<u>From</u>	<u>To</u>		
General Fund:						
Current Expense:						
State Aid - Public Cluster:						
Equalization Aid	16-495-034-5120-078	\$ 5,627,373.00	07/01/15	06/30/16	\$ -	\$ -
Equalization Aid	15-495-034-5120-078	5,627,373.00	07/01/14	06/30/15	(512,317.35)	
Special Education Categorical Aid	16-495-034-5120-089	583,952.00	07/01/15	06/30/16		
Special Education Categorical Aid	15-495-034-5120-089	583,952.00	07/01/14	06/30/15	(53,163.14)	
Under Adequacy Aid	16-495-034-5120-096	4,746.00	07/01/15	06/30/16		
Under Adequacy Aid	15-495-034-5120-096	4,746.00	07/01/14	06/30/15	(432.08)	
Per Pupil Growth Aid	16-495-034-5120-097	10,300.00	07/01/15	06/30/16		
Per Pupil Growth Aid	15-495-034-5120-097	10,300.00	07/01/14	06/30/15	(937.71)	
PARCC Readiness	16-495-034-5120-098	10,300.00	07/01/15	06/30/16		
PARCC Readiness	15-495-034-5120-098	10,300.00	07/01/14	06/30/15	(937.71)	
Security Aid	16-495-034-5120-084	248,909.00	07/01/15	06/30/16		
Security Aid	15-495-034-5120-084	248,909.00	07/01/14	06/30/15	(22,660.73)	
Total State Aid - Public Cluster					(590,448.72)	-
Transportation Aid:						
Categorical Transportation Aid	16-495-034-5120-014	133,655.00	07/01/15	06/30/16		
Categorical Transportation Aid	15-495-034-5120-014	133,655.00	07/01/14	06/30/15	(12,167.98)	
Nonpublic Transportation Aid	16-495-034-5120-014	5,916.00	07/01/15	06/30/16		
Nonpublic Transportation Aid	15-495-034-5120-014	6,264.00	07/01/14	06/30/15	(6,264.00)	
Total Transportation Aid					(18,431.98)	-
Reimbursed TPAF Social Security Contributions (Social Security Tax)						
Reimbursed TPAF Social Security Contributions (Social Security Tax)	16-495-034-5095-003	421,446.87	07/01/15	06/30/16		
Reimbursed TPAF Social Security Contributions (Social Security Tax)	15-495-034-5095-003	423,820.00	07/01/14	06/30/15	(41,430.79)	
Total Reimbursed TPAF Social Security Contributions (Social Security Tax)					(41,430.79)	-
Total General Fund					(650,311.49)	-
Special Revenue Fund:						
New Jersey Department of Education:						
Preschool Education Aid	16-495-034-5120-086	93,803.00	07/01/15	06/30/16		9,451.00
Preschool Education Aid	15-495-034-5120-086	93,803.00	07/01/14	06/30/15	70.70	(9,451.00)
Total Special Revenue Fund					70.70	-
Debt Service Fund:						
School Construction Debt Service Aid - Debt Service Type II Aid	16-495-034-5120-075	84,510.00	07/01/15	06/30/16		
Total Debt Service Fund					-	-
Capital Projects Fund:						
NJ Economic Development Authority:						
EDA Educational Facilities Construction and Financing Act - Section 15: 2009 Allotment:						
Magowan School Renovations	1280-050-09-1001	516,305.00	07/01/09	06/30/10	(197,812.36)	
Ridgway School Renovations	1280-070-09-1002	393,096.00	07/01/09	06/30/10	54,473.76	
Total Capital Projects Fund					(143,338.60)	-
Enterprise Fund:						
State Department of Agriculture						
State School Lunch Program	16-100-010-3350-023	4,595.08	07/01/15	06/30/16		
State School Lunch Program	15-100-010-3350-023	4,551.12	07/01/14	06/30/15	(342.42)	
Total Enterprise Fund					(342.42)	-
Total State Financial Assistance Subject to Major Program Determination for State Single Audit					(793,921.81)	-
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:						
Teacher's Pension and Annuity Fund - Post Retirement Medical	16-495-034-5094-001	536,471.00	07/01/15	06/30/16		
Teacher's Pension and Annuity Fund - Normal Cost	16-495-034-5094-002	429,164.00	07/01/15	06/30/16		
Teacher's Pension and Annuity Fund - Non-contributory Insurance	16-495-034-5094-004	21,378.00	07/01/15	06/30/16		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					\$ (793,921.81)	\$ -

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

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.

Cash <u>Received</u>	Total Budgetary <u>Expenditures</u>	Passed Through to <u>Subrecipients</u>	<u>Adjustments (a)</u>	Repayment of Prior Years' <u>Balances</u>	Balance at June 30, 2016			Memo	
					<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>Due to Grantor at</u>	<u>Budgetary Receivable June 30, 2016</u>	<u>Cumulative Total Expenditures</u>
\$ 5,128,880.86	\$ (5,627,373.00)	\$ -	\$ -	\$ -	\$ (498,492.14)	\$ -	\$ -	\$ (498,492.14)	\$ 5,627,373.00
512,317.35									
532,223.51	(583,952.00)				(51,728.49)			(51,728.49)	583,952.00
53,163.14									
4,325.58	(4,746.00)				(420.42)			(420.42)	4,746.00
432.08									
9,387.59	(10,300.00)				(912.41)			(912.41)	10,300.00
937.71									
9,387.59	(10,300.00)				(912.41)			(912.41)	10,300.00
937.71									
226,859.78	(248,909.00)				(22,049.22)			(22,049.22)	248,909.00
22,660.73									
6,501,513.63	(6,485,580.00)	-	-	-	(574,515.09)	-	-	(574,515.09)	6,485,580.00
121,815.38	(133,655.00)				(11,839.62)			(11,839.62)	133,655.00
12,167.98									
	(5,916.00)				(5,916.00)				5,916.00
6,264.00									
140,247.36	(139,571.00)	-	-	-	(17,755.62)	-	-	(11,839.62)	139,571.00
421,446.87	(421,446.87)								421,446.87
41,430.79									
462,877.66	(421,446.87)	-	-	-	-	-	-	-	421,446.87
7,104,638.65	(7,046,597.87)	-	-	-	(592,270.71)	-	-	(586,354.71)	7,046,597.87
84,422.70	(93,803.00)				(9,380.30)	9,451.00		(9,380.30)	93,803.00
9,380.30									
93,803.00	(93,803.00)	-	-	-	(9,380.30)	9,451.00	-	(9,380.30)	93,803.00
84,510.00	(84,510.00)								84,510.00
84,510.00	(84,510.00)	-	-	-	-	-	-	-	84,510.00
					(197,812.36)				
					(160,629.17)	215,102.93			
-	-	-	-	-	(358,441.53)	215,102.93	-	-	-
4,343.37	(4,595.08)				(251.71)				4,595.08
			342.42						
4,343.37	(4,595.08)	-	342.42	-	(251.71)	-	-	-	4,595.08
7,287,295.02	(7,229,505.95)	-	342.42	-	(960,344.25)	224,553.93	-	(595,735.01)	7,229,505.95
536,471.00	(536,471.00)								
429,164.00	(429,164.00)								429,164.00
21,378.00	(21,378.00)								21,378.00
987,013.00	(987,013.00)	-	-	-	-	-	-	-	450,542.00
\$ 8,274,308.02	\$ (8,216,518.95)	\$ -	\$ 342.42	\$ -	\$ (960,344.25)	\$ 224,553.93	\$ -	\$ (595,735.01)	\$ 7,680,047.95

TOWNSHIP OF EDGEWATER PARK 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 Township of Edgewater Park 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 exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following 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. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$16,262.00 for the general fund and \$6,911.24 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	\$ 3,149.36	\$ 7,062,859.87	\$ 7,066,009.23
Special Revenue	684,958.29	93,803.00	778,761.29
Debt Service		84,510.00	84,510.00
Food Service	<u>297,024.92</u>	<u>4,595.08</u>	<u>301,620.00</u>
Total Awards and Financial Assistance	<u>\$ 985,132.57</u>	<u>\$ 7,245,767.95</u>	<u>\$ 8,230,900.52</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent trivial variances incurred due to rounding differences as well as an adjustment for a cancellation of state receivable.

Note 6: 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, post-retirement medical costs and non-contributory insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

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

EDGEWATER PARK BOARD OF EDUCATION
 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 Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ___ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Child Nutrition Cluster:
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>Food Distribution Program, National School Lunch Program, After School Snack Program</u>
<u>10.553</u>	<u>16161NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>16161NJ304N1099</u>	<u>Special Milk Program for Children</u>
		I.D.E.A., Part B:
<u>84.173</u>	<u>H173A150114</u>	<u>Preschool</u>
<u>84.027</u>	<u>H027A150100</u>	<u>Basic Regular</u>

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

Auditee qualified as low-risk auditee? ___ yes X no

EDGEWATER PARK BOARD OF EDUCATION
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.

No Current Year Findings

EDGEWATER PARK BOARD OF EDUCATION
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).

No Current Year Findings

EDGEWATER PARK BOARD OF EDUCATION
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.

No Current Year Findings

EDGEWATER PARK BOARD OF EDUCATION
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.

FINANCIAL STATEMENT FINDINGS

Finding No. 2015-001

Condition

The Board Secretary/School Business Administrator's financial records were not accurately and completely maintained and the bank accounts were not reconciled during the year in a timely manner.

Current Status

This finding has been resolved.

FEDERAL AWARDS

No Prior Year Findings

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings

