EDUCATIONAL INFORMATION AND RESOURCE CENTER

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

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SINGLE AUDIT SECTION

INTRODUCTORY SECTION

EIRC
EDUCATIONAL INFORMATION & RESOURCE CENTER

(856) 582-7000 • Fax: (856) 582-4360
200 College Drive • Blackwood, NJ 08012

Honorable Chair and Members of the Board of Directors
Educational Information and Resource Center
County of Camden, New Jersey

Dear Board Members and Constituents:

The comprehensive annual financial report of the Educational Information and Resource Center (the "Center", "EIRC") for the fiscal year ended June 30, 2016, is hereby submitted.

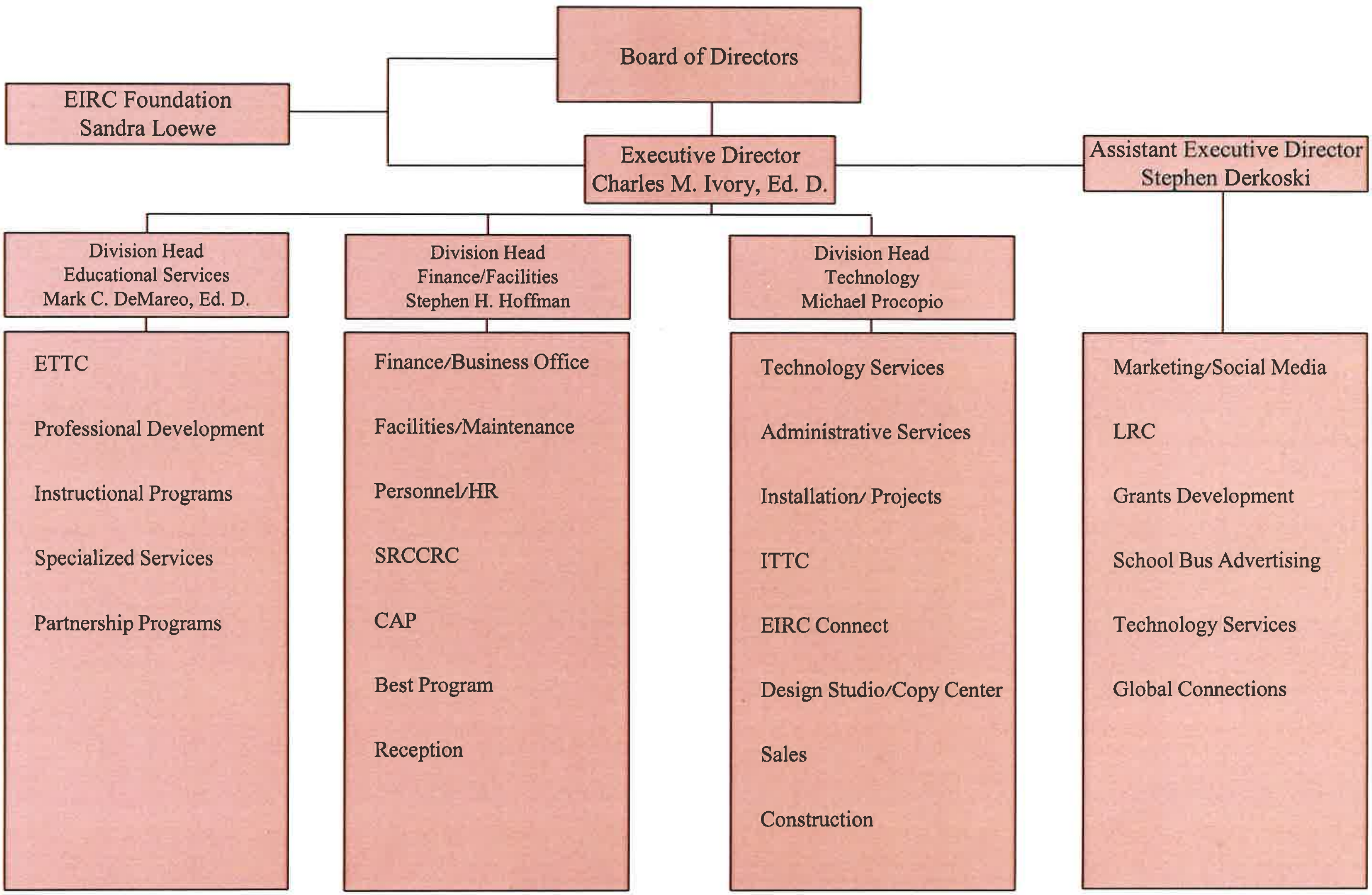
Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Directors (Board). Please take particular note with respect to management's responsibility for this report:

> The Executive Director (effective 8-1-16), Mr. David T. Lindenmuth and Assistant Director/SBA (effective 12-1-16 and 10-1-16 respectively) Mr. William R. Blatchley (collectively, "Management") do not assume any responsibility for the accuracy, completeness or fairness of any data relating to or stemming from the Center's 2015-2016 operation, the sufficiency of internal controls, budgetary information, or conformity with GASB or GAAP principles or any other material aspects relied upon in this report. Management, to the best of its knowledge, has provided access to all available data and information required by the independent auditor. The independent auditor has, to the best of its ability, prepared the audit in a manner intended to present fairly the financial position and results of operations of the various funds and account groups of the Center without the ability to rely on the underlying premise regarding the data and information, normally provided by Management.

David T. Lindenmuth	William R. Blatchley
Executive Director	Assistant Director/CFO

Approved:
3/8/2016

Educational Information & Resource Center
Organizational Structure



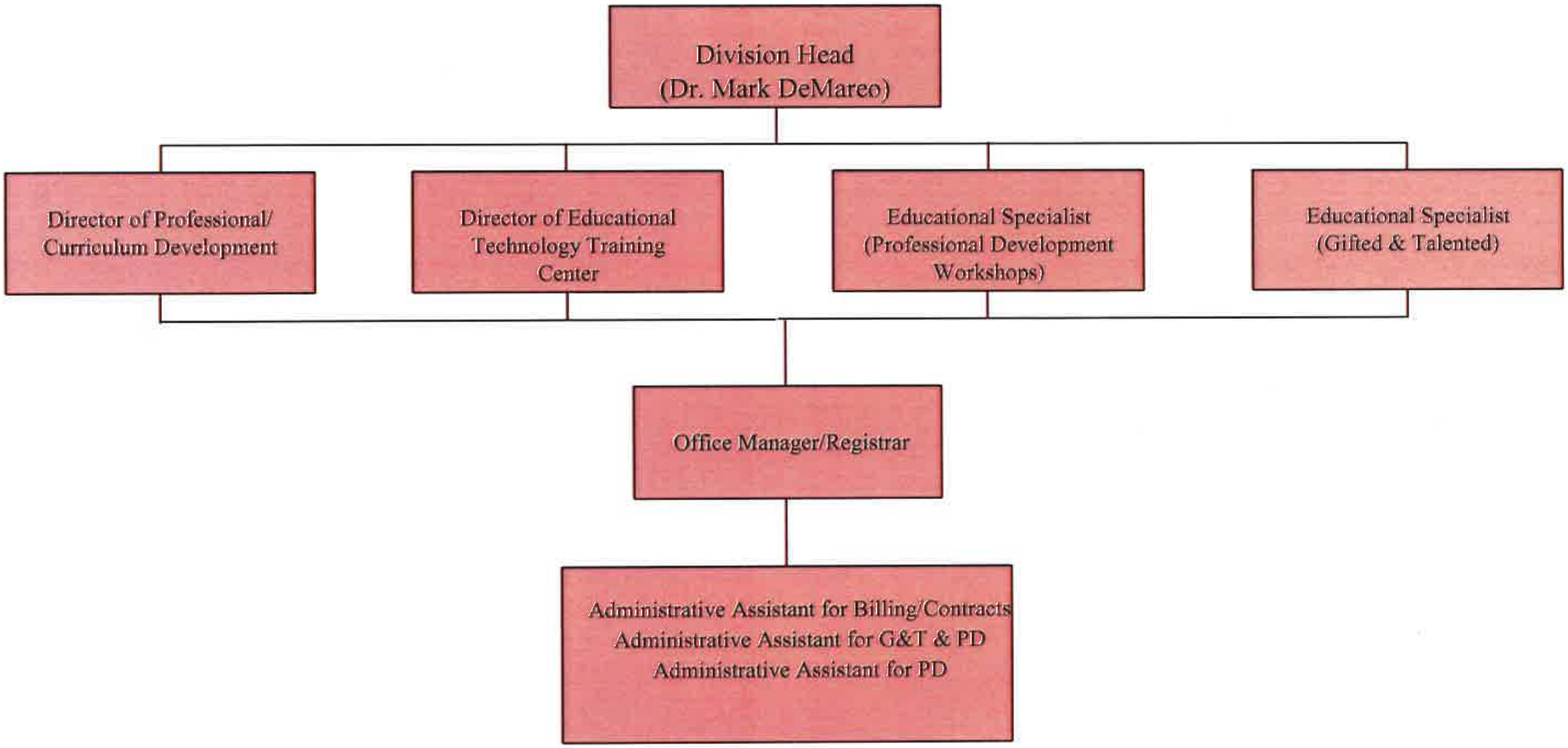
EIRC

Educational Information & Resource Center
FY 2016 Organizational Structure

Special Programs

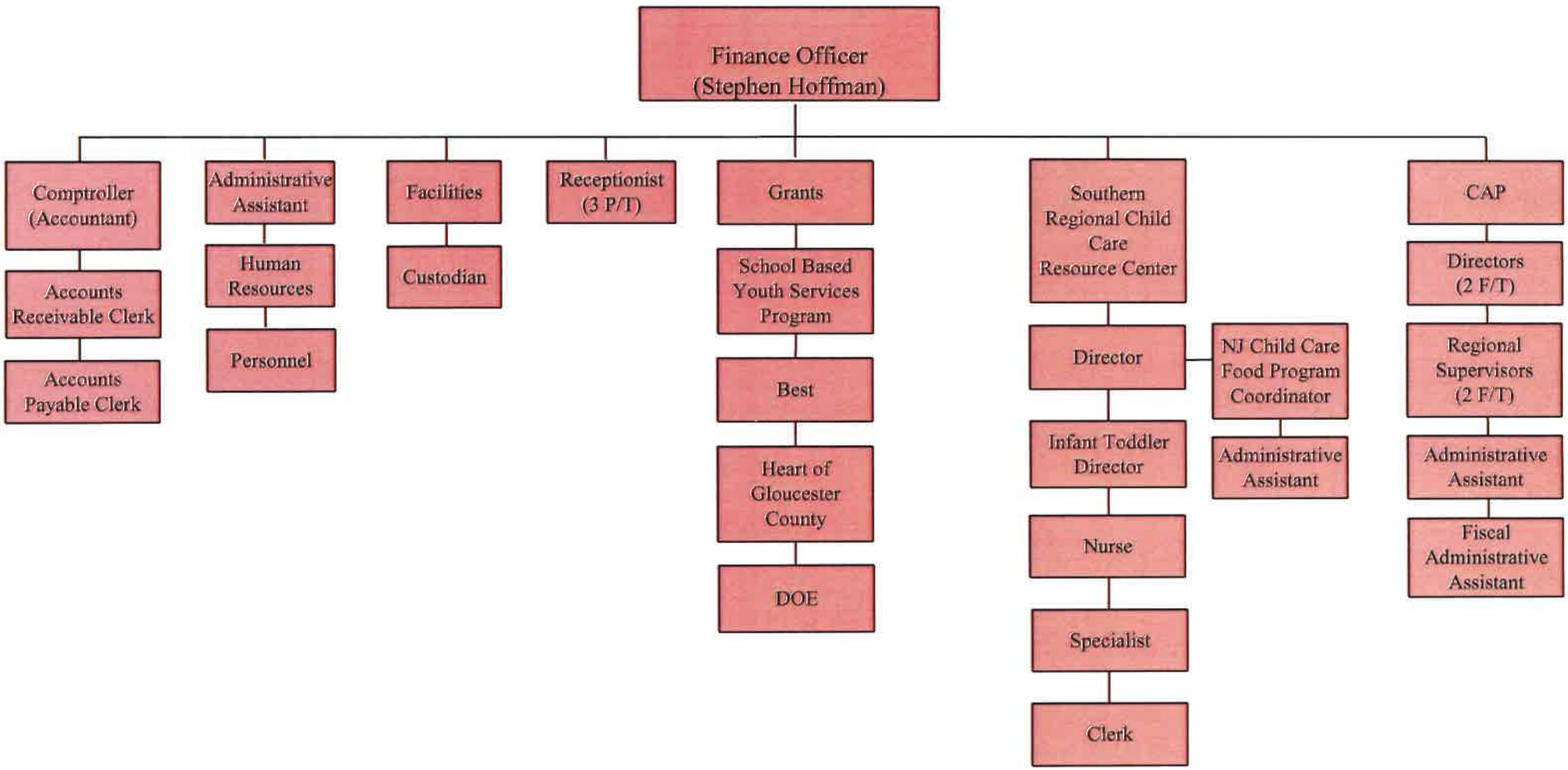
- Assistant Executive Director (Stephen Derkoski)
  - Marketing/Social Media
    - Coordinator
      - Shared Clerical Assistants
  - Learning Resource Center South
    - Special Education Consultant (SEC) 1
      - LRC Manager
        - Instructional Materials Technician IMT (3)
        - Van Consultant IMT (1)
        - Circulation Assistant CA (2)
        - Part Time Workshop Reception (2)
        - Part Time Library Assistant (1)
      - Preschool Special Education Consultant (PSC) 1
  - Global Connections
    - Director
    - Administrative Assistant
  - School Bus Advertising
    - Coordinator
  - Technology Services/Contracts

Educational Information & Resource Center
FY 2016 Organizational Structure
Educational Services



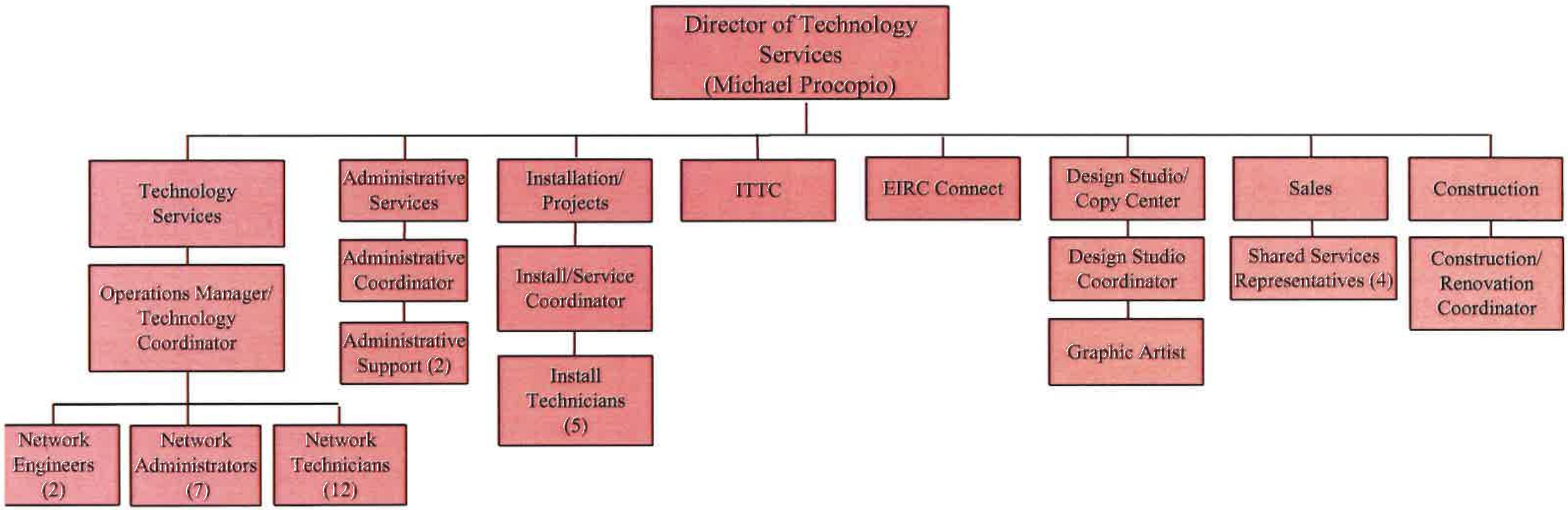
EIRC

Educational Information & Resource Center
FY 2016 Organizational Structure
Finance/ Facilities



EIRC

Educational Information & Resource Center
FY 2016 Organizational Structure
Technology



EDUCATIONAL INFORMATION AND RESOURCE CENTER

ROSTER OF OFFICIALS

JUNE 30, 2016

BOARD OF DIRECTORS

Board Member	Representation / Affiliation	Term Expiration
Rena Alpert	Grades K-2 Teacher	6/30/2017
Lynda Anderson-Towns	Superintendent	6/30/2018
Daniel Bevilacqua **	Grades 9 – 12 Teacher	6/30/2016
Todd Bonsall	Voc Ed/Middlesex County Tech Center	6/30/2017
Holly Bush	Non Profit, Non Public/Gateway Regional High School	6/30/2018
Rene Candelori	Grades 3-5 Teacher	6/30/2018
Thomas Coleman	Curriculum Supervisor/Woodstown-Pilesgrove Schools	6/30/2017
Diane Cummins	Parent/Clearview Regional High School	6/30/2018
John Deserable	Business Administrator/Evesham Township Schools-Retired	6/30/2017
Charles Highsmith	Secondary Principal	6/30/2017
Jack Hill	Higher Education	6/30/2016
Frank Jankowski, Jr.	Elementary Principal/Bellmawr	6/30/2016
Linda Martins	Grades 6-8 Teacher	6/30/2018
David J. Piccirillo	Parent/DuPont	6/30/2018
Grace V. Romeo	Business & Industry	6/30/2017
Judy Varallo	Special Ed/Camden City Schools-Retired	6/30/2016
Karen Wolf	Grades K-2 Teacher/Goddard School, Mullica Hill	6/30/2017
Robert Wooton *	Board of Education/Superintendent of Schools- Retired	6/30/2016
Vacant	Student	
Vacant	Pupil Personnel	
Vacant	Board of Education	

* Chairperson
** Vice Chairperson

Other Officials

Charles Ivory, Executive Director
Stephen H. Hoffman, Finance Officer

EDUCATIONAL INFORMATION AND RESOURCE CENTER

CONSULTANTS AND ADVISORS

JUNE 30, 2016

Audit Firm

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

Attorney

Comegno Law Group, P.C.
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

Insurance Broker

J S Braddock Agency/PHS
22 N Main St
Medford, NJ, 08053

Official Depositories

TD Bank
148 Main Street
Mullica Hill, New Jersey 08062

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and
Members of the Board of Directors
Educational Information and Resource Center
200 College Drive
Blackwood, New Jersey 08012

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Educational Information and Resource Center, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Educational Information and Resource Center's basic financial statements as listed in the table of contents.

Management's Responsibilities 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 Educational Information and Resource Center'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 Educational Information and Resource Center'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.

Basis for Qualified Opinions on the Governmental Activities, Business-Type Activities, General Fund, Special Revenue Fund, Enterprise Funds, and Internal Service Funds

There is a lack of accounting controls in place over the reconciliation of accounts, recording of accounts payable and encumbrances, and posting of journal entries for non-cash transactions. In addition, management has not adopted a methodology for reviewing the collectability of accounts receivable, and accordingly, has not considered the need to provide an allowance for uncollectible amounts. Because of this lack of accounting controls, we were unable to obtain sufficient appropriate audit evidence about the amount recognized as assets, liabilities, net position / fund balance, revenues and expenses recorded for the fiscal year ended June 30, 2016. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "*Basis for Qualified Opinions on the Governmental Activities, Business-Type Activities, General Fund, Special Revenue Fund, Enterprise Funds, and Internal Service Funds*" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, Business-Type Activities, General Fund, Special Revenue Fund, Enterprise Funds, and Internal Service Funds of the Educational Information and Resource Center, 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.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component unit and the aggregate remaining fund information of the Educational Information and Resource Center, as of June 30, 2016, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Going Concern

The accompanying financial statements have been prepared assuming that the Educational Information and Resource Center will continue as a going concern. As discussed in Note 18 to the financial statements, the Educational Information and Resource Center has suffered recurring losses from operations and has a net capital deficiency, which raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 18. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the Educational Information and Resource Center's proportionate share of the net pension liability, and schedule of the Educational Information and Resource Center'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.

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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Educational Information and Resource Center'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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the supplementary information of the Special Revenue Fund, Enterprise Funds, Internal Service Funds, and schedules of expenditures of federal awards and state financial assistance as described in the sixth paragraph, the accompanying combining statements and related major fund supporting statements and schedules 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 February 14, 2017 on our consideration of the Educational Information and Resource Center'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 Educational Information and Resource Center's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
February 14, 2017

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Exhibit K-1

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and
Members of the Board of Directors
Educational Informational and Resource Center
200 College Drive
Blackwood, New Jersey 08012

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Educational Information and Resource Center, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Educational Information and Resource Center's basic financial statements, and have issued our report thereon dated February 14, 2017. Our opinion was modified to include a qualified opinion on the governmental activities, business-type activities, general fund, special revenue fund, enterprise funds, and internal service funds because of the lack of accounting controls in place over the reconciliation of accounts, recording of accounts payable and encumbrances, posting of journal entries for non-cash transactions and the lack of a methodology for reviewing the collectability of accounts receivable. Our report on the financial statements included an emphasis of matter paragraph describing the ability of the Educational Information and Resource Center to continue as a going concern.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Educational Information and Resource Center'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 Educational Information and Resource Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Educational Information and Resource Center's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance,* we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be material weaknesses as findings no. 2016-001, 2016-002, 2016-006 and 2016-007.

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. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be significant deficiencies as findings no. 2016-005 and 2016-008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Educational Information and Resource Center'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 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, and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as findings no. 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, and 2016-008.

The Educational Information and Resource Center's Response to Findings

The Educational Information and Resource Center's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs.* The Educational Information and Resource Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Educational Information and Resource Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
February 14, 2017

REQUIRED SUPPLEMENTARY INFORMATION
PART I

EIRC
EDUCATIONAL INFORMATION & RESOURCE CENTER

(856) 582-7000 • Fax: (856) 582-4360
200 College Drive • Blackwood, NJ 08012

EDUCATIONAL INFORMATION AND RESOURCE CENTER

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

This section of the EIRC's Comprehensive Annual Financial Report presents our discussion and analysis of the Center's financial performance during the fiscal year ended June 30, 2016.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - B*asic Financial Statements - Management's Discussion and Analysis for State and Local Governments* issued in June 1999 that is now being required by the New Jersey State Department of Education. Comparative information between the current fiscal year (2015-2016) and the prior fiscal year (2014 -2015) is required and is presented in the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Center's basic financial statements. The Center's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves. The EIRC Foundation is a component unit of the Center. While the EIRC Foundation is included in the audited statements, the following analysis will focus on the Center only.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Center's finances, in a manner similar to a private-sector business.

The statement of net position (A-1) presents information on all of the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the Center, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the Center changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Center, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Center can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Center's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Center's near-term financing decision. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Center maintains a number of governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statements of revenues, expenditures and changes in fund balance for the general fund, and special revenue fund, both of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibit B-1 through B-3 in this report.

Proprietary Funds

The Center maintains six proprietary fund types, or enterprise funds and six internal service funds. The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Center is that the costs of providing goods or services be financed through user charges. The enterprise funds provide for services conducted within the Center. The proprietary fund has been included within the business-type activities in the government-wide financial statements.

The enterprise fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

(856) 582-7000 • Fax: (856) 582-4360
200 College Drive • Blackwood, NJ 08012

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Center's own programs.

The Center uses trust and agency funds to account for resources held for payroll transactions. The basic fiduciary fund financial statements can be found as Exhibit B-7 in this report.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information

The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year include the following:

- Net Position shows a deficit of $6,138,198.07, which is a decrease of $2,084,060.32 from the previous year.
- Total revenues for FY2016 were $20,482,399.69 as compared to FY2015 revenues of $21,225,929.29, which is a decrease of $743,529.60.
- Total expenses for FY2016 were $22,566,460.01 as compared to FY2015 expenses of $20,651,654.67, which is an increase of $1,914,805.34.

As demonstrated by the various statements and schedules included in this and other sections of the comprehensive annual financial report, it is Managements position that the Center has failed to meet its responsibility for sound financial management. Further, Management anticipates that the Center will be unable to meet future financial obligations. Additional details regarding the going concern of the Center are described in the Notes to Financial Statements.

(856) 582-7000 • Fax: (856) 582-4360
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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Center's financial position. The following table provides a summary of net position.

Statement of Net Position

	FY2016		FY2015		Total	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	FY2016	FY2015
ASSETS						
Current and other assets	$ 2,468,919.06	$ 1,288,766.12	$ 2,897,392.52	$ 1,747,691.02	$ 3,757,685.18	$ 4,645,083.54
Capital Assets, net	51,345.17	73,960.88	501,073.68	43,035.56	125,306.05	544,109.24
Total Assets	2,520,264.23	1,362,727.00	3,398,466.20	1,790,726.58	3,882,991.23	5,189,192.78
DEFERRED OUTFLOWS OF RESOURCES						
Related to Pensions	2,147,698.81	1,742,355.20	1,039,292.94	866,967.06	3,890,054.01	1,906,260.00
LIABILITIES						
Current Liabilities	1,621,207.67	2,657,241.35	1,695,586.78	2,039,166.22	4,278,449.02	3,734,753.00
Noncurrent Liabilities	5,417,599.12	4,069,127.16	4,197,526.99	2,844,572.54	9,486,726.28	7,042,099.53
Total Liabilities	7,038,806.79	6,726,368.51	5,893,113.77	4,883,738.76	13,765,175.30	10,776,852.53
DEFERRED INFLOWS OF RESOURCES						
Related to Pensions	80,644.14	65,423.87	203,216.76	169,521.24	146,068.01	372,738.00
NET POSITION						
Net Investment in Capital Assets	51,345.17	73,960.88	104,598.78	43,035.56	125,306.05	147,634.34
Restricted						
Unrestricted (Deficit)	(2,502,833.06)	(3,760,671.06)	(1,763,170.17)	(2,438,601.92)	(6,263,504.12)	(4,201,772.09)
Total Net Position	$ (2,451,487.89)	$ (3,686,710.18)	$ (1,658,571.39)	$ (2,395,566.36)	$ (6,138,198.07)	$ (4,054,137.75)

EIRC
EDUCATIONAL INFORMATION & RESOURCE CENTER

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The following table provides a summary of revenues and expenses for the Center's governmental and business-type activities and the change in net position from the prior year:

Changes in Net Position

	FY2016		FY2015		Total	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	FY2016	FY2015
REVENUES						
Program revenues:						
Changes for services	$ 3,398,332.79	$ 9,938,923.07	$ 3,360,774.85	$ 10,907,812.84	$ 13,337,255.86	$ 14,268,587.69
Operating grants and contributions	6,490,266.84		5,333,874.95		6,490,266.84	5,333,874.95
General revenues:						
Grants and entitlements					-	-
Contracts	654,876.99		1,623,466.65		654,876.99	1,623,466.65
Other					-	-
Total revenues	10,543,476.62	9,938,923.07	10,318,116.45	10,907,812.84	20,482,399.69	21,225,929.29
EXPENSES						
General administration	8,082,829.12		7,771,560.34		8,082,829.12	7,771,560.34
Employee Benefits	3,226,959.12		2,575,819.54		3,226,959.12	2,575,819.54
Interest of long-term debt	14,200.95		23,984.34		14,200.95	23,984.34
Research & grants		411,049.45		369,087.35	411,049.45	369,087.35
Monarch program		176,183.73		213,299.79	176,183.73	213,299.79
Technology		9,237,506.83		8,243,950.30	9,237,506.83	8,243,950.30
Professional development		1,114,478.43		1,114,766.81	1,114,478.43	1,114,766.81
National talent network		90,856.85		88,332.14	90,856.85	88,332.14
School bus advertising		199,991.60		205,402.76	199,991.60	205,402.76
Unallocated depreciation	12,403.93		45,451.30		12,403.93	45,451.30
Total expenses	11,336,393.12	11,230,066.89	10,416,815.52	10,234,839.15	22,566,460.01	20,651,654.67
Transfers					-	-
Increase (decrease) in net position	(792,916.50)	(1,291,143.82)	(98,699.07)	672,973.69	(2,084,060.32)	574,274.62
Net Position, July 1	(1,658,571.39)	(2,395,566.36)	(1,559,872.32)	(3,068,540.05)	(4,054,137.75)	(4,628,412.37)
Net Position, June 30	$ (2,451,487.89)	$ (3,686,710.18)	$ (1,658,571.39)	$ (2,395,566.36)	$ (6,138,198.07)	$ (4,054,137.75)

Budget

The General Fund budgetary comparison schedules are presented as Exhibit C-1 in this report. Revenues realized were $494,096.05 less than budget, which contributed to a deficit in current year operations.

Capital Assets

At June 30, 2016 the Center's investment in capital assets amounts to $125,306.05 net of accumulated depreciation. The investment in capital assets includes land, building improvements, machinery and equipment, and vehicles.

Debt Administration and Other Obligations

At June 30, 2016, the Center did not have any outstanding long-term debt obligations. Additional information on the Center's debt administration and other obligations can be found in Note 5 to the basic financial statements.

EDUCATIONAL INFORMATION & RESOURCE CENTER

(856) 582-7000 • Fax: (856) 582-4360
200 College Drive • Blackwood, NJ 08012

Economic Factors and Going Concern

The Center has suffered recurring losses from operations and has a net capital deficiency which raise substantial doubt about its ability to continue as a going concern. Management is developing plans to mitigate these concerns, but has acknowledged the potential the Center could discontinue operations. This is more fully described in note 18 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Educational Information & Resource Center's finances for all those with an interest in the finances of the Center. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, Educational Information & Resource Center, 200 College Drive, Blackwood, NJ 08012.

David T. Lindenmuth
Executive Director

William R. Blatchley
Assistant Director/CFO

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total	EIRC Foundation
ASSETS:				
Cash and Cash Equivalents	$ 1,592,201.99		$ 1,592,201.99	$ 33,719.00
Receivables, net	747,649.80	1,270,688.48	2,018,338.28	18,967.60
Receivable from Payroll Agency	2,939.63		2,939.63	
Receivable from Component Unit		12,617.51	12,617.51	415,434.22
Other Assets		5,460.13	5,460.13	
Restricted Cash and Cash Equivalents	126,127.64		126,127.64	
Capital Assets, net	51,345.17	73,960.88	125,306.05	
Total Assets	2,520,264.23	1,362,727.00	3,882,991.23	468,120.82
DEFERRED OUTFLOWS OF RESOURCES:				
Related to Pensions (Note 7)	2,147,698.81	1,742,355.20	3,890,054.01	
LIABILITIES:				
Cash Overdraft		1,222,602.25	1,222,602.25	
Accounts Payable - Other	300,493.42	881,816.41	1,182,309.83	104,598.47
Accounts Payable - Related to Pensions	256,258.87	207,894.13	464,153.00	
Payable to Component Unit	428,051.73		428,051.73	
Payable to State Government				8,681.00
Unearned Revenue	636,403.65	344,928.56	981,332.21	
Noncurrent Liabilities:				
Due within One Year	13,934.50		13,934.50	
Due beyond One Year	5,403,664.62	4,069,127.16	9,472,791.78	
Total Liabilities	7,038,806.79	6,726,368.51	13,765,175.30	113,279.47
DEFERRED INFLOWS OF RESOURCES:				
Related to Pensions (Note 7)	80,644.14	65,423.87	146,068.01	
NET POSITION:				
Net Investment in Capital Assets	51,345.17	73,960.88	125,306.05	
Restricted for:				
Other Purposes				406,785.52
Unrestricted (Deficit)	(2,502,833.06)	(3,760,671.06)	(6,263,504.12)	(51,944.17)
Total Net Position	$ (2,451,487.89)	$ (3,686,710.18)	$ (6,138,198.07)	$ 354,841.35

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Statement of Activities
For the Fiscal Year Ended June 30, 2016

		Program Revenues		Primary Government Net (Expense) Revenue and Changes in Net Position			Component Unit
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	EIRC Foundation
Governmental Activities:							
Support Services:							
General Administration	$ 8,082,829.12	$ 3,398,332.79	$ 5,356,377.38	$ 671,881.05		$ 671,881.05	
Unallocated Benefits	3,226,959.12		1,133,889.46	(2,093,069.66)		(2,093,069.66)	
Debt Service:							
Interest and Other Charges	14,200.95			(14,200.95)		(14,200.95)	
Unallocated Depreciation	12,403.93			(12,403.93)		(12,403.93)	
Total Governmental Activities	11,336,393.12	3,398,332.79	6,490,266.84	(1,447,793.49)	-	(1,447,793.49)	
Business-Type Activities:							
Research & Grants	411,049.45	445,588.81			$ 34,539.36	34,539.36	
Monarch Program	176,183.73	105,947.53			(70,236.20)	(70,236.20)	
Technology	9,237,506.83	7,974,390.54			(1,263,116.29)	(1,263,116.29)	
Professional Development	1,114,478.43	1,140,197.26			25,718.83	25,718.83	
National Talent Network	90,856.85	114,167.72			23,310.87	23,310.87	
School Bus Advertising	199,991.60	158,631.21			(41,360.39)	(41,360.39)	
Total Business-Type Activities	11,230,066.89	9,938,923.07	-	-	(1,291,143.82)	(1,291,143.82)	
Total Primary Government	$ 22,566,460.01	$ 13,337,255.86	$ 6,490,266.84	(1,447,793.49)	(1,291,143.82)	(2,738,937.31)	
Component Unit:							
EIRC Foundation							$ (77,495.13)
General Revenues:							
Interest on Investments				492.21		492.21	
Contracts				499,242.90		499,242.90	
Student Achievement				16,300.00		16,300.00	
Academy Program				47,265.80		47,265.80	
Rowan University				44,734.00		44,734.00	
LRC Matching				26,592.08		26,592.08	
Strategic Planning				20,250.00		20,250.00	
Total General Revenues				654,876.99	-	654,876.99	-
Change in Net Position				(792,916.50)	(1,291,143.82)	(2,084,060.32)	(77,495.13)
Net Position (Deficit) -- July 1				(1,658,571.39)	(2,395,566.36)	(4,054,137.75)	432,336.48
Net Position (Deficit) -- June 30				$ (2,451,487.89)	$ (3,686,710.18)	$ (6,138,198.07)	$ 354,841.35

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

FUND FINANCIAL STATEMENTS

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Governmental Funds
Balance Sheet
June 30, 2016

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	$ 968,924.55		$ 968,924.55
Receivables, net	22,172.64	$ 364.09	22,536.73
Receivables from Other Governments	215,432.17	479,567.68	694,999.85
Receivable from Component Unit	4,465.35		4,465.35
Restricted Cash		126,127.64	126,127.64
Total Assets	$ 1,210,994.71	$ 606,059.41	$ 1,817,054.12
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	$ 31,265.54	$ 111,343.76	$ 142,609.30
Interfunds Payable	897,060.37		897,060.37
Unearned Revenue	141,688.00	494,715.65	636,403.65
Total Liabilities	1,070,013.91	606,059.41	1,676,073.32
Fund Balances:			
Unassigned	140,980.80		140,980.80
Total Fund Balances	140,980.80	-	140,980.80
Total Liabilities and Fund Balances	$ 1,210,994.71	$ 606,059.41	
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 $74,047.88 and the accumulated depreciation is $58,545.51.			15,502.37
Internal Service Funds are used by management to charge costs of certain activities, such as shared business services. Assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.			358,146.72
Long-term liabilities, including net pension liability are not due and payable in the current period and therefore are not recorded in the funds.			(4,635,880.76)
Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.			1,906,063.27
Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.			(236,300.29)
Net position of governmental activities			$ (2,451,487.89)

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Interest on Investments	$ 492.21		$ 492.21
Contracts	499,242.90		499,242.90
Student Achievement	16,300.00		16,300.00
Academy Program	47,265.80		47,265.80
Rowan University	44,734.00		44,734.00
LRC Matching	26,592.08		26,592.08
Strategic Planning	20,250.00		20,250.00
Federal Sources		$ 3,772,518.49	3,772,518.49
State Sources	81,521.60	2,537,430.75	2,618,952.35
Total Revenues	736,398.59	6,309,949.24	7,046,347.83
EXPENDITURES:			
Current:			
Support Services and Undistributed Costs:			
General Administration	1,068,244.88	5,356,377.38	6,424,622.26
Unallocated Benefits	30,903.34	953,571.86	984,475.20
On-behalf T.P.A.F. Pension Contributions			
Normal Cost	25,345.00		25,345.00
Non-Contributory Insurance	1,263.00		1,263.00
Post-Retirement Medical Contribution	31,682.00		31,682.00
Reimbursed T.P.A.F. Social Security Contributions	23,231.60		23,231.60
Total Expenditures	1,180,669.82	6,309,949.24	7,490,619.06
Excess (Deficit) of Revenues over Expenditures	(444,271.23)	-	(444,271.23)
Net Change in Fund Balances	(444,271.23)	-	(444,271.23)
Fund Balance -- July 1	585,252.03		585,252.03
Fund Balance -- June 30	$ 140,980.80	$ -	$ 140,980.80

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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	$ (444,271.23)
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	(3,063.87)
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 (+).	(10,757.67)
Governmental funds report 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 Center's pension contributions in the current period.	(393,547.65)
Internal Service Funds are used by management to charge costs of certain activities, such as shared business services. The operating transfers are included in the Governmental Funds.	58,723.92
Change in Net Position of Governmental Activities	$ (792,916.50)

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Funds
Statement of Net Position
June 30, 2016

	Business-Type Activities - Enterprise Fund - Major Funds							Governmental Activities - Internal Service Funds
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	Total Enterprise Fund	
ASSETS:								
Current Assets:								
Cash and Cash Equivalents					$ 68,236.69		$ 68,236.69	$ 1,927,965.58
Accounts Receivable, Other	$ 4,150.00	$ 2,597.87	$ 2,768.10	$ 3,280.70	1,455.00		14,251.67	2,733.36
Interfund Receivable								900,000.00
Accounts Receivable, Other Governmental	80,824.28		1,082,852.95	77,742.58	3,615.00	$ 11,402.00	1,256,436.81	27,379.86
Receivable from Component Unit	9,880.16		2,737.35				12,617.51	22,104.92
Other Assets		4,981.13			479.00		5,460.13	
Total Current Assets	94,854.44	7,579.00	1,088,358.40	81,023.28	73,785.69	11,402.00	1,357,002.81	2,880,183.72
Noncurrent Assets:								
Capital Assets			95,718.16				95,718.16	119,765.90
Less: Accumulated Depreciation			(21,757.28)				(21,757.28)	(83,923.10)
Total Noncurrent Assets	-	-	73,960.88	-	-	-	73,960.88	35,842.80
Total Assets	94,854.44	7,579.00	1,162,319.28	81,023.28	73,785.69	11,402.00	1,430,963.69	2,916,026.52
DEFERRED OUTFLOWS OF RESOURCES:								
Related to Pensions	107,365.49	74,689.04	1,419,869.72	34,621.48	29,564.41	76,245.06	1,742,355.20	167,272.32
LIABILITIES:								
Current Liabilities:								
Cash Deficit	26,903.07	33,901.35	1,193,904.37	6,585.79		29,544.36	1,290,838.94	1,304,688.14
Accounts Payable - Other	3,785.00		863,966.46	14,064.95			881,816.41	157,884.12
Accounts Payable - Related to Pension	12,810.62	8,911.74	169,415.85	4,130.96	3,527.56	9,097.40	207,894.13	19,958.58
Unearned Revenue		24,004.00	235,608.00	2,683.00	6,195.00	76,438.56	344,928.56	
Payable Due Component Unit								454,622.00
Total Current Liabilities	43,498.69	66,817.09	2,462,894.68	27,464.70	9,722.56	115,080.32	2,725,478.04	1,937,152.84
Noncurrent Liabilities:								
Net Pension Liability	250,743.27	174,430.09	3,315,988.87	80,855.62	69,045.25	178,064.06	4,069,127.16	390,650.74
Compensated Absences Payable								391,067.62
Total Noncurrent Liabilities	250,743.27	174,430.09	3,315,988.87	80,855.62	69,045.25	178,064.06	4,069,127.16	781,718.36
Total Liabilities	294,241.96	241,247.18	5,778,883.55	108,320.32	78,767.81	293,144.38	6,794,605.20	2,718,871.20
DEFERRED INFLOWS OF RESOURCES:								
Related to Pensions	4,031.48	2,804.51	53,314.82	1,300.01	1,110.12	2,862.93	65,423.87	6,280.92
NET POSITION:								
Net Investment in Capital Assets			73,960.88				73,960.88	
Unrestricted (Deficit)	(96,053.51)	(161,783.65)	(3,323,970.25)	6,024.43	23,472.17	(208,360.25)	(3,760,671.06)	358,146.72
Total Net Position	$ (96,053.51)	$ (161,783.65)	$ (3,250,009.37)	$ 6,024.43	$ 23,472.17	$ (208,360.25)	$ (3,686,710.18)	$ 358,146.72

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Fund - Major Funds							Governmental Activities - Internal Service Fund
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	Total Enterprise Fund	
OPERATING REVENUES:								
Local Sources:								
Services Provided to Other LEA's	$ 195,318.60	$ 4,009.00	$ 7,899,474.97	$ 856,988.79	$ 112,487.85	$ 5,945.00	$ 9,074,224.21	$ 68,648.73
Services Provided to Other Funds	33,402.68		84,085.71	110,989.08			228,477.47	3,207,173.76
Other Local Sources	216,867.53	101,938.53	(9,170.14)	172,219.39	1,679.87	152,686.21	636,221.39	122,510.30
Total Operating Revenues	445,588.81	105,947.53	7,974,390.54	1,140,197.26	114,167.72	158,631.21	9,938,923.07	3,398,332.79
OPERATING EXPENSES:								
Salaries	161,788.10	71,775.26	1,389,450.61	414,519.67	53,690.68	72,727.44	2,163,951.76	458,031.08
Employee Benefits	46,969.43	22,546.19	732,206.62	48,994.41	11,073.03	37,183.24	898,972.92	1,657,861.00
Purchased Professional/Technical Services	104,378.22	47,605.05	70,570.94	482,009.32	5,010.95	400.00	709,974.48	185,801.52
Purchased Property Services	33,000.00						33,000.00	
Equipment			43,029.95				43,029.95	76,304.66
Other Purchased Services (500 Series)		17,465.07	193,227.63	37,241.08	2,515.04	57,779.07	308,227.89	81,320.13
Supplies and Materials	24,094.80	4,118.32	9,875.79	28,139.35	3,413.91	433.89	70,076.06	142,879.94
Interest on Mortgage								14,200.95
Building Usage		5,284.58	90,108.33				95,392.91	659,554.34
Cost of Sales			6,468,135.60				6,468,135.60	
Miscellaneous Other Expenses	3,734.44		7,136.40	1,898.80		6,498.12	19,267.76	27,869.95
Indirect Cost	37,084.46	7,389.26	220,242.28	101,675.80	15,153.24	24,969.84	406,514.88	26,445.24
Depreciation Expenses			13,522.68				13,522.68	9,340.06
Total Operating Expenses	411,049.45	176,183.73	9,237,506.83	1,114,478.43	90,856.85	199,991.60	11,230,066.89	3,339,608.87
Change in Net Position	34,539.36	(70,236.20)	(1,263,116.29)	25,718.83	23,310.87	(41,360.39)	(1,291,143.82)	58,723.92
Net Position (Deficit) -- July 1	(130,592.87)	(91,547.45)	(1,986,893.08)	(19,694.40)	161.30	(166,999.86)	(2,395,566.36)	299,422.80
Net Position (Deficit) -- June 30	$ (96,053.51)	$ (161,783.65)	$ (3,250,009.37)	$ 6,024.43	$ 23,472.17	$ (208,360.25)	$ (3,686,710.18)	$ 358,146.72

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Fund - Major Funds							Governmental Activities -
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	Total Enterprise Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts from Customers	$ 391,412.75	$ 98,368.53	$ 8,416,094.89	$ 1,172,505.12	$ 112,293.72	$ 162,370.11	$ 10,353,045.12	$ 2,498,991.36
Payments to Employees	(161,788.10)	(71,775.26)	(1,389,450.61)	(414,519.67)	(53,690.68)	(72,727.44)	(2,163,951.76)	(458,031.08)
Payments for Employee Benefits	(40,247.02)	(9,228.20)	(519,169.32)	(45,837.99)	(8,250.35)	(31,170.93)	(653,903.81)	(1,632,150.37)
Payments to Suppliers	(206,651.99)	(58,244.11)	(6,319,787.61)	(683,846.09)	(19,941.16)	(14,398.99)	(7,302,869.95)	(1,011,947.11)
Net Cash Provided by (used for) Operating Activities	(17,274.36)	(40,879.04)	187,687.35	28,301.37	30,411.53	44,072.75	232,319.60	(603,137.20)
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES								
Principal Payments Mortgage Payable			(44,448.00)				(44,448.00)	454511.08
Purchase of Capital Assets								(396,474.90)
Net Cash Provided by (Used for) Capital and Related Activities	-	-	(44,448.00)	-	-	-	(44,448.00)	58,036.18
Net Increase (Decrease) in Cash and Cash Equivalents	(17,274.36)	(40,879.04)	143,239.35	28,301.37	30,411.53	44,072.75	187,871.60	(545,101.02)
Cash and Cash Equivalents -- July 1	(9,628.71)	6,977.69	(1,337,143.72)	(34,887.16)	37,825.16	(73,617.11)	(1,410,473.85)	1,168,378.46
Cash and Equivalents -- June 30	$ (26,903.07)	$ (33,901.35)	$ (1,193,904.37)	$ (6,585.79)	$ 68,236.69	$ (29,544.36)	$ (1,222,602.25)	$ 623,277.44
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	$ 34,539.36	$ (70,236.20)	$ (1,263,116.29)	$ 25,718.83	$ 23,310.87	$ (41,360.39)	$ (1,291,143.82)	$ 58,723.92
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:								
Depreciation and Net Amortization			13,522.68				13,522.68	9,340.06
Pension Expense	6,722.41	13,317.99	213,037.30	3,156.42	2,822.68	6,012.31	245,069.11	25,710.63
(Increase) Decrease in Accounts Receivable Other	(4,150.00)	(2,597.87)	41,375.55	(3,280.70)	(1,455.00)		29,891.98	24,370.64
(Increase) Decrease in Interfunds Receivable								(900,000.00)
(Increase) Decrease in Accounts Receivable, Other Governmental	(50,026.06)		400,328.80	35,588.56	60.00	3,738.90	389,690.20	(23,754.80)
(Increase) Decrease in Receivable from Component Unit								42.73
(Increase) Decrease in Other Assets		(4,981.13)			(479.00)		(5,460.13)	
Increase (Decrease) in Accounts Payable	(6,802.05)	(2,721.49)	505,488.16	(36,425.05)	(787.05)	(2,582.06)	456,170.46	84,653.74
Increase (Decrease) in Accounts Payable - Pensions	2,441.98	2,335.66	41,443.15	860.31	744.03	1,825.43	49,650.56	4,927.53
Increase (Decrease) in Interfund Payable								(20,151.65)
Increase (Decrease) in Unearned Revenue		24,004.00	235,608.00	2,683.00	6,195.00	76,438.56	344,928.56	
Increase (Decrease) in Payable Due Component Unit								133,000.00
Total Adjustments	(51,813.72)	29,357.16	1,450,803.64	2,582.54	7,100.66	85,433.14	1,523,463.42	(661,861.12)
Net Cash Provided by (used for) Operating Activities	$ (17,274.36)	$ (40,879.04)	$ 187,687.35	$ 28,301.37	$ 30,411.53	$ 44,072.75	$ 232,319.60	$ (603,137.20)

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2016

	Agency Funds	Total
ASSETS:		
Cash and Cash Equivalents	$ 51,994.91	$ 51,994.91
Total Assets	$ 51,994.91	$ 51,994.91
LIABILITIES:		
Payroll Deductions and Withholdings	$ 49,055.28	$ 49,055.28
Interfund Accounts Payable:		
Due General Fund	2,939.63	2,939.63
Total Liabilities	$ 51,994.91	$ 51,994.91

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Educational Information and Resource Center (the “Center”) 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 Educational Information and Resource Center is an instrumentality of the State of New Jersey, established to provide, on request, support and assistance to teachers, administrators, parent and community groups, schools and colleges, the New Jersey Department of Education, and other public agencies through the delivery of materials, techniques and expertise to improve school and community programs and services.

The government, control, conduct, management, and administration of the Educational Information and Resource Center shall be vested in the Board of Directors. The Board of Directors (the “Board”) shall consist of 21 members selected through procedures established by the Board. Members are appointed to a three year term and the appointments are staggered so that the terms of seven positions expire each year. No members shall serve more than two successive terms.

The primary criterion for including activities within the Center’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 Center. 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 Center over which the Board exercises operating control.

Component Units

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

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

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

Component Units (Cont’d)

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

Based upon the application of these criteria, the Center has determined that the Educational Information and Resource Center Foundation (the “Foundation”) meets the requirement for discrete presentation in the financial statements of the Center.

The Educational Information and Resource Center Foundation, Inc. is a New Jersey non-profit 501(c)(3) organization. The Foundation provides educational related programs for students, parents, schools, and communities. The Foundation is governed by a board of directors, some of whom are members of the Center’s Board. In addition, the Center employees and facilities are utilized for virtually all activities of the Foundation. The Foundation reports under Financial Accounting Standards Board (FASB) Standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. In accordance with GASB Statement 34, certain presentation adjustments to the financial statements of the Foundation were required to conform to the classification and display requirements in the aforementioned GASB Statements, as applicable to the Center.

Complete financial statements of the Educational Information and Resource Center Foundation can be obtained from their administrative office located at 200 College Drive, Blackwood, NJ 08012.

Government-wide and Fund Financial Statements

The Center’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 intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 Center 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. Other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the Center 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 Center. 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. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

<u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u>

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.

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 Center 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.

Contracts for services, 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 Center.

The Center reports the following major governmental funds:

***General Fund* -** The general fund is the primary operating fund of the Center. 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 Center may include 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 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.

Proprietary funds are used to account for the Center’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. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

The Center reports the following major proprietary funds:

Research & Grants Fund - provides comprehensive support services for grant writing to assist schools and agencies in developing competitive proposals to federal and state agencies, foundations, and industries.

Monarch Teacher Network - network of teachers and other people who use monarch butterflies to teach a variety of concepts and skills, including our growing connection with other nations and the need to be responsible stewards of the environment.

Technology Services - provides technology services to school districts and local government agencies. Services can be done through a shared service or co-op agreement.

Professional Development - provides a successful professional development programs and services to school districts in New Jersey. The Center offers a wide variety of workshops and has many partnerships.

National Talent Network - delivers comprehensive, instructional services which will empower gifted and talented students to meet the challenges of NJ curriculum standards preparing them with college and career readiness skills for their participation as global citizens. The national talent network allows an opportunity for school districts to meet the required NJ mandate for providing gifted and talented programs.

School Bus Advertising - allows businesses to promote their products and services on the sides of school buses. The installment of ads are completed by in-house staff.

Additionally, the Center reports the following fund types:

Internal Service Funds - Internal service funds are used to account for the financing of goods and services provided by one department to other departments of the Center or to other governments on a cost reimbursement basis.

The Center's Internal Service Funds are comprised of the following funds:

- Business and Support Services: business office operations include, but are not limited to, processing of purchase orders, invoices, financial reporting, payroll, health benefits, attendance and purchasing.
- Building Services: all building maintenance services fall in this category, such as, insurance, maintenance personnel and operational supplies.
- Documents Management: management of postage and internal printing needs.
- Telephone Services: management of EIRC receptionist
- Fringe Benefits: health benefits costs, NJ Pension, workers compensation, social security and unemployment
- Accrued Sick: indirect costs related to sick time.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont’d)

The Center maintains the following fiduciary funds:

***Agency Funds* -** Agency funds are used to account for assets held by the Center in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll). The Center 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 Center’s Agency Funds are comprised of: payroll, payroll agency and medical savings account.

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.

Budgets / Budgetary Control

Annual appropriated budgets are prepared annually for the general and special revenue funds. Budgets are required to be submitted to the Governor and Legislature for approval as required by N.J.S.A. 18A:6-100. 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 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 special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the Center 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.

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

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 Center has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

The Center is limited as to the types of investments and types of financial institutions that it may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey governmental entities.

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

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

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the Center, 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 Center. 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 acquisition value at the time received.

The Center'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:

Description	Estimated Useful Lives
Buildings and Improvements	15 - 60 Years
Machinery and Equipment	3 - 20 Years

The Center does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Center 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 Center's proportion of expenses and liabilities to the pension as a whole, differences between the Center's pension contribution and its proportionate share of contributions, and the Center's pension contributions subsequent to the pension valuation measurement date.

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

Unearned Revenue

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

Accrued Salaries and Wages

Certain Center employees who provide services to the Center over the ten-month academic year do not have the option to have their salaries evenly disbursed during the entire twelve-month year.

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 Center 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 Center and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

Accrued Liabilities and Long-Term Obligations

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

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.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

<u>Net Position</u>

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

<u>Fund Balance</u>

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

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

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

Committed **-** The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Center's highest level of decision-making authority, which, for the Center, is the Board of Directors. Such formal action consists of an affirmative vote by the Board of Directors, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Directors 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 Center's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Directors or by the business administrator, to which the Board of Directors 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 Directors.

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

Fund Balance (Cont'd)

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 Center 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 Center to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

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

Accounting Estimates

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2016:

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 Center.

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 Center.

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

Impact of Recently Issued Accounting Principles (Cont'd)

Recently Issued and Adopted Accounting Pronouncements (Cont'd)

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 Center.

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 adoption of this Statement had no impact on the basic financial statements of the Center.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 that 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 Center in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Center.

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 Center in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the Center.

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 Center in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Center.

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 Center in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Center.

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. 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 Center in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Center.

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 Center in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the Center.

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 Center in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the Center.

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 Center's deposits might not be recovered. Although the Center 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 Center 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 Center relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2016, none of the Center's bank balances of $1,746,345.09 were exposed to custodial credit risk.

Note 3: 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 Center's individual major and fiduciary funds, in the aggregate, are as follows:

	Governmental Funds			Internal Service Funds							
Description	General Fund	Special Revenue Fund	Total Governmental Funds	Building & Support Services	Building Services	Documents Management	Telephone Services	Fringe Benefits	Accrued Sick	Total Internal Service Funds	Total Governmental Activities
Federal Awards		$ 299,642.68	$ 299,642.68								$ 299,642.68
State Awards		179,925.00	179,925.00								179,925.00
Provided Services	$ 237,604.81	364.09	237,968.90	$ 22,980.00	$ 4,289.35	$ 2,843.87				$ 30,113.22	268,082.12
Interfunds			-		900,000.00					900,000.00	900,000.00
A/R - Component Unit	4,465.35		4,465.35	12,773.04	7,714.35		$ 1,617.53			22,104.92	26,570.27
	$ 242,070.16	$ 479,931.77	$ 722,001.93	$ 35,753.04	$ 912,003.70	$ 2,843.87	$ 1,617.53	$ -	$ -	$ 952,218.14	$ 1,674,220.07

	Proprietary Funds						
Description	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	Total Business-Type Activities
Provided Services	$ 84,974.28	$ 2,597.87	$ 1,085,621.05	$ 81,023.28	$ 5,070.00	$ 11,402.00	$ 1,270,688.48
A/R - Component Unit	9,880.16		2,737.35				12,617.51
	$ 94,854.44	$ 2,597.87	$ 1,088,358.40	$ 81,023.28	$ 5,070.00	$ 11,402.00	$ 1,283,305.99

Note 4: CAPITAL ASSETS

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

	Balance July 1, 2015	Increases	Transfers	Decreases	Balance June 30, 2016
Governmental Activities					
Governmental Funds					
Capital Assets, being Depreciated:					
Machinery and Equipment	$ 56,861.38	$ 17,186.50			$ 74,047.88
Total Capital Assets, Cost	56,861.38	17,186.50	-	-	74,047.88
Less Accumulated Depreciation for:					
Machinery and Equipment	(55,481.64)	(3,063.87)			(58,545.51)
Total Accumulated Depreciation	(55,481.64)	(3,063.87)	-	-	(58,545.51)
Total Capital Assets, being Depreciated, Net	1,379.74	14,122.63	-	-	15,502.37
Governmental Funds Capital Assets, Net	1,379.74	14,122.63	-	-	15,502.37
Internal Service Funds					
Capital Assets, not being Depreciated:					
Land	85,000.00			$ (85,000.00)	-
Total Capital Assets, not being Depreciated	85,000.00	-	-	(85,000.00)	-
Capital Assets, being Depreciated:					
Buildings and Improvements	1,095,710.00			(1,095,710.00)	
Machinery and Equipment	79,399.32	38,403.00		1,963.58	119,765.90
Total Capital Assets, being Depreciated	1,175,109.32	38,403.00	-	(1,093,746.42)	119,765.90
Total Capital Assets, Cost	1,260,109.32	38,403.00	-	(1,178,746.42)	119,765.90
Less Accumulated Depreciation for:					
Buildings and Improvements	(681,016.06)			687,795.92	6,779.86
Machinery and Equipment	(79,399.32)	(9,340.06)		(1,963.58)	(90,702.96)
Total Accumulated Depreciation	(760,415.38)	(9,340.06)	-	685,832.34	(83,923.10)
Total Capital Assets, being Depreciated, Net	414,693.94	29,062.94	-	(407,914.08)	35,842.80
Internal Service Funds Capital Assets, Net	499,693.94	29,062.94	-	(492,914.08)	35,842.80
Governmental Activities Capital Assets, Net	$ 501,073.68	$ 43,185.57	$ -	$ (492,914.08)	$ 51,345.17

Note 4: CAPITAL ASSETS (CONT'D)

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

	Balance July 1, 2015	Increases	Transfers	Decreases	Balance June 30, 2016
Business-Type Activities:					
Capital Assets, being Depreciated:					
Machinery and Equipment	$ 51,270.16	$ 44,448.00			$ 95,718.16
Total Capital Assets, Cost	51,270.16	44,448.00	-	-	95,718.16
Less Accumulated Depreciation for:					
Machinery and Equipment	(8,234.60)	(13,522.68)			(21,757.28)
Total Accumulated Depreciation	(8,234.60)	(13,522.68)	-	-	(21,757.28)
Total Capital Assets, being Depreciated, Net	43,035.56	30,925.32	-	-	73,960.88
Business-Type Activities Capital Assets, Net	$ 43,035.56	$ 30,925.32	$ -	$ -	$ 73,960.88

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

Governmental Activities:	
Governmental Funds (General Adminsitration)	$ 3,063.87
Internal Service Funds (Building Services)	9,340.06
	$ 12,403.93
Business-Type Activities:	
Technology	$ 13,522.68

Note 5: LONG-TERM LIABILITIES

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

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due within One Year
Governmental Activities:					
Governmental Funds					
Other Liabilities:					
Net Pension Liability (note 7)	$ 3,139,787.49	$ 2,530,175.78	$ (1,044,840.18)	$ 4,625,123.09	
Governmental Funds Long-Term Liabilities	3,139,787.49	2,530,175.78	(1,044,840.18)	4,625,123.09	-
Internal Service Funds					
Other Liabilities:					
Mortgage Payable	396,474.90		(396,474.90)		
Net Pension Liability (note 7)	270,196.85	209,954.89	(89,501.00)	390,650.74	
Compensated Absences Payable	391,067.62	33,642.94	(22,885.27)	401,825.29	$ 13,934.50
Internal Service Fund s Long-Term Liabilities	1,057,739.37	243,597.83	(508,861.17)	792,476.03	13,934.50
Governmental Activities Long-Term Liabilities	$ 4,197,526.86	$ 2,773,773.61	$ (1,553,701.35)	$ 5,417,599.12	$ 13,934.50

Note 5: LONG-TERM LIABILITIES (CONT'D)

In governmental funds, the net pension liability is liquidated by the general fund.

In the internal service funds, the mortgage payable was liquidated by the building services fund, while the compensated absences are liquidated by the accrued sick fund. The net pension liability is liquidated by the business and support services internal service fund.

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

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due within One Year
Business-type Activities:					
Other Liabilities:					
Net Pension Liability (note 7)	$ 2,844,572.54	$ 2,186,949.31	$ (962,394.69)	$ 4,069,127.16	
Business-type Activities Long-Term Liabilities	$ 2,844,572.54	$ 2,186,949.31	$ (962,394.69)	$ 4,069,127.16	$ -

The net pension liability is liquidated by each of the business-type activities.

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

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 12 for a description of the Center's policy.

Net Pension Liability - For details on the net pension liability, refer to note 7. The Center's annual required contribution to the Public Employees' Retirement System is budgeted and paid from fringe benefits internal service fund and allocated to the general fund, business-type activities and business support internal services funds on an annual basis.

Note 6: OPERATING LEASES

At June 30, 2016, the Center had non-cancelable operating lease agreements in effect for vehicles and copiers spanning three years for vehicles and five years for copiers, set to expire during fiscal year ending June 30, 2017. During fiscal year ended June 30, 2016, the Center also entered into a lease agreement for the provision of renting a classroom known as CIM 118 owned by the Camden County College. The lease agreement is also set to expire during fiscal year ending June 30, 2017. The present value of the future minimum rental payments under the operating lease agreements are as follows:

Fiscal Year Ending June 30,	Amount
2017	$ 40,556.30

Rental payments under operating leases for the fiscal year ended June 30, 2016 were $50,654.72.

Note 7: PENSION PLANS

A substantial number of the Center'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, certain Center employees may be eligible to participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

General Information about the Pension Plans

Plan Descriptions

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

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 Center, 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.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

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

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

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

Contributions

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

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Center and all other related non-contributing employers. No normal or accrued liability contribution by the Center 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 Center's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.56% of the Center's covered payroll, of which 0.00% of payroll was required from the Center and 100.00% of payroll was required from the State of New Jersey. The Center 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 Center, to the pension plan for the fiscal year ended June 30, 2016 was $17,464.00, and was paid by April 1, 2016. Center employee contributions to the pension plan during the fiscal year ended June 30, 2016 were $23,427.07.

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 Center's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Note 7: PENSION PLANS (CONT'D)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - The Center's contractually required contribution rate for the fiscal year ended June 30, 2016 was 12.92% of the Center'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 Center's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was $347,941.00, and was paid by April 1, 2016. Center employee contributions to the pension plan during the fiscal year ended June 30, 2016 were $262,608.22.

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 Center 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, the Center did not have any employees participate in the Defined Contribution Retirement Program.

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 Center 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 Center is as follows:

Center's Proportionate Share of Net Pension Liability	$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Center	2,053,824.00
	$ 2,053,824.00

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 Center's proportion of the net pension liability was based on a projection of the Center'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 Center 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 Center was .0032495025%, which was a decrease of .0013273617% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the Center recognized $125,404.00 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 7: 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 Center reported a liability of $9,084,901.00 for its proportionate share of the net pension liability, of which $5,015,773.84 has been reported in the governmental activities, including business and support services internal service fund, and $4,069,127.16 has been reported in the six business-type activities 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 Center's proportion of the net pension liability was based on a projection of the Center'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 Center's proportion was .0404708769%, which was an increase of .0070646641% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the Center recognized pension expense of $1,084,021.00, in the government-wide financial statements. Of this amount, $598,487.99 has been reported in the governmental activities, including business and support services internal service fund, and $485,533.01 has been reported in the six business-type activities funds. This pension expense was based on the pension plans June 30, 2015 measurement date.

At June 30, 2016, the Center reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 216,734.00	$ -
Changes of Assumptions	975,646.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	146,068.00
Changes in Proportion and Differences between Center Contributions and Proportionate Share of Contributions	2,233,521.00	-
Center Contributions Subsequent to the Measurement Date	464,153.00	-
	$ 3,890,054.00	$ 146,068.00

Note 7: 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) – $464,153.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability ($256,258.87 in the governmental activities, including business and support services internal service fund, and $207,894.13 in the six business-type activities funds) 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 June 30,	
2017	$ 675,814.00
2018	675,814.00
2019	675,812.00
2020	769,000.00
2021	483,393.00
	$ 3,279,833.00

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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 Center 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 7: 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:

	TPAF	PERS
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 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

TPAF Asset Class	TPAF Target Allocation	TPAF Long-Term Expected Real Rate of Return	PERS Asset Class	PERS Target Allocation	PERS Long-Term Expected Real Rate of Return
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%		100.00%	
	100.00%				

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 through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 7: PENSION PLANS (CONT'D)

Sensitivity of Center'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 Center'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 Center is $0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the Center, 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%)
Center's Proportionate Share of the Net Pension Liability	$ -	$ -	$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Center	2,440,893.00	2,053,824.00	1,720,341.00
	$ 2,440,893.00	$ 2,053,824.00	$ 1,720,341.00

Public Employees' Retirement System (PERS) - The following presents the Center'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 Center'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%)
Center's Proportionate Share of the Net Pension Liability	$ 11,291,420.00	$ 9,084,901.00	$ 7,234,971.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/annrpts.shtml.

Note 8: **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 9: **ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2016, the Center 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 $25,345.00, $31,682.00 and $1,263.00, respectively.

Note 10: **RISK MANAGEMENT**

The Center 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 Center maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

Note 11: **DEFERRED COMPENSATION**

The Center offers its employees a choice of various 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 administrator is Lincoln Investment Planning, Inc.

Note 12: **COMPENSATED ABSENCES**

The Center accounts for compensated absences (e.g., unused vacation, sick leave) using the termination method 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.

Note 12: COMPENSATED ABSENCES (CONT'D)

Center employees are granted varying amounts of vacation and sick leave in accordance with the Center's personnel policies. The Center's policy permits employees to accumulate sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the Center for their unused sick leave if the employee has a minimum of 100 days in accordance with the Center's various labor agreements and personnel manual. The Center uses the vesting method to record the liability.

The liability for vested compensated absences is recorded within the internal service fund, and allocated to the various funds on the same basis as employee salaries, as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position as part of the internal service fund is $401,825.29.

Note 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Fund	Interfunds Receivable	Interfunds Payable
General		$ 897,060.37
Building Services	$ 900,000.00	
Payroll and Agency		2,939.63
	$ 900,000.00	$ 900,000.00

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 Center expects to liquidate such interfunds, depending upon the availability of cash flow.

During the fiscal year ended June 30, 2016, no transfers occurred.

Note 14: 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 Center expects such amount, if any, to be immaterial.

Litigation - It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the Educational Information and Resource Center that would have a material or adverse effect on the Board of Directors or the financial position of the Center.

Note 15: CONCENTRATIONS

The Center 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 Center is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 16: **COOPERATIVE PURCHASING NETWORK**

The Center established a partnership with TCPN, "The Cooperative Purchasing Network", in September 2010, to better assist the NJ School Districts in purchasing products and services through the Center. TCPN follows the NJ requirement for bidding contracts and the Center uses the vendors of TCPN who have been awarded contracts to help provide the products and services that the school districts in NJ need. This is accomplished through the Local Inter-Agency Agreement or Shared Services Act N.J.S.A. 40A:65-1 through N.J.S.A. 40A:65-7.

Note 17: **FUND BALANCES**

NONSPENDABLE

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

RESTRICTED

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. The Center does not have any restricted fund balances as of June 30, 2016.

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Center's highest level of decision-making authority, which is the Board of Directors. The Center does not have any committed fund balances as of June 30, 2016.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the Center's *intent* to be used for specific purposes, but are neither restricted nor committed. The Center does not have any assigned fund balances as of 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 Center's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2016, $140,980.80 of general fund balance was unassigned.

Note 18: **GOING CONCERN**

The Center has suffered recurring losses from operations, has a net capital deficiency, increasing accounts payables and a decreasing cash balance, which raise substantial doubt about its ability to meet obligations as they become due without substantial disposition of assets outside the ordinary course of governmental operations, submission to the oversight of an oversight agency, or similar actions. Management is developing plans which include requesting aid from the State Department of Education and adjusting the methodology for determining the pricing of revenue contracts billed to other local units in the enterprise funds. In the event, the Center is not awarded state aid or recurring losses from operations continue, there is the potential the Center would discontinue operations.

Note 19: <u>SUBSEQUENT EVENTS</u>

Subsequent to June 30, 2016, the Center authorized a shared service operating lease agreement with Camden County College as a lessee for the license to use College space. This 5-year agreement commenced on July 5, 2016 and expires on June 30, 2021. The rental payment for fiscal year ending June 30, 2017 will be $577,710.00 and will increase 2.75%, 3.00%, 3.25% and 3.50% for the fiscal years ending 2018, 2019, 2020 and 2021. Total lease payment over the term of the agreement will be $3,067,358.00.

Note 20: <u>DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES</u>

The significant disclosures of the discretely presented component unit, Educational Information and Resource Center, (the “Foundation”), are as follows:

A: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

<u>Organization and Nature of Activities</u>

The Educational Information and Resource Center Foundation, (the “Foundation”), is a nonprofit 501(c)(3) organization. The Foundation’s mission is to enhance the educational, social and emotional needs of youth by assisting schools through partnerships with other organizations, resource sharing and grant seeking activities for programming, professional development and innovative ventures The Foundation also provides educational related programs for students, parents, schools and communities.

Although the Foundation is a legally separate, not-for-profit organization, because of the significance of its operational and financial relationships with the Educational Information and Resource Center, (the “Center”), it is considered a component unit of the Center and is discretely presented in their financial statements.

<u>Basis of Accounting</u>

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

<u>Financial Statement Presentation</u>

The financial statements have been prepared in conformity with the standards promulgated by the Financial Accounting Standards Board applicable to not-for-profit organizations. The Foundation’s net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

> <u>*Unrestricted* net assets</u> – net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation board and board designated funds functioning as endowments.
> <u>*Temporarily* restricted net assets</u> – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. This includes term endowments, the present value of contributions receivable, and earnings on investments.
> <u>*Permanently* restricted net assets</u> – net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. This includes the historical dollar amounts of gifts, the present value of contributions receivable, and earnings required to be added to the corpus as stipulated by the donor.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Note 20: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Statement Presentation (Cont'd)
Income and realized and unrealized net gains or losses on investments are reported as follows:

- As increases or decreases in permanently restricted net assets if the terms of the gift require that they are added to the principal of a permanent endowment fund;
- As increases or decreases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or by law;
- As increases or decreases in unrestricted net assets in all other cases.

Public Support and Revenue Recognition
Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions of cash and other assets are reported as temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Endowment contributions may be permanently restricted by the donor. Investment earnings available for distribution are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (which happens either when a stipulated time period ends or when a purpose restriction is accomplished) during the reporting period in which the income and gains are recognized.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Cash and Cash Equivalents
Cash and cash equivalents include highly liquid short-term investments purchased with an original maturity of three months or less. The carrying amounts of cash and cash equivalents approximate fair value due to their short-term maturities.

Fair Value Measurement
The Foundation follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

Allowance for Doubtful Accounts
Accounts receivable and promises to give are stated at the principal amount net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The Foundation has determined that there was no allowance for doubtful accounts for receivables at June 30, 2016.

Note 20: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Donated Services and Facilities

The Foundation receives donated services from a variety of personnel who are employed by the Center. The Foundation also occupies office space on the Center campus. No rent is paid by the Foundation. No significant contributions of such goods or services were received during the year ended June 30, 2016.

Donated Materials and Equipment

Donated materials and equipment are recorded at the estimated fair market value at the date of the receipt. All donated equipment is turned over to the Center for their use and is not capitalized by the Foundation.

Income Taxes

The Foundation claims exemption from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and, accordingly, does not record a provision for income taxes on related income. The Foundation is eligible to receive a charitable contribution deduction under Section 170(b)(1)(A) and is classified as an organization other than a private foundation under Section 509(a)(2).

Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New Accounting Pronouncements

Presentation of Financial Statements of Not-for-Profit Entities – Issued in August 2016, Accounting Standards Update (ASU) No. 2016-14 is intended to improve the presentation of financial statements of not-for-profit (NFP) entities and provide more useful information to donors, grantors, and other users. The ASU eliminates the distinction between resources with permanent restrictions and those with temporary restrictions from the face of NFP financial statements by reducing the current three net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two classes (net assets with donor restrictions and net assets without donor restrictions). The ASU will also require additional information to be disclosed about investment return, expense classifications, liquidity and availability of resources, and presentation of operating cash flows. The standard will take effect for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application will be permitted. The Foundation is assessing the potential impact this guidance will have on its financial statements.

Revenue from Contracts with Customers - In May 2014, the Financial Accounting Standards Board issued guidance that replaces the existing accounting standards for revenue recognition. The guidance requires a company to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it expects to be entitled to receive in exchange for those goods or services. The standard is effective for the Foundation's year ending June 30, 2019, and may be adopted either by restating all years presented in the Foundation's financial statements or by recording the impact of adoption as an adjustment to retained earnings at July 1, 2018. The Foundation is assessing the potential impact of this new accounting standard on its financial statements.

Note 20: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsequent Events

The Foundation has evaluated events and transactions through February 14, 2017, the date of the financial statements were available to be issued and determined there were no items requiring recognition or disclosure in the financial statements.

B: CASH AND CASH EQUIVALENTS

During the year ended June 30, 2016, the Educational Information and Resource Center Foundation did not hold any investments.

The Foundation has not maintained appropriate amounts of cash and cash equivalents to comply with donor-imposed restrictions. The cash balance as of June 30, 2016 for the Challenger Learning Center Program is subject to restrictions imposed by the funding agency in the amount of $368,314.00.

C: CONCENTRATION OF CREDIT RISK FOR CASH AND INVESTMENTS

The Educational Information and Resource Center Foundation maintains cash balances in their banking institutions which are insured by the Federal Deposit Insurance Corporation (F.D.I.C.) up to $250,000.00 per institution. At June 30, 2016, the Foundation's bank balances were fully insured.

D: TEMPORARILY RESTRICTED NET ASSETS

The Foundation follows the policy of maintaining special funds when grants and gifts are received for specific projects. Such grants and gifts are reported as temporarily restricted net assets until the donor imposed restrictions are satisfied.

Investment income derived from temporarily restricted net assets which is restricted by the donor for a specific purpose is included as temporarily restricted net assets.

Temporarily restricted net assets are available for scholarships and Center improvements. Donor restrictions are maintained on file by the Foundation. As of June 30, 2016 amounts are available for the following purposes:

Child Abuse Program	$36,996.52
Challenger Program	386,314.00
	$405,310.52

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Satisfaction of donor restrictions	$39,045.60

E: RELATED PARTY TRANSACTION

During the year, the Foundation loaned a total of $380,941.00 to the Center and the Center repaid loans to the Foundation in the amount of $547,941.00. The Center plans to reimburse the Foundation for the remaining balance due during the year ended June 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

EDUCATIONAL INFORMATION AND RESOURCE CENTER
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES:					
Local Sources:					
Interest on Investments	$ 700.00		$ 700.00	$ 492.21	$ (207.79)
Contracts	942,144.14		942,144.14	499,242.90	(442,901.24)
Student Achievement	140,000.00	$ 19,363.00	159,363.00	16,300.00	(143,063.00)
Academy Program	45,000.00		45,000.00	47,265.80	2,265.80
Rowan University	44,734.00		44,734.00	44,734.00	
LRC Matching		18,350.00	18,350.00	26,592.08	8,242.08
Strategic Planning		20,203.50	20,203.50	20,250.00	46.50
Total - Local Sources	1,172,578.14	57,916.50	1,230,494.64	654,876.99	(575,617.65)
State Sources:					
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Normal Cost				25,345.00	25,345.00
Non-Contributory Insurance				1,263.00	1,263.00
Post-Retirement Medical Contribution				31,682.00	31,682.00
Reimbursed T.P.A.F. Social Security Contributions				23,231.60	23,231.60
Total - State Sources		-	-	81,521.60	81,521.60
Total Revenues	1,172,578.14	57,916.50	1,230,494.64	736,398.59	(494,096.05)
EXPENDITURES:					
Current Expense:					
Support Services General Administration:					
Administrative:					
Salaries	159,500.00	167,000.00	326,500.00	325,399.92	1,100.08
Employee Benefits	30,903.45		30,903.45	30,903.34	0.11
Other Purchased Professional Services	640,000.00	(224,469.95)	415,530.05	387,366.76	28,163.29
Other Purchased Services (400-500 series)	30,800.00	7,400.00	38,200.00	33,838.71	4,361.29
General Supplies	11,200.00	14,500.00	25,700.00	21,214.49	4,485.51
Miscellaneous Expenditures	5,000.00	1,300.00	6,300.00	5,520.18	779.82
Miscellaneous Indirect Costs	65,440.69		65,440.69	65,440.68	0.01
Total Support Services Administrative	942,844.14	(34,269.95)	908,574.19	869,684.08	38,890.11

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Support Services General Administration:					
Student Achievement Program:					
Salaries		$ 14,000.00	$ 14,000.00		$ 14,000.00
Other Purchased Professional Services	$ 60,000.00	35,000.00	95,000.00	$ 93,978.13	1,021.87
Other Purchased Services (400-500 series)	3,700.00	(1,261.00)	2,439.00	2,293.19	145.81
General Supplies	10,000.00	4,860.00	14,860.00	14,088.79	771.21
Miscellaneous Expenditures	1,000.00	(940.00)	60.00	58.13	1.87
Miscellaneous Indirect Costs	14,000.00	1.00	14,001.00	14,000.02	0.98
Total Support Services Student Achievement Program	88,700.00	51,660.00	140,360.00	124,418.26	15,941.74
Support Services General Administration:					
NJSBA Sustainable Program (NJSSC):					
Salaries	3,429.58		3,429.58	3,429.58	
Other Purchased Services (400-500 series)		12.95	12.95	12.95	
Total Support Services NJSBA Sustainable Program	3,429.58	12.95	3,442.53	3,442.53	-
Support Services General Administration:					
Strategic Planning					
Salaries		8,050.00	8,050.00	8,050.00	
Other Purchased Professional Services		11,900.00	11,900.00	11,900.00	
Other Purchased Services (400-500 series)		253.50	253.50	253.50	
Total Support Services Strategic Planning	-	20,203.50	20,203.50	20,203.50	-

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Support Services General Administration:					
Rowan Program:					
Salaries	$ 6,434.00	$ 754.00	$ 7,188.00	$ 6,434.00	$ 754.00
Other Purchased Professional Services	30,326.00	(754.00)	29,572.00	29,572.00	
General Supplies	3,500.00		3,500.00	3,500.00	
Miscellaneous Indirect Costs	4,474.00		4,474.00	4,432.59	41.41
Total Support Services Rowan Program	44,734.00	-	44,734.00	43,938.59	795.41
Support Services General Administration:					
SRCCRC Special Project:					
Other Purchased Professional Services		2,000.00	2,000.00	(45.00)	2,045.00
Total Support Services Rowan Program	-	2,000.00	2,000.00	(45.00)	2,045.00
Support Services General Administration:					
LRC Matching:					
Other Purchased Services (400-500 series)		15,700.00	15,700.00	15,663.26	36.74
General Supplies		2,650.00	2,650.00	2,608.17	41.83
Total Support Services LRC Matching	-	18,350.00	18,350.00	18,271.43	78.57
Support Services General Administration:					
CAP:					
Other Purchased Professional Services	5,500.00	(3,900.00)	1,600.00	1,273.25	326.75
Other Purchased Services (400-500 series)	1,000.00		1,000.00	729.54	270.46
General Supplies	10,500.00	2,260.00	12,760.00	12,654.11	105.89
Miscellaneous Expenditures	3,500.00	1,600.00	5,100.00	4,577.93	522.07
Total Support Services CAP	20,500.00	(40.00)	20,460.00	19,234.83	1,225.17

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Combined Total Support Services General Administration:					
Salaries	$ 169,363.58	$ 189,804.00	$ 359,167.58	$ 343,313.50	$ 15,854.08
Employee Benefits	30,903.45		30,903.45	30,903.34	0.11
Other Purchased Professional Services	735,826.00	(180,223.95)	555,602.05	524,045.14	31,556.91
Other Purchased Services (400-500 series)	35,500.00	22,105.45	57,605.45	52,791.15	4,814.30
General Supplies	35,200.00	24,270.00	59,470.00	54,065.56	5,404.44
Miscellaneous Expendtures	9,500.00	1,960.00	11,460.00	10,156.24	1,303.76
Miscellaneous Indirect Costs	83,914.69	1.00	83,915.69	83,873.29	42.40
Combined Total Support Services General Administration	1,100,207.72	57,916.50	1,158,124.22	1,099,148.22	58,976.00
On-behalf T.P.A.F. Pension Contributions (non-budgeted):					
Normal Cost				25,345.00	(25,345.00)
Non-Contributory Insurance				1,263.00	(1,263.00)
Post-Retirement Medical Contribution				31,682.00	(31,682.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				23,231.60	(23,231.60)
Total On-behalf Contributions	-	-	-	81,521.60	(81,521.60)
Total Expenditures - Current Expense	1,100,207.72	57,916.50	1,158,124.22	1,180,669.82	(22,545.60)
Excess (Deficiency) of Revenues Over (Under) Expenditures	72,370.42	-	72,370.42	(444,271.23)	516,641.65
Fund Balances, July 1	585,252.03	-	585,252.03	585,252.03	-
Fund Balances, June 30	$ 657,622.45	$ -	$ 657,622.45	$ 140,980.80	$ 516,641.65

Recapitulation:

Unassigned Fund Balance				$ 140,980.80	

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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 Final to Actual Favorable / (Unfavorable)
REVENUES:					
Federal Sources:					
I.D.E.A., Part B, Preschool Incentive	$ 1,086,369.00	$ (774,455.00)	$ 311,914.00	$ 307,454.00	$ (4,460.00)
I.D.E.A., Part B, Basic	311,914.00	774,455.00	1,086,369.00	1,066,423.00	(19,946.00)
Childcare Food Program	556,146.85		556,146.85	551,786.40	(4,360.45)
Parenting Teens	164,476.00	(21,023.00)	143,453.00	143,453.00	
Parenting Teens Fatherhood Expansion		31,884.00	31,884.00	31,884.00	
Project Launch	108,000.00		108,000.00	108,000.00	
Children's Trust Fund	419,640.00	94,962.00	514,602.00	469,189.56	(45,412.44)
Help Me Grow	140,000.00		140,000.00	140,000.00	
Home Visiting	442,832.00		442,832.00	442,832.00	
Race to the Top	270,240.00		270,240.00	270,240.00	
NJ DCF Teacher Partnership	142,612.05		142,612.05	129,199.53	(13,412.52)
New Jersey Leadership Academy	140,000.00		140,000.00	70,000.00	(70,000.00)
Blended Online Learning Modules	175,000.00		175,000.00	42,057.00	(132,943.00)
Total - Federal Sources	3,957,229.90	105,823.00	4,063,052.90	3,772,518.49	(290,534.41)
State Sources:					
NJ DCF School Linked OAH		20,151.65	20,151.65	20,151.65	
First Steps	500,000.00	259,414.39	759,414.39	573,354.19	(186,060.20)
Child Abuse Prevention	1,736,894.00	40,000.00	1,776,894.00	1,769,779.00	(7,115.00)
Expansion Fatherhood		54,925.00	54,925.00	8,160.00	(46,765.00)
Total - State Sources	2,236,894.00	374,491.04	2,611,385.04	2,371,444.84	(239,940.20)
Total Revenues	6,194,123.90	480,314.04	6,674,437.94	6,143,963.33	(530,474.61)
EXPENDITURES:					
Support Services:					
Salaries	2,071,562.00	83,145.18	2,154,707.18	2,068,376.12	86,331.06
Personal Services - Employee Benefits	971,603.00	108,425.00	1,080,028.00	953,571.86	126,456.14
Purchased Professional - Educational Services	1,009,426.95	127,599.48	1,137,026.43	899,592.02	237,434.41
Other Purchased Services (400-500 series)	199,183.43	34,678.48	233,861.91	222,226.94	11,634.97
General Supplies	107,265.00	36,057.21	143,322.21	143,322.21	
Building Use / Rent	343,700.00	39,800.00	383,500.00	354,999.15	28,500.85
Miscellaneous Expenditures	1,084,374.85	306.04	1,084,680.89	1,084,680.89	
Miscellaneous Indirect Costs	407,008.67	50,302.65	457,311.32	417,194.14	40,117.18
Total Expenditures	6,194,123.90	480,314.04	6,674,437.94	6,143,963.33	530,474.61
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2016

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	$ 736,398.59	$ 6,143,963.33
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		165,985.91
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 736,398.59	$ 6,309,949.24
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 1,180,669.82	$ 6,143,963.33
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.		165,985.91
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	$ 1,180,669.82	$ 6,309,949.24

REQUIRED SUPPLEMENTARY INFORMATION
PART III

ACCOUNTING AND REPORTING FOR PENSIONS

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Required Supplementary Information - Part III
Schedule of the Center's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Three Fiscal Years

	Measurement Date Ended June 30,		
	2015	2014	2013
Center's Proportion of the Net Pension Liability	0.0404708769%	0.0334062128%	0.0249720107%
Center's Proportionate Share of the Net Pension Liability	$ 9,084,901.00	$ 6,254,557.00	$ 4,772,647.00
Center's Covered Payroll	$ 2,638,752.00	$ 2,231,296.00	$ 1,722,628.00
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	344.29%	280.31%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Required Supplementary Information - Part III
Schedule of the Center's Contributions
Public Employees' Retirement System (PERS)
Last Three Fiscal Years

	Fiscal Year Ended June 30,		
	2016	2015	2014
Contractually Required Contribution	$ 464,153.00	$ 347,941.00	$ 275,396.00
Contributions in relation to the Contractually Required Contribution	(464,153.00)	(347,941.00)	(275,396.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Center's Covered Payroll	$ 3,592,637.00	$ 3,312,915.00	$ 2,413,283.00
Contributions as a Percentage of Center's Covered Payroll	12.92%	10.50%	11.41%

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.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Required Supplementary Information - Part III
Schedule of the Center's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Three Fiscal Years

	Measurement Date Ended June 30,		
	2015	2014	2013
Center's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the Center	100.00%	100.00%	100.00%
	100.00%	100.00%	100.00%
Center's Proportionate Share of the Net Pension Liability	$ -	$ -	$ -
State's Proportionate Share of the Net Pension Liability Associated with the Center	2,053,824.00	2,446,185.00	2,379,695.00
	$ 2,053,824.00	$ 2,446,185.00	$ 2,379,695.00
Center's Covered Payroll (Plan Measurement Period)	$ 337,364.00	$ 326,240.00	$ 440,180.00
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	608.79%	749.81%	540.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Required Supplementary Information - Part III
Schedule of the Center's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable. The Center 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.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Required Supplementary Information - Part III
Notes to Required Supplementary Information
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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	IDEA Preschool	IDEA Part-B Basic	Childcare Food Program	Parenting Teens	Parenting Teens Expansion Fatherhood	Total Carried Forward
REVENUES:						
Federal Sources	$ 307,454.00	$ 1,066,423.00	$ 551,786.40	$ 143,453.00	$ 31,884.00	$ 2,101,000.40
State Sources						-
Total Revenues	307,454.00	1,066,423.00	551,786.40	143,453.00	31,884.00	2,101,000.40
EXPENDITURES:						
Support Services:						
Salaries	125,647.92	459,596.69	53,771.76	73,242.06		712,258.43
Personal Services - Employee Benefits	53,918.00	211,447.00	27,189.62	38,670.98		331,225.60
Purchased Professional - Educational Services	3,781.30	45,401.66	200.00	400.00	31,884.00	81,666.96
Other Purchased Services (400-500 series)	9,291.43	75,882.25	3,488.65	3,749.95		92,412.28
General Supplies	18,707.86	23,349.90	1,288.68	12,237.01		55,583.45
Building Use / Rent	79,200.00	184,800.00	2,895.00			266,895.00
Miscellaneous Expenditures			456,958.59			456,958.59
Miscellaneous Indirect Costs	16,907.49	65,945.50	5,994.10	15,153.00		104,000.09
Total Support Services	307,454.00	1,066,423.00	551,786.40	143,453.00	31,884.00	2,101,000.40
Total Expenditures	307,454.00	1,066,423.00	551,786.40	143,453.00	31,884.00	2,101,000.40
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Total Brought Forward	School Linked OAH	First Steps	Child Abuse Prevention	Expansion Fatherhood	Total Carried Forward
REVENUES:						
Federal Sources	$ 2,101,000.40					$ 2,101,000.40
State Sources	-	$ 20,151.65	$ 573,354.19	$ 1,769,779.00	$ 8,160.00	2,371,444.84
Total Revenues	2,101,000.40	20,151.65	573,354.19	1,769,779.00	8,160.00	4,472,445.24
EXPENDITURES:						
Support Services:						
Salaries	712,258.43		230,585.54	296,723.00		1,239,566.97
Personal Services - Employee Benefits	331,225.60		139,541.25	118,498.00		589,264.85
Purchased Professional - Educational Services	81,666.96		22,304.16	519,802.86		623,773.98
Other Purchased Services (400-500 series)	92,412.28		33,699.13	39,797.95	8,160.00	174,069.36
General Supplies	55,583.45		23,893.31	22,619.87		102,096.63
Building Use / Rent	266,895.00		70,504.15	17,600.00		354,999.15
Miscellaneous Expenditures	456,958.59			627,722.30		1,084,680.89
Miscellaneous Indirect Costs	104,000.09	20,151.65	52,826.65	127,015.02		303,993.41
Total Support Services	2,101,000.40	20,151.65	573,354.19	1,769,779.00	8,160.00	4,472,445.24
Total Expenditures	2,101,000.40	20,151.65	573,354.19	1,769,779.00	8,160.00	4,472,445.24
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Total Brought Forward	Project Launch	Children's Trust Fund	Help Me Grow	Home Visiting	Final
REVENUES:						
Federal Sources	$ 2,101,000.40	$ 108,000.00	$ 469,189.56	$ 140,000.00	$ 442,832.00	$ 3,261,021.96
State Sources	2,371,444.84					2,371,444.84
Total Revenues	4,472,445.24	108,000.00	469,189.56	140,000.00	442,832.00	5,632,466.80
EXPENDITURES:						
Support Services:						
Salaries	1,239,566.97	64,000.08	277,323.43	86,053.54	267,316.26	1,934,260.28
Personal Services - Employee Benefits	589,264.85	28,800.00	125,099.99	32,657.02	121,950.00	897,771.86
Purchased Professional - Educational Services	623,773.98					623,773.98
Other Purchased Services (400-500 series)	174,069.36	3,612.31	18,363.06	3,857.95	13,485.04	213,387.72
General Supplies	102,096.63	3,587.59	14,143.08	7,061.47	7,278.70	134,167.47
Building Use / Rent	354,999.15					354,999.15
Miscellaneous Expenditures	1,084,680.89					1,084,680.89
Miscellaneous Indirect Costs	303,993.41	8,000.02	34,260.00	10,370.02	32,802.00	389,425.45
Total Support Services	4,472,445.24	108,000.00	469,189.56	140,000.00	442,832.00	5,632,466.80
Total Expenditures	4,472,445.24	108,000.00	469,189.56	140,000.00	442,832.00	5,632,466.80
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Total Brought Forward	Race to the Top	NJ DCF Teacher Partnership	New Jersey Leadership Academy	Blended Online Learning Modules	Final
REVENUES:						
Federal Sources	$ 3,261,021.96	$ 270,240.00	$ 129,199.53	$ 70,000.00	$ 42,057.00	$ 3,772,518.49
State Sources	2,371,444.84					2,371,444.84
Total Revenues	5,632,466.80	270,240.00	129,199.53	70,000.00	42,057.00	6,143,963.33
EXPENDITURES:						
Support Services:						
Salaries	1,934,260.28	123,999.84	10,116.00			2,068,376.12
Personal Services - Employee Benefits	897,771.86	55,800.00				953,571.86
Purchased Professional - Educational Services	623,773.98	60,569.61	103,191.43	70,000.00	42,057.00	899,592.02
Other Purchased Services (400-500 series)	213,387.72	3,502.02	5,337.20			222,226.94
General Supplies	134,167.47	6,350.51	2,804.23			143,322.21
Building Use / Rent	354,999.15					354,999.15
Miscellaneous Expenditures	1,084,680.89					1,084,680.89
Miscellaneous Indirect Costs	389,425.45	20,018.02	7,750.67			417,194.14
Total Support Services	5,632,466.80	270,240.00	129,199.53	70,000.00	42,057.00	6,143,963.33
Total Expenditures	5,632,466.80	270,240.00	129,199.53	70,000.00	42,057.00	6,143,963.33
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

PROPRIETARY FUNDS

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Net Position
June 30, 2016

	Research & Grants	Monarch Program	Technology	Enterprise Funds - Professional Development	National Talent Network	School Bus Advertising	Total
ASSETS:							
Current Assets:							
Cash and Cash Equivalents					$ 68,236.69		$ 68,236.69
Accounts Receivable, Other	$ 4,150.00	$ 2,597.87	$ 2,768.10	$ 3,280.70	1,455.00		14,251.67
Accounts Receivable, Other Governmental	80,824.28		1,082,852.95	77,742.58	3,615.00	$ 11,402.00	1,256,436.81
Receivable from Component Unit	9,880.16		2,737.35				12,617.51
Other Assets		4,981.13			479.00		5,460.13
Total Current Assets	94,854.44	7,579.00	1,088,358.40	81,023.28	73,785.69	11,402.00	1,357,002.81
Noncurrent Assets:							
Capital Assets			95,718.16				95,718.16
Less: Accumulated Depreciation			(21,757.28)				(21,757.28)
Total Noncurrent Assets	-	-	73,960.88	-	-	-	73,960.88
Total Assets	94,854.44	7,579.00	1,162,319.28	81,023.28	73,785.69	11,402.00	1,430,963.69
DEFERRED OUTFLOWS OF RESOURCES:							
Related to Pensions	107,365.49	74,689.04	1,419,869.72	34,621.48	29,564.41	76,245.06	1,742,355.20
LIABILITIES:							
Current Liabilities:							
Cash Deficit	26,903.07	33,901.35	1,193,904.37	6,585.79		29,544.36	1,290,838.94
Accounts Payable - Other	3,785.00		863,966.46	14,064.95			881,816.41
Accounts Payable - Related to Pension	12,810.62	8,911.74	169,415.85	4,130.96	3,527.56	9,097.40	207,894.13
Unearned Revenue		24,004.00	235,608.00	2,683.00	6,195.00	76,438.56	344,928.56
Total Current Liabilities	43,498.69	66,817.09	2,462,894.68	27,464.70	9,722.56	115,080.32	2,725,478.04
Noncurrent Liabilities:							
Net Pension Liability	250,743.27	174,430.09	3,315,988.87	80,855.62	69,045.25	178,064.06	4,069,127.16
Total Noncurrent Liabilities	250,743.27	174,430.09	3,315,988.87	80,855.62	69,045.25	178,064.06	4,069,127.16
Total Liabilities	294,241.96	241,247.18	5,778,883.55	108,320.32	78,767.81	293,144.38	6,794,605.20
DEFERRED INFLOWS OF RESOURCES:							
Related to Pensions	4,031.48	2,804.51	53,314.82	1,300.01	1,110.12	2,862.93	65,423.87
NET POSITION:							
Net Investment in Capital Assets			73,960.88				73,960.88
Unrestricted (Deficit)	(96,053.51)	(161,783.65)	(3,323,970.25)	6,024.43	23,472.17	(208,360.25)	(3,760,671.06)
Total Net Position	$ (96,053.51)	$ (161,783.65)	$ (3,250,009.37)	$ 6,024.43	$ 23,472.17	$ (208,360.25)	$ (3,686,710.18)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	Enterprise Funds -						
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	Total
OPERATING REVENUES:							
Local Sources:							
Services Provided to Other LEA's	$ 195,318.60	$ 4,009.00	$ 7,899,474.97	$ 856,988.79	$ 112,487.85	$ 5,945.00	$ 9,074,224.21
Services Provided to Other Funds	33,402.68		84,085.71	110,989.08			228,477.47
Other Local Sources	216,867.53	101,938.53	(9,170.14)	172,219.39	1,679.87	152,686.21	636,221.39
Total Operating Revenues	445,588.81	105,947.53	7,974,390.54	1,140,197.26	114,167.72	158,631.21	9,938,923.07
OPERATING EXPENSES:							
Salaries	161,788.10	71,775.26	1,389,450.61	414,519.67	53,690.68	72,727.44	2,163,951.76
Employee Benefits	46,969.43	22,546.19	732,206.62	48,994.41	11,073.03	37,183.24	898,972.92
Purchased Professional/Technical Services	104,378.22	47,605.05	70,570.94	482,009.32	5,010.95	400.00	709,974.48
Purchased Property Services	33,000.00						33,000.00
Equipment			43,029.95				43,029.95
Other Purchased Services (500 Series)		17,465.07	193,227.63	37,241.08	2,515.04	57,779.07	308,227.89
Supplies and Materials	24,094.80	4,118.32	9,875.79	28,139.35	3,413.91	433.89	70,076.06
Building Usage		5,284.58	90,108.33				95,392.91
Cost of Sales			6,468,135.60				6,468,135.60
Miscellaneous Other Expenses	3,734.44		7,136.40	1,898.80		6,498.12	19,267.76
Indirect Cost	37,084.46	7,389.26	220,242.28	101,675.80	15,153.24	24,969.84	406,514.88
Depreciation Expenses			13,522.68				13,522.68
Total Operating Expenses	411,049.45	176,183.73	9,237,506.83	1,114,478.43	90,856.85	199,991.60	11,230,066.89
Change in Net Position	34,539.36	(70,236.20)	(1,263,116.29)	25,718.83	23,310.87	(41,360.39)	(1,291,143.82)
Net Position (Deficit) -- July 1	(130,592.87)	(91,547.45)	(1,986,893.08)	(19,694.40)	161.30	(166,999.86)	(2,395,566.36)
Net Position (Deficit) -- June 30	$ (96,053.51)	$ (161,783.65)	$ (3,250,009.37)	$ 6,024.43	$ 23,472.17	$ (208,360.25)	$ (3,686,710.18)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Enterprise Funds -						
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from Customers	$ 391,412.75	$ 98,368.53	$ 8,416,094.89	$ 1,172,505.12	$ 112,293.72	$ 162,370.11	$ 10,353,045.12
Payments to Employees	(161,788.10)	(71,775.26)	(1,389,450.61)	(414,519.67)	(53,690.68)	(72,727.44)	(2,163,951.76)
Payments for Employee Benefits	(40,247.02)	(9,228.20)	(519,169.32)	(45,837.99)	(8,250.35)	(31,170.93)	(653,903.81)
Payments to Suppliers	(206,651.99)	(58,244.11)	(6,319,787.61)	(683,846.09)	(19,941.16)	(14,398.99)	(7,302,869.95)
Net Cash Provided by (used for) Operating Activities	(17,274.36)	(40,879.04)	187,687.35	28,301.37	30,411.53	44,072.75	232,319.60
Purchase (Disposal) of Capital Assets			(44,448.00)				(44,448.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	-	-	(44,448.00)	-	-	-	(44,448.00)
Net Increase (Decrease) in Cash and Cash Equivalents	(17,274.36)	(40,879.04)	143,239.35	28,301.37	30,411.53	44,072.75	187,871.60
Cash and Cash Equivalents -- July 1	(9,628.71)	6,977.69	(1,337,143.72)	(34,887.16)	37,825.16	(73,617.11)	(1,410,473.85)
Cash and Equivalents -- June 30	$ (26,903.07)	$ (33,901.35)	$ (1,193,904.37)	$ (6,585.79)	$ 68,236.69	$ (29,544.36)	$ (1,222,602.25)
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating Income (Loss)	$ 34,539.36	$ (70,236.20)	$ (1,263,116.29)	$ 25,718.83	$ 23,310.87	$ (41,360.39)	$ (1,291,143.82)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:							
Depreciation and Net Amortization			13,522.68				13,522.68
Pension Expense	6,722.41	13,317.99	213,037.30	3,156.42	2,822.68	6,012.31	245,069.11
(Increase) Decrease in Accounts Receivable Other	(4,150.00)	(2,597.87)	41,375.55	(3,280.70)	(1,455.00)		29,891.98
(Increase) Decrease in Accounts Receivable, Other Governmental	(50,026.06)		400,328.80	35,588.56	60.00	3,738.90	389,690.20
(Increase) Decrease in Other Assets		(4,981.13)			(479.00)		(5,460.13)
Increase (Decrease) in Accounts Payable	(6,802.05)	(2,721.49)	505,488.16	(36,425.05)	(787.05)	(2,582.06)	456,170.46
Increase (Decrease) in Accounts Payable - Pensions	2,441.98	2,335.66	41,443.15	860.31	744.03	1,825.43	49,650.56
Increase (Decrease) in Unearned Revenue		24,004.00	235,608.00	2,683.00	6,195.00	76,438.56	344,928.56
Total Adjustments	(51,813.72)	29,357.16	1,450,803.64	2,582.54	7,100.66	85,433.14	1,523,463.42
Net Cash Provided by (used for) Operating Activities	$ (17,274.36)	$ (40,879.04)	$ 187,687.35	$ 28,301.37	$ 30,411.53	$ 44,072.75	$ 232,319.60

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Net Position
June 30, 2016

	Internal Service Funds -						
	Business & Support Services	Building Services	Document Management	Telephone Services	Fringe Benefits	Accrued Sick	Total
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	$ 521,857.50			$ 38,790.63	$ 927,865.33	$ 439,452.12	$ 1,927,965.58
Accounts Receivable, Other		$ 914.35	$ 1,819.01				2,733.36
Interfund Receivable		900,000.00					900,000.00
Accounts Receivable, Other Governmental	22,980.00	3,375.00	1,024.86				27,379.86
Receivable from Component Unit	12,773.04	7,714.35		1,617.53			22,104.92
Total Current Assets	557,610.54	912,003.70	2,843.87	40,408.16	927,865.33	439,452.12	2,880,183.72
Noncurrent Assets:							
Capital Assets	38,403.00	78,562.90	2,800.00				119,765.90
Less: Accumulated Depreciation	(2,560.20)	(78,562.90)	(2,800.00)				(83,923.10)
Total Noncurrent Assets	35,842.80	-	-	-	-	-	35,842.80
Total Assets	593,453.34	912,003.70	2,843.87	40,408.16	927,865.33	439,452.12	2,916,026.52
DEFERRED OUTFLOWS OF RESOURCES:							
Related to Pensions	167,272.32						167,272.32
LIABILITIES:							
Current Liabilities:							
Cash Deficit		1,127,014.48	177,673.66				1,304,688.14
Accounts Payable - Other	50,948.22	66,398.67			40,537.23		157,884.12
Accounts Payable - Related to Pension	19,958.58						19,958.58
Payable Due Component Unit					454,622.00		454,622.00
Total Current Liabilities	70,906.80	1,193,413.15	177,673.66	-	495,159.23	-	1,937,152.84
Noncurrent Liabilities:							
Net Pension Liability	390,650.74						390,650.74
Compensated Absences Payable						391,067.62	391,067.62
Total Noncurrent Liabilities	390,650.74	-	-	-	-	391,067.62	781,718.36
Total Liabilities	461,557.54	1,193,413.15	177,673.66	-	495,159.23	391,067.62	2,718,871.20
DEFERRED INFLOWS OF RESOURCES:							
Related to Pensions	6,280.92						6,280.92
NET POSITION:							
Unrestricted (Deficit)	292,887.20	(281,409.45)	(174,829.79)	40,408.16	432,706.10	48,384.50	358,146.72
Total Net Position	$ 292,887.20	$ (281,409.45)	$ (174,829.79)	$ 40,408.16	$ 432,706.10	$ 48,384.50	$ 358,146.72

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	Internal Service Funds -						
	Business & Support Services	Building Services	Document Management	Telephone Services	Fringe Benefits	Accrued Sick	Total
OPERATING REVENUES:							
Local Sources:							
Services Provided to Other LEA's	$ 54,864.00	$ 3,805.00	$ 9,979.73				$ 68,648.73
Services Provided to Other Funds	836,209.43	571,037.72	66,321.10	$ 50,755.13	$ 1,641,514.74	$ 41,335.64	3,207,173.76
Other Local Sources	40,492.84	44,243.04	19,802.92	17,971.50			122,510.30
Total Operating Revenues	931,566.27	619,085.76	96,103.75	68,726.63	1,641,514.74	41,335.64	3,398,332.79
OPERATING EXPENSES:							
Salaries	363,603.33	14,013.72	53,644.83	26,769.20			458,031.08
Employee Benefits	132,433.79	1,354.06	8,515.32	3,622.54	1,511,935.29		1,657,861.00
Purchased Professional/Technical Services	88,831.46	96,970.06					185,801.52
Equipment	5,648.30	10,478.72	60,177.64				76,304.66
Other Purchased Services (500 Series)	51,866.66	25,614.77	1,753.70	2,085.00			81,320.13
Supplies and Materials	6,686.39	136,073.03	120.52				142,879.94
Interest on Mortgage		14,200.95					14,200.95
Building Use Charges	19,325.52	632,259.50	7,969.32				659,554.34
Miscellaneous Other Expenses	(539.05)		28,409.00				27,869.95
Indirect Cost			18,720.72	7,724.52			26,445.24
Depreciation Expense	2,560.20	6,779.86					9,340.06
Total Operating Expenses	670,416.60	937,744.67	179,311.05	40,201.26	1,511,935.29	-	3,339,608.87
Change in Net Position	261,149.67	(318,658.91)	(83,207.30)	28,525.37	129,579.45	41,335.64	58,723.92
Net Position (Deficit) -- July 1	31,737.53	37,249.46	(91,622.49)	11,882.79	303,126.65	7,048.86	299,422.80
Net Position (Deficit) -- June 30	$ 292,887.20	$ (281,409.45)	$ (174,829.79)	$ 40,408.16	$ 432,706.10	$ 48,384.50	$ 358,146.72

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Internal Service Funds -						
	Business & Support Services	Building Services	Document Management	Telephone Services	Fringe Benefits	Accrued Sick	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from Customers	$ 908,629.00	$ (256,374.59)	$ 95,159.94	$ 68,726.63	$ 1,641,514.74	$ 41,335.64	$ 2,498,991.36
Payments to Employees	(363,603.33)	(14,013.72)	(53,644.83)	(26,769.20)			(458,031.08)
Payments for Employee Benefits	(106,723.16)	(1,354.06)	(8,515.32)	(3,622.54)	(1,511,935.29)		(1,632,150.37)
Payments to Suppliers	(149,458.06)	(906,263.28)	(119,953.48)	(9,809.52)	173,537.23		(1,011,947.11)
Net Cash Provided by (used for) Operating Activities	288,844.45	(1,178,005.65)	(86,953.69)	28,525.37	303,116.68	41,335.64	(603,137.20)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Purchase (Disposal) of Capital Assets	(38,403.00)	492,914.08					454511.08
Principal Payments on Mortgage Payable		(396,474.90)					(396,474.90)
Net Cash Provided by (used for) Capital and Related Financing Activities	(38,403.00)	96,439.18	-	-	-	-	58,036.18
Net Increase (Decrease) in Cash and Cash Equivalents	250,441.45	(1,081,566.47)	(86,953.69)	28,525.37	303,116.68	41,335.64	(545,101.02)
Cash and Cash Equivalents -- July 1	271,416.05	(45,448.01)	(90,719.97)	10,265.26	624,748.65	398,116.48	1,168,378.46
Cash and Equivalents -- June 30	$ 521,857.50	$ (1,127,014.48)	$ (177,673.66)	$ 38,790.63	$ 927,865.33	$ 439,452.12	$ 623,277.44
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating Income (Loss)	$ 261,149.67	$ (318,658.91)	$ (83,207.30)	$ 28,525.37	$ 129,579.45	$ 41,335.64	$ 58,723.92
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:							
Depreciation and Net Amortization	2,560.20	6,779.86					9,340.06
Pension Expense	25,710.63						25,710.63
(Increase) Decrease in Accounts Receivable Other		26,189.65	(1,819.01)				24,370.64
(Increase) Decrease in Interfunds Receivable		(900,000.00)					(900,000.00)
(Increase) Decrease in Accounts Receivable, Other Governmental	(22,980.00)	(1,650.00)	875.20				(23,754.80)
(Increase) Decrease in Receivable from Component Unit	42.73						42.73
Increase (Decrease) in Accounts Payable	37,585.34	9,333.75	(2,802.58)		40,537.23		84,653.74
Increase (Decrease) in Accounts Payable - Pensions	4,927.53						4,927.53
Increase (Decrease) in Interfund Payable	(20,151.65)						(20,151.65)
Increase (Decrease) in Payable Due Component Unit					133,000.00		133,000.00
Total Adjustments	27,694.78	(859,346.74)	(3,746.39)	-	173,537.23	-	(661,861.12)
Net Cash Provided by (used for) Operating Activities	$ 288,844.45	$ (1,178,005.65)	$ (86,953.69)	$ 28,525.37	$ 303,116.68	$ 41,335.64	$ (603,137.20)

FIDUCIARY FUNDS

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2016

	Agency Funds	Total
ASSETS:		
Cash and Cash Equivalents	$ 51,994.91	$ 51,994.91
Total Assets	$ 51,994.91	$ 51,994.91
LIABILITIES:		
Payroll Deductions and Withholdings	$ 49,055.28	$ 49,055.28
Interfund Accounts Payable:		
Due General Fund	2,939.63	2,939.63
Total Liabilities	$ 51,994.91	$ 51,994.91

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Fiduciary Funds
Payroll 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	$ 20,735.94	$ 5,988,908.09	$ 5,957,649.12	$ 51,994.91
Total Assets	$ 20,735.94	$ 5,988,908.09	$ 5,957,649.12	$ 51,994.91
LIABILITIES:				
Payroll Deductions and Withholdings	$ 16,745.55	$ 2,571,110.13	$ 2,538,800.40	$ 49,055.28
Net Payroll		3,417,973.95	3,417,973.95	
Interfund Accounts Payable:				
Due General Fund	3,990.39	(175.99)	874.77	2,939.63
Total Liabilities	$ 20,735.94	$ 5,988,908.09	$ 5,957,649.12	$ 51,994.91

LONG-TERM DEBT

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Mortgage Payable
For the Fiscal Year Ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2015	Retired / Property Sold	Balance June 30, 2016
Purchase of Building	12/20/2005	$ 600,000.00				$ 396,474.90	$ 396,474.90	$ -

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015 *	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net Investment in Capital Assets	$ 51,345.17	$ 104,598.78	$ 122,912.68	$ 166,548.88	$ (65,280.64)	$ 3,158.99	$ 4,564.85	$ 6,362.46	$ 9,854.62	$ 13,316.00
Restricted			740,000.00	704,334.09						
Unrestricted	(2,502,833.06)	(1,763,170.17)	154,829.02	787,727.65	951,287.12	218,163.41	360,325.73	373,121.97	440,662.05	208,867.06
Total Governmental Activities Net Position	$ (2,451,487.89)	$ (1,658,571.39)	$ 1,017,741.70	$ 1,658,610.62	$ 886,006.48	$ 221,322.40	$ 364,890.58	$ 379,484.43	$ 450,516.67	$ 222,183.06
Business-type Activities										
Net Investment in Capital Assets	$ 73,960.88	$ 43,035.56	$ 45,443.22		$ 119.40	$ (26,012.98)	$ 20,851.31	$ 485,281.92	$ 490,186.60	$ 478,633.74
Restricted										
Unrestricted	(3,760,671.06)	(2,438,601.92)	(933,179.09)	$ 443,396.94	175,293.48	588,245.54	588,263.79	(658,863.03)	(764,742.92)	(574,452.08)
Total Business-type Activities Net Position	$ (3,686,710.18)	$ (2,395,566.36)	$ (887,735.87)	$ 443,396.94	$ 175,412.88	$ 562,232.56	$ 609,115.10	$ (173,581.11)	$ (274,556.32)	$ (95,818.34)
District-wide										
Net Investment in Capital Assets	$ 125,306.05	$ 147,634.34	$ 168,355.90	$ 166,548.88	$ (65,161.24)	$ (22,853.99)	$ 25,416.16	$ 491,644.38	$ 500,041.22	$ 491,949.74
Restricted	-	-	740,000.00	704,334.09	-	-	-	-	-	-
Unrestricted	(6,263,504.12)	(4,201,772.09)	(778,350.07)	1,231,124.59	1,126,580.60	806,408.95	948,589.52	(285,741.06)	(324,080.87)	(365,585.02)
Total District-wide Net Position	$ (6,138,198.07)	$ (4,054,137.75)	$ 130,005.83	$ 2,102,007.56	$ 1,061,419.36	$ 783,554.96	$ 974,005.68	$ 205,903.32	$ 175,960.35	$ 126,364.72

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

Source: Comprehensive Annual Financial Report, Exhibit A-1

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015 *	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental Activities:										
Support Services:										
General Administrative Services	$ 8,082,829.12	$ 7,771,560.34	$ 7,474,109.63	$ 10,591,223.80	$ 8,520,838.03	$ 6,828,512.26	$ 11,646,705.13	$ 11,228,104.16	$ 11,117,182.72	$ 10,013,566.07
Employee Benefits	3,226,959.12	2,575,819.54	1,744,329.73	1,557,309.57						
Interest on Long-term Debt	14,200.95	23,984.34	25,083.97							
Unallocated Depreciation	12,403.93	45,451.30								
Enterprise Funds								126,205.96	119,158.06	162,899.26
Internal Service Funds							207,141.95	30,018.84		
Unallocated Depreciation			69,419.63	68,371.00		1,405.85	1,797.62	3,492.16	3,461.38	2,964.02
Total Governmental Activities Expenses	11,336,393.12	10,416,815.52	9,312,942.96	12,216,904.37	8,520,838.03	6,829,918.11	11,855,644.70	11,387,821.12	11,239,802.16	10,179,429.35
Business-type Activities:										
Enterprise	11,230,066.89	10,234,839.15	12,231,773.66	3,144,760.12	2,380,389.49	2,706,836.24	1,927,339.89	1,924,043.21	2,370,106.53	2,013,336.29
Internal Service Funds						4,161,167.24	4,144,030.49	3,818,008.75	3,329,463.61	3,197,143.65
Total Business-type Activities Expenses	11,230,066.89	10,234,839.15	12,231,773.66	3,144,760.12	2,380,389.49	6,868,003.48	6,071,370.38	5,742,051.96	5,699,570.14	5,210,479.94
Total District Expenses	$ 22,566,460.01	$ 20,651,654.67	$ 21,544,716.62	$ 15,361,664.49	$ 10,901,227.52	$ 13,697,921.59	$ 17,927,015.08	$ 17,129,873.08	$ 16,939,372.30	$ 15,389,909.29
Program Revenues										
Governmental Activities:										
Charges for Services	$ 3,398,332.79	$ 3,360,774.85	$ 2,608,076.47	$ 6,468,975.30	$ 2,303,275.24					
Operating Grants and Contributions	6,490,266.84	5,333,874.95	4,731,973.08	4,463,183.57	4,379,821.41	$ 5,747,366.18	$ 11,197,345.01	$ 10,770,642.86	$ 10,816,847.86	$ 9,714,053.60
Total Governmental Activities Program Revenues	9,888,599.63	8,694,649.80	7,340,049.55	10,932,158.87	6,683,096.65	5,747,366.18	11,197,345.01	10,770,642.86	10,816,847.86	9,714,053.60
Business-type activities:										
Charges for services:										
Enterprise	9,938,923.07	10,907,812.84	10,694,186.37	3,465,252.51	2,580,587.05	2,601,932.43	2,263,213.25	1,878,121.08	2,097,844.49	1,634,038.69
Internal Service Funds						4,199,758.36	3,766,598.16	3,838,670.54	3,303,837.19	3,166,092.69
Operating Grants and Contributions			34,881.66					126,205.96	119,158.06	162,899.26
Total Business-type Activities Program Revenues	9,938,923.07	10,907,812.84	10,729,068.03	3,465,252.51	2,580,587.05	6,801,690.79	6,029,811.41	5,842,997.58	5,520,839.74	4,963,030.64
Total District Program Revenues	$ 19,827,522.70	$ 19,602,462.64	$ 18,069,117.58	$ 14,397,411.38	$ 9,263,683.70	$ 12,549,056.97	$ 17,227,156.42	$ 16,613,640.44	$ 16,337,687.60	$ 14,677,084.24
Net (Expense)/Revenue										
Governmental Activities	$ 1,447,793.49	$ 1,722,165.72	$ 1,972,893.41	$ 1,284,745.50	$ 1,837,741.38	$ 1,082,551.93	$ 658,299.69	$ 617,178.26	$ 422,954.30	$ 465,375.75
Business-type Activities	1,291,143.82	(672,973.69)	1,502,705.63	(320,492.39)	(200,197.56)	66,312.69	41,558.97	(100,945.62)	178,730.40	247,449.30
Total District-wide Net Expense	$ 2,738,937.31	$ 1,049,192.03	$ 3,475,599.04	$ 964,253.11	$ 1,637,543.82	$ 1,148,864.62	$ 699,858.66	$ 516,232.64	$ 601,684.70	$ 712,825.05

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015 *	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Grants and Contributions			$ 75,006.00	$ 89,334.00	$ 32,150.76	$ 36,792.12	$ 448,196.32	$ 489,200.44	$ 450,000.00	$ 485,660.35
Investment Earnings	$ 492.21	$ 619.31	101,718.65	33,498.81	939.16	915.12	1,820.00	8,365.46	29,500.62	36,166.20
Student Achievement	16,300.00	272,688.00	114,300.00	90,000.00	82,850.00	136,000.00	143,188.69	45,000.00	136,425.00	
School Service Agreements/Contract	638,084.78	1,350,159.34	1,295,888.93	1,436,153.43	1,170,934.46	721,610.74				
Miscellaneous Income			72,252.21	100,775.20	653,414.44	43,665.77	50,500.83	3,580.12	35,362.29	8,693.32
Transfers to Other Funds			(191,560.63)	50,000.00						
Other			(135,580.67)	257,588.20						
Total Governmental Activities	654,876.99	1,623,466.65	1,332,024.49	2,057,349.64	1,940,288.82	938,983.75	643,705.84	546,146.02	651,287.91	530,519.87
Business-type Activities										
Miscellaneous Income			(19,987.81)	(2,388.93)		19,430.15	824,255.21	29.56	(7.58)	2697.29
Transfers			191,560.63	(50,000.00)	(25,000.00)					
Total Business-type Activities	-	-	171,572.82	(52,388.93)	(25,000.00)	19,430.15	824,255.21	29.56	(7.58)	2,697.29
Total District-wide	$ 654,876.99	$ 1,623,466.65	$ 1,503,597.31	$ 2,004,960.71	$ 1,915,288.82	$ 958,413.90	$ 1,467,961.05	$ 546,175.58	$ 651,280.33	$ 533,217.16
Change in Net Position										
Governmental Activities	$ (792,916.50)	$ (98,699.07)	$ (640,868.92)	$ 772,604.14	$ 102,547.44	$ (143,568.18)	$ (14,593.85)	$ (71,032.24)	$ 228,333.61	$ 65,144.12
Business-type Activities	(1,291,143.82)	672,973.69	(1,331,132.81)	268,103.46	175,197.56	(46,882.54)	782,696.24	100,975.18	(178,737.98)	(244,752.01)
Total District	$ (2,084,060.32)	$ 574,274.62	$ (1,972,001.73)	$ 1,040,707.60	$ 277,745.00	$ (190,450.72)	$ 768,102.39	$ 29,942.94	$ 49,595.63	$ (179,607.89)

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

Source: Comprehensive Annual Financial Report, Exhiit A-2.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Assigned			$ 740,000.00	$ 704,334.09		$ 50,524.10				
Unassigned	$ 140,980.80	$ 585,252.03	249,301.48	48,917.94	$ 469,206.59	167,639.31				
Reserved							$ 65,036.04	$ 65,036.04	$ 114,220.18	
Unreserved							295,289.70	308,085.93	326,441.87	$ 208,867.06
Total General Fund	$ 140,980.80	$ 585,252.03	$ 989,301.48	$ 753,252.03	$ 469,206.59	$ 218,163.41	$ 360,325.74	$ 373,121.97	$ 440,662.05	$ 208,867.06

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: Center Records

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	For the Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Interest Earnings	$ 492.21	$ 619.31	$ 753.20	$ 33,498.81	$ 939.16	$ 915.12	$ 1,820.00	$ 8,365.46	$ 29,500.62	$ 36,166.20
Student Achievement/School Services Agreement	654,384.78	1,622,847.34	1,410,188.93	1,526,153.43	1,253,784.46	857,610.74	143,188.69	45,000.00	136,425.00	
Miscellaneous			8,674.01	21,646.88	142,897.35	97,548.44	118,444.24	19,716.77	327,032.96	287,559.80
Program Income			63,578.20	80,722.64						
State Sources	3,772,518.49	3,298,794.29	3,090,876.44	2,775,498.57	2,715,597.75	1,948,165.49	2,350,027.55	2,407,101.07	2,304,494.09	2,295,544.19
Federal Sources	2,618,952.35	2,033,206.66	1,716,102.64	1,775,424.68	1,593,582.26	3,782,110.14	9,227,570.37	8,836,605.58	8,670,683.10	7,625,303.28
Total Revenue	7,046,347.83	6,955,467.60	6,290,173.42	6,212,945.01	5,706,800.98	6,686,349.93	11,841,050.85	11,316,788.88	11,468,135.77	10,244,573.47
Expenditures										
General Administrative Services	6,424,622.26	6,453,501.66	1,993,710.42	1,851,208.59	1,635,387.22	1,023,023.96	389,141.80	401,238.86	283,312.86	246,830.12
Unallocated Employee Benefits	984,475.20	778,652.31	75,006.00	89,334.00	32,150.76	36,792.12	43,196.32	39,200.44		35,660.35
Undistributed Expenditures - Food Service										
Community Services Programs/Operations			4,731,973.08	4,463,183.57	4,379,821.41	5,747,366.18	11,197,345.01	10,770,642.86	10,816,847.86	9,714,053.60
On-Behalf T.P.A.F. Social Security Contributions										
Normal Cost	25,345.00	17,568.00								
Non-Contributory Insurance	1,263.00									
Post-Retirement Medical Contribution	31,682.00	27,890.00								
Reimbursed T.P.A.F Social Security Contributions	23,231.60	22,931.06								
Capital Outlay						21,330.00	17,022.00	17,022.00	17,022.00	17,022.00
Total Expenditures	7,490,619.06	7,300,543.03	6,800,689.50	6,403,726.16	6,047,359.39	6,828,512.26	11,646,705.13	11,228,104.16	11,117,182.72	10,013,566.07
Excess (Deficiency) of Revenues Over (Under) Expenditures	(444,271.23)	(345,075.43)	(510,516.08)	(190,781.15)	(340,558.41)	(142,162.33)	194,345.72	88,684.72	350,953.05	231,007.40
Other Financing Sources (Uses)										
Operating Transfers In			880,000.00		591,601.59		(207,141.95)	(156,224.80)	(119,158.06)	(162,899.26)
Transfers to Other Funds			(133,434.47)	500,000.00						
Other				(25,173.41)						
Total Other Financing Sources (Uses)	-	-	746,565.53	474,826.59	591,601.59	-	(207,141.95)	(156,224.80)	(119,158.06)	(162,899.26)
Net Change in Fund Balances	$ (444,271.23)	$ (345,075.43)	$ 236,049.45	$ 284,045.44	$ 251,043.18	$ (142,162.33)	$ (12,796.23)	$ (67,540.08)	$ 231,794.99	$ 68,108.14

Source: Center Records

OPERATING INFORMATION

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Support Services	5.5	12.0	2.0	11.5						
General Admission	3.5	3.0	2.0	2.0						
Research and Grants/BEST	3.0	5.0	3.0	2.5						
First Steps Grant	4.0	5.0	4.0	5.0						
Child Care Food Program	1.5	1.0	2.0	2.0						
CAP Grant	20.0	17.5	15.0	11.5						
LRC Grant (IDEA)	9.5	9.5	9.0	8.0						
Monarch Grant	1.0	1.0	2.0	2.0						
Professional Development	6.0	6.0	7.5	8.0						
National Talent Network	1.0	1.0	1.0	1.0						
School Bus Advertising	1.0	1.0	1.0	1.0						
Business and Support Services	5.5	6.5	5.0	5.0						
Building Services	0.5	0.5	0.5	0.5						
Documents Management	1.5	1.5	0.5	1.0						
Technology	26.0	29.0	27.0	11.0						
Telephone	1.0	1.5	1.5	2.0						
Total	90.5	101.0	83.0	74.0	N/A	N/A	N/A	N/A	N/A	N/A

Source: Center Personnel Records

Educational Information and Resource Center
Insurance Schedule
June 30, 2016
Unaudited

	Coverage	Deductible
Package Policy		
Commercial Property		
Building	$ 555,700.00	$ 500.00
Business Property	756,900.00	1,500.00
Commercial General Liability and Human Services Liability		
Each Occurrence	1,000,000.00	
General Aggregate	2,000,000.00	
Commercial Auto Coverage		
Liability	1,000,000.00	
Uninsured Motorist	1,000,000.00	
Physical Damage Comprehensive Coverage		$1,000.00 Each Occurrence
Physical Damage Collision Coverage		$1,000.00 Each Occurrence
Commercial Liability Umbrella Policy		
Each Occurrence Limit (Liability Coverage)	1,000,000.00	$10,000.00 Retention
Special Property Coverage		
General Aggregate Limit	2,000,000.00	
Each Claim Limit	10,000.00	
Workmen's Compensation	1,000,000.00	
Public Employee's Faithful Performance Bond	100,000.00	

Source: Center Records

SINGLE AUDIT SECTION

Exhibit K-2

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and
Members of the Board of Directors
Educational Information and Resource Center
200 College Drive
Blackwood, New Jersey 08012

Report on Compliance for Each Major Federal and State Program

We have audited the Educational Information and Resource Center's 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 Educational Information and Resource Center's major federal and state programs for the fiscal year ended June 30, 2016. The Educational Information and Resource Center'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 Educational Information and Resource Center'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 Educational Information and Resource Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Educational Information and Resource Center 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and New Jersey Circular 15-08-OMB, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as item no. 2016-009. Our opinion on each major federal and state program is not modified with respect to this matter.

The Educational Information and Resource Center's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Educational Information and Resource Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Educational Information and Resource Center 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 Educational Information and Resource Center'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 Educational Information and Resource Center's internal control over compliance.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance,* as item no. 2016-009 to be a significant deficiency.

The Educational Information and Resource Center's response to the internal control over compliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Educational Information and Resource Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A McAllister

Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
February 14, 2017

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2015 Unearned Revenue/ (Accounts Receivable)	Balance at June 30, 2015 Due to Grantor
U.S. Department of Education								
Passed-Through State Department of Education:								
Special Revenue Fund:								
Title I - Cluster:								
Title I - Part D	84.013	S013A150030	NCLB129515	$ 84,663.00	7/1/14	6/30/15	$ (3,521.00)	
Total Title I Cluster							(3,521.00)	$ -
I.D.E.A. Part B Cluster:								
I.D.E.A. Part B Basic Regular	84.027	H027A150100	IDEA129516	1,086,369.00	9/1/15	6/30/16		
I.D.E.A. Part B Basic Regular	84.027	H027A150100	IDEA129515	805,602.00	9/1/14	6/30/15	(7,507.00)	
I.D.E.A. Part B Preschool	84.173	H173A150114	IDEA129516	311,914.00	9/1/15	6/30/16		
I.D.E.A. Part B Preschool	84.173	H173A150114	IDEA129515	245,013.00	9/1/14	6/30/15	1,360.00	
Total I.D.E.A. Part B Cluster							(6,147.00)	-
Passed-Through State Department of Children and Families:								
Race to the Top	84.412A	S412A130049	16BTHS	270,240.00	7/1/15	6/30/16		
New Jersey Leadership Academy	84.413A	B413A120008	12-100-034-5063-345	140,000.00	3/1/15	6/30/17		
Blended Online Learning Modules	84.413A	B413A120008	12-100-034-5063-345	175,000.00	12/1/15	11/15/16		
Total Passed-Through State Department of Children and Families							-	-
Total U.S. Department of Education							(9,668.00)	-
U.S. Department of Agriculture								
Passed-Through State Department of Education:								
Child Care Food Program - Administrative	10.558	16161NJ304N2020	16-15-598	62,955.00	10/1/15	9/30/16		
Child Care Food Program - Provider Meals	10.558	16161NJ304N1099	16-15-598	293,521.96	10/1/15	9/30/16		
Child Care Food Program - Administrative	10.558	16161NJ304N2020	15-15-598	89,040.00	10/1/14	9/30/15		
Child Care Food Program - Provider Meals	10.558	16161NJ304N1099	15-15-598	300,000.00	10/1/14	9/30/15		
Total Child Care Food Program							-	-
Total U.S. Department of Agriculture							-	-
U.S. Department of Health and Human Services								
Passed-Through State Department of Children and Families:								
Children's Trust Fund	93.590	N/A	16BTHS	514,602.00	7/1/15	6/30/16		
Children's Trust Fund	93.590	N/A	15BTHS	316,041.00	7/1/14	6/30/15	(49,281.00)	3,868.56
Total Children's Trust Fund							(49,281.00)	3,868.56
Help Me Grow / ECCS	93.110	N/A	16BTHS	140,000.00	7/1/15	6/30/16		
Home Visiting	93.505	N/A	16BTHS	442,832.00	7/1/15	6/30/16		
Parenting Teens	93.500	SP1AH000028	16BTHS	175,337.00	7/1/15	6/30/16		
Project Launch	93.243	SM061287	16BTHS	108,000.00	7/1/15	6/30/16		
Teacher Partnership Initiative: Support for Students - SERG (SAMSHA Emergency Response Grant)	93.982	N/A	15YZHZ	300,000.00	7/1/14	3/31/16	14,151.53	
Total U.S. Department of Health and Human Services							(35,129.47)	3,868.56
Total Special Revenue Fund							(44,797.47)	3,868.56
Total Federal Financial Assistance							$ (44,797.47)	$ 3,868.56

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

		Budgetary Expenditures						Balance at June 30, 2016		
Carryover/ (Walkover) Amount	Cash Received	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor
	$ 3,521.00									
$ -	3,521.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	1,063,495.00	1,066,423.00		1,066,423.00				(2,928.00)		
	7,507.00									
	305,144.00	307,454.00		307,454.00				(2,310.00)		
						(1,360.00)				
-	1,376,146.00	1,373,877.00	-	1,373,877.00	-	(1,360.00)	-	(5,238.00)	-	-
	270,240.00	270,240.00		270,240.00						
	70,000.00	70,000.00		70,000.00				(70,000.00)	70,000.00	
	42,057.00	42,057.00		42,057.00				(132,943.00)	132,943.00	
-	382,297.00	382,297.00	-	382,297.00	-	-	-	(202,943.00)	202,943.00	-
-	1,761,964.00	1,756,174.00	-	1,756,174.00	-	(1,360.00)	-	(208,181.00)	202,943.00	-
	56,045.00	58,967.81		58,967.81				(6,910.00)	3,987.19	
	258,251.28	293,148.70		293,148.70				(35,270.68)	373.26	
	35,485.00	35,485.00		35,485.00						
	164,184.89	164,184.89		164,184.89						
-	513,966.17	551,786.40	-	551,786.40	-	-	-	(42,180.68)	4,360.45	-
-	513,966.17	551,786.40	-	551,786.40	-	-	-	(42,180.68)	4,360.45	-
3,868.56	465,321.00	469,189.56		469,189.56				(49,281.00)	49,281.00	
(3,868.56)	49,281.00									
-	514,602.00	469,189.56	-	469,189.56	-	-	-	(49,281.00)	49,281.00	-
	140,000.00	140,000.00		140,000.00						
	442,832.00	442,832.00		442,832.00						
	175,337.00	175,337.00		175,337.00						
	108,000.00	108,000.00		108,000.00						
	128,568.00	129,199.53		129,199.53			13,520.00			
-	1,509,339.00	1,464,558.09	-	1,464,558.09	-	-	13,520.00	(49,281.00)	49,281.00	-
-	3,785,269.17	3,772,518.49	-	3,772,518.49	-	(1,360.00)	13,520.00	(299,642.68)	256,584.45	-
$ -	$ 3,785,269.17	$ 3,772,518.49	$ -	$ 3,772,518.49	$ -	$ (1,360.00)	$ 13,520.00	$ (299,642.68)	$ 256,584.45	$ -

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EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2016

					Balance at June 30, 2015		
State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount
State Department of Education (State Aid):							
General Fund:							
Reimbursed TPAF Social Security Contributions:							
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	$ 23,231.60	7/1/15	6/30/16			
Reimbursed TPAF Social Security Contributions	15-495-034-5095-003	22,931.06	7/1/14	6/30/15	$ (786.45)		
Total General Fund					(786.45)	$ -	$ -
State Department of Human Services							
Special Revenue Fund:							
NJ First Steps Infant Toddler Initiative	15-100-054-7550-425	500,000.00	10/1/14	9/30/15	9,414.39		
NJ First Steps Infant Toddler Initiative	16-100-054-7550-425	500,000.00	10/1/15	6/30/16			
Total NJ First Steps Infant Toddler Initiative					9,414.39	-	-
Child Abuse Prevention	16-100-016-1630-013	1,736,894.00	7/1/15	6/30/16			
APPI - Adolescent Pregnancy Prevention Initiative	16-100-016-1630-013	40,000.00	7/1/15	6/30/16			
Total Child Abuse Prevention and APPI					-	-	-
DCF Expansion Fatherhood	16-100-016-1630-063	54,925.00	7/1/15	6/30/16			
School Linked OAH	15-100-016-1630-063	45,000.00	7/1/14	6/30/15		20,151.65	(20,151.65)
School Linked OAH	16-100-016-1630-063	20,151.65	7/1/15	6/30/16			20,151.65
Total DCF Expansion Fatherhood and School Linked OAH					-	20,151.65	-
Total Special Revenue Fund					9,414.39	20,151.65	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					8,627.94	20,151.65	-
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 T.P.A.F. Pension Contributions - Normal Cost	16-495-034-5094-002	25,345.00	7/1/15	6/30/16			
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	16-495-034-5094-001	31,682.00	7/1/15	6/30/16			
Non-Contributory Insurance	16-495-034-5094-004	1,263.00	7/1/15	6/30/16			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					$ 8,627.94	$ 20,151.65	$ -

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

					Balance at June 30, 2016			Memo	
Cash Received	Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
$ 21,910.77	$ 23,231.60				$ (1,320.83)				$ 23,231.60
786.45									22,931.06
22,697.22	23,231.60	$ -	$ -	$ -	(1,320.83)	$ -	$ -	$ -	46,162.66
250,000.00	257,605.39			1,809.00					500,000.00
363,916.12	315,748.80		11,083.88		(125,000.00)	184,251.20			315,748.80
613,916.12	573,354.19	-	11,083.88	1,809.00	(125,000.00)	184,251.20	-	-	815,748.80
1,736,894.00	1,729,779.00					7,115.00			1,729,779.00
40,000.00	40,000.00								40,000.00
1,776,894.00	1,769,779.00	-	-	-	-	7,115.00	-	-	1,769,779.00
	8,160.00				(54,925.00)	46,765.00			8,160.00
									45,000.00
	20,151.65								20,151.65
-	28,311.65	-	-	-	(54,925.00)	46,765.00	-	-	73,311.65
2,390,810.12	2,371,444.84	-	11,083.88	1,809.00	(179,925.00)	238,131.20	-	-	2,658,839.45
2,413,507.34	2,394,676.44	-	11,083.88	1,809.00	(181,245.83)	238,131.20	-	-	2,705,002.11
25,345.00	25,345.00								25,345.00
31,682.00	31,682.00								31,682.00
1,263.00	1,263.00								1,263.00
58,290.00	58,290.00	-	-	-	-	-	-	-	58,290.00
$ 2,471,797.34	$ 2,452,966.44	$ -	$ 11,083.88	$ 1,809.00	$ (181,245.83)	$ 238,131.20	$ -	$ -	$ 2,763,292.11

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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 Educational Information and Resource Center (hereafter referred to as the “Center”). The School District is defined in note 1 to the Center'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 Center, it is not intended to and does not present the financial position and changes in operations of the Center.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise funds 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, as applicable, 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 Center 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. 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 net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is $0 for the general fund and $165,985.91 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is $0 for the general fund and $165,985.91 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

Fund	Federal	State	Total
General		$ 81,521.60	$ 81,521.60
Special Revenue	$ 3,772,518.49	2,537,430.75	6,309,949.24
Total Awards and Financial Assistance	$ 3,772,518.49	$ 2,618,952.35	$ 6,391,470.84

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" in the Schedule of Expenditures of Federal Awards represent cancellation of unearned revenue balances from prior grant years. Amounts reported in the column titled “adjustments” in the Schedule of Expenditures of State Financial Assistance represent cancellation of accounts receivable balances from prior grant years.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2016, the Center was the recipient of federal and state assistance that represented either a reimbursement to the Center or payments made on-behalf of the Center. 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 Center has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, and post-retirement medical costs related to TPAF members.

Note 7: MAJOR PROGRAMS

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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: Qualified Opinion

Internal control over financial reporting:

Material weakness(es) identified? x yes ____ no

Significant deficiency(ies) identified? x yes ____ none reported

Noncompliance material to financial statements noted? x yes ____ 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:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		Special Education Cluster (IDEA):
84.027	H027A150100	IDEA Part B, Basic
84.173	H173A150114	IDEA Part B, Preschool
84.412A	S412A130049	Race to the Top

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

Auditee qualified as low-risk auditee? ____ yes x no

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	_x_ yes ___ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?	_x_ yes ___ no

Identification of major programs:

GMIS Number(s)	Name of State Program
16-100-054-7550-425	NJ First Steps Infant Toddler Initiative
16-100-016-1630-013	Child Abuse Prevention

Dollar threshold used to determine Type A programs	$ 750,000.00
Auditee qualified as low-risk auditee?	___ yes _x_ no

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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.

Finding No. 2016-001

Criteria or Specific Requirement
The Educational Information and Resource Center (the "Center") should maintain an internal control environment that is effective in the prevention and/or the identification of potential financial statement misstatements and misclassification. The Center should review and verify on a monthly basis that all account reconciliations agree to the account balances of the general ledger and all cash and non-cash activity is properly recorded in the general ledger.

Condition
During our examination of the Center's general ledgers and subsidiary records, the following were noted: (1) the cash balance in the general ledger did not agree to the bank reconciliations and the Treasurer's records; (2) accounts receivable and accounts payable per the subsidiary records did not agree to the balance in the general ledger; (3) numerous revenue and expense transactions between funds and with the Educational Information and Resource Center Foundation that occurred during the year were not recorded in the general ledger.

Context
During the audit, numerous material adjusting journal entries were needed to reconcile the general ledger to the supporting schedules and prior year audit.

Effect
Without a properly maintained general ledger system, the preparation of accurate and reliable financial statements and related disclosures may not be achieved and the Center's subsidiary records may not be complete and could result in improper reliance by the Center's decision makers on reports generated by the computer accounting system that have inaccuracies.

Cause
Procedures were not designed and followed to assure all transactions were recorded in the general ledger or to reconcile the various subsidiary records with control accounts maintained in the general ledger system on a periodic basis.

Recommendation
That adequate internal control policies and procedures are developed and implemented to ensure the general ledger and corresponding subsidiary ledgers for all funds are accurately and completely maintained. That the Center review and verify on a monthly basis that all account reconciliations agree to the account balances in the general ledger and all cash and non-cash activity is properly recorded in the general ledger.

View of Responsible Officials and Planned Corrective Action
The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2016-002

Criteria or Specific Requirement
The Educational Information and Resource Center should maintain an internal control environment that is effective in the prevention and/or the identification of potential financial statement misstatements and misclassification.

Condition
The following internal control deficiencies were noted during our audit analysis and testing procedures: (1) general ledger accounts are not reconciled to the subsidiary ledgers on a monthly basis; (2) the Board and management does not promptly review reconciliations that are prepared; (3) receipts and expenses for grants are not reconciled to the general ledger and/or to the grant financial reports; (4) checks are approved by the Board subsequent to their issue date, except the small check run which is authorized to be approved by the finance officer and not included in the Board minutes; (5) the Board Secretary Report is not completed on a monthly basis and submitted to the Board; and (6) there are six audit findings repeated from the prior year audit for items that have not been addressed or corrected.

Context
As of June 30, 2016 reconciliations were not prepared for general ledger account balances and subsidiary ledgers; the Board did not review or approve financial transactions and reports of the Center; and prior year findings have not been addressed.

Effect
The lack of internal controls described above could result in misstated financial statements, inaccurate financial documentation, misappropriation of assets, improper use of funds, or modification of data which could go undetected by employees in the normal course of performing their assigned duties.

Cause
Failure to establish and follow adequate internal control policies and procedures.

Recommendation
That the Center establish, implement and follow internal control policies and procedures that require reconciliation of accounts to detail records and require review and approval of activity and transactions.

View of Responsible Officials and Planned Corrective Action
The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2016-003

Criteria or Specific Requirement
NJAC 6A:23A-13.3(i) requires the creation of a report of current month and year-to-date transfers between general fund appropriation accounts.

Condition
During our examination of the budget we noted the accounting entries for transfers comingled the approved transfers with the original budget amounts.

Context
The recorded budget transfers were not easily identifiable within the accounting records.

Effect
Noncompliance with statutes and no reports of current month and year-to-date transfers were created.

Cause
Budget transfers were not posted to a segregated account and a report was not created to track transfers made.

Recommendation
That the budgetary line item transfers be recorded in such a manner to enable the creation of the required current month and year-to-date transfer report.

View of Responsible Officials and Planned Corrective Action
The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2016-004

Criteria or Specific Requirement
Minimum surety bond coverage for the Business Administrator/Finance Officer and Treasurer of School Moneys is required per N.J.S.A. 18A:17-32 and N.J.A.C. 6A:23A-16.4.

Condition
The Center did not maintain adequate surety bond coverage for the Business Administrator/Finance Officer and Treasurer of School Moneys for fiscal year 2016 as required per N.J.S.A. 18A:17-32 and N.J.A.C. 6A:23A-16.4.

Context
During our examination of the surety bond we noted the coverage was not sufficient. The minimum surety bond coverage required for fiscal year 2016 per N.J.A.C. 6A:23A-16.4 is $128,000 and the surety bond was held by the Center with $100,000 limit of liability.

Effect
Noncompliance with statutes and administrative code.

Cause
Center personnel failed to obtain the required minimum surety bond coverage due to lack of knowledge of the statutes and administrative code.

Recommendation
That the Center's surety bond is updated to provide adequate coverage.

View of Responsible Officials and Planned Corrective Action
The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2016-005

Criteria or Specific Requirement
NJSA 18A:18A-1 et seq., Public School Contracts Law and Joint Purchasing Contracts Law provides guidance regarding purchasing, bids, quotations, joint purchasing and state contracts.

Condition
The Center did not comply with purchasing, bids, quotations, joint purchasing and state contracts guidance provided by NJSA 18A:18A-1 et seq., Public School Contracts Law, Joint Purchasing Contracts Law and New Jersey Pay to Play Laws.

Context
During testing, it was noted that purchases made in nine out of ten payments to vendors selected were over the bid threshold and two of the ten revenue contracts selected were not made in compliance with the statutes.

Effect
There is a weakening of internal controls over the purchasing process and noncompliance with New Jersey statutes.

Cause
Policies and procedures were not designed to monitor and ensure compliance with New Jersey statutes covering contracts and purchasing.

Recommendation
That the Center implements internal control policies and procedures to ensure compliance with purchasing, bids, quotations, joint purchasing and state contracts guidance provided by NJSA 18A:18A-1 et seq., Public School Contracts Law, Joint Purchasing Contracts Law and NJ Pay to Play Laws.

View of Responsible Officials and Planned Corrective Action
The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2016-006

Criteria or Specific Requirement
NJAC 6A:23-16.12 and a strong internal control environment is required to be effective in the prevention and/or the identification of potential financial statement misstatements and misclassification. The Center should maintain proper supporting documentation for expenditures and account reconciliations should be prepared to ensure all activity is properly recorded in the general ledger.

Condition
During our examination of the Center's cash disbursements and purchase orders, the following were noted: (1) expenditures charged to both EIRC and the Foundation are not posted correctly to the interfunds; (2) multiple purchase orders did not have proper supporting documentation attached or the amount listed within the supporting documentation did not agree to the amount paid per purchase order or general ledger; (3) in one instance the Center reimbursed travel expenses of a consultant without a signed contract or Board approval; (4) there were multiple instances where the invoice was dated before the purchase order; (5) there were several expenditures for items that are not allowable such as alcohol, gifts for Board members, flowers for funerals, donations, and cash prize giveaways; (6) employee expense reimbursements are not reviewed by department heads and are subsequently approved by finance and paid without verifying the amount listed on the attached receipts agrees to the request; (7) sales tax is being paid on credit card transactions and is reimbursed in employees' expense reimbursements; (8) several purchase orders classified as accounts payable are not liquidated within 90 days; (9) multiple purchase orders could not be located during testing; and (10) there were several expenditure transactions that were not recorded in the proper fiscal year.

Context
28 out of 169 purchase orders selected for accounts payable and credit card testing were not able to be provided during testing and 11 out of 303 expenditures selected for testing did not have proper supporting documentation attached to the purchase order or the amount listed on the supporting documentation did not agree to the amount paid per the purchase order or general ledger. 13 of 77 payments selected for testing for goods/services provided prior to June 30, 2016 were not included on the year-end accounts payable listing or posted as accounts payable in the general ledger, resulting in an understatement of expenses and accounts payable. Additionally, 6 payments out of 77 selected for testing were for goods/services provided after June 30, 2016, however, they were included in the year end accounts payable listing and posted as accounts payable in the general ledger, resulting in an overstatement of expenses and accounts payable. The net result was an understatement of expenses and accounts payable as of June 30, 2016 for the following funds: General, $6,739.00, Special Revenue, $88,669.00, Enterprise, $127,229.00, and an overstatement of Internal Service fund, $44,325.00.

Effect
Without a properly maintained general ledger system and expenditure subsidiary ledgers, the preparation of accurate and reliable financial statements and related disclosures may not be achieved and the Center's subsidiary records may not be complete or accurate.

Cause
Procedures were not designed and followed to assure that all transactions were accurately and timely recorded in the general ledger or to reconcile the various subsidiary records with control accounts maintained in the general ledger system on a periodic basis.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2016-006 (Cont'd)

Recommendation
That adequate internal control policies and procedures are developed and implemented to ensure that expenditures have proper supporting documentation and are filed properly, and that adequate documentation is accurately and completely maintained and posted to the general ledger in the proper period. Account reconciliations should be prepared in a timely manner to ensure all activity is recorded in the proper period.

View of Responsible Officials and Planned Corrective Action
The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2016-007

Criteria or Specific Requirement
NJAC 6A:23-16.12 and a strong internal control environment is required to be effective in the prevention and/or the identification of potential financial statement misstatements and misclassification. The Center should maintain billing reports and ensure timely deposits and posting to the general ledger accounts and account reconciliations should be prepared to ensure all activity is properly recorded in the general ledger.

Condition
During our examination of the Center's cash receipts and billing records, the following were noted: (1) several receipts were not deposited timely; (2) several receipts did not have documentation to support the date of the receipt; (3) reports are not maintained that adequately document billings for services; (4) invoices and bills are created in the billing module, but not timely posted in the general ledger module of the financial accounting system; (5) several transactions were posted to the incorrect project ID; and (6) there were several revenue transactions that were not recorded in the proper fiscal year.

Context
3 out of 40 receipts tested were not deposited timely; 3 out of 40 deposit slips could not be located and sufficient supporting documentation to determine when the monies were received was not available; 10 out of 473 revenue transactions tested were posted to the incorrect project ID; 7 out of 473 revenue transactions tested did not have proper supporting documentation (transmittal) attached; billing and receipt reports were not maintained to track the aged accounts receivable balances due to the Center; revenues were recorded during the year under audit that were for services provided during fiscal year 2017 resulting in the Enterprise Fund and Internal Service Fund revenue and accounts receivable being overstated by $66,629.00 and $10,223.00, respectively; and adjusting journal entries were needed to reconcile the general ledger to the supporting detail.

Effect
Without a properly maintained general ledger system, which includes billing and revenue subsidiary ledgers, the preparation of accurate and reliable financial statements and related disclosures may not be achieved and the Center's subsidiary records may not be complete or accurate.

Cause
Procedures were not designed and followed to assure that all transactions were accurately and timely recorded in the general ledger or to reconcile the various subsidiary records with control accounts maintained in the general ledger system on a periodic basis.

Recommendation
That adequate internal control policies and procedures are developed and implemented to ensure that receipts are deposited timely, that adequate documentation is accurately and completely maintained and posted to the general ledger in the proper period. Account reconciliations should be prepared in a timely manner to ensure all activity is recorded in the proper period.

View of Responsible Officials and Planned Corrective Action
The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2016-008

Criteria or Specific Requirement
Employee travel reimbursements are not in compliance with the Center's approved travel authorization and reimbursement policy.

Condition
During our examination of the Center's employee expense reimbursements, the following were noted: (1) several reimbursements for mileage did not include a copy of the mileage from an on-line provider which is required per the policy; (2) meal reimbursements exceed the daily allowances; (3) sales tax is being reimbursed; (4) in some instances detailed receipts are not attached; (5) meal charges for multiple employees are included on one reimbursement – each employee should prepare their own request; (6) reimbursements for snack purchases which is not included in the policy; (7) expense reimbursements are not being thoroughly reviewed by finance prior to payment and in some instances the supporting receipt documentation did not tie to the request; and (8) reimbursements for travel accommodations are not pre-approved by the Executive Director as required for overnight travel per the policy.

Context
16 out of 25 expense/travel reimbursements to employees selected for testing did not comply with the EIRC approved travel reimbursement policy and eight reimbursements for travel accommodations were not pre-approved by the Executive Director.

Effect
Noncompliance with the travel authorization and reimbursement policy.

Cause
Unknown.

Recommendation
That the Center implements internal control policies and procedures to ensure compliance with the travel authorization and reimbursement policy.

View of Responsible Officials and Planned Corrective Action
The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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).

None

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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.

Finding No. 2016-009

Information on the State Program
State Department of Children and Families (DCF)
Division of Child Protection and Permanency (DCPP)
Child Abuse Prevention GMIS No. 16-100-016-1630-013 Contract Number 16BTHS

Criteria or Specific Requirement
The Educational Information and Resource Center, as a recipient of the grant, is required to submit Quarterly Expenditure Reports 10 days after the end of reporting period to the Division's Southern Business Office.

Condition
The Center did not submit Quarterly Expenditure Reports from 7/1/2015 to 6/30/2016 as required in the grant contract.

Questioned Costs
None.

Context
The Center could not provide Quarterly Expenditure Reports for the two quarters selected for testing. Further inquiries indicated that Quarterly Expenditure Report was not filed for any of the quarters during the grant year. Only a final expenditure report was filed upon request of the Division's Southern Business Office.

Effect
Failure to submit complete and accurate report by the due date may result in the suspension of grant payments.

Cause
The previous Business Administrator was responsible for the reporting and because grant payments were not suspended, other personnel was not aware that required reports were not submitted.

Recommendation
That the Center develop procedures to ensure complete and accurate reporting of grant expenditures on a timely basis as required by the grantor agencies.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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
During our examination of the Center's general ledgers and subsidiary records, the following were noted: (1) the opening general ledger balances did not reconcile to the prior year audit balances; (2) the cash balance in the general ledger did not agree to the bank reconciliations and the Treasurer's records; (3) accounts receivable and accounts payable per the subsidiary records did not agree to the balance in the general ledger; (4) numerous revenue and expense transactions between funds and with the Educational Information and Resource Center Foundation that occurred during the year were not recorded in the general ledger.

Current Status
Item (1) has been cleared. Items (2) through (4) have not been cleared. (See Finding No. 2016-001)

Planned Corrective Action
Procedures continue to be developed by the Center to address this condition.

Finding No. 2015-002

Condition
The following internal control deficiencies were noted during our audit analysis and testing procedures: (1) general ledger accounts are not reconciled to the subsidiary ledgers on a monthly basis; (2) the Board and management does not review reconciliations that are prepared; (3) receipts and expenses for grants are not reconciled to the general ledger and/or to the grant financial reports; (4) checks are approved by the Board subsequent to their issue date, except the small check run which is authorized to be approved by the finance officer and not included in the Board minutes; (5) the Board Secretary Report is not completed on a monthly basis and submitted to the Board; and (6) there are four audit findings repeated from the prior year audit for items that have not been addressed or corrected.

Current Status
This condition remains for the fiscal year ended June 30, 2016. (See Finding No. 2016-002)

Planned Corrective Action
Procedures continue to be developed by the Center to address this condition.

Finding No. 2015-003

Condition
Proper supporting documentation was not maintained for all journal entries recorded in the general ledger.

Current Status
Corrective action has been taken.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management (Cont'd)

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2015-004

Condition
During our examination of the budget we noted the accounting entries for transfers comingled the approved transfers with the original budget amounts.

Current Status
This condition remains for the fiscal year ended June 30, 2016. (See Finding No. 2016-003)

Planned Corrective Action
Procedures continue to be developed by the Center to address this condition.

Finding No. 2015-005

Condition
There were several expenditures noted during our testing of transactions that were not recorded in the proper fiscal year.

Current Status
This condition remains for the fiscal year ended June 30, 2016. (See Finding No. 2016-006)

Planned Corrective Action
Procedures continue to be developed by the Center to address this condition.

Finding No. 2015-006

Condition
The Center did not comply with purchasing, bids, quotations, joint purchasing and state contracts guidance provided by NJSA 18A:18A-1 et seq., Public School Contracts Law and Joint Purchasing Contracts Law.

Current Status
This condition remains for the fiscal year ended June 30, 2016. (See Finding No. 2016-005)

Planned Corrective Action
Procedures continue to be developed by the Center to address this condition.

Finding No. 2015-007

Condition
During our examination of the Center's cash receipts and billing records, the following were noted: (1) several receipts were not deposited timely; (2) several receipts did not have documentation to support the date of the receipt; (3) reports are not maintained that adequately document billings for services; (4) invoices and bills are created in the billing module, but not timely posted in the general ledger module of the financial accounting system; and (5) there were several revenue transactions that were not recorded in the proper fiscal year.

Current Status
This condition remains for the fiscal year ended June 30, 2016. (See Finding No. 2016-007)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management (Cont'd)

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2015-007 (Cont'd)

Planned Corrective Action
Procedures continue to be developed by the Center to address this condition.

Finding No. 2015-008

Condition
The Center did not maintain records that supported the calculated amount for the employer's costs of TPAF/FICA payments which is reimbursed by a federal grant and owed to the State of New Jersey and did not record the amount in the proper fiscal year.

Current Status
Corrective action has been taken.

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None